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Appendix

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PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, FIRST SESSION

Appendix

Battle of Diplomats To Avoid War Nears Final Stage

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

ARTICLE BY ANNE O'HARE McCORMICK IN THE NEW YORK TIMES OF MAY 22, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, recently returned from Europe after an extensive trip in connection with an assignment to write the news about current events abroad, Anne O'Hare McCormick gives us in this article a clear and interesting picture of the diplomatic strategy of our foreign neighbors. On a number of previous occasions I have found her foreign dispatches almost clairvoyant. At any rate, all of her articles command an important position on the editorial page of the New York Times. Anne O'Hare McCormick is highly regarded here in Washington as a journalist and her writings are widely read.

[From the New York Times of May 22, 1939]

EUROPE—BATTLE OF DIPLOMATS TO AVOID WAR NEARS FINAL STAGE

(By Anne O'Hare McCormick)

This week will probably bring to a head a 2 months' world war on the diplomatic front. As far as line-ups can be decided in advance of the actual explosion, when the best-laid plans and policies are often blown into bits, we shall see the shape and strength of the battle fronts all the major powers, including the United States, have been working on during a period of unprecedented activity and tension.

No scout returning from the field of operations can answer with assurance the universal question: Can peace be saved?—for the reason that it is still unanswered in either of the general headquarters where the decisive signal will be given. These general headquarters, it is now clear, are located in London and Berlin.

When Hitler went beyond the wide right-of-way granted him under the Munich agreement and incorporated a state he was supposed merely to dominate, his main political objective was to encircle Poland, thus preventing that pivotal country from getting out of control. In Poland began, in consequence, Britain's countermoves. Call it by any name, British policy is in reality a policy of encirclement, an attempt to build a ring of alliances to block further German advances east and south. This week's developments will be a gage of the success of this attempt. They will bring war nearer or postpone it indefinitely.

Today an out-and-out military alliance will be signed in Berlin by Germany and Italy. In 2 years the axis has gradually strengthened from a pretty thin shoestring to a knot of steel. In the beginning it was no more than a gesture, a retort to the British-French policy of sanctions against Italy. At no time would it have been inevitable without the surrender of Austria—a surrender by the other guarantor powers quite as much as by Italy. Only in these crucial 2 months, in answer to the new policy of London, have the final steps been taken for military cooperation on terms not fully disclosed but obviously more binding than heretofore.

NEW FORCES IN ACTION

The present agreement, moreover, is broader than the pre-war Triple Alliance, which exempted Italy from fighting against Great Britain and from participating in any but a defensive war. It is more likely to hold, for though Europe, with some minor shifts, seems to be moving straight toward pre-war alinements, actually new forces are at work which have not yet been tested.

Nobody knows how strong fascism will prove under fire, or how far the fine-spun economics of self-sufficiency will suffice to supply armies pitted against outside enemies. Nobody is sure how superior is the Red Army to the army of the Czar, or how ardently it will fight with the forces it has been trained to regard as "capitalist imperialisms," a scruple on the other side usually forgotten by the democratic powers when they shrink from lining up with one dictatorship to beat another. Neither the social nor the political pattern in any country is what it was in 1914.

As a test of ideologies, events in the past 2 months have proved that the barriers between systems are easily jumped when fundamental national interests are imperiled. National socialism merely uses deadlier weapons to push forward the old German "drang." At the scratch, Hitler is no more racist than the Kaiser. All nations are primarily concerned, as they always were, either to save what they have or to acquire what they haven't.

Nevertheless, ideas do count today as they did not before the last war. Then most of the slogans were coined after the outbreak of hostilities. Systems of government did not affect the relations between states or dictate their alliances. Today Germany and Italy are united by a common idea as well as by a desire for conquest, and this makes the tie stronger than in 1914, despite the fact that Italy has less to gain from the partnership.

IDEOLOGIES AN OBSTACLE

On the other side, the ideological barrier, while not a prime factor in either capital, does obstruct the negotiations between London and Moscow. In the triangular conversations to be held this week in Geneva the British and the Russians are expected to reach a compromise on the terms under which they will work together to stop Germany. Stalin wants a full alliance. Mr. Chamberlain wants the bond as limited as possible. The catch

is that Poland and Rumania turned to Britain to escape Soviet protection against the Reich, and now the British are unable to fulfill their pledge without Russian help. But a deeper obstacle is the distrust of each government for the other.

These are elements which cannot be weighed until the armies begin to march. To the observer on the diplomatic war fronts it has seemed that the axis powers were threatening a military pact, and the entente powers a military alliance with Russia, in the hope that they wouldn't have to go through with it. If both reluctant bargains are sealed, it means more therefore than if the positions were taken by choice. It means that each side has drawn up its heaviest artillery in an effort to finish a war before it starts. We have not yet the perspective to be sure what this demonstration implies, but as a show of hesitation at the barricades it is one of the most extraordinary spectacles in history.

Crab Orchard Lake

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

LETTER FROM SECRETARY OF AGRICULTURE

Mr. DIRKSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Secretary of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, May 17, 1939.

Hon. EVERETT M. DIRKSEN,
House of Representatives.

DEAR MR. DIRKSEN: This will acknowledge your letter of April 7, transmitting a letter from Mr. Frank Ledbetter, of Carterville, Ill., relative to the Crab Orchard project.

Your letter suggests that a report be made on this project. Dr. Bennett, Chief of the Soil Conservation Service, who now has administrative jurisdiction over this project, recently had a very complete investigation made of this project by a competent engineer who has had no previous contact with either the program or the project.

As you know, the Crab Orchard project was initiated by the Resettlement Administration when it was an independent agency and before its program was transferred to the jurisdiction of this Department. This project was originally conceived by the State relief commission as a means of furnishing productive employment to a large number of stranded coal miners. Its fulfillment was prevented by the lack of any agency which could buy the land for the reservoir. The project was submitted to the Land Policy Section of the A. A. A. December 13, 1934, by the Big Muddy Valley Flood Control Association, but was rejected because the land did not qualify for acquisition under that program. It was later resubmitted to the Division of Land Utilization of the Resettlement Administration by the State relief commission and the State department of public works and buildings. The project was sponsored by Congressman KENT E. KELLER, and was formally approved by the President on February 12, 1936, and work was initiated soon after.

When this project was transferred to the Department, considerable progress had already been made on the construction of the dam and acquisition of the land and there was no alternative other than to carry it to completion. There seems, however, to be considerable merit to the project. I shall not attempt to answer each question raised by Mr. Ledbetter, but shall confine my remarks to a few of the more important points. The entire project is located in a problem area designated by the State and planning commission as unsuitable for agriculture. The report of the soil survey of the University of Illinois indicates that these soils will not respond profitably to treatment to increase their productivity. The bottom lands are heavy, poorly drained clay. The slopes are subject to sheet and gulley erosion. The flat ridge tops are subject almost anually to serious damage from drought, because they do not carry sufficient humus to resist long periods of light precipitation during the growing season. The dam will provide sufficient water storage to impound the entire run-off from the watershed of Crab Orchard Creek, which has contributed to the loss now occuring annually from floods in one of the important tributaries of the Mississippi River. Much of this land has been subject to overflow from the Crab Orchard Creek annually and for this reason not more than three crops out of 5 years can be counted upon from the bottom lands.

Our records here indicate that the valuations placed on lands to be purchased were checked by the appraisers of the Federal land bank and that the land-production values are reflected in reports of the University of Illinois. As you know, it is always difficult to say whether or not the Government is paying the owner a fair price for his land. We must try to protect the Government's interests by spending the money wisely and economically, and at the same time I assure you it has not been our desire to bargain for it too closely. In view of the fact that at least two-thirds of the area has been voluntarily optioned, it looks as though these people at least are reasonably well satisfied with the deal.

According to a recent report, the area embraced by the project comprises approximately 6 percent of the area of the county, but will remove only about 1½ percent of the total assessed valuation from the tax base. Since the county receives only 44 percent of its receipts from tax levy, the net effect of this loss is reduced still more. While the project area includes about 40 percent of the Carterville High School district, the assessed valuation is only about 12 percent. The records show that in 1936 the assessed valuation was $1,516,294, the levy amounted to $25,482.32 and collections to $16,831.97. Inasmuch as only 12 percent of the assessed valuation in the Carterville High School district is to be removed by Government purchase, the effect upon tax return should be much less than indicated in Mr. Ledbetter's letter. To offset this, 25 percent of the receipts for the use of project lands and facilities will be made available in accordance with the provisions of title III of the Bankhead-Jones Farm Tenant Act to the county for school and road purposes, so long as the project continues in its present status. It has been agreed in the Department that the Crab Orchard project, when completed, should be transferred to the Forest Service for administration in connection with the adjacent forest purchase unit. If and when this project is transferred to the Forest Service as a part of the national forest it would become subject to the act of May 23, 1908 (35 Stat. 260), under which one-fourth of the gross receipts would be returned to counties for school and road purposes, or to an amendment of said act that might later be enacted.

Considerable reforestation has already been carried on in the area and about 6,000 acres remain to be planted in pine, black locust, oak, gum, and ash under the current work program. Eventually this should be the source of considerable revenue from the sale of timber products.

The dam on Crab Orchard Creek is one of 11 advocated by State agencies, including the University of Illinois, for flood control on Big Muddy watershed. While the influence of the Crab Orchard Reservoir by itself is limited, if the 11 reservoirs proposed are to be built eventually, their combined influence would be considerable.

In a county where the records show that approximately 60 percent of the people are on relief, the project has employed an average of about 530 men each month since its inception, and its contribution therefore to the immediate relief problem has been considerable.

Four cemeteries, containing 182 graves, will be wholly or partly inundated by higher water from the reservoir, and therefore need to be moved. It is proposed that a new cemetery be located on land owned by the Federal Government of sufficient size to accommodate the remains now in these cemeteries.

Mr. Ledbetter suggests that in the hilly land south of the Crab Orchard Reservoir lakes could be built for recreational purposes. In this connection it is the intention to build two additional reservoirs, the Little Grassy and the Devil's Kitchen, on lands which are being acquired for this purpose. These dams will have considerable recreational and scenic values, as well as in controlling run-off into the large reservoir.

The committee which recently made the investigation referred to above endeavored to obtain a cross section of existing public sentiment concerning the building of the Crab Orchard Reservoir and the two reservoirs on Big and Little Grassy Creeks through random contacts with farmers on the project and with business and professional men in nearby towns. It is reported that during the past year there has been a marked change in the attitude of the people in and near the area toward the project. This change to a more favorable attitude may have resulted in part through a change in project managers.

We appreciate the fact that whenever lands are acquired for the purposes of constructing reservoirs the abandonment of homes, schools, and churches always brings sentimental forces into play which must be reckoned with. It is well realized that mere payment of the commercial value of one's farm and home cannot adequately compensate the farmer when his land may have been in the possession of his family for generations. Our records indicate that many of the farmers displaced by the Crab Orchard project are purchasing other places in the general locality of the project and many of the older people have retired to the nearby towns where they have married children residing.

I want to assure you that much thought and consideration have been given to this project and only those things are being done which are necessary to contribute to the success of the project, in which the Government already has a considerable investment.

The correspondence which was attached to your letter is returned herewith.

Sincerely,

H A. WALLACE, *Secretary.*

Why We Need the St. Lawrence Seaway

EXTENSION OF REMARKS

OF

HON. BERNARD J. GEHRMANN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

RADIO ADDRESS BY HON. BERNARD J. GEHRMANN, OF WISCONSIN

Mr. GEHRMANN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address recently delivered by me:

Greetings to this radio audience, this is the third of a series of broadcasts which I am making. The first gave my views on war and the propaganda and hysteria that some small groups are attempting to work up. Thank God, they are not succeeding very well. The second one was on the plight of the farmer and why I believe the Government should step in and establish the minimum price the farmer should be paid for the major agricultural commodities. This, the third of the series, I intend to devote to the very important subject of Why We Need the St. Lawrence Seaway.

Two years ago, a group of Congressmen interested in the seaway formed a committee whose duty it was to keep alive the issue and to inform the public of its advantages; also to check on doubtful Senators. I was selected as vice chairman of this so-called steering committee. The question of ratification was defeated in the Senate a few years ago, not because of any lack of merit but because in the campaign for the improvement too much stress has heretofore been laid on the purely local benefits of the seaway and not enough attention has been given to acquainting the people of those sections not immediately tributary to the Great Lakes with the benefits which will accrue to such sections. Advocates of the seaway have been fond of saying that the seaway will benefit 26 States and 44,000,000 people, when we should have been saying, as the fact is, that it will benefit 48 States and 130,000,000 of people.

If we are to succeed in this campaign, the subject must be approached from a national point of view—a view which includes the other 22 States and the other 70,000,000 of people. It is not only a question of our right to this improvement but a question of getting the support of enough Senators to ratify the treaty. The logic of the situation demands that before we can expect a Senator to vote for ratification he must be shown that the seaway will benefit the people of his particular State and that possibly he cannot safely oppose a project which would benefit his constituents who are producers and shippers and who are constantly looking for better markets and more prosperity.

To California we can truthfully say that the principal market for the product of its people—their oranges, grapes, and figs—is now, always has been, and always will be in the midcontinent of America; to our friends from Georgia we can say that the market for peaches, peanuts, and pecans would soon be more than doubled if the treaty is ratified; to the people of Connecticut we can say that their market for dollar watches and wooden nutmegs would increase by leaps and bounds; to the people of Louisiana, that they would sell more rice and that the port of New Orleans would do more business than ever before if the empire to the north of it were fully developed.

These Senators are reasonable, conscientious men, willing and anxious to do anything that would further the material interests of the people of their several States. They would be glad to vote for the treaty if they can be convinced that it would be for the best interests of the great mass of their people as against special interests or localities who care nothing for the general welfare.

President Roosevelt, in submitting the treaty to the Senate for ratification, had the situation clearly in mind when he said:

"It is, I believe, a historic fact that every great improvement directed to better commercial communications, whether in the case of building railroads into new territory or the deepening of great rivers, or the building of canals, have all been subject to opposition on the part of local interests which conjure up imaginary fears and fail to realize that improved transportation results in increased commerce benefiting directly or indirectly all sections.

"I am convinced that the building of the St. Lawrence seaway will not injure the railroads or throw their employees out of work; that it will not in any way interfere with the proper use of the Mississippi River or the Missouri River for navigation.

"On the affirmative side I subscribe to the definite belief that the completion of the seaway will greatly serve the economic and transportation needs of a vast area of the United States and should, therefore, be considered solely from the national point of view."

Further quoting from President Roosevelt in his message to the St. Lawrence seaway meeting held in Detroit 2 years ago, stated in part: "I wish the conference at Detroit to be assured not only of continued unremitting effort to complete the seaway and power development but also of my strong conviction that recent events have helped to clear the way for action, upon the broadest lines of public benefit.

The use of electric energy is gaining so rapidly today that no sane person would dare to assert that after the 7 years required for construction of works, St. Lawrence power would provide a surplus above actual needs.

As a matter of fact, careful studies have shown that there will be a serious shortage of electric energy in the Northeast before the project can be completed.

The Great Lakes-St. Lawrence project is in keeping with the spirit of the times and with the policy of cooperation now firmly established on this continent.

For the United States and Canada to demonstrate the full value of such a policy on a frontier that spans a continent would contribute immeasurably to security and progress in the Western Hemisphere.

There is absolutely no one that questions President Roosevelt's complete loyalty to the cause of the seaway. But it is encouraging and significant that the last Republican Presidential candidate, Governor Landon, of Kansas, is also very much for it, and advocated it, not only as a candidate for President but as Governor long before he thought of becoming a candidate. On March 12, 1934, Governor Landon sent a petition to the United States Senate urging ratification, and among other things said: "I demand the setting aside of special privilege and sectionalism in the consideration of this great national and international undertaking. In voicing that demand I speak for the homes, for the industries, for the agriculture, for the united common need of a great body of the American electorate, impelled by one great desire—that the doors of transportation opportunity shall be opened to the widest possible extent by bringing the sea base into the heart of the North American Continent."

I have not stressed the fact that the starting of this great work will put thousands of unemployed to work. I have preferred to stress the great future advantage to our country and especially the fact that all of us should view this treaty in the light of the benefits which it confers on the people of the United States as a whole.

No section of this continent is sufficient unto itself. The wealth produced in the great Mississippi Valley continually enriches the manufacturing cities of the East and affords an outlet for the products of the West and South. This area tributary to the Great Lakes and the Mississippi River is capable of supporting a population and industry and production of wealth of four or five times the present totals.

Wisconsin does not want the waterway merely because it will give her a few seaports, but so it will give the country round about us cheaper transportation, so we can save more money to buy more cotton so the cotton farmers can get more money to buy more Wisconsin cheese, so we can get more money to buy more grapefruit so that the people of the South can buy more canned peas, so we can get more money to buy more Florida oranges, North Carolina cigarettes, Virginia apples, more subscriptions to the Saturday Evening Post—so everybody can get money to spend their summers in the North so we can get enough money to spend our winters in the South.

As has been true in the past, so it will always be true that the benefits of the production of wealth in the Mississippi Valley will spread in every direction and enrich every nook and corner of the Nation. As a pebble thrown in a pool will drive its circling waves to the edge of the water, so the prosperity of the midcontinent will be wafted to the Atlantic on the east, to the Pacific on the west, to the Arctic on the north, and the Rio Grande on the south.

The general benefits of this project are too great to admit of any meritorious sectional opposition. In the distribution of the enormous increase of wealth which this waterway will bring, all parts of the country will share. In the territory served by the inland ports of this waterway will be built an empire with the greatest purchasing power the world has ever known. The coastal cities of the Atlantic seaboard will find markets heretofore undreamed of within the borders of their own land. The cotton, fruits, oils, and minerals of the South and West, the manufactured products of the East, will find enlarged and constantly increasing markets.

It may be said that this waterway will benefit this particular city or be a detriment to a certain other city. It is a matter of little moment that a few inland ports may be increased in population. Any growth such cities may have will be only incidental to the development of the country served by them. The benefit to any given city or State will be but a trifling thing compared with the increase in wealth of the country as a whole.

Owen D. Young, in an address on the economic situation, said: "No permanency of any trend can be guaranteed unless we have sound and fair balance between all the units of our economic body."

There is no better way to give sound and fair balance in the matter of transportation than to give to the interior what the South, West, and East already have. We have the markets of the world at our door. With the blasting away of a little barrier in the St. Lawrence River, the United States of America would have the markets of the world opening the door and coming all the way in. All existing harbors and transportation agencies will have not less but more business than ever before, because there will be vastly more business to be done.

Now let Detroit, Milwaukee, Duluth, Superior, and all the other cities and States and Senators who want this waterway for what it will do for their people or their constituents get their heads out of the sand and look for and find the benefit to the people

of the States whose Senators have not before been in favor of ratification. Let us stop talking about a marooned area and our local selfish interests that only tend to stir up opposition and jealousy. Let there seemingly be no limit to the beneficent influence of this seaway, and in the language of President Roosevelt, consider the question "solely from the national point of view."

With the attitude, with this spirit, with this purpose constantly in mind, our efforts to secure this great improvement will be crowned with success, and with the coming of the waterway will come the beginning of the impregnable commercial supremacy of the North American continent.

Now, my friends, I have talked on the merits of this case. There should no longer be a necessity for preaching the merits of this deep-waterway problem. It stands so strong in merit and economic necessity that in itself it pleads like "angels, trumpet-tongued," for its speedy building and consummation as one of the world's greatest transportation arteries. It has been too long delayed. Our great empire to the west of us has grown up and we have stupendous produce waiting for shipment. The great railroads of the West have developed and stand ready with vast steam and train equipment to handle this commerce in any amount, both east and west. We should have long ago blasted down these barriers in the St. Lawrence rapids and let ourselves into the commerce and transportation of the world. But instead of using dynamite and steam dredge, we have contented ourselves with crooning songs of hope. We have stood on the shore of these great tideless seas and looked lazily to the east, waiting and praying for the phantom ocean ships that never came.

With everybody interested in this project using their influence with those in a position to help, we will have the treaty ratified and work actually started within a very short time.

I thank you.

Forward America—Which Way and What Speed—From the Republican and Democratic Viewpoints

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EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

RADIO DISCUSSION BY HON. ROBERT A. TAFT, OF OHIO, AND HON. T. V. SMITH, OF ILLINOIS, TUESDAY, MAY 16, 1939

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a timely and important discussion on Forward America—Which Way and What Speed, disclosing the Democratic and Republican points of view on the subject as presented by Senator ROBERT A. TAFT, of Ohio, and Representative T. V. SMITH, of Illinois, Tuesday, May 16, 1939, over the Columbia Broadcasting System:

REPRESENTATIVE T. V. SMITH

My fellow countrymen, this marks the end of these friendly debates with my legislative colleague, Mr. TAFT, junior United States Senator from Ohio. In spite of frank talk and hard blows from each of us—never personal, however, from either of us—I am happy to recall at the end our joint hope expressed at the beginning that we would raise partisanship a notch in the direction of patriotism.

Underneath our earnest differences, we are both Americans, belonging to great parties both of which are American, and engaging in a type of sportsmanship that is truly and deeply American. I wish particularly to express my pleasure at having drawn an opponent in these debates who is both literate and articulate, who is both honest and courageous. All conservatives I willingly believe to be as honest as other men, but how few conservatives have, like Mr. TAFT, the out-loud courage of their inner thoughts. It will be a safer day, politically speaking, when more conservatives out with it—as Mr. TAFT has here done—on both our basic national institutions (the Constitution, the Executive, the Congress, the Judiciary, and the States) and the major national problems now engaging attention (unemployment, security, war and peace, labor, agriculture, and the debt). I'd like indeed to register before my fellow countrymen my appreciation of Mr. TAFT and my admiration for his example. He's one of the very few conspicuous and ambitious conservatives who does not prefer silence to speech, one of the rarest of the rare who shows himself willing to go up or down with his own honest convictions boldly expressed before the country.

I salute the Columbia Broadcasting System for the courtesy of its network, and I thank the many of you who have written in and the millions of you who have not written in. I thank Mr. TAFT again for helping me help him demonstrate that one of the foundations of democracy is to accept opposition as also a standard form of cooperation. I salute you, I salute him; but I warn you that he's trying to lead America backward, whereas our concluding subject is "Forward America."

But what is "forwards", what "backwards" for America? Let me remind you of some simple truths. We live in a highly organized world and few of us like the way organizations cramp our individual style. Why, in many cities even citizenship itself is hard to enjoy because of the bossism which encrusts it. Some of my friends who belong to labor unions have talked to me frankly at times about how little voice they have in their own union. They feel squeezed by the very organizations they joined to protect their freedom.

What these labor-union men tell me, Senator TAFT says the farmers of Ohio have been telling him. The farmers have organized to aid themselves and now feel regimented, he says, by what you and I know to be the program of farm organizations. You remember the Senator in a previous debate hazarded the bold statement that his Ohio farmers resented so strongly what he called regimentation that they'd rather have no program at all than this one they've already worked out for themselves. Though many Illinois farmers tell me otherwise and though some of Senator TAFT's Ohio farmers have written me protesting his statement, I dare say that the farmers find, and will find, organizations as galling as do labor-union members.

In this discontent at the loss of individuality I believe that the farmer and the industrial laboring man are but typical of modern men in general. Listen for the same complaint from the retailers meeting in Washington next week. Moreover, the rest of us see that the labor unions have grown so strong that they can, almost upon the order of a single man, arrest the flow of coal or electric current or even of milk for our children. We see that the farmer can now limit his acreage or reduce his marketing quota and thus hoist the prices we pay for what we eat or wear. We see and resent the social danger of such organized power. It touches us as consumers. But it touches the worker as producer and consumer and narrows his rights as a man.

This epidemic abroad in the world deserves a name. Let us call it organizationitis. When it strikes, it limits our freedom and hurts our dignity as men and women. Echoing in advance one complaint of the retailers, it's chains everywhere—not only chain stores, but chain unions, chain farm federations, chain schools, and even chain churches. In our heart of hearts we all know that the spirit of the "chain gang" has broken out of prison and roams at large making the whole world a sort of prison house for free spirits. A new feudalism is upon us, in which each of us becomes, as the old word was, a "masterless man" unless we join something and let our organization try to master other organizations with which we have to bargain for a living—and then, alas, end (our own organization end) by mastering us. The universality of this feeling makes appropriate Lincoln Steffens' attribution of the secret of it to the devil—the secret that the way to ruin any and every good cause is "to tempt men to organize it."

II

I speak feelingly about this, because it hits me hard. It hits me hard as one born in a log cabin where self-help was the rule; it hits me hard as a Democrat, who distrusts organization; it hits me hard an an independent politician, who unjoined all organizations possible before standing for public office. Yet Mr. TAFT has throughout these debates blamed my party for too much government, especially for what he calls regimentation of the farmer. I admit that we have enabled the farmers the better to organize. I have even tried to claim Democratic credit for making democracy work in the factories also, through the Wagner Act and the National Labor Board. Indeed, I remind you now that the major promise of the Democratic platform of 1932 was to try to equalize upward bargaining and the purchasing power of both agriculture and labor. But—I hear a voice from the northwest corner of conscience! Don't I know that Thomas Jefferson foresaw that when America got organized in cities and collectivized in spirit, America would become like Europe and individualism would be dead or dying? Yes, I know it; and I frankly admit that I'm sad about it.

What Mr. TAFT ought to be sadder about, however, and isn't, is this—that under Republican influence America was so onesidedly organized by 1932 that the old free competition called capitalism had actually become a financial feudalism. The Republican folklore of capitalism had entrenched itself behind a folklore of fatalism which made voluntary change impossible because it held change itself unnecessary. Weren't the right men secure, even when not prosperous? When the right men are secure, they worry little about the rights of men.

There's little doubt that these conservatives were and are honest in the aristocratic belief that a moral receivership is better than democracy for the American people. They hold honestly to the "seepage" theory of welfare. Make wise and good men—that is themselves—prosperous at the top and whatever welfare is possible for the people will seep through.

They may be right about their own superiority. But no Democrat could believe it and still be democratic. Nevertheless, their organized strength was too great to be directly disbanded. Such drastic action would have required revolution in the depths of Republican depression. That was our predicament when it came our time to go forward for America in 1933. Let me illustrate it with a story.

A countryman was asked by a tourist down State how to get to the capital.

"Start here," said the countryman. "Go straight ahead for 2 miles, then turn left 1 mile, then right. No, that won't do. Let's come back and start over. Beginning here, go straight ahead 2 miles, as I said. Then don't turn left, but right for 1 mile—then left. No, that's not right either."

Thoughtfully he paused a puzzled moment and then looked up at the tourist to confess:

"Say, mister, if I wuz you and wanted to go to the capital, I'd not start here."

That was, I repeat, exactly our predicament in '33. Revolutionists might have started some more romantic place than the hole where the Republicans left the country. But we Democrats had to start where we were. Communists would have started elsewhere by drumming up class hatred that did not exist in America, not even in the hardest times. Nazis would have found a scapegoat to conceal their taking over the financial power and then would have used the power against farmers, laborers, and the capitalists themselves. But we were Democrats who had to start where we were, with vast corporate interests overorganized against the American people.

The Republicans see this evil of overorganization, but see it only by halves. They really don't want labor to organize nor the farmers either, though they bear such ills as best they may in hope of 1940 and beyond. But they do want the present corporate structure to remain and the predominant influence of business to continue (200 corporations, if not the 60 families, controlling America). Their own self-interest organized as conscience prevents their clearly seeing that if finance and business are thus overorganized, workers must overorganize or suffer eclipse of their rights as human beings. And if both these sides of the industrial process are overorganized, farmers must overorganize. And if both great producers, industrial and agrarian, are thus overorganized to protect their interests, consumers must eventually overorganize to protect their rights. And so organizationitis spreads from this single Republican source of group selfishness and rages throughout the body politic. We Democrats, not being revolutionists, have had to treat the disease homeopathically, appearing to make it worse as the only peaceful means of making it better. So much for the disease, its cause in corporate selfishness, and its development arrested by the counter-claims of farmers and industrial workers.

III

What now about the future? And is there realistic ground for choosing one party rather than another to hold the disease in check and to go forward to a cure? Yes; there is ground for this choice, though the situation is chronic and confused. Ground for choice there is, however, and room for hope as long as the liberal spirit of the Democratic Party endures, in whatever form.

Neither party, of course, knows what to do about unemployment; and neither can balance the Budget save by a prosperity which both will woo but which neither knows how to win. But the Democratic Party will keep the Nation balanced meantime by doing its duty to the unemployed gladly, rather than glumly with Herbert Hoover. As regards social security for the unemployed, it's the Democratic Party overwhelmingly; for we not only caused social security, but we believe in it. The Republican Party does not believe in it as an ideal—at least Mr. TAFT has said that he doesn't—and so it tolerates social security as political expediency, flirting the while with wild and strange innuendoes of $200 a month dispensed according to the political rather than the financial calendar. All checks are equally good, you know, until you have to cash them.

As regards a more lasting remedy, moreover, for organizationitis, the Republican Party is clearly at a disadvantage. It cannot renounce its old allegiance to the one-sided organization of life which it has fostered. Nor can it rob itself of the fruits of its corporate organizations by suffering agriculture and labor to as strongly organize as it has organized industry. So the best we could hope through it would be a return to financial feudalism, labor and agriculture knuckling under to a dishonorable peace. That would involve such a loss of purchasing power as again to undercut the financial feudalism as in '29. That's the best to hope, however, from the Republican Party, recurring spiral of disaster.

The worst to fear from it is that agriculture and labor fighting back through the organization we've given them the corporate power will again lay hold of the Government, as under Coolidge, roughly pushing labor toward serfdom and agriculture toward peasantry. Even if the party then escape the corruption of the old Ohio gang and the honest lethargy of Hoover, it will become a sort of Republican fascism. Fascism arises, you know, from having all great interests organized and incorporated. Then the state finds it easy if not, indeed, necessary to become the incorporation of the corporations. Organizing thus the organizations, the state proceeds to work upon the many the will of the few incorporators, now turned conspirators. Mussolini, let us remember, calls his form of government the corporate state. And any government that arises from strident competition among corporations is likely to become itself the corporate holding company of all the other organizations incorporated under it. If that's the road ahead, let Republicans lead. They'll find it more natural. But does America want fascism, even if we could get it without its cruelty? If with the Republicans at their worst, we are to move backward to this corporate fascism, or at its best to an older feudalism of wealth, let us pray that our retreat be not in the wintertime and the speed be slow.

I for one am convinced that the American people do not want that ending and so do not want to journey down that road. Indeed, we do not want to live in the shadow of such pressure groups as already make our politics closely akin to war, whether the group pressing be labor, agriculture, or business. The only road of safety is to keep these organized pressures equal and balanced against each other until their fierce competition can be subdued together into a more cooperative order. It's certainly not safe to let either of them run away with the show, as Republicans have let the commercial interests. I refuse myself to believe that the middle way of practical democracy, already operative in small countries like Sweden, cannot be attained in this great Republic, through our traditional spirit of equality and friendliness. Pending the return to cooperative individualism, the least modification of capitalism which the times permit is to equalize between these great bodies the competition which capitalism presupposes between equal individuals.

But there's no way to maintain this modification or to return toward the cooperative democracy of competing individuals save through the machinery of representative government. Public power is the only possible antidote to private power. And I may add that public taxes are much better than the private taxes of prices controlled from behind the scenes. It is the genius of the Democratic Party to accept, therefore, a paradox that terrifies honest Republicans and enrages selfish Republicans. It is the paradox that more government is required to get more freedom for the most people. The only power we Democrats finally recognize is the power of the whole people, which is government. Today we have used that power to curb corporations of business. Tomorrow we may have to curb corporate labor. And who knows that day after tomorrow we may not need it to curb farmers grown too fiercely strong through organization? This common power of democratic government is our only reliance against corporate greed, however organized and wherever found.

To break the old bottlenecks of control and to prevent new bottlenecks from forming we are streamlining our democratic government. Seeing the call for more public control of pressure organizations, I have in these debates thought it useful to give a new and unexciting name to a government adequate for the tasks before us. This philosophy of government I have called the new federalism. I call it federalism because, like Alexander Hamilton, the great old Federalist, I believe that where government is required it ought to be made efficient through coordinating powers long left inefficient by separation. I call it new because, unlike Hamilton, I do not believe "the people a beast, sir," but the source of all power and the only rightful beneficiaries of their own power efficiently organized as representative government.

This democratic centralism is giving us cheap electric power. This ought to enable us to decentralize industry. That done, we may democratize finance by a general policy of lending at cost. Both these done, farming and labor could again become, as work should be, a way of life instead of, as now, an individual struggle for existence and an organized competition against corporations for power and place. Democratic centralism of government thus points to the decentralization of every privileged form of collective power and promises a slow cure for the worst form of that social disease, organizationitis.

I say "slow" advisedly, for, as the White Queen remarked to Alice: "Here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere, you must run at least twice as fast as that."

Whether we shall actually move forward in this direction toward individual freedom or backward with Republicans to feudalism or fascism it is for the people themselves to say. As for me, I am grateful that tonight we can still enjoy in humility the American way of friendliness and humor. Such a happy way of life enables a Smith to look at a Taft and counsel a Taft to argue with a Smith. Thus the American way unites in tolerance a mellowed tradition and family pride, on the one side, with a joy in skill and a feel for the multitude, on the other.

Long may it remain so!

Now, as the Senator and I, contentedly alone, or happily together, stroll from this studio down the grassy Mall, we'll pass from Washington's lofty monument in sight of Lincoln's majestic home, on down by the new shrine rising to Thomas Jefferson. Beyond Jefferson's place, the river, which just keeps a-rolling along. This quiet Potomac, lazily coursing its way to the sea since before Washington was, will become tonight for me a silver symbol of national unity across the gulf of years, softening the landscape of all present political differences. It is fitting that in "Old Man Ribber's" presence we thus celebrate at the end of controversy our common devotion to a beloved fatherland: In our eyes its beauties of nature and in our souls the legacies of its great sons.

Triumphing over the palsy of fear felt elsewhere in the world tonight, the glory of such a Nation as this we'll feel in the high beating of our common pulse of gratitude. And as our eyes wander from lights of city street and sheen of river to the evening skies above, we'll commune for you all with a vast "universe not measured by our fears," until—as the great dead Holmes further said—"after the sunset and above the electric lights there shine the stars."

SENATOR TAFT

Citizens of the United States of America: In this closing debate, I wish to thank Representative SMITH for his kind words regarding myself, and even more for the spirit of tolerance and friendship which has governed our differences of opinion. It has been the greatest pleasure to debate with him, in spite of his steadfast opinion that I am always in the wrong. I admire his eloquence, and his wonderful command of the English language. If, with all his ability, he is unable to find a logical and consistent defense of the New Deal, certainly it is not his fault, but that of the New Deal itself.

Forward, America. But which way is forward? Surely we have been going forward during the last 150 years toward a goal which the Pilgrims established in 1620, and which was carried on by the founders of our Nation. That goal has increased individual freedom, with more material welfare to enjoy it. Surely we went forward in spite of this talk about financial feudalism. Men were more free in 1932, before the New Deal, than they were in any other country in the world. Their material welfare had steadily increased until the average workman had a standard of living three times as high as it was in 1820. The average new dealer seems to think that because 1933 represented the bottom of a financial depression, there was no democracy or prosperity in the United States before Franklin D. Roosevelt. Surely a majority of the people decided every 4 years what kind of a government they wished, and surely the Congresses then, as now, voted the way they thought their constituents wanted them to vote.

It is the new dealers who no longer wish to go forward along our well-marked path. They started along that path in 1933 for a few years, but they have wandered further and further into the forest of Government regimentation until, in complete darkness they are moving back in the direction of the Middle Ages. It is quite true, as Representative SMITH says, that they "have moved in both directions at once." Some of their measures have sincerely tried to make our system work; others threaten to destroy America as we have known it.

Unlike Representative SMITH, many of the new dealers have no concern whatever for individual freedom. They are collectivists, like Marx and Lenin and Mussolini. They believe in planned economy; that the Government should regulate every detail of industrial and commercial and agriculture life. They are willing to sacrifice individual freedom in order supposedly to improve the condition of the poor and increase their material welfare. But in this purpose the policy has completely failed. There are more than 10,000,000 people unemployed today, and the largest relief expense this year, 10 years after the depression, than any in the history of the United States. Farm prices are lower than they have been for 6 years. Businessmen are discouraged and indignant. Deposits have piled up in the banks because rich and poor alike are afraid to put their time or money into private enterprise, because they fear that Government regulation will prevent success, and Government taxation will take whatever profit there might be. The New Deal policy is the only one which has ever plunged us into a second depression before we were out of the first. If any policy leads backward and not forward, it is the policy of spending billions of borrowed money, and piling up a tremendous debt for future generations to pay. A policy which inevitably leads to bankruptcy and inflation of the currency will not only make the poor people poorer, but it is likely to force a socialism which will utterly deprive them of individual freedom.

Representative SMITH tonight states the philosophy which dictates this backward policy. He says, "The way to get less regimentation of our individual lives is to suffer more governmental regulaton." He adds, "We have added political regulation to economic regimentation, and have made it stick." He admits that a continuation of this policy leads to the corporate state of Mussolini, and his only suggestion for avoiding that goal is that we support the work of the Monopoly Committee, which is trying to find out whether monopolies exist. Think of it. The new dealers, who know everything in the world about labor and securities and agriculture and every other man's business, excuse themselves from failure to prevent monopoly in industry because they have only had 6 years to find out about it. No, the New Deal policy is leading us rapidly backward today, and it is a faint hope that its direction can be turned by any monopoly committee of Congress.

It is the Republican Party today which looks forward, and I am quite willing to accept Representative SMITH'S proposal that we start from 1932. Instead of throwing away all past experience and embarking on uncharted seas, we would keep the good things which the American system produced, encourage the principles which produced them, and correct the abuses which crept into it as they will creep into any system. Let us remember that conditions in the twenties in many ways were better than they ever have been since. Farm prices were more than twice what they are today. Unemployment practically did not exist. Men were eager to engage in new industries, expand old industries, and build up both production and employment. If we had the same national per capita income today as we had then, we would have ninety instead of sixty-seven millions and if we had this 35 percent more income than we actually have today, we could put most of the unemployed men back to work. We must restore conditions in which thousands of men and women every year were willing to invest their time and money in building up the United States and the prosperity of the people of the United States.

Representative SMITH says that I "wish the many well through the assured welfare of the few." Of course, this is not true. No one has ever assured the welfare of any business enterprise until the new dealers tried to do it under the N. R. A. It is said that two out of every three new businesses fail. It is not the assurance of success; it is the existence of conditions which make it likely that a man of exceptional ability or ingenuity, who is willing to work hard, shall have a chance to obtain exceptional rewards for himself or his family, a chance which shall not be destroyed by Government regulation and interference. This, says Representative SMITH, is the "seepage theory of welfare." As a matter of fact, the men who are put to work in new jobs by new enterprises get their living and their purchasing power many months and often many years before the men who started the enterprises receive their reward, if they do receive it.

We have tried the alternative theory of producing prosperity based on dishing out Government funds to great classes of people, and while such action has been necessary it has certainly failed completely to produce general prosperity, and has not even restored those men who receive it to the material welfare they enjoyed in the twenties.

What were the abuses to be corrected in the system of the twenties? There were too many people rich beyond their deserts. I thoroughly approve of the New Deal measures to prevent fraud and sharp practice through the sale of securities, which was one of the principal methods of undeserved wealth. There were undoubtedly some monopolies whose owners received profits greater than they deserved. I may say, however, that the monopolies before 1932 were nothing to the monopolies fostered and built up by the New Deal under the N. R. A. For a number of years the New Deal was dominated by the theory that all business should consist of Government-controlled monopolies. Undoubtedly the Government should keep competition free and open, so that men may not make profits which they do not deserve, but I feel that the existence of business monopoly has been exaggerated. In practically all of the articles which average people buy there exists today, and existed in 1928, the most intense competition, notably in foodstuffs and clothing and automobiles.

The Republican Party believes in a sincere effort to keep competition free and open to the end that prices may be lowered and undeserved profits reduced. I might add that more antitrust suits were filed under my father's administration than under any Democratic administration since that day. If wealth has been gained fairly, we believe that it can be reduced and is being reduced by income and inheritance taxation, and that there still prevails largely in America the old tradition of the nineteenth century, "From shirt sleeves to shirt sleeves in three generations."

Another abuse of the system of the twenties was that the distribution of income was not sufficient for a decent living for the poorer groups. I might point out that this condition has always existed under every system, and certainly exists in Russia under communism today. To increase the condition of the poor has been the earnest desire of every public-spirited statesman in either party. The question is not one of purpose, the question is, What method will improve that condition? The Republican Party thoroughly approves of old-age pensions, unemployment insurance, relief when necessary, and subsidized housing, but all of these together have not improved the condition of the poor over what it was in the twenties. There are more underprivileged today than there were in the twenties. There are more people wholly unemployed, and many more earning a bare subsistence on relief. If we could restore the economic and business activity of 1928, we could add $23,000,000,000 to the national income, most of it to the relief classes. Relief and old-age pensions together do not add more than $4,000,000,000 at a maximum.

Finally, in the twenties it is probable that the laboring groups and the farm groups were at a disadvantage in dealing with individual employers and individual buyers of farm products. The Wagner Act, to promote collective bargaining in the labor field, and the farm cooperative acts, to encourage collective bargaining on the part of the farmer, are sound measures, if properly administered, to see that oppression does not arise in the normal processes of bargaining and competition. But Representative SMITH wholly fails to distinguish between measures designed to assist cooperative organization, and measures proposing that the Government regulate agriculture and labor and industry. He confuses self-organization with governmental bureaucratic organizations. It is no slight confusion. It is the difference between freedom and slavery.

In the Guffey Coal Act to regulate prices and wages in the coal industry; in the Wage Hour Act, except to the extent that it is a real minimum-wage law; in the agricultural acts, which practically fix the prices of agricultural products; in the administration of the Wagner Act, which goes far beyond the purpose of that act to tell employers how they shall run their business; in the power sought to make arbitrary changes in the value of the dollar and the currency to effect some individual's idea of what prices should be, we see being worked out a complete Government-controlled economy. In order to allow the farmer to organize it is not necessary for the Government to pay out $850,000,000 in benefits or loan money on cotton and wheat in excess of the value of cotton and wheat. These measures, like the N. R. A. and the A. A. A., lead backward. If we ever get to the point where the Government fixes the price of all basic commodities, we cannot stop short of complete regimentation. There is a fundamental distinction between measures intended to keep the course of competition and investment and

individual incentive open, and those measures intended to direct the activities of the men who engage in that competition and industry. Above all, we have the entire Government regulation process stimulated by the theory that Government spending can produce prosperity, a theory utterly disproved by our actual experience and by every sound economic principle.

The new dealers today no longer go forward along the path which this country pursued for 150 years. They admit it. They say that everything is changed; a new era has come, requiring new methods. I don't believe it. Americans are still American. They have the same basic ideals which they have had for hundreds of years. They are just as eager for individual freedom. They are just as anxious to be let alone by Government agents. They are just as anxious to run their own local affairs and their own schools. They don't like relief, and they know that a reasonable prosperity can do away with the necessity for relief. They know that thrift and ability and hard work ought to bring rewards today, as they did in the "horse and buggy" days, if it were not for Government interference. They know that only the Republican Party can avert the disaster which will inevitably result from deficit spending, arbitrary price-fixing, excessive taxation, and Government regulation of everything and everybody.

We have heard a good deal about the depression of 1933, and the terrific condition left by the Republicans. But the depression of 1933 existed throughout the entire world, while the depression of 1937 was a special American depression, created by New Deal policies. Even the depression of 1933 was not solely a Republican affair. The biography of CARTER GLASS, which has just appeared, makes it very clear indeed that the bank crisis of 1933 was largely produced by the course of Franklin D. Roosevelt between the day of his election and the day of his inauguration. It is now perfectly clear that Roosevelt not only blocked the sound fiscal policies proposed by Hoover, but that he refused to correct the impression, which really had such a sound basis, that he was contemplating a devaluation of the dollar.

Retrogressive Tendencies Since the Second The Hague Conference of 1907

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

ADDRESS BY HON. FRED KENELM NIELSEN

Mr. GEARHART. Mr. Speaker, on May 10 last, the Honorable Fred Kenelm Nielsen delivered an address to a joint meeting of the Federal Bar Association and the section on international and comparative law of the American Bar Association which will be regarded, in the light of the developing international situation, as a most timely expression. His address deals with important international problems under the significant title of "Retrogressive Tendencies Since the Second The Hague Conference of 1907."

In view of Mr. Nielsen's wide experience in dealing with specific problems arising out of international relations, his thorough familiarity with and understanding of the general subject of international law, a field in which he is regarded as one of the greatest living experts, anything that he might say will command the respectful attention of the Nation.

His labors as chief counsel for the United States in arbitrations which the United States has conducted with Great Britain and Holland before the Permanent Court of Arbitration at The Hague and as the American representative on numerous international tribunals and conferences, coupled with his years of public service as Solicitor for the Department of State under previous administrations, qualify him particularly to speak on the subject which he selected for the occasion I have mentioned.

Mr. Speaker, in accordance with the unanimous consent of the Members of this body, expressed but a moment ago, I hand the text of Mr. Nielsen's address to the Public Printer and ask that it be spread upon the pages of the CONGRESSIONAL RECORD.

Mr. Nielsen's address follows:

For a considerable period I have been concerned with realities in the fields of international law and diplomacy. And in retrospect today there is not in my mind any fascinating panorama of international affairs. My concepts may be inaccurate and muddled, when I have a sense of having lived through two rather distinct epochs.

DECADENCE OF "THE EMPIRE OF LAW"

In 1907 many nations assembled at The Hague, through representatives, to make some international law—conventional law, as we say—written international law, formulated in so-called law-making treaties, multilateral agreements, having the general, or substantially general, assent of the nations of the world, which is the foundation of international law. They proceeded to duplicate, in a measure, and to amplify work undertaken at the so-called First The Hague Conference of 1899. They formulated projects to further the settlement of international disputes by judicial methods and other forms of friendly adjustment, mediation, good offices, commissions of inquiry. They framed agreements to control or regulate the conduct of warfare. Preambles of conventions recited purposes to extend "the empire of law" and to give effect to established principles of law, springing from "the usages established among civilized peoples, from the laws of humanity, and the dictates of the public conscience."

At these conferences, as is usually the situation at similar gatherings, conflicts of views and of interests, and I may add, at times vanity and stubbornness of negotiators, may have influenced the formulation of arrangements, which were lacking in desirable concreteness and comprehensive scope. Yet I think it may be said that there was then a manifestation on the part of governments and representatives of a considerable degree of sincerity of purpose, and that the conventions adopted were interesting landmarks in international relations, not without practical value, if they should be respected. It was planned to have a Third The Hague Conference, but, after 30 years, the third conference has not yet met. Of course the World War was a serious interruption.

Since the termination of the war, there have been economic conferences, political conferences, conferences to codify law, conferences to limit naval armaments. At some of them, little or nothing was accomplished. And assuredly subsequent attempts, or lack of attempts, to give useful permanent effect to such arrangements as have been concluded record no inspiring nor heartening accomplishments.

When I say this, there readily comes to mind the closing session of the so-called Disarmament Conference, held in Washington in 1922, seemingly under auspicious conditions. Particularly do I recall the impressive, beautiful address delivered by President Harding in that pleasing manner which graced his utterances on formal occasions. He expressed deep gratification over the accomplishments of the conference, and he said that faith plighted there and kept in honor would mark a new and better era in world affairs.

I think that all delegates present shared his hopes and his beliefs. Yet today the tangible results of that conference have vanished. Nations are not engaged in limiting naval or land armaments. And the international society is largely in a jungle state. That may be said when account is taken of rules and principles of law pertaining to war, civil war, and international war, as we have seen conflagrations of war in recent years. Equally pronounced, though, of course, less horrifying, is the degradation of law pertaining to other subjects entering into international relations, such as respect for property rights; respect for the sanctity of international covenants; respect for national sovereignty; the settlement of international disputes by judicial methods.

PROBLEMS IN THE WESTERN HEMISPHERE

In this Western Hemisphere, we have had difficulties with countries south of the Rio Grande such as not infrequently arise between nations. With those countries, questions pertaining to the conduct of warfare, which have been discussed considerably of late, have given our Government but little trouble. Occasionally we have been confronted with complicated situations arising out of periodic insurrections with which these younger states have had to deal, since they themselves became successful insurrectionists.

In our relations with our southern neighbors, we have often been concerned with questions relative to the protection of rights of person and property of aliens. Interests of Americans in some of these countries have been jeopardized, damaged, destroyed, or confiscated. From time to time, complaints have been made against authorities in our own country with respect to acts or omissions affecting rights of person or property of aliens residing or sojourning here.

QUESTIONS BETWEEN THE UNITED STATES AND MEXICO

I presume it may be accurately said that such problems have arisen most frequently and most acutely between the United States and Mexico. Over a considerable period, the chief issues have been with respect to article 27 of the so-called Carranza constitution of 1917 and Mexican legislation enacted to give effect to that article.

Whether or not it may be correctly said that these constitutional provisions were drafted with purposes hostile to foreigners, the foundation was laid for measures which foreign proprietors considered to be inimical to their interests. And the Government of the United States has contended that acts of Mexican authorities affecting property of American citizens have been in derogation of well-established principles of international law. Mexican authorities have explained that these constitutional provisions were framed in furtherance of an enlightened policy; to safeguard the interests of the Mexican nation and its citizens; to insure future

economic progress by preserving national resources and affording opportunity to Mexicans to enjoy them. Much detail being omitted, it may be said that two classes of provisions have been the principal subjects of controversy; those declaring direct ownership of certain subsoil products to be vested in the nation; and those having for their object the division of large estates and the increase of the extent of communal holdings. These are now rather long-standing questions. Recently a further complicated situation arose out of the seizure of oil properties, called an act of expropriation.

With respect to the taking of land in the execution of the so-called agrarian policy, the principal objection of our Government has been that payment was not made to unfortunate owners. The Government of Mexico has contended, while observing that Mexican law requires compensation for expropriated property, so-called, that international law does not. I hope that this contention may properly be regarded as unsound. The Mexican foreign office has further declared that the taking of property for Mexican public purposes is a domestic question and has declined to arbitrate some pending issues pursuant to the General Treaty of Inter-American Arbitration, concluded at Washington, January 5, 1929.

In a sense, expropriation is obviously a matter of domestic regulation. However, I do not consider that the exercise of rights pertaining to the taking of property of aliens involves solely a domestic question, as that term is understood in the technical meaning of international law. Broadly speaking, international law recognizes that a nation has plenary sovereign rights with respect to all people and all property within its jurisdiction, although acts of authorities of a government and its laws must square with the prescriptions of international law, since that is the supreme law of all members of the family of nations with reference to subjects entering into international relations. Of course there are some objects with which the law of nations is not concerned, even though they importantly enter into discussion between nations. And there are some relatively few so-called "domestic questions" which may be said to relate to things with reference to which international law recognizes that a nation has such plenary rights, that no action taken with reference to them can violate international law, such as immigration, emigration, exports and imports, the coming and going of ships in a nation's harbors. Limitations of time prevent me from inflicting on you a discussion of interesting questions of international law and domestic law involved in the protracted controversies between the two Governments, or discussion of the narrow scope of the arbitration agreement of January 5, 1929, resulting from numercus reservations.

The Pan-American Treaty of January 5, 1929, was intended, I understand, to provide for compulsory arbitration, so-called. Toward the close of the proceedings of the conference which framed it, a distinguished American delegate, the present Chief Justice, announced that the Government of the United States was prepared to accept the treaty as framed without any reservations. A Mexican delegate, Dr. Gonzales Roa, made a statement at a session of the conference regarding reservations, and he said that they would not be discussed. It seems to me to be somewhat odd that it should be briefly explained that there should be no discussion of reservations, which might be, and probably were, of more relative importance than any provisions of the arbitration agreement itself. The delegate subsequently presented a Mexican reservation to the effect that the Government of Mexico would not arbitrate, conformably to the treaty, any differences falling under the jurisdiction of the courts, as it was expressed, except denials of justice predicated on final decisions of the courts. Other governments followed with a variety of reservations similar to that presented by Mexico. The Mexican reservation evidently in specific terms abridges as far as possible the scope of arbitration. Some previously concluded arbitration agreements of comparatively recent date had a tendency in the opposite direction.

THE PLIGHT OF INTERNATIONAL ARBITRATION

I have referred to the convention concluded at The Hague in 1907 relative to the settlement of international disputes. At this point I may briefly touch on a tendency with reference to the general subject of the adjustment of differences among nations. I do so with a feeling of great chagrin. The procedure has been an outstanding American principle. I have been extensively concerned with international arbitration, but it is a very sorry subject with me. Over a long period I have seen mockeries made of proceedings befitting of sovereign nations appearing as litigants. The saddest feature of that situation is that our own Government has been so greatly responsible for the retrogression, to use an utterly unjustifiably mild expression, in that system of settling disputes.

It would be easy to furnish an abundance of illustrations of delays, some interminable, in the settlement of controversies; lack of interest in the subject; a failure to improve arbitration agreements and methods of procedure; and, immeasurably worst of all, a lowering of standards in the personnel of those entrusted with work of this character. Given a disposition to contribute something more than lip service to the cause of international arbitration, some improvements could readily be made. Others would require understanding, intensive, conscientious efforts.

"INTERNATIONAL STANDARDS" AND "DOMESTIC STANDARDS"

My subject makes use of the word "tendencies." I have referred very sketchily, merely for purposes of illustration, to controversial questions between the United States and Mexico relative to property rights, so-called. It is interesting to take note of a somewhat recent tendency in the policy of dealing with problems pertaining to both rights of property and person of aliens. I have in mind the signing by representatives of the United States and representatives of South and Central American states of a convention or treaty at Montevideo on December 26, 1933, at a pan-American conference. That convention, relating to rights and duties of states, contains stipulations making a declaration of the so-called national-treatment theory; that is, that international duties are fully met, when aliens and nationals are treated precisely the same, conformably to local law, under which they enjoy equal protection. The convention also declares that no state has the right to intervene in the internal or external affairs of another state. By far the most common form of intervention in the internal affairs of a country is that undertaken in behalf of nationals, when a government considers that the conduct of internal affairs of another government has been of such a character as to entail international responsibility on the part of the latter. However, neither the United States nor Mexico seems to have felt precluded by the convention of December 26, 1933, from exercising that form of intervention. Both have done so in recent years.

For better or worse, over a long period, our Government emphatically rejected the idea that the standard of the propriety of governmental acts must be determined solely by local law, except perhaps as regards acts committed in contravention of that law. We endeavored to maintain the international standards. Under international law, aliens at times receive better treatment than that accorded to nationals. International law prescribes certain standards of civilization, so to speak, and the propriety or impropriety of the treatment of aliens is tested by those standards. As I have already observed, not alone acts of authorities of a nation but also its laws, must square with the supreme law of members of the family of nations if a nation's honorable position as a member is to be maintained. Not infrequently our Government has complained in behalf of its citizens against laws, which it has considered resulted in confiscation of property.

Of course nations in this hemisphere cannot by a treaty alter the law of nations; that can be done only by the general assent of the nations of the world. But I assume that they can properly, from a legal standpoint, agree that, with reference to certain subjects, the law shall not be given application as among themselves.

A state can confiscate the property of its own nationals, and of course that is no concern of international law. And, as I have observed, I presume that a state can bind itself by treaty stipulations not to invoke rights which inure to its nationals under the law of nations. Constitutional guaranties stand in the way of confiscation in our country and safeguard vital personal rights. I like to think that those guaranties, some with respect to rights of person in the sixth amendment to the Federal Constitution, and others with respect to rights of person and property in the fifth and fourteenth amendments, exemplify the international standards.

Of course, these constitutional provisions, with the great superstructure of interpretation framed by our courts, are not written into any conventional international law. But, without any misleading confusion of domestic law with international law, effect may usefully be given to the broad principles underlying these provisions, as judicially interpreted, in the solution of internatonal problems involving rights of person and property aliens. I believe that, in the administration of our domestic jurisprudence, these guaranties have, on the whole, been given application in a gratifying manner by our courts in cases involving rights of aliens.

The American delegation to the conference which framed the treaty of December 26, 1933, made a reservation with respect to substantive articles. According to international practice, a government may, with the assent of other contracting parties, exempt itself from the operation of a part or parts of a treaty. Perhaps the reservation made in behalf of the United States might be called an interpretative reservation, since it did not specifically eliminate our Government from the operation of any stipulation. It was stated by Secretary of State Hull that "no government need fear any intervention on the part of the United States during the Roosevelt administration," and Mr. Hull further declared: "I desire to say that the United States Government in all its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this Conference and in the law of nations as generally recognized and accepted."

OBSERVATIONS RELATING TO CIVIL WAR AND INTERNATIONAL WAR

In connection with some brief observations with reference to law pertaining to war, I shall pass over methods employed by belligerents in the conduct of hostilities. My information is too meager to warrant any discussion of recent wars, even if time permitted it.

I have referred to the Convention of The Hague of 1907 relative to the conduct of war on land. I might at the same time appropriately have mentioned the unratified agreement concluded at London February 26, 1909, with regard to naval warfare. To be sure, there is something ironical in the thought of refining instrumentalities of destruction and death employed in settling international disputes. And the distortion during the World War of reasonably well-established rules and principles of maritime law affecting rights of neutrals is fresh in our minds. However, it seems to me that it may still be worth remembering, that over

a long period there was some effort throughout the world to mitigate the horrors of war. And these international agreements aimed at least at some little progress in alleviating the condition of noncombatants as affected by operations on land and on the sea.

In taking account of the conflict in Spain, it seems to be possible to draw some interesting comparisons with the situation resulting from our own great internecine struggle in the sixties.

Some high British officials were unfriendly to the Federal Government. The British Government did not fully live up to their obligations of neutrality.

Our own Secretary of State, Mr. Seward, slipped, I think, with respect to at least one important problem of law. But in doing so, he probably committed no harm except, perhaps, to his own cause. Early in the war, he complained against the action of some European governments, including the Governments of England and France, in recognizing a status of belligerency, so-called, of the Southern States. In progressively inconsistent reasoning he continued to complain of the recognition of a clearly existing situation, recognized through his own declarations and acts of the Federal Government itself.

Roughly speaking, it may be said that insurgents attain the status of belligerency, when they occupy a definite area of a country, exercise some form of governmental authority, have organized armies, and conduct hostilities in accordance with the rules of war. They may properly be recognized as successful insurgents, as the new, established government, when, but not before, it is shown beyond doubt that they have extinguished the previously existing government.

Acts of some governments with reference to the struggle in Spain revealed, it seems to me, little or no concern for the maintenance of well-established rules and principles of law. We observed odd types of recognition, not resorted to during our Civil War. Early in the struggle, when it might be doubted that the insurgents could justifiably be recognized as belligerents, two European governments and three Central American governments purported to recognize them as the existing government of Spain. We heard of proposed bargainings with respect to recognition. Early in the war authorities of a government announced that they would not tolerate interference with the commerce of their country by the loyalist government or by the insurgents. Yet the Spanish Government assuredly had a right to interfere with neutral commerce on the high seas and in Spanish waters by proper exercise of measures relating to blockade, contraband, and visit and search of neutral vessels. The insurgents had the right to do so, I believe, when they met the requirements of a status of belligerency which I have roughly sketched. Rights and obligations derived from law pertaining to these subjects are, in my judgment, determined by existing facts, not by political policies of governments. Foreigners personally sympathetic with the cause of the North enlisted in the Federal armies during our Civil War. Doubtless some foreigners enlisted in Southern armies. Such acts had no significance from the standpoint of international law. Organized troops sent to Spain occupied an entirely different situation. An undeclared international war was carried on in conjunction with a civil war.

BELLIGERENT OPERATIONS ON THE SEA

Neutral nations often have a very direct, important interest in warfare between other countries and in civil strife which may arise there. Such interest on the part of our own country in the past has been linked in the main with problems as to the proper exercise of so-called belligerent rights; rights of belligerents to interfere, to a limited extent, with neutral commerce on the high seas and in belligerent waters.

From the earliest days of the Republic our Government made efforts to curb the activities of war. In other words, we have labored toward an objective sometimes loosely designated as the freedom of the seas; the maintenance of the seas, as far as possible, as commonly owned highways, in time of war as in time of peace. I think that those efforts had their origin largely, at least, in a conviction that their progressive realization would be progress in an advancing march, however slow, toward obviously rational objectives.

However, in recent years much has been dogmatically said to the effect that a continued stand for traditional policies has become not only illusory but also indefensible. It has been explained, perhaps truly, that we should rationally realize that in the future those remaining at peace will be conceded just such privileges of commerce as unfettered belligerents may consider will not interfere too much with their hostile operations. That, to my mind, is a remarkable glorification of the activities of war.

Assuredly the prospects for improvement in the application, development, and clarification of law are not promising at the present time. Bad cases make bad law, we often observe among members of the legal profession. Conditions such as those under which we live may easily be conducive to some sophistical reasoning, even among lawyers. What are rational deductions of the lawyer from the mass of evidence of the decadence of "the empire of law"?

THE PLIGHT OF INTERNATIONAL RELATIONS

It may not be strange, that in these days we should occasionally hear remarks to the effect that for practical purposes the system of international law has disappeared through gross violations. But violation of law does not ipso facto abolish or alter law. Furthermore, it is to me a repulsive view, whatever justification there may be for it—and assuredly there is some—that there can be no real and useful system of international law, unless back of it there is sanction, such as in domestic law is enforced through the sheriff, the marshal, sometimes the Army and the Fleet. And I do not feel that it can accurately be said that international law, so-called, is really not law, because it has no sanction other than national honor. That should be the most solemn, the most-potent sanction. When we do not speak in terms of legal physical force, can it not be truly said that the ultimate sanction back of any system of law, international or domestic, is the honor of a government and of its people? It may be somewhat consoling, as well as disturbing, to recall that the sanction of national honor has at times sufficed to maintain international law, when important rules and principles were under a strain, greater, it seems to me, than that to which they should have been subjected in recent years.

References to conventional terms such as "family of nations" and "international standards" may sound somewhat naive to ears that recently have heard from a high source descriptions of some kindred relationships as "bastard relationships" and of the "relationships between states" as "the relations of force." However, I might have referred to a broad discussion of international standards by a contemporary scholarly Italian jurist of high distinction. The operation of these standards is excluded from some limited groups, he observes toward the close of his discussion, where he says: "Nomadic tribes or savages, because of their inability to comprehend and consequently to desire the standards which are the foundation of international law, have no share in their maintenance or in their benefits."

Another contemporary, equally eminent, German jurist, while referring, shortly after the World War, to the heavy anxieties of younger generations, expressed high hopes and expectations, seemingly reasonable at the time, with regard to future international activities, in these words: "the younger generations may find their compensations in a realization of belonging to an age, which with unparalleled boldness, has undertaken a task, designated by the great German philosopher Kant as the greatest problem of the human race; the establishment of an organization of a humane society, founded on law." The alternative to life under a system of law is a jungle, of which we have seen some hideous patches in the world in recent years. At least until the Golden Rule diplomacy, proclaimed by Secretary of State John Hay, shall have penetrated the world, including the United States, with an abundant bloom, such as he probably never visioned, even in dreams, we must still have recourse to the makeshifts of law in international relations, as we must in domestic affairs.

Some interesting questions are readily suggested by pronounced tendencies noticeable during the last two decades. That cannot be convincingly said as to categorical answers.

With regard to influences tending toward the abolition or abridgment of what I have termed the international standards, is it clear that either will be conducive to the very desirable elimination of friction among nations? Seemingly it should. But, rather than an alteration of the standard, might a wiser course be to abolish altogether the right of governments to interpose for the protection of their nationals abroad? It is interesting to note that, after certain practices had continued, as Secretary of State Hull recently complained, for many years, and 5 years after the signing of the Montevideo Convention, containing a declaration of Dr. Calvo's equality and non-intervention theory, Mr. Hull invoked the international standard. Have attempts to maintain the standards degraded principles of law in respect of national sovereignty or impaired the administration of external or internal affairs of government, or has the result perhaps been just the reverse?

With respect to efforts to curb the activities of the warriors on the seas, have past efforts of our Government and other governments been ill-conceived and futile? Are we forced to the conclusion that they have merely led us up a blind alley? In whirlpools of confusion, have we in recent years charted a course toward a true goal, however distant it must be?

Is a sometime outstanding American principle of the settlement of international disputes by judicial or quasi-judicial methods on a high plane merely a humorous fetish? Is pecuniary redress for losses not a worth-while subject of seriously conducted international litigation? Are arbitrations dealing also with other subjects not worth the trouble and expense they entail? Have decisions of competent, honorable international tribunals and opinions explaining such decisions but an inconsequential value in clarifying and strengthening law? Should we view with indifference and perhaps with a sense of humor, grotesque methods of procedure and worse methods and even fraud, when according to international law a government's honor and its sound judgment as to law and facts must be back of an international reclamation?

When we take account of some of the tendencies to which I have referred, and of the distressing obstacles hampering the formulation of all worth-while international arrangements, and of the wreckage of the structure of law consequent on war, and of the comparatively recent destruction of two weak nations through undeclared and unprovoked wars, and of other phenomena, such as the violent extermination of two peaceful, cultured nations following threats of far-flung, sanguinary conflict, are we constrained to reach the conclusion that determined attempts to uphold law in serious crises must eternally almost inevitably result in plunging nations into war; that reasonably satisfactory efforts to uphold law are illusory? I have in mind some answer to such provoking, inci-

dental queries, but it is probably not very comprehensive, convincing, nor comforting.

Some incidents of war, not its worst horrors, but loss of life and property, can in a sense be summarized in figures. Such figures with reference to the World War have often been referred to as well-nigh astronomical. I recall a very interesting writer's estimate of 30,000,000 lives, $400,000,000,000 in property. If such figures furnish some measurement of the degree of effort and heroic, frightful sacrifice which nations make for the settlement of disputes by destruction and slaughter, and propaganda of falsehoods, and desperate diplomatic moves to drag neutrals into conflict, are they not also pungent suggestions of what governments might have had the capacity to accomplish, had they been disposed to consecrate to the upholding, clarification, and development of law and the formulation of mutually beneficial arrangements, molded on principles of comity, a measure of thought and activity, having at least some infinitesimal proportion, let me say atomic proportion, to the efforts devoted to war and the preparation for war? In the juxtaposition of the conflagrations of forces of destruction with the lambent flames of peaceful process of civilization is an obtrusion of an odious comparison, not very useful perhaps, but I believe, not altogether inapposite.

THE ROLE OF OUR OWN COUNTRY IN INTERNATIONAL AFFAIRS

The role of our own country in international affairs is, of course, of primary interest to us. I can enjoy a bit of buffoonery at times. But I find no humor in a jibe such as the often and mirthfully quoted observation of the late Will Rogers, that "the United States never lost a war and never won a conference," whatever the latter may mean. He intended to imply an invidious comparison with respect to achievements in international affairs And it is the ugly truth, lurking in such a quip, which explains the failure of our Government at times to occupy a commanding position of leadership and warns us of the danger of participation in international complications, in the solution of which we might, under far different conditions, contribute the services of a mighty nation.

There is of course no reason, no rational explanation, why our Government should not be represented as ably as any other government in connection with any international activity, diplomatic or judicial; no reason why our country's influence should not be as great as that of any other country, or greater, in view of the Nation's position of wealth and power.

Our unfortunate showing at times is by no means due solely to want of understanding. To be sure, we hear it said occasionally that we are a young Nation; we haven't learned the fine arts of diplomacy practiced in other countries; "things are put over on us"; we become confused before the astute and resourceful minds of other lands. Some of the earliest pages of American diplomatic history, written well over a century ago, reveal no such factual nor postulated situation.

It is inspirating to recall the rousing welcome home given an American representative, a noted Virginia lawyer, John Marshall, after a diplomatic failure at Paris at the close of the eighteenth century; a kind of an immediate failure which was inevitably consequent on the impossibility of harmonizing the American representative's uncompromising concepts of personal honor, of national honor, and of fundamental, rational principles of maritime law, and law pertaining to the status of neutrality with the crude, purile moves of the celebrated Talleyrand.

A few years earlier, an American Chief Justice, a man of great distinction before he attained the exalted station of Chief Justice—John Jay—was sent to England to grapple with grave problems of vital concern in connection with the administration of both internal and external affairs of the infant Republic. He succeeded in the negotiations which he undertook, but the treaty which he concluded evoked a storm of violent, abusive protest. Yet in that comprehensive unique treaty, threatening, outstanding problems were dealt with on the basis of law, law having a basis in international morality.

Among stipulations found in that treaty were some inaugurating three international arbitrations. For the chief legal posts in one of them our Government designated a leader of the Massachusetts bar, "the legal preceptor of Daniel Webster," Christopher Gore, and a celebrated Maryland lawyer, William Pinkney. I promised you some unpleasant observations, but I shall not go so far as to attempt a comparison of Pinkney's masterful efforts in the field of international litigation with some performances in behalf of the United States which have come to my notice in recent years, and in sight and sound of which I have squirmed.

Recently questions have been propounded whether our foreign office has a definite foreign policy. Such questions may at times admit of no very specific replies. Doubtless we can all agree that conditions have been somewhat kaleidoscopic of late. A defined policy may easily become useless. Great Britain for many years had a policy with reference to the balance of power in Europe. Perhaps that policy has not been working out so very well in recent years; in any event, it seems to me that pranks have been played on it from time to time.

However, I readily have the temerity to suggest, as I have done on several occasions, a consistent policy or practice, useful and sound at all times, indispensable at once to national security, and a worthy role. It is that in all serious crises, and with respect to all international problems, our Government should stand unshaken on a foundation of law, giving reasonably satisfactory application to such a policy through a foreign office equipped with a staff guided by high purposes and intensively grounded in the law and practices of nations.

The great American judge, who at an early date before he ascended the bench, took a fling at diplomacy at Paris, was under the disadvantage of representing a very young, weak nation. It seems to me that, even though there be no resort to war, the influence of a powerful nation, capable of taking an impartial, firm, lofty stand for observance of law, may at times be underestimated. A century and a quarter after the episodes at Paris, our Government was confronted during a period of European conflagration by problems similar to those with which Marshall dealt under like conditions. In the later period there was an opportunity for a test of the weight of the influence which a powerful neutral nation might exert in impartially upholding international law, and perhaps by that method, in promoting peace.

In memoirs published in 1935 the American Secretary of State during that period has recorded his purposes in these declarations with regard to some diplomatic exchanges:

"The notes that were sent were long and exhaustive treatises which opened up new subjects of discussion rather than closing those in controversy. Short and emphatic notes were dangerous. Everything was submerged in verbosity. It was done with deliberate purpose. It insured continuance of the controversies and left the questions unsettled, which was necessary in order to leave this country free to act and even to act illegally when it entered the war."

Such a record seems to me clearly to be unjust to a peace-loving President under whom the Secretary served and unjust to the Nation. Furthermore, it can readily be shown by records that everything was not written to effect the objects which the Secretary explained. Some things—many—were written not with the purpose of subverting law, but of upholding the law of the seas, the purpose subsequently proclaimed by Congress in a declaration of war.

Our Government has engaged in hostilities in furtherance of national policy. And we have fought to vindicate legal rights. I do not question the sincerity or wisdom of the declaration of war made in 1917. However, I hope that in any future conflict, whether we shall fight alone or in conjunction with others, whether resort to arms shall be justified on grounds of policy or of law, the awful step may have a justification, which in the good conscience of our people can and will be confidently and solemnly proclaimed without such preliminaries as are indicated by the passage I have read, including measures to lay a foundation for expedient violation of law.

Tributes to the Late J. D. Ross

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Tuesday, May 23 (legislative day of Friday, May 19), 1939

ARTICLES BY FRANK FARRAND AND RICHARD L. NEUBERGER

Mr. NORRIS. Mr. President, one of the heroes of civilization was Mr. J. D. Ross, who, as we all know, passed away but a few days ago. I hold in my hand a copy of the Journal of Electrical Workers and Operators, a magazine published in this city. In that magazine is an article written by Frank Farrand, in which he pays tribute to Mr. Ross. Mr. Farrand prints at the head of his article a poem written by Mr. Ross a short time before his death. It is one of the most beautiful poems I ever read, and I want to read the last four lines, which are as follows:

I'll not forget, I'll ever be your friend,
Till memory dies and I have reached my journey's end.
I'll not forget until for me
The sunlight dies,
In western skies.

I have also a magazine article written by Richard L. Neuberger, in which he describes "Seattle's $4.05 week-end Skagit tours, the astonishing side line of Puget port's municipal power plant, furnish strength through joy to the whole Northwest." In the article reference is also made to Mr. Ross.

I ask that the two articles, together with the poem by Mr. Ross, be printed in the Appendix of the RECORD.

There being no objection, the poem and articles were ordered to be printed in the RECORD, as follows:

[From the Journal of Electrical Workers and Operators for May 1939]

L. U. B–77 PAYS TRIBUTE TO J. D. ROSS

(By Frank Farrand, L. U. No. B–77)

THE HOME BEHIND THE PINES

(By J. D. Ross)

Tonight as time rolls back,
Before me pass the bygone years
Of joy and fears.
The ones we loved, the friends we knew
That made life bright for me and you.
And best of all the home that
'Round my heart entwines
Behind the pines.

Each day was spent among my closest friends,
And each brought duties I was glad to do;
And cares were few.
I did your school work and I sighed
When absent from your fireside.
And each day brought its work
To read into life's lines
Behind the pines.

The old Pacific's waves roll high,
Beneath my feet the good ship ploughs the foam
And bears me home.
Again I waken to the new world from the old,
To life to be from life that has been told.

The Olympian mountains raise their snow-clad crags
Above the clouds.
I watch the silver shafts of light
Fade into night.
Again I think of what tomorrow brings,
The work that I must do,
For hours are few.

The wheeling seagulls gray their vigils keep,
Seattle's lights flash out across the deep.
Gleaming afar from hill on hill,
The ramparts of the night,
To love and home across the lea
They welcome me.

And life is full for me, and there is much to do,
Ere I am through.
But still I won't forget whate'er this life assigns,
The hours we've spent in that old home,
Behind the pines.

And often over hill and plain,
Across the miles on miles, I'll bridge, to you,
The span of time and space, face to face,
And I'll see you in the memory of the past that ever lives,
Hear your welcome as of yore.
Now once more.

I'll not forget, I'll ever be your friend,
Till memory dies and I have reached my journey's end.
I'll not forget until for me
The sunlight dies,
In western skies.

There are but a few great men in a generation. Men who are great, not through wealth, inheritance of birth, but great in their personality and ability to influence the lives of countless thousands of living and those yet unborn. When such a man comes from the ranks of electrical workers we are particularly interested. We, too, may be capable of higher development.

In 1902 the late J. D. Ross was wiring houses in Seattle. On January 2, 1903, he went to work for the city of Seattle, installing the first unit of a hydroelectric plant on the Cedar River. From that beginning, without a university background, J. D., as he was known in Seattle, worked and studied until he became a national authority as a consulting electrical engineer and financial advisor. In addition to superintending and building Seattle's million-horsepower hydroelectrical development, Mr. Ross in 1931 was appointed by the power authority of New York State as a consulting engineer on the St. Lawrence Waterway project.

President Roosevelt appointed J. D. Ross, in 1935, as a chief engineer on the P. W. A. power board. When he had completed the job, the President named him as a member of the Securities and Exchange Commission to handle the problem of unraveling some $20,000,000,000 worth of holding companies. He resigned that position to take the job of distributing Bonneville power.

Those of us who have been privileged to live in Seattle and especially those who work for City Light feel that through Mr. Ross' association with President Roosevelt, we, too, have come to know our President better. Mr. Ross taught us to think of our President as a leader who believes in the revolution of man rather than of institutions. Mr. Roosevelt's revolution is not against institutions but against selfishness.

The dream of J. D. Ross was to live to see the day when electric power from Bonneville, Grand Coulee, the Skagit River, Boulder Dam, and Fort Peck would be available to the common people in Chicago and New York for cooking and lighting their homes, power to be transmitted across the continent over a super-high-voltage direct-current network. We understand one of the transmission lines from Bonneville is to carry through the use of electron tubes 200,000 to 300,000 volts constant direct current as a test line for that type of transmission.

In an address before the Investment Bankers' Association of America at their Augusta, Ga., convention, Mr. Ross said: "It is a fact that the use of electricity is only a small fraction of what it can easily be. The whole industrial structure of our Nation is cramped for the lack of power. The work in the home is vastly greater than it should be. There are 6,000,000 farm homes in the Nation that are without the advantage of electricity. The market for electric power is about what we make it."

In the near future we may expect to be employed in the building of a power system that will tie public and private plants into a network dedicated to the happiness, security, and service of the common people. This will be in line with Mr. Ross' request that we join wholeheartedly with other power units in a cooperative pool of electric energy.

Not until that last day did we realize the magic of Mr. Ross' greatness, as we sat in that flower-banked church packed to the doors, overflowing far down the streets with men and women from every walk of life—Governors from several Western States, President Roosevelt's personal representative, high Federal and State officials, military officials and guards, city officials, police and firemen in uniform, private power officials, and union leaders, and thousands of common people—all come to reverently pay their last tribute to that man whom we have all known affectionately as J. D.—a humble man because he was great enough to appreciate the magnificence of humanity.

[From the Coast]

SEATTLE'S $4.05 WEEK-END—SKAGIT TOURS, THE ASTONISHING SIDELINE OF THE PUGET PORT'S MUNICIPAL POWER PLANT, FURNISH STRENGTH THROUGH JOY TO THE WHOLE NORTHWEST

"The useful and the beautiful," said the Corinthian, Periander, "are never separated." Five years ago the late James D. Ross decided this homily applied to Seattle's municipal light plant on the Skagit River. Why could not the same facilities provide holidays as well as electricity? That idea was the origin of the most novel vacations in the United States—vacations that cost only $4.05 a person and to date have been participated in by more than 100,000 people. Another 20,000 will take part this summer.

Skagit tours are an institution in the Pacific Northwest. Nowhere in America is there any feature to match them. Each week, from May to September, an average of a thousand men, women, and children spend 2 memorable days at the dams and powerhouses which generate Seattle's electric supply. For $4.05 these people get three whopping meals, a comfortable bunk, transportation on City Light's private railroad line, snacks of food between meals, a boat ride, movies, dancing, and other miscellaneous entertainment, including an excess of Cascade Mountain scenery. The $4.05 covers only the actual cost of all this; there is no profit on the venture.

Skagit tours helped make J. D. Ross the most popular man in Seattle. For 30 years he was superintenent of the City Light system, but the citizens remember him mainly as the innovator of a bold, new experiment in public vacations at cost. Everyone called him "Jaydee." A massive peak above the river was named Ross Mountain by the people, and Washington State clubwomen erected a neon sign in the wilderness to announce that fact. When a Seattle mayor discharged Ross, the voters recalled the mayor and City Light's superintendent was triumphantly reinstated. A few weeks ago Ross, still jolly and active at 66, died suddenly. All Seattle mourned the loss of this man who had proved that a power plant could produce vacations in addition to kilowatts, and President Roosevelt spoke of him as "one of the greatest Americans of our generation."

Delegates to the Third World Power Conference in 1936 agreed that Diablo Dam on the Skagit River was the most picturesquely situated power project in North America. This scenic beauty was what had impelled J. D. Ross to begin the Skagit tours 2 years previously. One bright spring afternoon in 1934 he looked around him. Canyon walls converged on the Skagit in fortress-like magnificance. Beyond the chasm's rim Pyramid Peak pointed skyward. Thunder Mountain, snow-mantled above, tree-blanketed below, dominated the scene like a vast, jagged battlement. At the bottom of the vista the river foamed white around its rock barricades. From ridge to ridge steel-latticed transmission towers stretched away toward the distant city. Could the people of Seattle enjoy this grandeur only through the vicarious touch of the wire that entered their homes? Would the useful and the beautiful have to be separate, after all?

The City Light superintendent took inventory of his equipment and facilities. There were the bunkhouses where the men building the power project had lived. Right next to it were the mess halls where they had eaten. Twisting down the canyon like a shiny serpent was the railroad on which thousands of tons of steel and concrete had been hauled into the upland fastness.

Ross felt he had a great idea. He talked it over with his subordinates. Vacations at cost. Mountain week ends for people who never before had been able to afford such holidays. And why not? The essential equipment was already on hand, at least, practically all of it. The only thing needed was passenger cars; the people could not ride in the freight vans that had transported the steel and concrete. Ross and his assistants went out and bought the coaches of the Oregon Electric Railway and other interurban lines that had been forced into insolvency by bus competition. They repainted the cars a gay, cheerful yellow and lettered them "City Light Lines." The Skagit tours were under way.

The response to the innovation has been astonishing. Each summer since 1934 more bunkhouses have had to be built. The trips are advertised neither by newspaper nor radio, yet they are invariably sold out. Last Christmas reservations were in for tours this summer. On a July or August week end as many as 2,500 people may be turned down. Frequently the personnel at Diablo Dam and Gorge Powerhouse rolls up in blankets on the floor to make every cot and bunk available for tourists. Originally started as a minor appurtenance, Skagit Tours are now an integral part of City Light. They occupy a big department, and they purchase 15 tons of food daily at the crest of the summer season.

Once a Seattle politician suggested the only way to hold down the rush was to raise the price. "No!" said Ross, as he banged the desk for emphasis. "The people have already paid their share through their power bills. Skagit tours are not to make money; they are intended to provide vacations. In fact, I'd like to cut the price if I possibly could."

Skagit tours begin at Rockport, where the Skagit River turns westward toward Puget Sound. This is 105 miles north of Seattle. Most travelers get to Rockport by automobile, though some go on special Skagit tours excursion trains that the Great Northern occasionally runs. Rockport is off the main line. But whether a man arrives in a new Cadillac or a ramshackle Maxwell, distinctions cease at Rockport. Skagit tours are an experiment in democracy as well as in mass vacations at cost.

There are no first-, second-, and third-class accommodations on the long chain of interurban cars that clanks down out of the mountains to pick up the assembled wayfarers. Everyone travels the same. A banker and his wife sit in one plush-covered seat. Just ahead of them a W. P. A. worker gets his first glimpse of the inner ramparts of the Cascades. A Seattle businessman tells his companion why the New Deal is ruining the country. Across the aisle, looking out the window, is John Boettiger, President Roosevelt's son-in-law, who edits the Hearst Seattle Post-Intelligencer. A leader of the American Legion, who has just demanded the deportation of Harry Bridges, squeezes into a place beside Howard Costigan, Washington Commonwealth Federation secretary, who thinks the C. I. O. is a splendid thing for the Nation. A gossipy Tacoma grocer points out T-Bone Ridge to Prof. Harold J. Laski, of the University of London, who is listed in John Gunther's Inside Europe as an English tradition.

Before the tourists board the train at Rockport they are served coffee and doughnuts. Lemonade is an alternative. There is no limit on the quantity. It takes an hour for the train to cover the 23 winding miles from Rockport to Gorge Camp, and the interurban cars are hauled by a puffing steam locomotive. Forest rangers stride from coach to coach cautioning travelers to put out their cigarettes, since the Skagit River drains the Mount Baker National Forest and no smoking is permitted during the dry season.

Gorge Camp is the headquarters of the Skagit tours. There the travelers stay overnight in clean, airy bunkhouses. There are three people to each room, men and women sleeping in different buildings. Probably this ruling stemmed from the same moral righteousness that impelled Ross to abstain from alcohol and tobacco all his life. At any rate, Skagit tours have no objection to man and wife sharing one room, but separate the sexes because mere oral affirmation of marriage is not always infallible proof that such a relationship actually exists. The bedding on the cots is clean and crisp and each guest has two impeccably white towels. Near the ceiling of each room is a little grillelike apparatus, resembling a ventilator, which is an outlet for the camp's public-address system.

Three meals are eaten in the spacious mess hall—dinner the first day and breakfast and lunch the second. Everyone sits where he can find a place, and Skid Row passes the gravy to University Heights. Here is a typical Skagit dinner: Vegetable soup, breaded veal cutlets, mashed potatoes, country gravy, fruit salad, string beans, bread and butter and jam, apple pie with cheese, and coffee, tea, or milk. All the food is served in deep bowls and there is no restraint on anyone except his own appetite and discretion. As many "seconds" as wanted can be had. An average Skagit breakfast entitles you to as much as you want of the following: Grapefruit, corn flakes, oatmeal, fried eggs with ham or bacon, hot cakes with jam or sirup, toast, muffins, butterhorns, and coffee. Tables are waited on and the bunkhouses tended by young men working their way through the University of Washington.

After dinner the people with stout wind trudge through the strange tropical gardens that grow luxuriantly on the slopes below the cliffs of the canyon. Ross long contended that soil, not climate, principally determines the ability of certain plants to survive. Engineering associates from all over the world sent him quantities of sod, and in this environment in the high Cascades, within sight of eternal snows, palms and century plants flourish in rich profusion. Here also are peacocks from Java, guinea hens from Africa, and Peking ducks from Peiping. "No bird ever migrates on account of temperature," said Ross. "Migration is in search of food." Everywhere grow trees and plants from such friends of the City Light superintendent as Harold Gatty, the world flyer; Morris L. Cooke, former head of the Rural Electrification Administration; and Dr. Clarke Foreman, Director of the P. W. A. Power Division. Twenty-nine trees are from the President's home at Hyde Park.

Ladder Creek Falls plummets 1,500 feet through this setting of botanical splendor in a series of cataracts. At night colored lights transform the strip of water into an icy rainbow that twists and shimmers against the crags. Somewhere in a hidden ravine an electric organ plays waltzes, and Tales From the Vienna Woods and Sleeping Beauty echo between the granite walls of the gorge. Most of the participants in the Skagit tours go to bed on this breath-taking note, but a few of the more vigorous stay up and dance or see the movies in the recreation hall. More than one Seattle romance culminating in marriage has started on these trips.

At 6:30 in the morning the electric music box sounds not between the cliffs of the canyon but into each room through the grille-like vent. Reveille comes first, then Let's All Sing Like the Birdies Sing, and finally Lazy Mary, Will You Get Up? After breakfast everyone boards open cars for the last 7 miles to Diablo Dam. Above Gorge Camp the chasm narrows and deepens. The river surges swifter. Here the curves are too sharp for the steam locomotive, and a canary-yellow electric engine pulls the train. Granite bluffs as huge as cathedrals hem in the line. Candid-camera fans lean perilously from the cars, and two or three youngsters occasionally get the thrill of their lives through being allowed to ride in the cab.

Below the 400-foot face of Diablo Dam at Reflector Bar the railroad line ends. The morning is taken up with a boat ride on the 6-mile lake back of the dam. The scenery here is like the Alps; white peaks are a choppy sea above the green mountains. There are more glaciers in this region than in all the national parks combined. The boat, named *Alice Ross* as a tribute to the superintendent's wife, goes into the core of the Cascade Range, where City Light engineers are building a second great dam to plenish Seattle's source of power. This barrier, which is now known as Ruby Dam, but which later will probably be named for J. D. Ross, is on the Skagit River at the upper end of Diablo Lake.

Once the excursions consisted principally of young folks, who could easily trudge the 400 feet of steps between Reflector Bar and the *Alice Ross* dock on Diablo Lake. But soon grandfather and grandmother began to make the $4.05 trips. The staggering succession of stairways was impossible for them. Now a huge lift takes care of the ascent. Women and girls always scream shrilly on this precipitous ride. Ironically enough, the only person ever to get even slightly injured on the rise was Victor Aloysius ("Just Call Me 'Vic' ") Meyers, the jazzband impresario who is Lieutenant Governor of Washington. He stumbled against the railing and was bruised.

After the boat ride everyone goes back to Reflector Bar, where the electric engine waits. The interurban whistle sounds impatiently, and the train starts down the canyon. Now there is no grade to buck, and the cars sway along giddily. The train rolls over lofty trestles and twists around dizzy ledges. At Gorge Camp the open cars and electric engine give way to the plush-seated coaches and the steam locomotives. While this is done there is time to eat a lunch of cold meat and potato salad, with a bountiful supply of other accessories, and to pack suitcases. Shortly before 4 in the afternoon the train pulls into Rockport, lemonade and cookies are served, and the Skagit tour is over. Each traveler has spent $4.05 (children, $2.05) and has had himself a complete excursion in the Cascades.

"This is a magnificent idea," said Professor Laski as he and his wife got off the train at Rockport. "It seems to me one of the most splendid things I have observed in America—this furnishing of a holiday to so many people at so low a cost." Other notables have handed down a similar verdict: Stuart Chase, Pare Lorentz, Ben Cohen, and Ambassador Joseph P. Kennedy.

As the Skagit tours have become an institution in Seattle, so, too, has City Light. Once the private power company in the city monopolized the electric business in the community. Now City Light serves three times as many customers as its private competitor. When housewives visit the combination summer resort and power plant on the Skagit, they begin to think of City Light in terms of gorgeous flowers and dashing waterfalls. From then on, promotion work and advertising are practically superfluous. People on the Skagit tours become thoroughly conscious of the hydroelectric system that is at the base of their unique holiday. They are taken through the power plant, and always on the train ride they are aware of the steel towers high above that carry electricity to Seattle.

Ross used to say the success of the Skagit tours was proof that the average American likes his neighbors and appreciates an honest attempt to give him his money's worth. For example, few features of the tours win more favorable comment than the fact that City Light employees go over the parked automobiles at Rockport, while the cars' owners are in the mountains, and repair flat tires, fill empty radiators, and clean smudgy windshields.

Summer is almost at hand again, and 20,000 people are ready to go on America's No. 1 excursion novelty. They will ride the old interurban coaches, see the lighted cataract, eat big wedges of pot-roast and thick slabs of pie, examine the trees that Mr. Roosevelt

sent, and hear the electric music box summoning them to get up in the morning. The season will be different for only one reason: J. D. Ross will not be there.

A few weeks ago they took his ashes out on the gaunt shoulder of Ross Mountain and strewed them there. The wilderness wind whipped them away—down to where the buildings of Gorge Camp squat below the white water of the tailrace, and where "the useful and the beautiful are never separated."

RICHARD L. NEUBERGER.

Trade Treaties

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

RADIO ADDRESS BY ARTHUR BESSE, PRESIDENT OF THE NATIONAL ASSOCIATION OF WOOL MANUFACTURERS, MAY 3, 1939, OVER THE WJZ NATIONAL NETWORK, UNDER THE AUSPICES OF THE GENERAL FEDERATION OF WOMEN'S CLUBS

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks, I include the following address on the subject of trade treaties by Mr. Arthur Besse, for many years president of the National Association of Wool Manufacturers, former chairman of the Wool Textile Code Authority under N. R. A., and an officer of the Besse system of clothing stores.

We have heard and read so many speeches by State Department theorists with reference to the trade-treaty program that it is refreshing to read such a splendid and devastating criticism of this ruinous policy to this able and practical businessman.

Mr. Besse's speech follows:

Many of us are fearful that the reciprocal trade agreements are "selling us down the river." Our fears are not allayed in the least by numerous statistics cited by the proponents of the program. These figures are not conclusive one way or the other. Foreign trade is not developed overnight and even if it were, the past 2 years can in no sense be considered as a period of normal trade activity.

One of the important influences bearing on foreign trade during the past few years has been our tremendous export of potential war materials. The increase in these exports can hardly be attributed to concessions in tariff rates which we have obtained abroad. I certainly hope that war materials are not going to become one of our normal exports, but who can predict whether, when such exports cease, they will be replaced by the export of plowshares, wheat, and cotton. My own feeling is that the nations of Europe will be so burdened as a result of their efforts to arm themselves that—whether there is a war or not—they will be ill-prepared to absorb large surpluses of American products unless we are again willing to loan foreign countries the money to pay for them.

In this connection it is pertinent to challenge the State Department's use of export figures on two grounds. First—because the vast amounts of war material exports cannot be considered as normal and recurring, and, second—because it is inconsistent to justify a program which was designed—so the Congress was told—to promote peace, by pointing to export gains in which are hidden the figures covering the exports of instruments of war.

It is my opinion that the use of present figures on our foreign trade is misleading and confusing. In certain particular industries there have been increases in exports or in imports which can be attributed, at least in part, to concessions which we have received or given, but even these increases indicate a trend without giving a clear idea as to how far the movement may go. Especially is this true as respects our imports, since, at the moment, most of the low-cost producing countries are much too occupied with other problems to thoroughly exploit the possible market for their products in this country.

The reciprocal trade agreements program with our most-favored-nation policy, which automatically extends concessions to nations other than the one with which we negotiate directly, is laying this country open to destructive competition from the products of low-paid foreign labor. That we are being made more vulnerable to this competition there can be no doubt. The degree to which this competition may prove destructive, only time can tell.

Our concern over the probable ultimate results of this program is intensified because of the fact that the State Department appears to have forgotten the purpose of a "protective" tariff and because they either ignore or do not comprehend the underlying theory of international trade.

Although it seems rather elemental, I think it is important to emphasize the object of a "protective" tariff. Approximately two-thirds of the merchandise imported into the United States is admitted duty free. The other third consists of products which compete with similar goods produced in this country. The purpose of the tariff is to protect American industry against foreign goods which are more cheaply produced—generally because of markedly lower labor costs. The tariff is not a capricious instrument for raising prices in this country, and so defrauding the consumer. It is, as the term "protective tariff" indicates, a means of equalizing the price of competitive imports so as to protect our domestic industry against the products of low-cost foreign labor.

If there are articles which we now make in this country but which we no longer desire to produce and for which we are content to become dependent upon some foreign source, we may well give consideration to the abandonment of the duty as respects such articles. This, however, is quite a different matter from bargaining away a part of the duty on products which we feel we should continue to make in this country. If the reduction in duty which we bargain away brings the rates on specific articles below the rate adequate to afford protection, the tariff no longer performs its function. The domestic manufacturer can continue to operate on the former scale only if his labor will take a reduction in pay such as will put our workmen on a basis more nearly comparable with foreign workers. A tariff is not a "protective" tariff unless it protects, and a percentage of whatever rate may be adequate does not provide proportional protection, but may fail utterly of its purpose.

Although the tariff is to protect our higher American standards, the State Department is engaged in making general reductions in the tariff at a time when the actual need for protection is increasing. Shorter hours, higher rates of minimum pay, social-security benefits, and other socially desirable movements in this country have recently widened the spread between costs here and abroad, thereby increasing the need for protection in industries which compete with foreign producers. Factors which indicate the need for greater protection are, however, ignored by the State Department, which has shown an unrestrained determination to reduce rates throughout the tariff schedule.

The State Department's attitude is not based on a desire to damage American producers (although I believe that is exactly what they are doing) but rather on the erroneous conviction that increased imports are necessary and desirable. The key to their attitude and to their misconception of the value of foreign trade is expressed in their contention that, "We must import more in order to export more." Such a statement shows a complete lack of knowledge of the value or purpose of trade. No trader accepts an article in order to acquire the privilege of giving something else in exchange. His purpose in giving goods to another trader is to acquire from that trader something which he himself desires. But his desire for acquisition, not his desire to dispose of his own property is the compelling motive. It is the same in international trade. We do not import in order to export. On the contrary, we export in order to import those things which we want and do not have. The value of trade is judged by the need to acquire, or to import, rather than by the desire to export. Thus the State Department should concentrate on ascertaining what unsatisfied needs we have in this country and on finding means of stimulating the production for export of goods particularly wanted by those in a position to supply whatever unsatisfied domestic needs may have been uncovered.

But the State Department, quite properly concerned over the problem of actual agricultural surpluses and perhaps potential surpluses in certain manufacturing fields, is attacking the problem from the wrong end and is concentrating on exports, not realizing that it has the cart before the horse. Assuming that the reciprocal trade agreements program accomplishes what the State Department hopes—namely a reduction in these surpluses—what it will amount to is this: That we will have given foreign countries the right to dump their surpluses here in exchange for the privilege of dumping our surpluses on them. The benefits to be derived from such a procedure are somewhat obscure; the damage which may be sustained by individual industries, however, will be more readily evaluated. It is to be doubted if anything is to be gained by transferring a surplus from one commodity to another, or from one locality to another. Unless we can find something to import which we really want and do not now have, we have no possibility of finding a permanent market for our surpluses abroad.

Other nations recognize that foreign trade in the long run is governed by the need to acquire rather than the wish to sell, and hence are at a great advantage in trading with our own State Department. Our negotiators start with the understanding that we desire more imports, not of particular products but in general, and they are prepared to give concessions which will result in increased imports on the theory that thereby foreign countries secure credits with which to whittle away at our surpluses. The State Department hopes these concessions will not greatly disorganize those industries which are asked to bear the burden of this treaty program, but neither they or ourselves really know what the ultimate damage will be. Contrast our negotiators' attitude with that of the representatives of foreign countries. These countries state quite frankly—at least at home—that they do not want to increase their imports. Here, then, is the picture—two groups of negotiators sitting down to barter concessions in import duties—one group (our own) committed to concessions which will be

effective in admitting more goods, the other group (that is the foreign representatives) determined, as far as possible, to make concessions, which while they may appear important, actually will have a minimum effect on the volume of their own imports. It does not take much imagination to guess whether the concessions which we receive are worth those which we make. It seems to me inevitable that we receive the short end of the stick.

Not only are many of the concessions we receive of doubtful value in stimulating current export trade but with the industrialization of so-called undeveloped nations and the growing desire among nations to be self-sufficient in emergencies, our exporting industries are finding it increasingly difficult to cultivate sales abroad. The concessions we receive, therefore, will tend to prove less and less effective; the concessions we give will prove more and more serious to us as low-cost nations turn from their preparations for war to the development of industrial activity. Add the fact that when we make a trade bargain, we make our concessions available to all nations but one, whereas we ourselves get concessions from no nations except the one with whom we negotiate, and it seems that the chances of promoting economic recovery through the reciprocal-trade agreements are slight—to put it as mildly as I can.

To my mind, no foreign trade program can advantage any nation unless that nation seeks primarily to supply unsatisfied domestic needs rather than to find dumping grounds for its surplus products.

If We Don't Have a War

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

EDITORIAL FROM THE SATURDAY EVENING POST

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following leading editorial from the Saturday Evening Post of May 20, 1939, entitled "If We Don't Have a War":

[From the Saturday Evening Post of May 20, 1939]

IF WE DON'T HAVE A WAR

What we write here is for the record, and we pray as we write it that the occasion to refer to it shall not arise.

For a year and a half the President of the United States has been talking war. He began it with the "quarantine speech" in Chicago in October 1937, saying there was no escape for us through mere "isolation or neutrality" and that the "peace-loving nations must make a concerted effort" to quarantine and stop the aggressors.

The speech was not very well received. People were somewhat dazed. The mind of the country had not been prepared for it. We do not say that what followed was with conscious intent to create a war neurosis. We say only that it had that effect.

Continuously thereafter the Roosevelt administration seized every opportunity to implant hatred of foreign nations where more than enough was seeding itself and to propagate the thought that if Great Britain and France were attacked we should have to take part to save democracy in the world, because American destiny, too, would be involved.

Utterances of this purport, some of them very offensive to nations with which we were then at peace, came from responsible officers of the Roosevelt administration, and especially from members of the President's Cabinet. The President could have stopped them. He did not stop them. He encouraged them, with the result that when he came himself to say, in his message to Congress last January, that whereas words were futile, still there were many methods "short of war, but more effective than mere words" of bringing aggressor nations to account, the American mind was receptive. It had been prepared. What the President was supposed to be talking about then was economic war.

A few weeks later, when he had had the members of the Senate Committee on Military Affairs at the White House to receive momentous revelations in secret, there was a leak. It was reported that he had made them shudder by telling them that America's first line of defense was in France. This report produced an immense political sensation in the world. Two days elapsed. Then it was evident that again he had overpassed what the American mind was prepared for. Thereupon he called in the reporters and said to them that he had never said such a thing, had never thought such a thing, and that anyone who said he said it or thought it was a boob or a liar. That was on February 3. Mark the date.

Sunday, April 9, on leaving Warm Springs, Ga., he turned to the people who had come to the station to see him off and said to them: "I'll be back in the fall if we don't have a war."

It was a gratuitous saying. Literally it meant nothing at all. Even in the midst of war a President may go on such little journeys for relaxation and rest. Mr. Roosevelt certainly would. But, politically, it turned out to be a saying both calculated and significant.

In what sense did he employ the collective pronoun "we"? Did he mean, "If we, the American people, don't have a war"? Or did he mean, "We, the democracies of the world"?

On April 11 the Washington Post printed a long editorial, saying: "By 'we' he undoubtedly meant western civilization * * *. In using the collective 'we' the President told Hitler and Mussolini * * * that the tremendous force of the United States must be a factor in their current thinking * * *. He made it plain that a war forced by them would from the outset involve the destinies of a nation which, as they fully realize, is potentially far stronger than Germany and Italy."

The same day, at his press conference, the President said to the reporters that his "we" meant exactly what the Washington Post said it meant; he adopted the editorial, saying it was very good, very clear, and very honest.

Thus it happened that on April 12, in the same place where the news had been on February 3 that the President called anyone a boob or a liar who said he had said our first line of defense was in France, the New York Times printed the following:

"WASHINGTON, April 11.—President Roosevelt strongly implied at his press conference today that he believed the involvement of the United States in any general European war was inevitable and that this Nation should stand shoulder to shoulder with Great Britain and France against Nazi-Fascist machinations aimed at world domination by force. The President made known his belief by expressing his approval of a newspaper editorial interpreting his use of the collective pronoun 'we' in his farewell remarks at Warm Springs, Ga., Sunday, when he promised to be back again in the fall 'if we don't have a war.'"

If we are going to stand shoulder to shoulder with Great Britain and France against German and Italy, where is our first line of defense?

Many people who had been shocked by that thought in February were very familiar with it in April, so easily is the national mind conditioned.

Since February the President had been helping to condition it. He had said that the United States could not remain indifferent to the spectacle of aggressor nations swallowing up little nations. He had caused his Secretary of State to issue a statement naming Italy as an aggressor nation, whereby it came automatically under the threat of "methods short of war, but more effective than mere words"; and he had abolished the Atlantic Ocean as our natural defense against aggressors. In his speech to the governing board of the Pan American Union he had said, "Beyond question, within a scant few years air fleets will cross the ocean as easily as today they cross the closed European seas."

It is the great affliction of the world at this moment that in so many cases the words uttered by responsible heads of governments do not mean what they seem to mean.

In a formal statement on February 3 the President said: "We are against entangling alliances, obviously. The foreign policy has not changed and is not going to change."

What did those words mean? We do not know. We do know that our foreign policy has changed. Nothing in our traditional foreign policy is compatible with notice beforehand to Hitler and Mussolini that if they start a war in Europe they will have to meet the tremendous force of the United States, or notice beforehand that we shall stand shoulder to shoulder with Great Britain and France against them.

There is apparently much that we do not know about our foreign policy. It has no relation to its past. On April 13 the British Prime Minister announced the Franco-British pledge to aid Greece and Rumania in the event of aggression upon them, and that Germany and Italy had been warned to keep their hands off the Mediterranean. Rising then in the House of Lords, the British Foreign Secretary, Lord Halifax, said: "The judgment of His Majesty's Government is not only shared by the overwhelming mass of opinion in Britain but by most states of Europe and by the United States."

Did the British Foreign Secretary know what he was talking about? If so, did the American people know? When, how, and upon what authority was the judgment of His Majesty's Government shared by the Government of the United States?

Two days later the President of the United States daringly produced his Saturday surprise. News of it first came to this country from Europe. That was his direct challenge to Hitler and Mussolini. Would they cease from their aggressions? Would they bind themselves for a term of years not to attack or invade certain specified European countries?

The shoulder-to-shoulder reaction to this American adventure in the game of world politics was reported the next day by Pertinax, the foremost political writer in Europe, who said that now "American isolationism will probably recede into the background, American policy will go forward more boldly to the side of the great European coalition now being formed, and the various nations included in that coalition will, as a consequence, gather courage to stand firmer in their resistance to Germany and Italy."

On the record, as at this point we leave it, we say—

That the state of the American mind toward war in Europe is a cultivated obsession;

That the change in our foreign policy, so far as the executive will of government has been able to change it, is such that only 2 years ago the unobsessed American mind would have rejected it with horror;

That emotionally, morally, and politically we are already deeply entangled in the quarrels of Europe;

That so far as the executive will of government has been able to commit us, we are committed not to be neutral if war comes in Europe, which means that we may be fighting again on European soil on the side of Great Britain, France, and Russia under the slogan, "Save democracy," but really in defense of the division of spoils that was made under the Versailles Treaty that we did not sign; and

That for all of this the President of the United States is responsible.

When these things are debated in Congress, as they are from day to day, the legislative principle takes refuge in the thought expressed by Senator GEORGE, saying: "Undoubtedly there has been propaganda in this country—very widespread propaganda and very subtle in its nature—to get us into war—that is, to create the war sentiment and mold the war mind here in the United States. The issue of peace and war, however, lies right in this body and in the body at the other end of the Capitol. It ought to be made abundantly plain and clear that we do not propose to carry the country into war; that when that issue arises there are those of us here, humble though we may be, who will not vote to have the country go to war. Anyone, whether in high or in low place, who gives assurances to European nations that this country is ready to go to war and will go to war is simply misleading European nations, because the Congress of the United States and the American people have no idea of again engaging in a foreign war."

That sense of security in the power of ultimate veto may turn out to be false. It is true that only the Congress of the United States can declare war. But what we may forget is that the President of the United States, as Commander in Chief of the military forces, has the power to commit war and the power also to provoke other nations to commit acts of war. What would the Congress of the United States do about it?

Analysis and Definitions of Certain Sections and Subsections of H. R. 6466—The New Townsend Bill—The General Welfare Act

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EXTENSION OF REMARKS

OF

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

Mr. HENDRICKS. Mr. Speaker, many advocates of the Townsend plan as the solution for our economic ills feel that not enough emphasis has been placed on the indirect benefits of the plan of the young and middle-aged and to the Nation as a whole. Dr. Townsend has, by his wonderful contribution to human welfare, made the Nation pension-minded, and the need for old-age security is felt everywhere, whereas before he startled the Nation with his plan the agitation for more adequate old-age pensions was confined largely to the sponsorship of State plans for this purpose. Even now, however, people are prone to think of the Townsend plan as a measure to aid the old people at the expense of the rest of the public. Nothing could be further from the truth, as the indirect benefits of the plan to the Nation as a whole and to all groups and classes of people are as great, if not greater, than the direct benefits which would come at once to those needy citizens over 60 who have waited so long for its enactment into law. Its title, the "General Welfare Act," will help in a great measure to crystallize public sentiment in favor of the bill as a measure that will help all classes and people in all walks of life.

When the general public awakens to a realization as to what the Townsend plan would do for the Nation as a whole and that the bill as now drafted will work in actual practice as applied to everyday situations which we meet, the plan will take an ever greater hold upon the public than it has in the past, and the walls of opposition that have confronted us as we have fought for it will crumble as rapidly as we hurl the full force of the bill as now drafted against these walls of ridicule, prejudice, and preconceived ideas. The Townsend plan has been drawn upon a practicable basis and will stand the closest scrutiny of those who oppose it, as their opposition has been based largely on ignorance and a fear that it would not work out in actual practice. One reading of the new bill should convince them to the contrary and we should sell them on the idea that it is really for the general welfare of the United States of America, as its title implies.

TECHNICAL CHANGES IN WORDING OF BILL

You will note the changes in the method of taxation, also in wording, which add immensely to the bill by making it understandable to all and by stating its fundamental principles and precepts in as clear and concise language as it is possible to do, also by making it as constitutional as it can possibly be made, in line with principles already enunciated by the United States Supreme Court in adjudicated cases.

DEFINITIONS

Section 2 of the bill deals with definitions, and much repetition of words and ideas has been avoided by clearly defining therein the terms used throughout the act. The term "transaction," for instance, is defined so as to cover business transactions of any nature, including "transactions" wherein actual money does not change hands.

Under the definition of "sales value" we have made an important change which will bring in millions monthly in additional revenue and which will eliminate the objection that has been raised that the manufacturers who produce their own raw material will pay fewer transaction taxes than those who cannot do so and that we will thus foster monopolies and drive out the "little man" so that the big dealers that remain will be able to charge "all that the traffic will bear" to the detriment of the general public. This definition will bring under the act all those producers who, by using their own raw material, would otherwise escape the tax and would be able to engage in all kinds of unfair competition at the expense of the general public. They will pay the taxes whether they sell the finished product or not. It is felt that this change will have a great appeal to all those who believe in the equality of opportunity, upon which this Nation was founded.

The terms "transaction" or "business transaction": Under H. R. 2 the specific "transaction" to be taxed was somewhat vague. This revised method is being used in an attempt to better define what the subject of the act shall be. We are attempting to tax business transactions of every nature with certain exemptions, as specified in section 6. You will note that this subsection (a) of section 2 includes all activities engaged in or caused to be engaged in with the object of gain or economic benefit, either direct or indirect. This, I believe, is all-embracing and covers all forms of business, legitimate or otherwise.

The term "person" or "company": This subsection is, I believe, self-explanatory and defines the kinds of business which shall be taxed—all businesses which have taxable transactions.

The term "sale": This is an additional yardstick by which all business transactions shall be taxed and includes barter of any kind. I believe that if this were not included in the act, barter could be carried on extensively without taxing liability if the tax were to be measured only by the amount of money received or to be received. This subsection takes care of any such contingency.

The term "sales value": Because of the fact that we are taxing business transactions of all kinds under this act it is necessary that we devise a method of measuring the tax upon a business transaction which is handled by one entity from the source of supply or the raw-material stage to the manufacturing plant and thence to its retail outlet. In cases where one entity controls all of these factors it would create unfair competition against the small-business man, who, upon buying his merchandise, must necessarily pay the pyramided taxes which are passed on to him, whereas, with one entity controlling all these factors, the tax would not be pyramided if the actual income received from the sale of such products were the only method of measuring the tax. The term "sales value" is being used in an attempt to define, or, rather, to arrive at, an amount of money which would have been received had these products been sold to the manufacturer or to the retailer by another entity. Opposition may be encountered to this term "sales value," as there are any

number of methods of arriving at "value." However, the intent here is not to arrive at a "value" as such making it an ad valorem tax, but to arrive at an amount which would have been received had same been sold by a disinterested party. My reference is to "income" and not "value." The intent of this definition is "the equivalent amount of gross income which would have been received had such products been sold by a disinterested party."

The term "gross proceeds of sales": This section, I believe, is self-explanatory. You will note that the term "tangible property" is used instead of the term "tangible personal property." The word "personal" was deleted so that the act would also cover the sales of real property.

The term "gross revenue": This subsection is defined to include the gross revenue received from the sale of services or tangible property, or both, and also levies a tax upon income received from other sources where the surplus of a business has been diverted to other channels and interest, dividends, and so forth, are realized from such investments.

"Imposition of taxes; rates": This section has been so drawn to enumerate the different rates of tax which may be applied upon the several business activities. In order to prevent the pyramiding of the tax a lower rate is being recommended for certain business activities.

"Tax on producers": This subsection defines the business activity of "producing" so that the rate of one-half of 1 percent upon this particular kind of business transaction may be accordingly applied.

"Tax on manufacturers": This subsection is an attempt to define the business activitity of "manufacturing" so that the lower rate of one-half of 1 percent may be applied thereto.

"The measure of the tax on manufacturers": This subsection is self-explanatory. The "value of the entire product" referred to is the "sales value" referred to in subsection (j) of section 2 of this act.

If any person liable for the tax on manufacturers: This subsection covers the method of arriving at the base for purposes of taxation under this act, upon products which are shipped in foreign commerce without being sold. The "sales value" of such products immediately before entering foreign commerce is used as the measure of such tax.

"In computing the tax levied on manufacturers": This subsection defines the method of measuring the "income" of products sold where transportation charges are included and shown upon the invoice. The taxpayer is permitted to deduct such amount of transportation charges prepaid provided such transportation charges are shown as a separate item upon the invoice. It means that the seller of the merchandise advanced for the convenience of the buyer, the amount of the transportation charges, therefore, when the buyer pays the total amount of the invoice which includes the transportation charges, he is only refunding the amount of money which the seller advanced as transportation charges, as such.

"Tax on wholesalers or jobbers": This subsection defines the business activities of wholesaling or jobbing for the express purpose of applying the lower rate of one-half of 1 percent. You will note, however, that in order to get the rate of one-half of 1 percent, the wholesaler or jobber must sell his products to someone who in turn resells it for purposes of resale or resells it to the ultimate consumer. If such wholesaler or jobber sells directly to the ultimate consumer, then such wholesaler or jobber shall pay the higher rate of 2 percent. The kind of business engaged in is not the subject of this definition, it is the particular "business activity" which governs. If this were not so, then the jobber could sell to the ultimate consumer, paying a tax of only one-half of 1 percent upon such sales and thereby create unfair competition, which the retailer, who would be forced to pay 2 percent upon such sales, could not cope with. It is for the protection of the one who sells to the ultimate consumer and thereby pays the higher rate of tax that this subsection has been defined as written.

"Tax on other business": This subsection covers all other business activities, whether retailing, professional, or otherwise, and excludes only the other classifications previously mentioned, such as producing, manufacturing, and wholesaling or jobbing.

The term "producer": This subsection covers the definition of a producer by defining the business activity of producing. Anything which is produced shall be included in this subsection. A producer may also be a manufacturer or a retailer, or both. A rock quarry, for instance, would be termed a "producer." If the rock, however, is sold directly to the ultimate consumer or user of such rock, then such sale shall be termed a "sale at retail" and the higher rate of 2 percent applied, even though such sale is made by a producer. In other words, we are attempting to tax the particular business activity and not measure such tax by the particular kind of business which a person may be engaged in.

Manufacturer: The term "manufacturer" here is used to define the kind of business which a person may be engaged in. This does not particularly mean, however, that a manufacturer could not also be a wholesaler or a retailer, or both, as a person who is known to the trade as a manufacturer may also sell to the ultimate user or consumer. The measure of the tax shall be the particular kind of business activity consummated and not by whom consummated. When a manufacturer sells merchandise to the ultimate user or consumer such sale shall bear the higher rate of 2 percent.

Wholesaler or jobber: This subsection defines the particular kind of business engaged in and not the business activity or activities which may be engaged in. You will note that in order to bear the lower rate of one-half of 1 percent such wholesaler or jobber must sell to either a licensed retail merchant or jobber for purposes of resale; to a licensed manufacturer where the manufacturer includes raw materials or commodities in the finished or salable product which he in turn resells; or to a licensed contractor of materials or commodities which are to be incorporated by such contractor into the finished work or product required by the contract and which materials or commodities shall remain in such finished work or product in such form as to be perceptible to the senses.

Exemptions: Subsections (a) and (b) of section 6, are, I believe, self-explanatory.

PORTIONS OF AN ANALYSIS OF H. R. 2 PERTINENT TO H. R. 6466

The following is a portion of an analysis of H. R. 2, which is pertinent to H. R. 6466. This analysis makes distinctions between H. R. 2 and H. R. 6466—which are the same bills except for minor changes—and Townsend bills previously introduced in Congress. The section numbers referred to in this analysis are the section numbers of H. R. 6466.

REQUIREMENTS AS TO ANNUITANTS

The main change in section 7 is the elimination of the exemption barring as annuitants those who have incomes from other sources. It was felt that it would be next to impossible to systematically and honestly administer the law if the pro rata due is subject to change each month after the examination of the returns made in this regard and if we are to rely solely on such individuals disclosing all sources of income.

Another major change made in this section was to definitely set the date the annuity becomes due, to-wit, the first day of the calendar month following approval of the application by the Secretary of the Treasury, not the date of filing the application for it as provided under the old bill. This eliminates the necessity for any reserve fund to take care of delayed applications and the pro rating can be made with absolute certainty that no injustice is being done to anyone.

Another major change was to definitely set forth in the law itself the basic legislative rules so as not to leave the law subject to the criticism, from the constitutional standpoint, that legislative powers were delegated to an administrative board. In fact, the costly and cumbersome administrative boards provided for in the old bill are done

away with altogether. Thus the expenses of administration are cut to a minimum and the legislating is done by Congress as it should be under our constitutional system of Government, divided as it is into three departments—the legislative, executive, and judicial. To illustrate, the basic rules for proving age and citizenship are laid down by Congress in the act itself rather than being left to the executive department to determine. This may seem unimportant, but when it is considered that an administrative interpretation might bar an applicant for an annuity from receiving $200 per month for the rest of his life, the real importance becomes evident.

Other important changes made in section 7 may be itemized as follows:

(1) Applicants for annuities must file with their applications photographs and fingerprint records for identification purposes. This is to prevent one person from applying for and receiving annuities in several States and simplify the administration of the act in other particulars.

(2) Applicants must swear to their applications and must agree therein to spend the annuity.

(3) They may spend their annuities en route to or from our Territorial possessions, which will enable the annuitants to do a little traveling if they so desire.

(4) They cannot spend the money for gambling.

(5) They may take out life insurance on their own lives of not exceeding $1,000 to insure themselves a decent burial and in a measure protect their dependents. They may also continue paying premiums on life or endowment policies taken out over a year before the effective date of the act.

(6) They must pay bona fide debts incurred before they became annuitants, but cannot expend more than 10 percent each month for debts and gifts combined.

(7) If they receive any money or property by disposing of property purchased with annuities, they must dispose of such money or property within the first full calendar month thereafter in the same manner as the annuities must be spent. A major loophole in the old bill was plugged up by this provision, as it will prevent gambling in stocks, hoarding away money received from the sale of homes purchased with annuities, and so forth. If a home is sold, a new home may be purchased or an automobile, house trailer, or even a yacht, so as to create prosperity for those manufacturing such things.

(8) No annuities are to be paid to persons forcibly confined in penal or other institutions. If voluntarily confined, they may receive the annuity. Almshouses will thus be closed. Jails will continue but with fewer inhabitants, because the incentive to steal and commit other crimes will be lessened.

(9) The Post Office Department must return to Washington all checks issued to annuitants who die or are forcibly confined in institutions.

(10) No assignment of or order on any annuity is valid.

(11) Any annuitant may waive his right to a portion of the annuity or may apply for less than the $200-per-month maximum. This provision was made to permit the acceptance of less than the full amount without the necessity of being convicted of a misdemeanor under the law in order to reduce the amount if the annuitant voluntarily wants to take less. It must be remembered that he is the disbursing agent for Uncle Sam, and if he is too old and feeble to go about spending the full $200 to create prosperity for others, he should be allowed to take what he needs for his comfort and happiness and leave the rest in the fund for those who do want it and will spend it properly. On the pro rata basis we should cut down on all those who do not want the full amount, and by convictions and penalties provided for in the act cut down on those who do not deserve the full amount, as this will raise the pro rata figure for the other annuitants so as to bring them up that much sooner to the $200 mark.

(12) Annuitants must have been full citizens for 5 years. This will prevent an influx from other countries to share in the benefits and will further cut down on the number of annuitants.

ADMINISTRATIVE PROVISIONS

A major change is made in section 8, pertaining to the administration of the act, by taking the administration away from the Administrator of Veterans' Affairs and giving it to the Secretary of the Treasury, to whom it logically belongs. The necessity for administrative boards and a duplicative set-up paralleling our present governmental machinery is thereby avoided. There is no reason why our present Government officers cannot be utilized for the enforcement of this law as well as other laws they enforce instead of building up new bureaus to eat up the money that should be available to the annuitants under this act. Efforts have therefore been made, throughout the entire bill, to utilize the following long-established Government agencies in the enforcement of its provisions:

(1) The Secretary of the Treasury.
(2) The Collector of Internal Revenue.
(3) The Post Office Department.
(4) The United States district attorney.
(5) The United States district court.

In accordance with the above, provision is made in the bill for distribution of the annuities by means of checks mailed out from Washington by the Secretary of the Treasury under Uncle Sam's franking privilege, with little extra cost to the Government.

Forms for the use of applicants and annuitants are to be made available through the local post office, already established in every village and hamlet, within 30 days after the act takes effect. These forms are to be filed with the postmaster, after being sworn to, and are to be checked by him and then forwarded to the Secretary of the Treasury at Washington. The returns from annuitants are likewise to be sworn to and filed with the postmaster for forwarding to Washington, unless he finds that any return shows violation of the law, in which case he is to turn it over to the United States district attorney for appropriate action. The district attorney may be called upon for advice and legal assistance by the postmaster and by applicants for annuities, as well as the annuitants. Provision is also made for petitioning the United States district court for a determination of any person's rights under the act and the procedure in this regard is made as simple and inexpensive as possible. Postmasters and their assistants are given the power to administer oaths and are to charge 25 cents for each verification of a return for an annuitant, which 25 cents becomes a part of the revenue of the Post Office Department in order to cover the additional expense to which that Department is put. This revenue will amount to several million dollars monthly, as annuitants will naturally patronize Uncle Sam rather than a notary public, for they will gain by doing so.

APPORTIONMENT AND DISTRIBUTION OF FUNDS

In section 9, the pro rata idea is, of course, retained. There is, and has been, no thought of changing it, as it has been realized all along that the plan is one that will have to be carried on a "pay as you go" basis and that the Government should not be called upon to underwrite a payment of $1,600,000,000 per month to the 8,000,000 or so citizens over 60 who will be eligible to apply for the annuity. On the pro rata basis we will have everything to gain and nothing to lose as the tax will certainly bring enough to pay the expenses of administration, which under the act as it is now drafted should not be great. It is a certainty that whatever amount is brought in the first month, there will be an increase in it the next month, and a greater increase each succeeding month, as there will be increasingly more transactions and consequently more transaction taxes. That is why a limit of $200 per month has had to be made, and this limit will soon be reached under the pro rata basis. The $200 per month has always been our goal and Dr. Townsend has consistently opposed every effort to lower the age limit and give to more citizens an annuity of say $100 per month, as this would lower the standard of living in America and would not

be fair to the working people of the Nation, who are entitled to insist on maintaining at least the $200 per month standard as the minimum in the way of a comfortable living wage.

Disbursements are to be made between the 20th and last of each month to all annuitants whose applications have been approved by the Secretary of the Treasury by the 20th of the month, and the checks are to indicate that, as to the annuitants, they are for the following calendar month.

All applications not approved by the 20th, and all moneys received after that, together with all moneys withheld from the annuitants as penalties for violating the act, or waived by them, and all moneys returned from deceased annuitants and those forcibly held in institutions, are carried over into the next month.

By means of these definite rules distribution will be on a systematic basis and very little of the money collected under the act will be held at Washington for more than 15 days. The delay of 5 months in getting the first checks will enable industry to prepare for the increased buying, and prices will not be skyrocketed by a sudden release of buying power.

Any surplus over and above the $200 per month maximum would be used to pay off the national debt, until the same is cleared, after which the surplus goes into the general fund.

RULES AND REGULATIONS

Section 10 gives to the Secretary of the Treasury the power to issue and promulgate administrative rules and regulations under the act instead of the Administrator of Veterans' Affairs.

Section 11 appropriates the money collected in the general welfare fund and sufficient money from the general fund to establish and maintain the act, subject to reimbursement out of the funds collected thereunder, something which the old bill neglected to do, although subdivision 7, section 9, of article I of the United States Constitution provides that "no money shall be drawn from the Treasury, but in consequence of appropriations made by law."

DISQUALIFICATION

In section 13 the only change was to add "or en route between the States and such territorial possessions" so as to permit annuitants to travel to and from our territorial possessions.

DELAY IN PAYMENT—REMEDY

In section 14 there was made a change in wording so as to give the annuitant but 1 additional month in which to spend the accumulated annuity checks on his hands at the same time. The old bill allowed several months.

CERTAIN OFFENSES MISDEMEANORS—PENALTY

Section 15 was changed very materially, not only in wording but in effectiveness, and, as redrawn, will add much toward making the entire act practically self-enforcing. It should convince even our bitterest opponents that the Townsend plan is now practicable.

Annuitants may not engage in any gainful pursuit "in any way or upon occasion" under the new wording. This makes a conviction possible to obtain, whereas under the old wording it would have to be proved that the violation existed over a period of time, which is often a very difficult thing to do by legal evidence from the practical standpoint.

It is made a misdemeanor to fail to spend the annuity or proceeds of the annuity within the time required by the act or to spend it in any way other than as required.

The bill provides that the annuitant may not maintain any person in drunkenness or gambling in addition to maintaining any able-bodied person in idleness, as the old bill provided; also that he may not employ any person at a salary "entirely and clearly" in disproportion to the service rendered. This latter change was made so as not to discourage annuitants in paying what they consider fair wages to employees, even though such wages might be higher than the average wage paid.

It is made a misdemeanor for any annuitant to refuse to pay any just obligation incurred under the act, or to refuse to pay 10 percent of any month's annuity on just obligations incurred prior to the time he became an annuitant. The creditors of a person taken out of productive industry are certainly entitled to payment and this is the only means of protecting them.

A graduated scale of penalties for violation of the misdemeanor provisions of the act is set up. Under these provisions an annuitant would, upon conviction, forfeit each month for the remainder of his life one-fourth of the annuity to which he would otherwise be entitled. He and his neighbors would become very careful not to violate the law again. If he does, another one-fourth is taken away. If he does a third time he forfeits another one-fourth, and for a fourth conviction he loses the annuity altogether. This would make the act as self-enforcing as it can be made, as each violation vitally affects the annuitant's pocketbook. A large army of "snoopers" or enforcement officers will therefore not be necessary and much of what would ordinarily be the enforcement fund will actually be spent for relief work to the aged, or rather for "general welfare" work for the entire population, as will become increasingly apparent when the significance of the new title to our bill and the new name for our fund becomes fixed in the public mind.

CERTAIN OFFENSES A FELONY—PENALTY

Real teeth are also put into the bill by the new wording in section 16. Under the old bill it was made a felony to make false statements in a tax return, but a tax return was not required by the bill. Under the new bill returns are mandatory, must be sworn to, and must state the truth, and all of the truth, or the party becomes guilty of a felony under the act in addition to being guilty of perjury under State laws. It is also made a felony to fail to pay any tax, whereas the old bill made it merely a misdemeanor. Stiff maximum penalties are provided for first convictions and stiffer penalties as well as severe minimum penalties are provided for subsequent convictions.

In addition, machinery is set up for the collection of civil penalties of double the amount of the tax plus interest at 7 percent in all cases of attempted tax evasion.

The theory of this section, under the new wording, is to simplify the collection of the taxes imposed by the act by dealing severely with offenders and by dealing more severely still with second and third offenders and to prevent tax evasions as far as possile.

To section 17 has been added a provision to make parts of the act severable from other parts so that if one part should be found invalid, through one of the 5 to 4 decisions for which our Supreme Court is famous, other parts of the act will not be affected thereby.

CONFLICTING LAWS REPEALED

Section 18 of the act was added to make it clear that all conflicting acts are repealed to the extent of any conflict. The Social Security Act would, of course, become unnecessary when our bill passes, and unemployment will be abolished entirely and wages raised and hours lowered for all workers by the operation of the fundamental economic law of supply and demand. The compulsory method of trying to make industry pay living wages and work reasonable hours and provide against unemployment by sheer force of law will soon be abandoned when it is seen how simply the whole problem can be solved under the Dr. Francis E. Townsend plan as embodied in this bill.

Section 19: This section has been included in order that certain titles of the present Social Security Act may be specifically repealed as we do not believe that with an all-inclusive tax upon all business transactions or activities such as we recommend that the additional taxes required under title 8 of the Social Security Act should be levied.

The final change made by the new bill is to add section 20, providing that the act shall take effect upon its enactment. Let us all hope and pray and work in order that this day may soon be with us.

America's No. 1 Farm Problem Becomes More Chaotic Under 21 Government Programs

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

ARTICLE FROM THE WASHINGTON POST

Mr. CRAWFORD. Mr. Speaker, America's farm problem No. 1 continues to grow in size and it becomes more chaotic. I specifically refer to King Cotton.

Twenty-one Government programs in 10 years dealing with the production, plowing up, control of marketing, and lending money on cotton have only further aggravated the general situation.

Seven price-supporting loan programs, six acreage-restriction programs, eight miscellaneous programs, and, with another appropriation bill before Congress calling for approximately $140,000,000 to be applied to cotton, are all a fair illustration of "planned economy" insofar as this major crop is concerned.

Today we find a huge surplus stock of cotton under Government control, dwindling exports, with the 7 months of the current crop year 42 percent less than in the same period of last year and exports the lowest for any corresponding period since 1881–82.

This deplorable condition increases while India this season shows exports 62 percent larger than a year ago. Furthermore, our neighbor republic, Brazil, reports a 21-percent increase for the last August–December period over the previous high record for similar months. Foreign production of cotton rapidly expands, world consumption of cotton continues to increase, and while this occurs the primary producer of cotton in the United States faces extinction.

Under leave to extend my remarks I submit herewith an article in the Washington Post, May 23, 1939, dealing with the ruinous effect of the Government program:

[From the Washington Post of May 23, 1939]

LOAN COTTON CALLED RUIN TO EXPORT TRADE—ONLY 28 PERCENT BOUGHT BY BRITAIN IN APRIL WAS AMERICAN STAPLE

NEW YORK, May 22.—Evidence continues to accumulate that the holding of the most of the supply of American cotton in the Government loan stock for prices above levels competitive with prices of foreign growths is progressively destroying foreign markets for the American staple, Alston H. Gerside, economist of the New York Cotton Exchange, said today.

During April British mills took only 73,000 bales of American cotton, compared with 78,000 in the same month last season, but they took 184,000 bales of foreign growths, compared with only 110,000 in April last season. Their takings of American cotton constituted only 28 percent of their takings of all cottons in April this year, compared with 41 percent in April last year.

During the first 9 months of the current cotton season, from August 1 to April 30, the United States exported only 2,977,000 bales of cotton, compared with 5,066,000 in the same portion of last season, but India exported 2,233,000 bales, compared with 1,485,000. British spinners recently appealed to the United States Government for the release of loan cotton.

DOMESTIC DEMAND HURT

In this country, also, the impounding of most of the supply of cotton in the Government loan stock is undermining the demand for domestic cotton. In this country the shortage of the supply of cotton in commercial channels is operating against mill demand chiefly by forcing prices of spot and nearby deliveries of cotton to large premiums over prices of more distant deliveries.

This is greatly restricting forward buying of goods, and, in turn, is making it impossible for mills to obtain remunerative margins on goods sold. During the past week the average gross mill margin on three print cloths was approximately 10.29 cents a pound, compared with approximately 12 cents 2 months ago, about 12.50 cents a year ago, and about 19 cents 2 years ago.

In consequence of the fact that the movement and consumption of Indian cotton are not throttled by any Government price-pegging loan, the stock of Indian cotton in India has been reduced to a much lower level than a year ago. On the other hand, because of the fact that the movement and consumption of American cotton have been throttled by a Government price-pegging loan, the stock of American cotton in this country has increased to the highest level ever seen in the history of the industry.

Tennessee Stirred Up Over Failure To Collect Taxes Because of T. V. A.

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks, I wish to comment briefly on an editorial appearing in the Knoxville Journal of a few days ago. It is in line with some speeches that I have already made on the floor of the House in which I have set forth the fact that the authorities and citizens of Tennessee have come to realize that the T. V. A. program was not a sound one. No consideration was given to the fact that a yardstick could not be a correct yardstick unless it took into consideration all the expenses incident to the setting up of the T. V. A. activities. For instance, they gave no consideration to the fact that the establishing of the large and unnecessary lakes in the Tennessee River would flood thousands upon thousands of acres of valuable land which were then on the tax duplicate at a reasonable figure and would take those lands off the tax duplicate. Likewise, it gave no consideration to the fact that when they ruthlessly put out of business and lowered the value of the power companies already operating in the State and paying heavy taxes therein, that something would have to be done to take the place of those tax payments when those companies were driven out of business by ruthless competition or were purchased by the Tennessee Valley Authority.

Now the newspapers in that State are all stirred up and stirring the people up over the fact that the tax income of the State is far too small to meet the State budgets.

The sum and substance of this whole situation is that the State of Tennessee was perfectly willing to accept millions upon millions of dollars in river improvements and is still glad to accept these gigantic donations if it will give to them cheap power. They want the United States Government to make up their loss of taxes and still permit them to have the cheap rates. In other words, they would expect the United States Government to provide them with facilities costing many hundreds of millions of dollars adapted to the purpose of producing cheap power and at the same time they would expect the United States Government to make up any shortage in taxes that they might experience by reason of the overflow of valuable land and the impairment of the value of the physical properties of privately owned corporations.

Let me quote you a few extracts from an editorial appearing in the Knoxville Journal of a few days ago:

What shall it profit the people of the Tennessee Valley if they gain a saving on their electric bills of $4,000,000 and at the same time have approximately that amount added to their tax bill?

This is the question raised by the inevitable tax loss which will be sustained by the State of Tennessee, her counties and cities, when the Tennessee Valley Authority acquires the properties of Commonwealth & Southern unless the present Congress acts for replacement of tax revenues.

It is the biggest fiscal question which has faced the State of Tennessee in the past 20 years and it is one which, if not settled now and properly, will mean that for the next 50 years this Commonwealth will be one of the worst tax-ridden governmental subdivisions in the country.

* * * * * * * *

Further, it should be pointed out that there is an urgency about congressional action on the tax replacement problem fully as great as that recognized for the prompt passage of the enabling legislation by which the Tennessee Valley Authority can make its purchase.

Tennessee counties before long are going to face their individual budgets for the coming fiscal year. In numbers of them the county courts will have a choice between hiking the tax rates—in one county as much as two-thirds—or of entering upon the coming year's operation with the knowledge that a deficit will be incurred.

Development of American Culture and Civilization Through P. W. A. and W. P. A.

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MAY 11, 1938

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to say that our great President of the United States, Franklin Delano Roosevelt, has had his first plan on Government reorganization approved. Under this plan the Federal Works Agency will be established, consisting of the Bureau of Public Roads, Public Buildings Branch of the Procurement Division, building management of the National Park Service, the United States Housing Authority, the Federal Emergency Administration of Public Works, and the Works Progress Administration.

This afternoon I had a conference with our great President of the United States, Franklin Delano Roosevelt, and in behalf of a great number of Members of the House of Representatives, I urged him to name the Honorable Harold Ickes, the eminent, brilliant, and distinguished Secretary of the Interior, as Federal Works Administrator, in complete charge of all the bureaus and organizations that would be listed under the Federal Works Agency. I told the President that this work would not interfere with the continuation of his duties as Secretary of the Interior. Most of the Members of the House of Representatives have the highest personal affection and regard for the Secretary of the Interior, for his honesty, for his integrity, and the magnificent accomplishments he has already rendered in his patriotic services to our country. Mr. Speaker, as an evidence of the profound regard that I entertain for this faithful public servant, I want to incorporate in the RECORD of Congress a speech delivered by me on May 11, 1938, on the floor of the House, which testifies to the magnificent services rendered by the Honorable Harold Ickes, Secretary of the Interior and Director of the P. W. A., aided by the genius of his First Assistant Secretary, Hon. Ebert K. Burlew:

Mr. WOODRUM. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Chairman, I have listened with profound interest to the very eloquent, constructive, and patriotic speeches that have been made on the subject of this recovery bill by both Republican and Democratic Members of the House. With your respectful consideration and kind indulgence, I shall endeavor to speak upon this controversial subject along lines that have not been approached by any Member of the House of Representatives. I shall endeavor to discuss the tremendous influence that the expenditure of these billions of dollars will have, on present and future generations, through the development of culture and civilization in our Nation.

Mr. Chairman, as the countless centuries marched across the proscenium of time they have presented two colorful and powerful dramas, enacted through pump priming, that paid for the labor of the unemployed—one labeled culture, which is the source of human happiness, the other civilization, which is the basis of our comfort. Both of these entities, culture and civilization, have left their profound and indelible impress upon the development and progress of races and nations through the ages.

The knowledge of every human being comes through the five windows of our personality—hearing, seeing, smelling, tasting, and feeling. The extension, prolongation, and development of these five senses, aided and abetted through tools, machinery, or equipment, is responsible for civilization. The basis of all civilization is therefore man's organic weakness. As mankind is too weak to struggle for existence with his natural weapons, he must resort to the creation of artificial weapons, through his creative brain, which has brought about the development of tools, machinery, and mechanical appliances. These extensions of mechanical tools to be used by man's five senses are termed "civilization."

Since the mind of no animal can make a tool, animals are incapable of possessing a civilization. The expansion and development of the mind through the aid of writing, printing, art, and science is culture. Since the mind of no animal possesses these gifts, no animal possesses cultural opportunities. Therefore, culture and civilization belong to the human family.

Mr. Chairman, civilization is only another word for applied physics, for it deals mostly with tools and bodies. Its main task is to produce more and better tools to increase man's comfort. Because civilization deals with tools, it involves space, or the eye, just as culture dealing with ideas, notions, terms, similes, involves time, or the utilization of the ear. The American people have been trying now for 150 years to establish a new civilization on this continent. That it also simultaneously established a culture only testifies to the creative energies of the American people. Of course, our civilization has been of much greater importance to ourselves and to humanity than our culture. We have invented some tools of our own which have increased enormously man's comforts. In these enterprises we have been excelling the Europeans for a good many years, but as far as culture is concerned, they still outrank us and can teach us a thing or two.

Like the Romans of old, we are primarily creative in the field of civilization. Our field of activity is our vast spaces, comprising a whole continent, but the field of activity of ancient Greece, whose culture is to the present day a source of inspiration to all humanity, was not space but time. Of the former there was very little. Athens and Sparta were both but villages in comparison to our metropolitan cities, and civilization as a special entity was nonexistent. Part of it was found in Asia Minor, another in Italy, and a third part in what is today called Greece. The Greeks, whose genius was not space, but time, thought in terms of eternity, but the ancient Romans thought in terms of continents, what was to them tantamount to infinity.

Ancient Rome and Greece are not the only examples of this great division in history—civilization and culture. Ancient India and ancient Egypt represent a similar division. Ancient India had all the culture, all the metaphysics, all the poetry, all the philosophy, but ancient Egypt had all the irrigation machinery, all the tools, all the great monuments, all the architecture, all the building activity, all the pyramids. Ancient Carthage and ancient Judea represent a similar division. Ancient Carthage had all the commerce, all the shipping, all the machinery, but ancient Judea had all the religion, all the poetry, and all the metaphysics. It is true that there was poetry, music, and philosophy in ancient Rome, just as there was art and religion in ancient Egypt, just as there were tools in ancient Greece and ancient Judea. The point is that while the center of gravity in ancient Rome was civilization, it was culture in ancient Greece.

In ancient Rome the appellation given to the king was the Latin sentiment "Pontifex Maximus"—the great bridge builder. When Rome was destroyed that title was adopted by the Pope, the Pontiff. In ancient days the adage "all roads lead to Rome" symbolized the powerful construction work done by the ancient Romans in building roads, highways, bridges, and tunnels in order to accomplish their military mission in conquering the then known world.

During the Dark Ages there was no civilization, but we had a modified form of static ecclesiastical culture. Education was in the hands of the church, which disseminated it to all those who sought the influence of the church for learning and education. With the development of the Renaissance real civilization and culture began. Roads, bridges, cathedrals, monuments, highways, art galleries such as the Uffizi and Petti Gallery of Florence, Doges Palace of Venice, Vatican in Rome, and the Museum of Naples which shows the relics of Pompeii and Herculaneum, the civilization of 2,000 years ago. The Louvre and Cluny galleries in Paris; Versailles, the home of Louis XIV and the Bourbon kings who succeeded him; the Schönbrunn Palace, the home of the Hapsburg dynasty, with its priceless art treasures in Vienna; Potsdam, the mansion of the Hohenzollerns, filled with works of art and sculpture; the Hermitage and Sczarko Zelo palaces in Leningrad; and Kremlin, the abode of the Romanoffs, with its magnificent collection of oriental art treasures, culture, and paintings of medieval times; these are evidences of the contribution of civilization and culture from the Renaissance up to the present time in the various great nations of Europe.

In modern times the great dictatorial nations such as Russia have only civilization and no culture. Culture preserves freedom of personality and permits the mind to express itself independently of restrictions and censorship. The modern Nazi state of Germany has only a civilization, but is destroying culture that formerly existed under a democratic regime. In modern Italy civilization is marching onward and upward, but culture is being destroyed through the enslavement of the mind. In Japan, another great autocratic nation, only imitative civilization exists. No culture has been developed, and not one philosopher of eminence has ever been produced in Japan, but the great parliamentary constitutional democracies, such as England, France, and the United States, because they grant freedom of mind and expression, have developed the greatest civilization and potential possibilities of a greater culture.

Mr. Chairman, to the extent that the center of gravity in ancient Rome was civilization, building roads and bridges, tunnels and canals, creating tools and machines, and establishing a vast organization of life, in that same measure is it in modern America—it is primarily civilization. In the cities the skyscrapers

almost threatening the heavens remind us of the predominance of civilization, and out in the wide open spaces, the roads, tunnels, sewers, bridges, and all the dams, like Boulder Dam and Coulee Dam, remind us of it. To meet the emergencies arising out of the economic crisis we have embarked upon great enterprises of civilization, building more roads, planting more forests, constructing new dams, and creating new sources of power to serve the needs, not only of the already established settlements but also to serve the needs of the settlements to be established. It is true we have not forgotten our cultural needs altogether. Through the constructive genius of Harry Hopkins and his able assistants, Col. F. C. Harrington and Aubrey Williams, we have developed the Works Progress Administration. We have created a Federal theater project and have harnessed the creative energies of countless numbers of cultural workers, actors, painters, musicians, sculptors, writers, and the like, but we have concentrated, not on culture but on civilization. We did it not as a caprice but to live up to our historical destiny. The center of gravity in America is civilization and not culture, and when the necessity arose to planfully revitalize our energies and at the same time give employment to millions of unemployed people, our first concern was instinctively enterprises of a self-liquidating character within the domain of civilization. More has been accomplished in this field in the last 5 years than would probably be accomplished under normal circumstances within 25 years.

Our Public Works Administration, under the brilliant and gifted leadership of the greatest Secretary of the Interior that this Nation has ever had, honest Harold Ickes, has enriched enormously American civilization that future generations of American citizens will pay tribute to. The same holds good of many other enterprises of a similar character that Mr. Ickes and his distinguished, efficient, capable, and loyal assistant, Mr. E. K. Burlew, an eminent career man in public service for 25 years, and their magnificent organization of P. W. A. workers have been perfecting all over our Nation.

Many of our people complain about the rising public debt, but they are either not wise enough, or honest enough, to admit that we have something to show for this debt—public buildings, good roads, bridges, hospitals, tunnels, dams, parks, public markets—whose values are never included in our Government balance sheet. When a private business concern draws up a statement showing liabilities and assets, it surely includes among its assets such properties as buildings and improved lands, and will surely include such items as the Boulder Dam, Muscle Shoals, Grand Coulee Dam, and similar pieces of valuable property, but for reasons unknown our Government only lists its liabilities. The citizens of this great country must know that the rising liabilities are matched by great assets which are a source of health and strength to our people. These assets are everlasting contributions to American civilization and a monument to the genius of President Roosevelt and his ablest Cabinet officer, Harold Ickes. [Applause.]

They embellish our cities with parks and playgrounds, they strengthen our landscape with new roads, new bridges, new dams, and new forests, and constitute the greatest contribution to American civilization made in the last 50 years. Those of us who think in historical terms instead of in terms of everyday emergencies, those of us who think in national terms instead of local terms, must wish that we continue to make these contributions to American civilization, not only because in so doing we continue to employ millions of people, but because we continue to enrich our country, we continue to develop our civilization, we continue to increase the security, comfort, and happiness of future generations of Americans. I am so convinced of the necessity of the continuation of the P. W. A. that I would advocate its prolongation into a permanent agency, even had we not to face a recession almost bordering on a major crisis. In the course of our daily business we forget that only by special effort can we continue to tap the vast resources of our country and to develop them, that only by special effort can we develop our avenues of communication. With the increasing traffic we must have more and better roads. To prevent further devastation of the soil we must have more reforestation. To secure cheap power for vast electrification of sections of our rural population we must have more dams. To beautify the skylines of our cities we must clear the slums. To provide our lower middle classes with modern, up-to-date housing facilities we must embark upon a vast building program. Our cities need more parks, more and better schools, bathing pools, and more playgrounds for children. In dozens of cities in the East hundreds of new school buildings must be established because the old buildings have outlived their usefulness and can no longer serve their purpose. All that necessitates the continuing of the Public Works Administration, which has been the greatest agency of our Nation in developing our present and our future civilization. The budget of the P. W. A. should never be decreased, but increased, for money spent on the P. W. A. is money spent on the development of our civilization, which is the primacy of our life and the glory of our Nation. Our Nation is fortunate in having at the helm of the P. W. A. Hon. Harold Ickes, a man of great vision, a profound student, who is aided and assisted by that loyal, faithful, honest, and hard-working Assistant Secretary of the Interior, Elbert K. Burlew. [Applause.]

It should be the policy of the American Government to keep the wheels of our civilization moving and to keep its parts in good shape. We must not permit our public buildings and markets to become dilapidated. We must not permit traffic to become too congested, and to prevent this we have to continue to build new roads. We must not permit our communications to decline because of lack of highways, bridges, and tunnels. America will be as strong as its civilization, and will be as modern as its civilization. To continue it means continued activity. Civilization, like culture, is a continuous process. It cannot be interrupted for a second. To keep it moving and growing a special agency—now it is the Public Works Administration, later it may be the permanent Public Works Department—always must be kept busy. Not only is the money involved well spent, but the best possible national investments we could make to promote recovery and ultimately bring back prosperity. The preparedness of a nation is coequal with the efficiency of its civilization, and the greatness of a nation, of America, can only be measured by the greatness of its civilization. Its greatness expresses itself in its continuity. Through the great agency of the P. W. A. we must continue to build, continue to improve, continue to replace the old with the new; continue to be active, continue to bring form, harmony, and beauty out of chaos in order that American civilization should endure. That is the great task before us, and only an agency like the P. W. A. can perform this task. Let us therefore continue to strengthen and revitalize, fructify, and embellish the phenomena called American civilization. When you consider the P. W. A., do not look at the hundreds of millions of dollars involved; look at the things accomplished. That is the only possible approach to the problem, and it is the approach of true statesmanship and true American patriotism. Culture and civilization are the foundation upon which the superstructure of prosperity, happiness, and comfort will forever rest and thus bless our American people and enrich our American homes, hearths, and firesides. [Applause.]

Effects of Inflation

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

Mr. RUTHERFORD. Mr. Speaker, it is time for all of the people of the Nation, whether they be old dealers, new dealers, conservatives, or liberals, to stop, look, and listen. Yes, it is time that we stopped and honestly looked into the financial condition of the country and having stopped and looked, then when we have thoroughly grasped the exact situation to seriously ask ourselves "Where do we go from here?" In the early months of this administration, when the President and his New Deal advisors were handling the affairs of the Nation with the skill and nonchalance of movie actors, a large number of persons took the situation lightly and sang "We don't know where we're going but we're on our way." The situation is very much different today than what it was then so far as it relates to the financial condition of our country, because today we know where we are going and we are definitely on our way. We are headed for inflation with all of its attendant evils and nothing can stop us if the administration continues its new spending policies and theories. That the administration is going to continue its spending policies is quite evident from the President's speech on Monday evening. It was my privilege to serve upon the special committee on national-debt policy appointed by our minority leader, JOSEPH MARTIN, and our committee submitted its report to the Republican conference on May 16, 1939. My part of the committee work related to national debt and inflation and in the gathering of data I had the assistance of some of the foremost economists of the country. We studied the effects inflation upon endowed institutions, upon insurance companies and their policyholders, upon savings-bank deposits, and while inflation may never come to America in such magnitude as it came to Germany, Austria, and France, yet it will do the Members of the House no harm to study the terrible effect that inflation had upon those countries. It can happen here. In this talk I want to discuss with you the effect of inflation on endowed educational institutions, charitable organizations, and hospitals. At a later date I will give you the benefit of our studies on the effect of inflation on savings-bank accounts and the effect of inflation upon insurance companies and their policyholders.

THE EFFECT OF INFLATION ON ENDOWED EDUCATIONAL INSTITUTIONS, CHARITABLE ORGANIZATIONS, AND HOSPITALS—THE VULNERABILITY OF ENDOWED INSTITUTIONS UNDER INFLATION

Endowed institutions of all kinds stand in a particularly vulnerable position with respect to inflation. Endowments given to institutions are granted by their donors either in the form of investments, from which the institutions in question draw the income, or are turned over in the form of outright payments, which the institutions themselves invest—sometimes it may be a combination of the two. In the former case, business precaution has been responsible for the fact that such investments usually are in high-grade bonds of government or corporations of a category termed "gilt edged," the yields from which may be expected to be steady over the years. If institutions are called upon to invest or reinvest money or securities given to them outright, not only business precaution but law restricts their investments to securities having as small an element of speculation as possible, which, again, means, in effect, high-class securities bearing a fixed rate of interest. It should be further added that a large proportion of endowments are inviolable, meaning that the principal must be kept intact, leaving only the income for use by the recipient of the endowment.

Now, it is just this type of investment that is affected most disastrously by inflation. It pays by contract a fixed percent, which remains unchanged even though the purchasing power of the sum so paid has fallen practically to nothing. And for this very reason the face value of the securities themselves falls precipitously, and little, if anything, can be realized from their sale. This is in contradistinction to common stocks, which pay on earnings, and hence whose yields and face value go up during an inflationary period, though not nearly so much as the purchasing power of the currency unit declines.

DEPRECIATION OF THE ENDOWMENTS OF THE UNIVERSITY OF FRANKFURT

A striking effect of the German inflation on endowments of educational institutions may be noted in a table which lists the face value of the 38 inviolable endowments which constituted the main support of the University of Frankfurt, first in 1922, just before inflation became uncontrollable, and then after revalorization. It should be noted that under the German revalorization law—February 14, 1924—the currency was stabilized on the approximate basis of one trillion paper marks to one gold mark; and, furthermore, in this general revalorization law certain types of securities were decreed to be worth more than that at which they were currently quoted. Thus, Government and other high-grade bonds were revalorized at 2½ to 12½ percent of their face value—according to qualification—savings bank deposits at 10 percent, and mortgages at 25 percent. Under this dispensation it will be noted in the table—which on account of its length is appended hereto—that less than 15 percent of the face value of these endowments was recovered and that the one endowment—Jakob Schiff—which returned better than 50 percent was due to the fact that 57 percent was invested in American railroad bonds. It should be further noted that 11 of the endowments were revalorized at less than 10 percent and 3 of them at 2½ percent or less.

THE STROOF ENDOWMENT

Another example is worth citing at considerable length because it is not extreme but is typical of what happened to endowed institutions—educational, charitable, and medical—as a result of Germany's experiment with inflation. Its parallel will also be found in other European countries, the extent of the ensuing disaster being contingent on the degree and severity of the course of inflation in the individual countries concerned.

In 1921 there died in Germany one Dr. Stroof, who, being a public-spirited man, in his will endowed the University of Frankfurt with the sum of nearly 8,000,000 marks for the purpose of fostering research. The only condition imposed was that certain employees of Dr. Stroof should be paid pensions out of this fund amounting to approximately 666 marks a year. The first installment to the university consisting of 1,000,000 marks in inconvertible Reich treasury notes was paid in January 1922. By that time the German inflation characterized by ever larger issues of currency irredeemable in gold was under way, and so the 1,000,000 marks in question was worth only 25,000 gold marks, or about $5,950 at the pre-war rate of exchange. One month later a second installment of 1,000,000 marks in treasury notes was paid, but by that time it was worth only 22,000 gold marks—$5,236. Again in March 1922 a third installment—this time of 1,250,000 marks—was transferred to the university, yet this larger sum was worth only 18,000 gold marks—$4,284. No payments were made for the next 13 months, but in April 1923 Prussian state bonds, with a face value of 450,000 marks, were turned over to the fund. By that time the uncontrollable phase of the German inflation had been reached and the entire sum was equivalent in value only to 86 gold marks—$20.46. In May 1923 the fund received 700,000 marks in treasury notes, but this amount—nearly twice as large as the sum paid 1 month earlier—was worth only 90 gold marks—$21.42; and in July an installment of 171,000 marks in treasury notes had a value of only 2.6 gold marks—about 62 cents. The final chapter was written when in December 1923 the last installment of 3,250,000 marks in treasury notes was paid. This installment, it will be noted, was about three times as large as any previously made and yet it was worth only thirty-eight one-hundred millionths of a single gold mark, or such an infinitesimal fraction of 1 cent in American money as almost to defy computation.

Put into the following tabular form the figures become even more startling:

	Face value of installments	Gold value of installments	Approximate value in American money, pre-war rate of exchange
	Marks	*Marks*	
January 1922	1,000,000	25,000	$5,950
February 1922	1,000,000	22,000	5,236
March 1922	1,250,000	18,000	4,284
April 1923	450,000	86	20.46
May 1923	700,000	90	21.42
July 1923	171,000	2.6	.618
December 1923	3,250,000	0.000000038	(?)
Total	7,821,000	65,178.6+	15,512,498+

It should, of course, be understood that whatever the value with relation to gold marks, the various installments had at the time they were paid into the fund, these steadily depreciated, and, in fact, they all reached the level of the value of the final installment of December 1923. In short, by December 1923 the gold value of the entire Stroof endowment shrank to such an infinitesimal fraction of a single gold mark that for all practical purposes it was completely wiped out.

An ironical aftermath may be found in the fact that the university was still bound to pay the small pensions of the Stroof employees, and, in fact, after the revalorization of the mark, had to do so out of the small remnant of funds still left to the institution even though the Stroof endowment itself had been inflated out of existence.

THE CASE OF THE THERESIAN ACADEMY OF VIENNA

This institution, equivalent in standards to an American high school, was founded in 1778 by the Empress Maria Theresa, and by 1914, and through funds added to its original endowment, had approximately 8,000,000 crowns—about $1,600,000. At the beginning of 1925, when the Austrian crown was finally stabilized after the inflation period on the basis of about 14,400 paper crowns to 1 gold crown, this endowment was discovered to have a value of just over $112, as compared with $1,600,000 in 1914. Under this severe loss the school was no longer able to care for needy but deserving students. It had to take with little discrimination only students who could pay their own way, and besides it had to curtail its plant and equipment in every possible manner even to the extent of renting unused rooms and turning the school stables into garages, which were rented to outsiders.

THE THIERS FOUNDATION

While the course of inflation in France was not nearly as severe as in Germany or Austria, the franc being stabilized in 1925 at about one-fifth its pre-war value, nevertheless,

it was sufficiently severe to cause tremendous losses, particularly to those whose living was derived from fixed incomes. The case of the Thiers Foundation was a typical case in point. This institution was founded by Adolph Thiers, the first President of the French Republic, as an aid to students in obtaining the highest instruction in law and medicine and also to qualify them for doctors' degrees in literature and science. It received the income from a fixed capital fund invested in Government bonds and in coal-mine securities. The institution had already had its income severely curtailed during the war through the occupation of the French coal-mine area by the German armies. But after the war the rising tide of inflation so depleted the purchasing power of its income that it became necessary to secure permission from the state to sell the jewels of Mme. Thiers, which were conserved for the foundation in the Louvre Museum. Even though this sale nearly doubled the foundation's capital, the purchasing power of the increased income was little more than one-seventh of the purchasing power of its original pre-war income and left the institution close to the brink of insolvency.

CHARITABLE AND WELFARE INSTITUTIONS AND FOUNDATIONS

So far we have cited only examples relating to educational institutions. The consequences of inflation are equally disastrous upon charitable and welfare institutions of all kinds. For instance, the city of Frankfurt, like nearly all German cities, possesses numerous institutions of this character supported largely by trust funds—contributed by philanthropic citizens—which under the loan have to be invested in "mundelsicher" securities—that is, highest grade State, municipal, and corporation bonds, paying fixed rates of interest. In 1914, foundations for the care of children and young people possessed assets of about 922,000 marks, and foundations for the poor possessed assets of approximately 5,372,000 marks. But when these assets were revalorized at the beginning of 1925, the assets of the former had shrunk to about 112,000 marks and the latter to 665,000 marks—these sums being in each case about 12 percent of the 1914 assets. The highest amount recovered in any of the individual foundations was 37 percent and in many cases the rate of recovery was 5 percent or less of the original amounts. Tables showing the details relating to these foundations are appended. Obviously the drastic curtailment of the income and assets of these foundations under inflation meant that the poor, the aged, and the destitute had to be denied the help they needed.

HOME FOR THE AGED AND INFIRM (FRANKFURT)

Nowhere are the disasters of inflation upon the poor and aged more strikingly brought out than in the case of the Home for Aged and Infirm in Frankfurt. Again it should be reiterated that this is only one typical case selected at random out of many.

This institution was founded in 1816 and was originally a workhouse, but later developed into a home into which aged men and women—to the number of 300—purchased a life residence out of their meager savings and in addition any additional savings which they possessed were entrusted to the institution which paid them interest on it. These entrance fees and savings funds constituted the main portion of the working capital of the home, and consequently under inflation it found itself utterly unable to provide for its inmates or to pay the small amounts of interest due them from the savings which had been entrusted to it. Furthermore, as inflation progressively advanced, great pressure was brought upon the home to aid more and more people who themselves were rendered poverty-stricken by the disastrous economic conditions which inflation was producing. Obviously the home had to refuse further aid, no matter how necessitous the circumstances.

An idea of the astronomical character of Germany's inflation may be visualized in the fact that the food bill for the home in the fiscal year 1923–24 reached a total of 23,293,366,276,337,266 paper marks—the item for black bread alone was 2,986,973,878,061,080 paper marks—while it cost 10,246,434,361,231,396 paper marks to supply heat for the establishment. The income from all investments during this year, reckoned in paper marks, covered less than 3 percent of the food bill alone. And whereas in 1914 the income of the home from its investments amounted to more than two-thirds of its total receipts, in 1923–24 it was less than one-seventieth of the total. In short, the home itself became dependent upon the city of Frankfurt for aid, and hence lost its character as a self-supporting institution, whose large and growing endowments had enabled it to meet an expanding need in the community.

WELFARE INSTITUTIONS IN AUSTRIA

Endowments of charitable and welfare institutions in Austria fared worse than those in Germany, because even though in the former currency depreciation did not go so far as in the latter, Austria did not revalorize as did Germany. Without going into detail, a survey made in 1927 shows that only about 6 percent of the charitable institutions in Vienna in 1914 still remained, that their capital and revenues were only 1 percent of the 1914 total and that they were rendering assistance to only 2 percent of the people cared for in 1914.

THE SITUATION IN THE UNITED STATES

With the above examples in mind can it be doubted as to what would happen under inflation to endowed institutions in the United States? Whether they are educational, welfare, or charitable institutions the result would be utter disaster.

Consider first that over one-half of our higher education is being carried on by privately supported colleges. Consider also that the endowments of such institutions total over $1,500,000,000. Consider, finally, that endowments of this character are considered to be of such great social importance that in the words of E. W. Kemmerer:

> We protect many of them by special laws which restrict the investment of trust funds to a limited and supposedly safe field of investments. In these restrictions, high grade bonds and mortgages are favored, and common stocks are usually disfavored. This policy is enforced both by law and by traditional public opinion (Endowments in Jeopardy, The Atlantic Monthly, December 1937, p. 737).

For example, six of our best-known endowed educational institutions are Harvard, Yale, Princeton, Cornell, the University of Chicago, and the University of Pennsylvania. As of 1936 the total endowments of these universities reached a total of $355,000,000. Of this total about $311,000,000 was invested in securities, and of this sum approximately $213,000,000, or nearly 69 percent, was invested in fixed-income securities, such as bonds and mortgages, as against only $98,000,000 invested in equities consisting mostly of common stocks. This 69 percent is an average, be it said, for Princeton University has nearly 82 percent of its invested endowment in fixed securities, and Harvard has over 72 percent of its endowment so invested.

While this example covers only educational institutions, the type of investment made by charitable institutions is of an exactly similar character and would be subject to the same disastrous consequences under inflation.

And once these endowments were impaired or destroyed, how would they ever be restored? To quote Professor Kemmerer again:

> In the face of our large and growing governmental control of business, in the face of increasing resort to highly progressive income, inheritance, and gift taxes on the part of both our National Government and the States, taxes whose combined rates in the higher brackets are already the highest of any advanced country in the world, and in the face of the commonly neglected fact that inflation continually pushes all taxable incomes into higher and higher brackets, although the real or purchasing-power value of these incomes may be actually declining—in the face of such facts, who will restore the endowments of these educational institutions if they are greatly depreciated or destroyed by inflation?

To sum up, then, the ultimate threat of inflation to endowed institutions is as expressed in the words of Professor Kemmerer:

> Excessively burdensome Government debts are usually not paid by taxation. The political resistance to taxes adequate for the purpose becomes too strong. Such debt burdens are usually reduced to politically workable proportions by inflation. The burden is thereby shifted largely from vigorously protesting taxpayers

who have votes by the millions, to bondholders, and other "economic royalist" creditors whose numerical protest at the ballot box is weak. In this class belong our privately endowed colleges, universities, scientific research institutions, and hospitals. In America, the greatest and most irreparable damage that unsound monetary policies and Government financing by inflation threaten is the undermining of these great public-welfare institutions.

The greater part of the material presented above was derived from the following sources:

(1) Inflation and After—Philip G. Wright (published by the Duke University Endowment).

(2) Inflation—E. C. Harwood and Donald G. Ferguson, American Institute of Economic Research.

(3) Endowments in Jeopardy—Prof. E. W. Kemmerer, Atlantic Monthly, December 1937.

I suggest to the Members of the House that they take time to read and study the above three sources of material and information and in that way they will get a more complete view of the whole matter of inflation.

Tributes to the Memory of Haym Salomon

EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. ALBEN W. BARKLEY, OF KENTUCKY, AND LETTERS FROM THE PRESIDENT AND GEN. JOHN J. PERSHING

Mr. LUCAS. Mr. President, on the evening of May 21 last the distinguished majority leader of the Senate, the Senator from Kentucky [Mr. BARKLEY] delivered an address of tribute to Haym Salomon, Revolutionary patriot, at the Patriotic Foundation dinner in Chicago. The address is most appropriate and highly inspiring.

In connection with the same patriotic meeting the President of the United States sent to the Patriotic Foundation at Chicago a letter of tribute to Haym Salomon, and Gen. John J. Pershing also sent a letter.

I ask that the address and the two letters be printed in the Appendix.

There being no objection, the address and the letters were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. ALBEN W. BARKLEY

Mr. Toastmaster, distinguished guests, ladies, and gentlemen, I felt greatly honored when, through your distinguished senior Senator, SCOTT LUCAS, I was invited to participate in your program on this eventful occasion.

I wish at the outset to express in a word my admiration for and confidence in not only your senior Senator, who has but recently entered upon a full 6-year term in the United States Senate, but also I wish to congratulate the Governor and the State of Illinois upon the appointment of the junior Senator [Mr. SLATTERY] to succeed my very dear and long-time friend, the late James Hamilton Lewis.

The occasion which brings us together this evening is one which might well fill the heart of any American with deep gratitude and enthusiasm, regardless of race or clime from which he or his ancestors came.

On the 4th day of last March we celebrated in the city of Washington the one hundred and fiftieth anniversary of the beginning of the American Congress. All branches of the Government were represented. The ceremonies were outstanding for their dignity, as well as the tone and substance of what was said by those who took part in them.

Most of the things that were said and thought on that occasion are familiar to the American people as a whole. It was impossible to review in any detail the development of the American Nation over a period of a century and a half.

But the spirit in which the occasion was set raised all those who witnessed it above the sordid consideration of selfish attainments, and in a sense rekindled the spirit which originated and has perpetuated our American institutions.

We have but recently also celebrated the two hundredth anniversary of the birth of George Washington in ceremonies covering the whole country and a considerable period of time which have brought to our people a new conception of the indispensable part played by the Father of his Country in the establishment of this great Republic.

In April, about 1 month ago, on the front porch at Mount Vernon, the President of the United States delivered an address commemorating the one hundred and fiftieth anniversary of the departure of George Washington from his home in Virginia to the city of New York to take the oath of office as the first President of the United States.

We meet this evening in what is perhaps the first commemorative celebration of the life of one whose services were indispensable to Washington and the Revolutionary patriots in making possible the attainment of independence and the establishment of a new nation.

I often speculate on what might have been the fate of the world if some event, apparently accidental or trivial at the time, had not transpired.

When George Washington was 14 years of age he started to enlist in the British Navy. He sent his trunk from his home in Virginia to a British man-of-war at the seashore. When he was telling his mother good-bye at the front door, she wept copious tears over the departure of her son. What American mother would not weep over the departure of a 14-year-old son to enter into the naval or military service of his country, however worthy the spirit which actuated it?

In a fit of petulance at his mother's demonstration, Washington canceled his enlistment and remained at home. Who knows what might have been the fate of the American people if Washington had completed his enlistment in the British Navy? We might today be a part of the British Empire instead of the world's greatest republic. For if there was one man whose services were indispensable during the whole of the American Revolution, that man was George Washington.

I have often wondered what might have been the fate of Europe and of the world if a small boy had not directed a lost general with his army to the Battle of Waterloo where Napoleon and his ambitions were finally defeated.

Within a few miles of each other and within a short space of time Jefferson Davis and Abraham Lincoln were born in the State of Kentucky. For reasons that at the time were apparently trivial or accidental, Davis' father moved to Mississippi and Lincoln's father moved to Indiana and thence to Illinois. Jefferson Davis became a soldier of the United States in the Mexican War, Secretary of War, and then President of the Confederate States of America.

Abraham Lincoln became a Member of Congress, an unsuccessful candidate for the Senate, and then President of the United States. These two men, born in close proximity as to time and space, faced each other in the great struggle from 1861 to 1865, from which we have emerged as a nation more firmly knit together than ever before in its entire history.

What would have been the fate of America if Lincoln's father had gone to Mississippi and Davis' father had moved to Indiana or Illinois? Would Lincoln have become President of the Confederacy and Davis President of the United States? Or would both of them have remained in the oblivion out of which they came to immortalize their names in the history of America and of the world? Who knows?

These speculations and incursions into the possibility of what might have happened may appear futile, and probably they are; but, nevertheless, they are interesting and they emphasize the fact that we are not always masters of our fate, and sometimes circumstances over which we have no control fix the environment and conditions of our lives.

These contemplations and speculations have arisen in my mind in connection with the life and service of the man in whose honor we meet this evening. History has been tardy and neglectful in paying to him the honor and recognition to which he has long been entitled. If Washington was indispensable to American independence as the military and spiritual leader of a struggling people, Robert Morris, of Philadelphia, was no less indispensable as the financial director, who, in the darkest hours of the Revolution, assumed the task of raising the funds necessary to keep the Revolutionary Army in the field. And if Robert Morris was indispensable to George Washington, and the cause for which he fought as history now concedes, then Haym Salomon was no less indispensable to Robert Morris and to the success of that same cause.

Washington and Morris have received their full meed of national and international recognition for the transcendent services which they performed in behalf of American liberty and the conception of liberty throughout the world.

But for some unaccountable reason Salomon has never received the recognition which his services deserve in the efforts which he put forth in behalf of this same cause.

The history of this man's life is both fascinating and tragic. Born in Poland in 1740, he grew up amid the stirring events associated with the Polish struggle for liberty. In his youth he seems to have wandered through various countries in the Old World and thus acquired that knowledge of the French, Polish, Russian, and Italian languages which caused the Hessian commander in New York City to remove him from the incredible prison known as the provost. This dismissal from prison was not actuated so much by humanitarian sentiments as it was to make use of Salomon's ability as a linguist in dealing with the Hessian soldiers and those with whom they came in contact.

As a result of some revolutionary activities among the Polish youth in the struggle for liberty, Salomon came to America in 1772, but 4 years prior to the adoption of the American Declaration of Independence.

Although a penniless immigrant, he began at once to show that character of business acumen which not only brought to him personal financial success but made his services so indispensable to Robert Morris, who is known in history as "the financier of the American Revolution."

Because of the local difficulties surrounding the occupation of New York by the British forces, Salomon removed to the city of Philadelphia, leaving his wife and a month-old child in the city of New York. He established himself on Front Street. He became the financial agent of the French Government. His success as a financier and his enthusiasm as a patriot, although not a citizen of the Colonies, brought him to the attention of Robert Morris at what seems now to have been a psychological hour in the ebbing spirits of the Revolutionary Army.

The tragic appeals of Washington for financial aid from Congress are known to every schoolboy in America. The unwillingness or inability of that Congress to comply with Washington's urgent requests for financial aid is also a matter of universal knowledge. From 1779 to 1781 it was seriously questioned whether the Revolution would be a success or the Colonies remain a part of the British Empire. In 1781 Robert Morris accepted the appointment as superintendent of finance for the American Revolution, and in that year George Washington wrote to him as follows:

"I felt a most sensible pleasure when I heard of your acceptance of the late appointment of Congress to regulate the finances of this country. My hand and my heart shall be with you; and as far as my assistance can go, command it. We have, I am persuaded, but one object in view, the public good, to effect which I will aid your endeavors to the extent of my abilities and with all the powers I am vested with."

Not long thereafter Morris enlisted the service of Haym Salomon, whose financial genius was by that time fully recognized not only in Philadelphia and in Pennsylvania but by the Government of France, which made him its financial agent.

During the remaining years of his service in this capacity, Robert Morris entered more than 70 notations in his diary giving Salomon credit by name for his assistance which he was rendering to the cause of American liberty.

He negotiated loans for the Colonies. He discounted paper; he signed notes and obligations and bills of exchange with his own personal obligation in order to raise money for the Continental forces; and when he died he held obligations of the Government for nearly $350,000, which were or became worthless and for which he never received compensation. Though in his youth abroad he had been financially successful; though he had manifested in America, without much delay, the financial ability which made him a success in his personal relations and made him an outstanding success in helping to finance the struggle for American liberty, he died penniless. Neither he nor his heirs have ever received compensation for the money he lost, loaned, or gave away in the colonial struggle. He served under Robert Morris without compensation. The failure of a grateful people to reimburse him for his financial sacrifices cannot be easily understood. Many others, including Robert Morris himself, suffered almost incredible financial losses for which there was never to be financial reimbursement.

But one of the strangest miscarriages of justice, as well as one of the most lamentable misdirections of history, is the fact that he has been known as "the forgotten man of the American Revolution."

This probably is the result of his modesty and his unassuming character. Other distinguished Polish patriots also rendered conspicuous service in the American Revolution. The names of Casimir Pulaski and Thaddeus Kosciusko are known to every school child in the Nation. I would not detract from the glory of their records. They were likewise descendants of Poland and had grown up and lived in the atmosphere of the perpetual struggle for human liberty. But if this Polish Jew, Haym Salomon, had not devoted his services as a sort of financial wizard to the indispensable effort to feed, clothe, and equip the Continental Army, it may be doubted whether the services of Pulaski and Kosciusko would have made to the cause of liberty the contribution which is now universally recognized.

It is, therefore, with great pleasure and deep gratitude that I am glad on this occasion to speak a few words in recognition of the services of this man. He recognized the fact that liberty is not geographical nor political. He recognized what we recognize today, that all races, regardless of their geographical location or their historical background, must struggle and battle eternally for not only political liberty, but religious and economic liberty.

He recognized, as we all recognize, that freedom is not something to be attained only by the enactment of a statute. He recognized, as we all recognize, that in America and throughout the world the enjoyment of freedom—political, religious, or economic—can only be obtained by making the organized agencies of democracy function for the attainment and perpetuation of the inalienable rights of man.

He recognized that the glow of the human spirit in its aspirations for equality must be accompanied by the ability of democracy to serve mankind in a complex life as well as in a simple life.

Not only did Salomon render conspicuous and invaluable service to the cause of American liberty and common justice collectively, his benefactions were received in a personal way by some of the outstanding legislative patriots of the Revolutionary period. He gave personal financial aid to his Polish friend, General Kosciusko. From him General St. Clair was a frequent borrower. James Madison, later to be President of the United States, and who became known as the "Father of the Constitution," wrote to Edmund Randolph, of Virginia, that without the aid of Haym Salomon he could not meet his expenses as a Delegate to the Continental Congress in Philadelphia. James Monroe's brother-in-law, Joseph Jones, likewise repaired to the brokerage office of Haym Salomon to obtain funds for the same purpose. Very likely Edmund Randolph himself secured necessary funds to enable him to attend the Continental Congress. Many others whose names are not recorded and need not be sought have received aid at his hands, which to them perhaps was as invaluable as was his aid to the Army as a whole.

When we consider that this man was not a citizen and that he had arrived in America but 4 short years prior to the Declaration of Independence and but 3 years before the Battle of Lexington, there arises in our minds a sort of romance that sanctifies the memory of such a man and glorifies the race from which he sprang.

And so I congratulate you upon the conception and the ultimate consummation of the monumental recognition to be accorded this triumvirate whose services were linked together in the establishment of American independence, George Washington, Robert Morris, and Haym Salomon. I am told that this is the first instance wherein a Jew has been recognized by the erection of a monument to commemorate his services in the American Revolution. Not only the monument to be erected, but this very meeting here tonight in a broader sense typifies the almost incredible development of the American Republic.

From every race and every clime men and women have come to America and have poured into the crucible of American life their flesh and blood and their historic background.

Not only in the Revolutionary War, but before it came, and in every year of the 150 that have followed it, men and women of every race and religion have made America what it is today. The Jew and the gentile, the Catholic and the Protestant, the zealot and the nonconformist, the black and the white, the rich and the poor have in ways unknown and unaccountable developed here a nation powerful in all that makes power worthy of its strength. It would be invidious for me to attempt to draw comparisons among the various races and creeds which have glorified the development of the real America. They have given us political freedom; they have given us religious freedom; they have given us the freedom to worship or not to worship; the freedom to speak or not to speak; and while there are those in our midst who complain that our liberty has been restricted because of the complexity of our lives and the consequent necessity of regulation of our conduct in the interest of common and universal justice, I am happy to believe and to say that we enjoy in America a greater degree of liberty than is enjoyed in any other nation on this earth.

In addition to religious and political freedom, we have been and are constantly in search of economic freedom. The equality which we seek is not physical, intellectual, or financial, because nature has set bounds upon the ability of us all to attain physical, intellectual, or financial superiority. The equality which we seek and some day will attain is equality of opportunity as God gives us the vision to recognize opportunity and the equality of rights before a just Government in all of its institutions. And I rejoice to believe that in America that opportunity knocks at every door on every day.

The brilliant John J. Ingalls, of Kansas, wrote a beautiful poem called Opportunity, in which he sets forth the theory that opportunity knocks but once at every door and then returns no more. But somehow I prefer Walter Marlow's answer to that question. He says:

"They do me wrong who say I come no more
When once I knock and fail to find you in,
For every day I stand outside your door
And bid you rise to fight and win."

Let us from the spirit of this occasion and from the events of the life which it commemorates take with us a renewed dedication of our own lives to the service of our country and to mankind. Without regard to race or religion, color or creed, every man and every woman can contribute to the sum total of human happiness.

As Haym Salomon was the forgotten man of American history, so will be thousands of others who in the quiet ways and secluded spots add their full measure of devotion.

Some of us who were honored for a brief period with a temporary office, puff ourselves up with a mantle of accredited authority. But in assessing the value of any man's life, who shall say that the Senator or the judge or the Governor has rendered to society a greater service than is rendered by him who in the middle of the street lays a pipe or cable or a wire that men and women may enjoy the comforts of modern life. Let us hope that in the fullness of history this man will no longer be the forgotten man of American history. May his example serve as a beacon light to other men of all races, all religions, all creeds, all political faiths to make America the freest, the happiest, and the most prosperous nation throughout the world.

I do not express this hope in a selfish spirit. God grant that some day the people of every nation may rise and stand erect in the full enjoyment of the things which we hope and are determined to attain for ourselves.

THE WHITE HOUSE,
Washington, August 24, 1936.

Mr. BARNET HODES,
Cochairman of the Patriotic Foundation of Chicago,
33 North La Salle Street, Chicago, Ill.

MY DEAR MR. HODES: I am indeed gratified to learn that belated recognition is to be made of the invaluable services rendered to the cause of the American Revolution by Haym Salomon. History was for a long time strangely silent concerning the unselfish and munificent financial support accorded the struggling Colonies by this Philadelphia banker.

It was never disputed that at a critical period in the affairs of the Revolution Haym Salomon came to the rescue of the Continental Congress with large loans freely extended. The debt of gratitude which the Nation owes Salomon's memory will in part be paid through the fulfillment of plans of the Patriotic Foundation to erect in Chicago a monument which will portray Salomon with his fellow patriots, George Washington and Robert Morris. I bespeak for the undertaking the fullest measure of success.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

TUCSON, ARIZ., *April 27, 1939.*

Mr. BARNET HODES,
Cochairman, the Patriotic Foundation of Chicago,
33 North La Salle Street, Chicago, Ill.

MY DEAR MR. HODES: I have read with deep interest your letter of April 19 regarding the monument project of the Patriotic Foundation of Chicago, and have been especially pleased to note that the plan includes recognition in this form, for the first time, of the services of Haym Salomon in the Revolutionary War.

Though an alien at the time, Salomon embraced wholeheartedly the cause of the struggling colonists. His business genius and self-sacrificing financial aid at critical moments were invaluable and contributed greatly to the success of our arms. The vital part he played is truly symbolic of that fine American tradition in which we take such pride—that all creeds and nationalities have shared in the founding and growth of our country.

It is most fitting that the figure of Haym Salomon should appear with those of George Washington and Robert Morris on the monument that the Patriotic Foundation of Chicago proposes to erect, and I extend to the foundation my best wishes for the success of the undertaking.

Sincerely yours,

JOHN J. PERSHING.

Our American Schools

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

RADIO ADDRESS BY HON. ALLEN J. ELLENDER, OF LOUISIANA, MAY 24, 1939

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting address delivered by the distinguished Senator from Louisiana [Mr. ELLENDER] on Wednesday, May 24, 1938, over the Red Network system of the National Broadcasting Co., on the program Our American Schools, sponsored by the National Education Association.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I have been allotted only 6 minutes during which to talk to you this afternoon on the subject of education. Since my time is so brief, I will say only a few words in behalf of the children of our Nation.

I come from the South where we still raise them. It is common knowledge that the size of the American family has greatly decreased in the last 50 years. A family of six or eight children was nothing uncommon not so many years ago. There are now States that average considerably less than one child to the family. In contrast I can show you many families of numerous children today in Louisiana, as well as in other Southern States. North Carolina, for instance, has more than twice as many children per 1,000 grown-ups as California has.

The South excels in the number of children per family. An alarming fact from the standpoint of the Nation's future is that inadequate educational opportunity is so frequently found there. One would expect that the citizens of a nation concerned with conserving and developing its most valuable resources would find some way to provide at least average schooling where the most children are Unfortunately, the American people have not done so. The average annual expenditure for education in the United States is $75 per child. The average in the Southern States is not half as much. In some of them it is not one-third as much. Is it sound national policy to spend least for education where the greatest proportion of the children live?

There were in the United States this last school year more than 3,000,000 children of school age—not in school because they had no school to go to. There were almost as many who went to school part time or in temporary buildings that were insanitary and unsafe.

The inadequacy and inequality of educational opportunity in America should be especially alarming to all who believe in democracy and wish to maintain it here. Children from the poorest schools are citizens. Some day they will vote. Some day they may be called to bear arms in defense of their country. Some day they may be elected to public office. All of them, every day, will be expected to obey the laws, respect the flag, make an honest living, and contribute to the economic and social advancement of the whole Nation. The whole Nation owes children preparation for good citizenship, whether they live in New York, or Mississippi, or Louisiana, or Michigan.

Wealth was fairly evenly distributed throughout the Colonies when the Liberty Bell in Independence Hall proclaimed freedom throughout the land. The profits from natural resources in one State increased the ability of another State through added taxable wealth to support education. Absentee ownership resulting from the development of large corporations has further reduced the taxable wealth of many States and increased the taxpaying ability of others.

Of the four major industries in Texas—for example, electricity, sulfur, oil, and gas—over 90 percent of the profits are drawn to New York, Delaware, and Pennsylvania. Not one-tenth of 1 percent of the profit-making stock of the 15 major electric companies in Texas is owned in that State. The Governor of Texas, in a speech to the legislature, said that one of the out-of-State-owned pipe-line companies made over $8,000,000 net profit the year before and paid less than $100 in taxes to the State of Texas.

It is obvious that all the children of the United States are its citizens; that in keeping with the spirit of democracy each child is entitled to a fair start in life. It is quite as obvious that the future of America depends upon its children today, wherever they may live. It is quite as obvious that the freedom and opportunity which millions of children enjoy is only freedom and opportunity to grow up in ignorance.

The only solution for this undemocratic discrimination against childhood is the participation of the Federal Government in the support of schools. There is a bill now before Congress which would provide Federal aid to education. Introduced by Senators ELBERT D. THOMAS, of Utah, and PAT HARRISON, of Mississippi, it is sponsored in the House of Representatives by Congressman LARRABEE, of Indiana. The Senate Committee on Education and Labor has endorsed this bill and recommended its passage. It would provide funds for lessening inequalities of educational opportunity next year. It would make provision also for more adequate training of teachers whose present salary does not enable them to improve their qualifications.

It would enable States to erect modern school buildings, organize more effectively their State departments of education, and to create the means whereby adults may continue their education after leaving school. If this bill passes, it will permit the establishment of libraries in many rural communities where citizens young and old have never enjoyed such privileges. This bill for Federal aid to education was drawn to conform to the recommendations of a committee appointed by President Roosevelt to study the needs of the American schools and the relation of the Federal Government to them.

One of the important provisions of this bill is that the management of the schools should remain as now—in the hands of local citizens. Any control by the Federal Government is specifically prohibited. There are few indeed who would advocate that any but the elected representatives of local communities should have charge of the schools. For a century and a half the Federal Government has aided in various ways to support schools without depriving local citizens of the responsibility of controlling them.

In early days the Federal Government appropriated public lands to the schools. For a hundred years the Federal Government has appropriated money for the support of the land-grant colleges and the higher institutions of learning attended by a privileged few. It is now time that the benefits of education be granted to those who are enrolled in our elementary schools—to those who enrolled in our schools everywhere—to make "a fair start in life" more than an idle dream—to extend the principle begun long ago by our forefathers when they began to tax wealth wherever it was for the benefit of children wherever they lived.

"What Is Liberalism?"

EXTENSION OF REMARKS

OF

HON. HIRAM W. JOHNSON

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

RADIO ADDRESS BY FRED BRENCKMAN MAY 20, 1939

Mr. JOHNSON of California. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address by Fred Brenckman, Washington representative of the National Grange, delivered over stations of the National Broadcasting Co., on May 20, 1939. The title of the address is, "What is Liberalism?"

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the recent annual meeting of the American Council of Education, held in Washington, Dr. Mortimer J. Adler, an instructor in the philosophy of the law at the University of Chicago, characterized American education as demagogic rather than democratic. He said that our high schools and colleges were turning out graduates so untrained that they were ready to follow the first demagogue who sought to beguile them. Dr. Adler characterized this as a genuine danger to democracy and urged the adoption of a program to stamp out false liberalism. He said this should be done by instilling a clear concept of the meaning of liberalism

While I have little first-hand knowledge of what is being taught today in our schools and colleges, I agree with Dr. Adler that the word "liberalism" is being used in a perverted sense, and that there should be a clear understanding as to what it really means.

In former times when kings ruled by "divine right" and were possessed of absolute power, it was the function of liberalism to curb or hold in check the power of the king or monarch. Those who were instrumental in diminishing the powers of the sovereign and giving them to society or to the subject were liberals and deserved to be so called.

The word "liberalism" has many shades of meaning, and it would be impossible to satisfactorily define it in a single sentence. It seems to me that liberalism connotes at least a certain degree of toleration. No bigot nor narrow-minded witch burner, figuratively speaking, has a right to masquerade under the cloak of liberalism.

TRUE MEANING OF LIBERALISM

True liberalism has always believed in giving the greatest possible measure of freedom to the individual that is consistent with maintaining the rights of others. John Stuart Mill, one of England's foremost Liberals during the last century, has this to say on the subject in his celebrated essay on Liberty, which is one of the classics of our language:

"The only freedom which deserves the name is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs or impede their efforts to obtain it. Each is the proper guardian of his own health, whether bodily or mental or spiritual. Mankind are greatly gainers by suffering each other to live as seems good to themselves rather than by compelling each to live as seems good to the rest."

I think that Americanism and liberalism mean substantially the same thing. The fundamental creed of Americanism is contained in the Declaration of Independence, penned by Thomas Jefferson, who was one of the greatest liberals of any age. According to the Jeffersonian concept, the true function of government is to restrain men from injuring one another and to leave them otherwise free to follow their own pursuits. If this philosophy may seem too simple to meet the needs of our complicated modern civilization, a little honest thought will convince any fair-minded person that it could be applied to conditions as they exist today.

Those who favor the many dubious experiments in state socialism that are being fastened upon the American people today are not real Liberals. They deserve to be classified as Tories or Reactionaries. They would hand the people over, bucked, gagged, and bound, and place them at the mercy of the Government. I repeat that this is not liberalism.

LIBERALISM OF THE CONSTITUTION

The men who wrote the Constitution of the United States were liberals. I am among those who believe that the Constitution still contains the best brand of liberalism to be found on the planet. The Constitution protects human rights and property rights and it stands for equal and exact justice for every citizen. Under the Constitution, the will of the people is sovereign, and those who have been elected or appointed to any public office, however exalted, are the servants of the people and not their masters.

Among the cardinal features of the Bill of Rights, contained in the first 10 amendments to the Constitution, are the guaranties respecting free speech, free press, the right to worship God according to the dictates of our own consciences, the right of public assembly, and the right to petition the Government for a redress of grievances. The right of the people to be secure in their persons, houses, papers, and effects against unreasonable search and seizure is also set forth, as is the right of public trial by an impartial jury. Excessive bail or fines and cruel and unusual punishments are forbidden in the Bill of Rights.

All this is liberalism of the best kind. It has been subjected to the test of experience and it has worked for 150 years.

With democracy on the back track in many lands there is justification for saying that under prevailing conditions the Constitution is all that stands between us and the fulfillment of that dreary doctrine of tyranny and dictatorship that man is the creature of the state.

It must be admitted that since the advent of the machine age the problems with which society is confronted have grown more complex, and the task of safeguarding democracy presents many puzzling problems. However, none of the difficulties with which we are faced is insuperable. We can still have democracy if we want it and are willing to fight for it.

In the minds of many, the test of liberalism consists in putting the man above the dollar. In other words, in placing human values above property values. There can be no doubt that this is sound. The farmer is greater than the farm, and so is the farmer's wife; the miner is greater than the mine; the builder is greater than the building. However, it must not be forgotten that one of the most sacred of all human rights is that of being secure in the possession of property that has been honestly earned or acquired.

No man who covets absolute power and wants to lord it over his fellows; no man who is imbued by the spirit of bureaucracy, can be considered as a true liberal. Bureaucracy and liberalism are as far apart as the poles.

LINCOLN'S USE OF POWER

Abraham Lincoln was one of the greatest of all liberals. It has well been observed that nothing discloses character like the use of power. If you wish to know what the principles of a man really are, give him power. This is the supreme test. It is to the glory of Lincoln's memory that, having almost absolute power, which was conferred upon him during the exigencies of war, he never abused it, except on the side of mercy. As one who knew him well has beautifully expressed it: "He loved to see the pearls of joy on the cheeks of a wife whose husband he had rescued from death."

The writer of a recent magazine article well says that the historic aim of liberalism has been to resist and cut down the coercive power of the State over the individual. But he declares that in the middle of the last century liberalism turned tail, abandoned its philosophy, and went over, bag and baggage, to what he calls statism, which has for its aim the maintenance and increase of coercive State power over the citizen.

This tendency has grown particularly strong during recent years. Many things are being done in the name of liberalism and progressivism in the United States today that would not have been tolerated for a single moment by the true liberals who founded this Republic.

What currently passes for liberalism is all too often simply a combination of wishful thinking and unsound economics. No policy can be considered as truly liberal unless it meets the test of soundness and workability.

PEOPLE ENSLAVED BY DEBT

According to the conception of certain elements in the population, liberalism consists in making huge appropriations of public funds and distributing the money with a prodigal hand in every direction. It does not matter to people of this type that the money which is being spent has been borrowed and that it must be repaid with interest by this and succeeding generations of Americans. That kind of liberalism leads to one of the most hopeless forms of slavery, the slavery that goes with debt.

We have already traveled that road entirely too far. The total public debt today—National, State, and local—is approximately $65,000,000,000. The interest alone on our colossal national debt of more than $40,000,000,000 amounts to more than a billion dollars a year. About 20 cents out of every dollar collected in taxes by the Federal Government goes for the payment of interest.

Every true liberal should be willing that those who succeed us on the stage of life should have as fair a chance as we have had to live happily and to enjoy the liberties that were bequeathed to us by the hardy spirits who carved this Nation out of the wilderness and laid the foundations for its freedom and greatness.

Speaking of our form of government and the liberalism which characterizes it, Justice Joseph Story, one of the ablest men who ever graced the bench of the Supreme Court of the United States, said:

"The structure has been erected by architects of consummate skill and fidelity; its foundations are solid; its compartments are beautiful, as well as useful; its arrangements are full of wisdom and order; and its defenses are impregnable from without. It has been reared for immortality, if the work of man may justly aspire to such a title.

"It may, nevertheless, perish in an hour by the folly or corruption or negligence of its only keepers—the people. Republics are created by the virtue, public spirit, and intelligence of the citizens. They fall when the wise are banished from the public councils because they dare to be honest, and the profligate are rewarded because they flatter the people in order to betray them."

Profits of Leading Corporations

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

EXCERPTS FROM THE BULLETIN OF THE NATIONAL CITY BANK

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD certain tables from the bulletin of the National City Bank relative to the profits of leading corporations for the years 1935, 1936, 1937, and 1938, and the first quarter of 1939.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 2.—*All active corporations in the United States*

[In millions of dollars]

Year	Gross operations including (a)	Total taxes paid (b)	Net included after tax (c)	Net to gross income	Net worth Jan. 1	Net profit after tax (c)	Net profit to worth
				Percent			*Percent*
1927	143,241	3,145	5,880	4.1	119,260	7,538	6.3
1928	151,388	3,387	7,566	5.0	132,403	9,483	7.2
1929	158,565	3,415	8,084	5.1	142,887	10,677	7.5
1930	134,017	3,009	1,365	1.0	160,369	3,937	2.4
1931	106,088	2,630	−3,145	−3.0	161,282	−1,176	−.7
1932	80,378	2,373	−5,375	−6.7	143,363	−4,115	−2.9
1933	82,208	2,547	−2,379	−2.9	133,569	−1,353	−1.0
1934	99,278	2,758	162	.2	127,578	2,379	1.9
1935	111,636	3,363	1,674	1.5	141,585	4,688	3.3
1936 [1]	129,598	3,819	3,452	2.7	138,931	6,131	4.4
Average 1927–36	119,740	3,045	1,728	1.4	140,123	3,819	2.7

[1] Preliminary. For explanation of alphabetical references and significance of this table, see general note in next column of this page.

TABLE 3.—*All manufacturing corporations in the United States*

[In millions of dollars]

Year	Gross operations including (a)	Total taxes paid (b)	Net included after tax (c)	Net to gross income	Net worth Jan. 1	Net profit after tax (c)	Net profit to worth
				Percent			*Percent*
1927	63,439	1,065	2,673	4.2	46,273	3,050	6.6
1928	66,893	1,118	3,460	5.2	48,050	3,935	8.2
1929	71,640	1,161	3,954	5.5	50,017	4,537	9.1
1930	60,428	952	877	1.5	52,695	1,424	2.7
1931	43,716	731	−913	−2.1	52,122	−521	−1.0
1932	31,845	647	−1,827	−5.7	47,640	−1,616	−3.4
1933	35,070	853	77	.2	43,976	237	.5
1934	40,768	832	778	1.9	43,342	1,166	2.7
1935	47,334	1,315	1,509	3.2	38,152	2,122	5.6
1936 [1]	56,410	1,566	2,548	4.5	37,611	3,094	8.2
Average 1927–36	51,754	1,024	1,314	2.5	45,988	1,743	3.8

[1] Preliminary. For explanation of alphabetical references and significance of this table, see general note on this page.

GENERAL NOTE ON TABLES 2 AND 3

In 1936 a number of changes were made in the methods of compiling the statistics of income. Under the Revenue Act of 1936, intercorporate dividends were for the first time made subject to tax, and in the official statistics were included in the statutory net income. This means that the net income, after taxes, of one corporation, when passed on to another corporation in the form of a dividend, is again subject to tax and is again counted as net income in the official statistics. The result is a duplication, and in many cases a multiplication, of the taxes paid and the reported corporate income.

Many corporations operate certain departments of their business through separately incorporated subsidiaries or hold stock in other corporations as an investment. Although dividends represent real income to the individual corporation receiving them, they do not, for the corporate system as a whole, represent real income, but merely bookkeeping transfers within the system.

Since 1934 corporations have not been permitted to file consolidated returns in which intercorporate transactions are eliminated, as is the usual practice in preparing reports for shareholders and for publication, but are required to file separate returns for the parent company and each subsidiary. This change also causes duplication in the statistics.

In the net-worth figures, made up of outstanding preferred and common stock, surplus and undivided profits, minus deficits, there is also duplication to the extent that the stock is held by other corporations instead of being outstanding in the hands of the public. A minor offset to this duplication is the shortage of balance sheets, due to the fact that some corporations do not submit balance sheets with their income returns from which the net-worth figures can be tabulated.

There is a tendency for the amount of this duplication of reported net income and net worth to diminish, because of the action by many large corporations in dissolving their subsidiaries and transfering the business to the parent company, in order to avoid duplicate taxation and to effect other economies.

In the summaries here given, the percentage of net to gross income (excluding intercorporate dividends) indicates the margin of profits from sales and other operations, while the percentage of net profit (including intercorporate dividends) to net worth indicates the rate of return upon total shareholders' capital.

Net profits of leading corporations for the years 1935 and 1936 are shown after depreciation, interest, taxes, and other charges and reserves, but before dividends (net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year)

Industry	Number	Net profits, years		Percent change	Net worth, Jan. 1		Percent change	Percent return	
		1935	1936		1935	1936		1935	1936
Agricultural implements	10	$32,498,000	$54,181,000	+66.7	$426,011,000	$442,638,000	+3.9	7.6	12.2
Amusements	18	17,117,000	36,039,000	+110.5	359,800,000	372,727,000	+3.5	4.8	9.7
Apparel	30	6,980,000	10,338,000	+48.1	120,697,000	114,094,000	−5.5	5.8	9.1
Automobiles	21	198,593,000	317,482,000	+59.9	1,257,076,000	1,292,220,000	+2.8	15.8	24.6
Auto accessories	54	44,419,000	54,026,000	+21.5	311,625,000	324,919,000	+4.3	14.3	16.6
Aviation	22	6,783,000	11,990,000	+76.8	113,898,000	126,396,000	+11.0	6.0	9.5
Bakery	19	16,645,000	24,574,000	+47.6	305,552,000	300,022,000	−1.8	5.4	8.2
Building materials	68	23,660,000	48,247,000	+103.9	608,711,000	598,928,000	−1.5	3.9	8.1
Chemicals	29	144,125,000	192,438,000	+33.5	1,225,986,000	1,262,383,000	+3.0	11.8	15.2
Coal mining	24	[1] 1,243,000	3,031,000	+	504,147,000	458,999,000	−9.0	-------	.7
Confectionery and beverages	21	34,125,000	40,653,000	+19.1	166,908,000	173,327,000	+4.3	20.6	23.5
Construction	13	[1] 938,000	2,737,000	+	83,342,000	79,489,000	−4.6	-------	3.4
Containers	25	46,027,000	47,137,000	+2.4	411,091,000	419,181,000	+2.0	11.2	11.2
Cotton goods	54	[1] 6,282,000	15,244,000	+	296,832,000	282,648,000	−4.8	-------	5.4
Dairy products	13	17,308,000	27,043,000	+56.2	306,485,000	274,858,000	−10.2	5.6	9.8
Drugs and sundries	21	36,703,000	42,284,000	+15.0	237,871,000	242,033,000	+1.7	15.4	17.4
Electrical equipment	50	57,613,000	90,115,000	+56.3	765,217,000	781,025,000	+2.1	7.5	11.5
Fertilizer	6	3,639,000	1,104,000	−69.6	80,381,000	81,777,000	+1.7	4.5	1.4
Food products, miscellaneous	46	71,022,000	85,331,000	+20.1	709,769,000	708,610,000	−.2	10.0	12.0
Hardware and tools	38	9,585,000	19,538,000	+103.8	161,973,000	167,241,000	+3.3	5.9	11.7
Heating and plumbing	30	11,446,000	27,704,000	+142.0	309,937,000	314,590,000	+1.4	3.7	8.8
Household goods and supplies	59	40,716,000	56,512,000	+38.8	428,720,000	436,723,000	+1.9	9.5	12.9
Ice and cold storage	16	3,157,000	4,592,000	+45.5	108,860,000	97,293,000	−10.6	2.9	4.7

[1] Deficit.

Net profits of leading corporations for the years 1937 and 1938 are shown after depreciation, interest, taxes, and other charges and reserves but before dividends (net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year)—Continued

Industry	Number	Net profits, years		Percent change	Net worth, Jan. 1		Percent change	Percent return	
		1935	1936		1935	1936		1935	1938
Iron and steel	58	54,001,000	161,212,000	+198.4	3,714,369,000	3,433,814,000	−7.5	1.5	4.7
Leather tanning [1]	8	2,317,000	2,495,000	+7.7	59,391,000	55,872,000	−5.9	3.9	4.4
Liquors	46	21,583,000	26,672,000	+23.5	127,228,000	139,393,000	+9.5	17.0	19.1
Machinery	78	21,777,000	47,913,000	+120.0	417,011,000	410,594,000	−1.5	5.2	11.7
Meat packing	19	27,313,000	30,923,000	+13.2	565,325,000	560,386,000	−.9	4.8	5.5
Merchandise:									
Chains, food	14	16,329,000	16,964,000	+3.9	188,179,000	189,162,000	+.4	8.7	9.0
Chains, other	44	90,237,000	104,964,000	+16.3	600,781,000	632,362,000	+5.3	15.0	16.6
Department stores	35	10,562,000	22,430,000	+112.4	280,870,000	286,210,000	+1.9	3.8	7.8
Mail order	6	38,446,000	55,830,000	+45.2	336,157,000	366,268,000	+9.0	11.4	15.2
Wholesale, etc	26	5,086,000	9,162,000	+80.1	112,166,000	113,996,000	+1.6	4.5	8.0
Mining:									
Copper	16	[2] 27,292,000	[2] 41,332,000	+51.4	988,334,000	994,512,000	+.5	2.8	4.2
Other nonferrous	32	[2] 88,591,000	[2] 112,353,000	+26.8	898,279,000	955,953,000	+6.4	9.9	11.8
Office equipment	20	25,671,000	34,442,000	+34.2	218,380,000	211,392,000	−3.2	11.8	16.3
Paint and varnish	10	9,765,000	12,606,000	+29.1	111,434,000	109,903,000	−1.4	8.8	11.5
Paper and products	47	3,152,000	23,565,000	+647.6	598,422,000	595,822,000	−.3	.5	4.0
Petroleum	57	82,158,000	134,821,000	+64.1	1,610,754,000	1,592,305,000	−1.1	5.1	8.5
Petroleum, pipe-line	10	6,694,000	6,453,000	−3.6	71,577,000	70,323,000	−1.8	9.4	9.2
Printing and publishing	28	17,915,000	20,839,000	+16.2	154,364,000	156,943,000	+1.7	11.6	13.3
Railway equipment	26	[1] 3,284,000	26,617,000	+	742,616,000	715,535,000	−3.6	------	3.7
Restaurant chains	11	772,000	2,799,000	+262.5	58,596,000	57,166,000	−2.5	1.3	4.9
Rubber tires, etc	22	17,156,000	42,083,000	+145.2	418,708,000	428,425,000	+2.3	4.1	9.8
Shipping	10	1,682,000	4,759,000	+182.9	108,933,000	110,712,000	+1.6	1.5	4.3
Shoes	20	14,821,000	15,364,000	+3.6	170,084,000	169,606,000	−.3	8.7	9.1
Silk and rayon	30	10,079,000	14,324,000	+42.1	162,509,000	164,847,000	+1.4	6.2	8.7
Sugar	44	21,265,000	31,545,000	+48.2	441,448,000	448,687,000	+1.6	4.8	7.0
Textile products, miscellaneous	26	12,619,000	19,141,000	+51.6	158,955,000	162,246,000	+2.1	7.9	11.8
Tobacco	29	87,722,000	98,509,000	+12.3	830,216,000	767,245,000	−7.6	10.6	12.8
Woolen goods	8	4,902,000	4,661,000	−4.9	93,686,000	97,126,000	+3.7	5.2	4.8
Miscellaneous manufacturing	87	65,798,000	93,886,000	+42.7	651,958,000	687,520,000	+5.5	10.1	13.7
Miscellaneous services	46	9,596,000	14,888,000	+55.1	235,580,000	233,778,000	−.8	4.1	6.4
Total manufacturing and trading	1,600	1,605,720,000	2,445,812,000	+52.3	24,426,308,000	24,270,254,000	−.6	6.6	10.1
Class I railroads	144	[1] 1,374,000	169,901,000	+	11,987,848,000	11,773,921,000	−1.8	------	1.4
Electricity, gas, etc. [4]	94	284,471,000	313,807,000	+10.2	5,187,780,000	5,189,276,000	+	5.5	6.0
Telephone and telegraph	28	157,295,000	210,361,000	+33.7	3,276,806,000	3,204,737,000	−2.2	4.8	6.6
Street railways	24	[1] 3,940,000	[1] 1,888,000	−	487,529,000	482,068,000	−1.1	------	------
Banks and trust companies	61	149,248,000	164,180,000	+10.0	1,985,605,000	2,009,379,000	+1.2	7.5	8.2
Insurance companies [5]	62	193,021,000	197,864,000	+2.5	598,867,000	753,773,000	+25.9	32.2	26.2
Investment trusts [6]	66	45,576,000	76,126,000	+67.0	949,105,000	1,030,727,000	+8.6	4.8	7.4
Sales finance companies	26	41,527,000	54,257,000	+30.6	249,565,000	297,214,000	+19.1	16.6	18.3
Real estate	35	1,753,000	2,232,000	+27.3	141,712,000	131,979,000	−6.9	1.2	1.7
Grand total	2,140	2,473,297,000	3,632,652,000	+46.9	49,291,125,000	49,143,328,000	−.3	5.0	7.4

[1] Deficit.
[2] Sample not representative of all branches of the industry because of the limited number of published reports available.
[3] Before certain charges.
[4] Figures refer to shareholders only. Because of the large proportion of bonded indebtedness, actual return on the property investment, is less than the above.
[5] Fire and casualty. Figures represent shareholders' combined gains or losses on underwriting and investments.
[6] Net income shown as reported, not including such profits or losses on investments sold as were carried directly to surplus or reserves, or changes in the market value of portfolios.

Net profits of leading corporations for the years 1937 and 1938 are shown after depreciation, interest, taxes, and other charges and reserves but before dividends (net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year)

Industrial groups	Number	Net profits, years		Percent change	Net worth, Jan. 1		Percent return	
		1937	1938		1937	1938	1937	1938
Baking	21	$23,871,000	$27,092,000	+13.5	$313,596,000	$308,955,000	7.6	8.8
Dairy products	18	22,430,000	24,278,000	+8.2	288,014,000	287,567,000	7.8	8.4
Meat packing	22	18,819,000	5,853,000	−	584,221,000	572,965,000	3.2	------
Sugar	41	27,413,000	1,894,000	−93.1	417,852,000	424,489,000	6.6	.4
Miscellaneous food products	67	90,900,000	91,627,000	+0.8	929,650,000	931,372,000	9.8	9.8
Total food products	169	183,433,000	139,038,000	−24.2	2,533,333,000	2,525,348,000	7.2	5.5
Soft drinks	13	$29,309,000	$30,480,000	+4.0	$76,073,000	$83,391,000	38.5	36.6
Brewing	34	10,908,000	12,307,000	+12.8	76,643,000	82,439,000	14.2	14.9
Distilling	16	15,710,000	11,977,000	−23.8	92,059,000	101,630,000	17.0	11.8
Total beverages	63	55,927,000	54,764,000	−2.1	244,775,000	267,460,000	22.8	20.5
Tobacco products	24	95,532,000	91,723,000	−4.0	736,879,000	736,197,000	12.9	12.4
Cotton goods	45	14,176,000	[1] 6,305,000	−	302,150,000	281,775,000	4.7	------
Silk and rayon	13	12,428,000	5,233,000	−57.9	111,798,000	116,123,000	11.1	4.5
Woolen goods	9	[1] 906,000	[1] 6,208,000	−	96,018,000	92,934,000	------	------
Knitted goods	24	4,415,000	3,033,000	−31.3	62,716,000	61,780,000	7.0	4.9
Miscellaneous textile products	38	22,897,000	[1] 352,000	−	260,007,000	257,321,000	8.8	------
Total textile products	129	53,010,000	[1] 4,599,000	−	832,689,000	809,933,000	6.4	------
Clothing and apparel	27	6,885,000	2,856,000	−58.5	104,261,000	111,797,000	6.4	2.6
Leather tanning	8	1,833,000	[1] 4,754,000	------	53,247,000	50,110,000	3.4	------
Shoes, etc	20	12,969,000	7,317,000	−43.6	183,324,000	182,239,000	7.1	4.0
Total leather products	28	14,802,000	2,563,000	−82.7	236,571,000	232,349,000	6.3	1.1

[1] Deficit.

Net profits of leading corporations for the years 1937 and 1938 are shown after depreciation, interest, taxes, and other charges and reserves but before dividends (net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year)—Continued

Industrial groups	Number	Net profits, years		Percent change	Net worth, Jan. 1		Percent return	
		1937	1938		1937	1938	1937	1938
Rubber products	29	30,104,000	24,641,000	−18.1	471,828,000	480,935,000	6.4	5.1
Wood products	36	16,602,000	3,127,000	−81.1	147,658,000	163,732,000	11.2	1.9
Paper products	65	43,739,000	18,306,000	−58.1	585,968,000	611,446,000	7.5	3.0
Printing and publishing	33	14,999,000	8,290,000	−44.7	183,059,000	180,058,000	8.2	4.6
Chemicals—industrial, etc	44	213,602,000	122,574,000	−42.6	1,456,018,000	1,555,842,000	14.7	7.9
Drugs	25	62,357,000	53,704,000	−15.5	339,016,000	350,089,000	18.4	15.1
Fertilizer	8	5,946,000	2,782,000	−53.2	78,851,000	80,744,000	7.5	3.4
Paint and varnish	13	17,752,000	7,359,000	−58.5	210,329,000	213,305,000	8.4	3.4
Total chemical products	90	299,657,000	185,419,000	−38.1	2,084,214,000	2,199,980,000	14.4	8.4
Petroleum products	47	471,299,000	250,888,000	−46.8	4,695,445,000	4,972,115,000	10.0	5.0
Stone, clay, and glass	59	76,459,000	36,621,000	−52.1	659,165,000	671,121,000	11.6	5.5
Iron and steel	60	226,794,000	[1] 7,379,000	-------	3,295,279,000	3,451,486,000	6.9	-------
Agricultural implements	13	67,153,000	36,217,000	−46.1	511,998,000	546,035,000	13.1	6.6
Building equipment	41	37,679,000	1,591,000	−95.8	373,741,000	394,481,000	10.1	.4
Electrical equipment	61	144,380,000	55,082,000	−61.8	951,978,000	961,326,000	15.2	5.7
Hardware and tools	53	48,326,000	13,563,000	−71.9	293,075,000	307,788,000	16.5	4.4
Household equipment	43	22,935,000	8,277,000	−63.9	156,999,000	163,463,000	14.6	5.1
Machinery	111	78,004,000	29,472,000	−62.2	538,542,000	571,067,000	14.5	5.2
Office equipment	20	44,253,000	23,602,000	−46.7	219,042,000	232,506,000	20.2	10.2
Railway equipment	28	53,796,000	[1] 5,797,000	−	703,976,000	728,076,000	7.6	-------
Aircraft and parts	25	7,778,000	18,169,000	+	107,978,000	117,470,000	7.2	15.5
Miscellaneous metal products	53	54,359,000	24,974,000	−54.1	507,881,000	508,533,000	10.7	4.9
Total metal products	508	785,457,000	197,771,000	−74.8	7,660,489,000	7,982,231,000	10.3	2.5
Motor vehicles (complete)	29	254,672,000	101,951,000	−60.0	1,375,457,000	1,397,694,000	18.5	7.3
Motor vehicle parts	52	47,179,000	2,951,000	−93.7	263,383,000	275,843,000	17.9	1.1
Total motor vehicles	81	301,851,000	104,902,000	−65.2	1,638,840,000	1,673,537,000	18.4	6.3
Miscellaneous manufacturing	22	31,629,000	22,207,000	−29.8	248,146,000	258,113,000	12.7	8.6
Total manufacturing	1,410	2,481,385,000	1,138,517,000	−54.1	23,067,320,000	23,876,372,000	10.8	4.8
Coal mining	25	[2] 1,244,000	[1] [2] 5,768,000	−	412,341,000	411,612,000	.3	-------
Metal mining	45	[2] 182,286,000	[2] 96,727,000	−46.9	1,771,953,000	1,748,451,000	10.3	5.5
Oil and gas	46	[2] 20,522,000	[2] 15,352,000	−25.2	224,228,000	234,745,000	9.2	6.5
Miscellaneous mining, quarrying	11	[2] 12,048,000	[2] 7,673,000	−36.3	89,287,000	89,817,000	13.5	8.5
Total mining and quarrying	127	[2] 216,100,000	[2] 113,984,000	−47.3	2,497,809,000	2,484,625,000	8.7	4.6
Class 1 railroads	141	98,671,000	[1] 122,912,000	−	13,617,853,000	13,248,547,000	.7	-------
Traction and bus	28	[1] 9,015,000	[1] 24,646,000	−	564,431,000	556,218,000	-------	-------
Shipping	9	1,797,000	[1] 1,041,000	−	82,057,000	79,889,000	2.2	-------
Miscellaneous transportation [3]	36	3,496,000	2,765,000	−20.9	150,719,000	154,012,000	2.3	1.8
Total transportation	214	94,949,000	[1] 145,834,000	−	14,415,060,000	14,038,666,000	.7	-------
Electricity, gas, etc. [4]	90	345,461,000	322,997,000	−6.5	5,304,231,000	5,382,016,000	6.5	6.0
Telephone and telegraph	55	209,334,000	171,876,000	−17.9	3,173,171,000	3,123,776,000	6.6	5.5
Miscellaneous utilities [5]	12	12,057,000	10,618,000	−11.9	77,952,000	78,582,000	15.4	13.5
Total public utilities	157	566,852,000	505,491,000	−10.8	8,555,354,000	8,584,374,000	6.6	5.9
Chain stores:								
Food	18	11,382,000	13,338,000	+17.2	196,422,000	193,451,000	5.8	6.9
Other	49	101,486,000	79,465,000	−21.7	661,308,000	702,934,000	15.3	11.3
Department stores	31	10,632,000	7,636,000	−28.2	244,355,000	242,037,000	4.4	3.2
Mail order	5	53,148,000	44,346,000	−16.6	436,897,000	457,537,000	12.2	9.7
Wholesale and miscellaneous	42	13,941,000	5,698,000	−59.1	202,116,000	202,264,000	6.9	2.8
Total trade	145	190,589,000	150,483,000	−21.0	1,741,098,000	1,798,223,000	10.9	8.4
Amusements	20	34,943,000	21,211,000	−39.3	371,531,000	368,336,000	9.4	5.8
Restaurant and hotel	21	1,040,000	[1] 1,037,000	-------	82,328,000	80,070,000	1.3	-------
Other business services	26	6,058,000	3,167,000	−47.7	83,693,000	85,429,000	7.2	3.7
Construction [6]	19	2,107,000	3,382,000	+60.5	77,449,000	75,139,000	2.7	4.5
Total service and construction	86	44,148,000	26,723,000	−39.4	615,001,000	608,974,000	7.2	4.4
Commercial banks	73	$187,546,000	$176,113,000	−6.1	$2,232,797,000	$2,276,098,000	8.4	7.7
Insurance companies [7]	74	81,886,000	75,058,000	−8.3	940,721,000	803,067,000	8.7	9.3
Investment companies [8]	79	95,857,000	39,478,000	−58.8	1,390,066,000	1,246,632,000	6.9	3.2
Sales finance companies	31	72,352,000	54,916,000	−24.1	405,040,000	433,404,000	17.9	12.7
Real estate companies	39	[1] 664	[1] 457	-------	137,485,000	138,045,000	-------	-------
Total finance	296	436,977,000	345,108,000	−21.0	5,106,109,000	4,897,246,000	8.6	7.0
Grand total	2,435	4,031,000,000	2,134,472,000	−47.0	55,997,751,000	56,288,480,000	7.2	3.8

[1] Deficit.
[2] Before certain charges.
[3] Includes air transport, stockyards, docks, warehousing, etc.
[4] Figures refer to shareholders only. Because of the large proportion of bonded indebtedness, actual return on the property investment is less than the above.
[5] Includes pipe lines, radio broadcasting.
[6] Includes shipbuilding.
[7] Fire and casualty. Figures represent underwriting gain, and net interest, dividends and rents earned.
[8] Net income shown as reported, not including such profits or losses on investments sold as were carried directly to surplus or reserve, nor changes in market value of portfolios.

Net profits of leading corporations for the first quarter are shown after depreciation, interest, taxes, and other charges and reserves, but before dividends (net worth includes book value of outstanding preferred and common stock and surplus account at beginning of each year)

[In thousands of dollars]

Industrial groups	Number	Net profits, 1st quarter		Percent change [1]	Net worth, Jan. 1		Annual rate of return	
		1938	1939		1938	1939	1938	1939
							Percent	*Percent*
Food, baking	4	$3,916,000	$3,714,000	−5.2	$211,670,000	$208,821,000	7.2	7.1
Food products, miscellaneous	16	18,468,000	19,833,000	+7.4	692,029,000	718,909,000	10.6	11.0
Beverages	7	1,967,000	2,773,000	+41.0	102,393,000	116,720,000	7.7	9.5
Textiles and apparel	12	[2] 578,000	3,186,000	+	140,361,000	139,508,000	----------	9.1
Paper products	11	1,841,000	1,333,000	−27.6	152,177,000	152,745,000	4.8	3.5
Chemicals, drugs, etc	25	24,531,000	43,063,000	+75.5	1,319,340,000	1,361,318,000	7.4	12.6
Petroleum products	7	10,271,000	4,425,000	−56.9	722,732,000	725,943,000	5.7	2.4
Stone, clay, and glass	11	554,000	4,056,000	+	262,548,000	256,773,000	.8	6.3
Iron and steel:								
United States Steel	1	[2] 1,292,000	661,000	+	1,592,212,000	1,298,907,000	----------	.2
Other	25	[2] 3,357,000	11,091,000	+	1,631,485,000	1,609,315,000	----------	2.7
Metal:								
Building equipment	6	109,000	583,000	+	83,655,000	80,149,000	.5	2.9
Electrical equipment	12	10,570,000	10,810,000	+2.3	600,508,000	602,651,000	7.0	7.2
Hardware, etc	8	913,000	3,269,000	+	82,524,000	81,948,000	4.4	16.0
Machinery	24	2,653,000	3,697,000	+39.4	193,034,000	190,503,000	5.5	7.8
Office equipment	7	1,926,000	1,763,000	−8.5	94,338,000	93,825,000	8.2	7.5
Railway equipment	9	1,048,000	2,445,000	+	423,690,000	416,185,000	.9	2.3
Metal products, miscellaneous	20	3,268,000	5,279,000	+61.5	139,755,000	152,831,000	9.3	13.8
Motor vehicle:								
General Motors	1	8,234,000	53,178,000	+	992,305,000	1,027,817,000	3.3	20.7
Other	7	[2] 1,023,000	12,301,000	+	246,148,000	245,091,000	----------	20.1
Motor-vehicle parts	21	[2] 1,823,000	4,924,000	+	176,743,000	172,783,000	----------	11.4
Miscellaneous manufacturing	26	933,000	2,728,000	+	240,150,000	236,939,000	1.5	4.6
Total manufacturing	260	83,129,000	195,112,000	+	10,099,797,000	9,880,681,000	3.3	7.9
Mining:								
Metal	8	[3] 5,037,000	[3] 3,377,000	−33.0	190,047,000	190,950,000	10.6	7.0
Coal	6	[2] 1,254,000	[3] 574,000	----------	154,132,000	143,498,000	----------	----------
Miscellaneous	7	3,563,000	2,895,000	−18.7	116,763,000	116,252,000	12.2	10.0
Trade	7	[2] 1,348,000	207,000	+	98,241,000	98,583,000	----------	.8
Service:								
Amusements	6	3,496,000	3,976,000	+13.7	146,402,000	148,448,000	9.6	10.7
Miscellaneous	11	1,630,000	1,486,000	−8.8	120,551,000	119,020,000	5.4	5.0
Total	305	94,253,000	206,479,000	+	10,925,933,000	10,697,432,000	3.4	7.7

[1] Increases or decreases of more than 100 percent not computed. [2] Deficit. [3] Before certain charges.

British Surrender

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

ARTICLE BY BARNET NOVER

Mr. TRUMAN. Mr. President, the British Government has used its diplomatic umbrella again, this time on Palestine. It has made a scrap of paper out of Lord Balfour's promise to the Jews. It has just added another to the long list of surrenders to the axis powers.

I ask unanimous consent to have inserted in the RECORD, as a part of my remarks, an article on the subject by that able and distinguished writer on foreign affairs, Barnet Nover, which appeared in the Washington Post of May 18, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 18, 1939]

BRITISH SURRENDER

(By Barnet Nover)

A MUNICH FOR THE HOLY LAND

The Chamberlain government's capacity for "appeasement" was apparently not exhausted by the surrender of the Sudetenland to Hitler or by the capitulation to Mussolini on the Spanish question. Palestine is the latest part of the world to feel the impact of the Munich mentality.

Judged in its most charitable light, with due allowance being made for the difficulties of the British position in the world today, the latest white paper on Palestine must be regarded as a repudiation of obligations voluntarily undertaken and no less binding because there are real difficulties in the way of fulfillment.

The white paper announces the British Government's intention of establishing an independent state in Palestine.

The plan is obviously designed to meet the clamorous demands of the Arab states—Egypt, Saudi Arabia, Iraq, Transjordan—which have made the cause of Palestine Arab nationalism their own. It is also designed to insure the support or at least the neutrality of those states and others in the Moslem world in the event that Great Britain is forced into war.

The new state, when and if formed, will, it is assumed, be bound by the closest military and diplomatic ties to London. Its external freedom of action will presumably be as great, but no greater, than that of Iraq. And if Palestine were Iraq or Egypt—which won its actual independence of British control some while ago—something could be said for the British plan concerning the Holy Land.

Palestine, however, is not Iraq or Egypt. A majority of its inhabitants are Arabs. But the principal minority consists of Jews, who are there, in the words of Great Britain herself, "by right and not of sufferance," who came there because under the Balfour declaration and under the League mandate the British Government solemnly pledged itself to the establishment of a Jewish national home in Palestine. Into the building up of that national home has gone a tremendous amount of energy, idealism, and the expenditure of vast sums of money.

The white paper provides for Palestinian independence in 10 years. A great deal can happen in that time, including the shelving of this plan, as previous plans for the solution of the Palestinian problem—for instance, the partition scheme of 1937—have been shelved.

But the latest British program also provides for the limitation of Jewish immigration into Palestine to 75,000 during the next 5 years, after which, presumably, all Jewish immigration would cease. That provision, being of immediate applicability, will no doubt be carried out. The plan would also grant power to the British high commissioner "to prohibit and regulate transfers of land," a provision which, it is understood, would apply chiefly to Jewish acquisitions of land.

Theoretically, under the new Palestinian dispensation, the Jewish national home would continue to exist, with the Jews enjoying all the rights and privileges of full-fledged citizens of the new state. But since the white paper stipulates that the Jewish population in the Holy Land shall not exceed a third of the whole, it is open to question whether these rights and privileges would mean anything.

They might if Great Britain agreed to protect the Jewish minority and if she lived up to this pledge. In that case, however, Great Britain would continue to bear the very burdens she is now so anxious to drop from her shoulders. In other words, having by

the Balfour declaration and her assumption of the mandate encouraged the Zionist experiment to go forward, Great Britain now washes her hands of declaration and mandate and forces the experiment to fend for itself in what is certain to be an extremely hostile environment.

Certainly the fact will not be forgotten that it was not long after Iraq, with Britain's consent and approval, achieved her independence that the Assyrian minority in that Arab land was massacred by the tens of thousands. The same horrid sequel to independence may not occur in Palestine. But there is no guaranty that it will not.

The fact is that Great Britain's administration of the Palestinian mandate has, from the first, been hamstrung by bureaucratic insolence and stupidity, by muddling and double-dealing, by weakness and timidity. The story is one of opportunities forever wasted. And bad as the situation already was by 1937, it was made worse by the announcement of the partition plan which showed very clearly that Great Britain could be intimidated into the surrender of a difficult position. This surrender is now complete.

In the meantime the restriction of Jewish immigration to an average of 15,000 for the next 5 years cuts off one of the few places on earth to which refugees could go. Indeed, despite immigration restrictions that have prevailed in the past, and despite the turmoil and confusion through which the Holy Land has been passing, Palestine has managed to absorb a goodly number of the victims from the Nazi terror in central Europe.

For Palestine, Guiana, and Tanganyika and the other areas Mr. Chamberlain would open to harassed Jews are no substitute. Where bread is called for, Mr. Chamberlain offers a stone.

Agricultural Imports

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. HORTON. Mr. Speaker, I wish to present certain figures from the Department of Commerce, concerning imports of agriculture products which show the disastrous effects which the so-called reciprocal-trade agreements are having, not only upon the farmers and ranchers of this country, but upon the laboring man and the industrialist as well.

These so-called reciprocal-trade agreements, Mr. Speaker, are nothing but glorified Argentine canned beef, in that they are robbing the farmer, the laborer, and the industrialist of the American market, which is the greatest market in the world, and which must be regained for them before we can hope for real prosperity.

Import item	1938, first 3 months	1939, first 3 months	Increase (+), decrease (−)
Cattle.....head	89,000	274,000	+
Cheese.....pounds	11,231,000	13,220,000	+
Wheat for milling and export.....bushels	83,000	2,595,000	+
Wheat byproducts feeds.....tons	5,000	69,000	+
Flaxseed.....bushels	4,719,000	6,391,000	+
Wool and mohair.....pounds	11,881,000	64,667,000	+
Hides and skins.....do	32,426,000	90,226,000	+
Tobacco, unmanufactured.....do	17,719,000	17,904,000	+
Cotton, unmanufactured.....do	22,452,000	21,628,000	−
Molasses (inedible).....gallons	45,685,000	46,187,000	+
Eggs in shell.....dozens	52,000	103,000	+
Potatoes, white or Irish.....pounds	23,789,000	37,357,000	+
Cottonseed oil.....do	7,411,000	16,424,000	+
Cottonseed cake and meal.....do	1,036,000	5,032,000	+
Maple sugar and sirup.....do	159,000	2,187,000	+
Tapioca.....do	71,124,000	98,349,000	+
Hay.....tons	9,000	14,000	+
Canned beef.....pounds	12,175,000	13,196,000	+
Hams, bacon, etc.....do	10,899,000	11,562,000	+
Silver fox fur skins.....number	6,712	23,000	+
Tomatoes, canned.....pounds	12,282,000	18,522,000	+
Pineapples (preserved or prepared).....do	1,355,000	8,000,000	+
Apples, fresh.....bushels	9	20,733	+
Peanuts.....pounds	404,000	1,223,000	+
Cashew nuts.....do	6,059,000	7,119,000	+
Potato starch.....do	1,030,000	3,161,000	+
Wool waste, noils, and rags.....do	976,955	5,790,000	+

Practically all of these imports come from the British Empire, and are dated after the recently negotiated so-called reciprocal-trade agreement.

What's This, Economy?

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

ARTICLE FROM THE WASHINGTON DAILY NEWS OF MAY 25, 1939

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Washington Daily News:

[From the Washington Daily News of May 25, 1939]

WHAT'S THIS, ECONOMY?—A CONGRESSMAN ACTUALLY MOVES TO SAVE UNCLE SAM SOME POTATOES ON DISTRICT OF COLUMBIA LAW CODE REVISION

(By Charter Heslep)

When a committee of Congress says it can do for $32,500 a job outsiders figure will cost $100,000, that's news.

The job is revision of the District's law code. Congress is supposed to attend to this chore every 5 years. The last one issued was in 1929. Lawyers say that that one is awkward and inconvenient to use and many of them still rely on the old 1901 code.

The District Bar Association set out to remedy the neglect. After long study it produced the draft of a bill which was approved unanimously by the board of directors.

Identical drafts were sent this week to Chairmen WILLIAM H. KING and JENNINGS RANDOLPH of the Senate and House District Committees. They planned to introduce the bills at the Bar Association's request when up popped Chairman EUGENE KEOGH of the House Committee on Revision of Laws.

This is not one of the major committees of Congress but it gets a $6,500 appropriation to issue supplements to the local code and is now about ready to publish Supplement IV, bringing the 1929 book down to date as of June 1938.

Under the preceding chairman, this committee was not overly active, but young Representative KEOGH is a go-getter. He is making several innovations in Supplement IV calculated to make it more useful to the bar and admits that the 1929 codification is pretty clumsy.

BAR ASKS $100,000

He has pending before the House Appropriations Committee a $32,500 item to revise the 1929 code. He hopes to have it included in the third deficiency bill, on which hearings will start shortly.

Now, the bar association bill would have the Attorney General pick five lawyers, four of whom must be from the local bar and all recommended by our local judges, and give them 3 years to do the job, paying the five $6,000 a year. That's $90,000 in salaries. The Justice Department would furnish law clerks, office help, office space and equipment, which would easily run another $10,000, probably more.

The New York Congressman still is smarting under the blow his committee received when a revision of internal revenue laws was handed over to the House Ways and Means Committee. He is determined that the District Code shall not be swiped and given to the Attorney General.

So the bar association's bill is held up temporarily. But the local lawyers are tired of using either the antiquated 1901 book or the clumsy 1929 code and hope something is done at this session of Congress to get the job started.

The United States Chamber of Commerce, Economics, and Organized Labor

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

EDITORIAL FROM THE TACOMA LABOR ADVOCATE OF MAY 12, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein a

very interesting editorial written by the brilliant and scholarly John McGivney, editor of the Tacoma Labor Advocate, a weekly publication which serves as the official organ of the Central Labor Council, embracing all unions of the A. F. of L., in my home city of Tacoma, Wash.

In this editorial there is discussed the attitude of the United States Chamber of Commerce as enunciated in its recent program and recommendations. The analysis of the situation confronting America today is penetrating and cogently phrased. I commend its careful reading to those who are interested in the solution of our economic ills.

[From the Tacoma Labor Advocate of May 12, 1939]

PROGRAMS AND PROGRAMS

The United States Chamber of Commerce has a very definite program for the rehabilitation of the country. It wants taxes upon the rich to be slashed; it wants welfare expenditures to be cut down; it would repeal the S. E. C. and blue-sky laws; throw out all labor legislation and leave the farmers to save themselves.

They didn't put their program in words as crude as these, but that in effect is the substance of their demands. There is really nothing new about them. They have been substantially the policy of laissez-faire, and they are the same which are responsible for the condition in which business and industry find themselves and for which they blame the New Deal.

It requires no prophet to say that that too is the program of the stand-pat Republicans and the Bourbon Democrats. Indeed, representatives of those political faiths in attendance at the chamber's reunion voiced such sentiments and it is clear that they all feel that if they are let alone they would bring back prosperity.

It is unnecessary to point out that that is precisely what the program will not do. It is the identical program followed in the post-war period and which knocked out prosperity with some degree of permanence since 1929.

Time was, indeed, when such a program would work. It would work out of the depression through years of suffering for the workers, employed and unemployed, and restore at their expense the industrial activity that brought back good times.

That was possible in America and the industrial nations because foreign trade offered an opportunity for dumping surpluses, emptying warehouses; and by eliminating the weak, made the strong businessman stronger and restored industry to normal activity.

Today the situation is different. Every nation is striving for self-sufficiency. Every nation is erecting trade barriers and endeavoring to keep what it has got from rivals. Colonies of Great Britain that once consumed vast stores of British goods, for example, now have tariffs of their own to build up their own industries. That applies to India, to Australia, to South Africa, to Egypt.

The imperialism of Japan is directing its efforts to secure in China a great field of cheap labor to exploit Chinese resources and for Japanese trade. In India the Indian industrialists are expanding their own modern steel plants, textiles, and other factories and rivaling all industrial nations in the markets of the world.

It is not so much that in America the last frontier has been reached. It is that each nation is forbidden by economic laws and developments to find a way for home rehabilitation in foreign trade.

The program of the chamber of commerce would no doubt in another day have provided ways and means of restoration. But not today. Today this country has to look toward another sort of self-sufficiency. That is the self-sufficiency of the consuming markets which buy the product of American factories. They buy it now only because of the lending-spending program of the United States Government. And rearmament has this advantage that it puts men to work not only in the munition factories, navy yards, and aircraft factories but in steel and plastics, in lumber and building all over the Nation.

It will help nothing to cut down expenditures of the Government. Nor will it restore prosperity by cutting down taxation. Taxes are not dumped in the sea nor are they boxed away and hidden in a hole in the ground. They are spent by consumers who buy the products of industries.

Right today rival trading nations are at daggers' points with a struggle between the have-nots and the haves. The whole world is jittery over this condition; those who should be least concerned in America are more jittery than all the rest. There is no hope that American industry can be rehabilitated by foreign trade. The hope is in increasing the consuming ability of the American people.

There are at present 11,000,000 or so unemployed. Almost all of them are living on lower than subsistence relief. How will any one or all of the items on the chamber of commerce program help them? Slashing expenditures for relief will not increase consumption. Employers will not produce now. What is their explanation? There is no demand for commodities they make. How, therefore, can slashing money that would go into consumption expand markets?

There is no shortage of money in the Nation today. The banks have enormous sums idle on deposit. Interest rates are lowest in history. Government borrowing as the only field for investment is grabbed up almost before the call is made. But the lack of markets stands in the way of investment, that and nothing more.

Talk of lack of funds for expansion, and taxes upon funds otherwise available for that purpose is contradicted by all the facts and statistics of money so available. But why expansion? People do not expand when the industries can take care of all market demands and then some. True obsolescence has been creeping with paralytic effect upon many industries. But when the mills are modernized, the demand is so limited the older and more obsolescent either close down or slash wages.

Increasing wages increases consumption and increasing consumption increases employment. But when business, as in 1937, felt that recovery had come they destroyed the useful effects of pump priming by raising prices beyond the speed limit, resulting in the collapse of the progress that had been made as relief spending was cut.

What increases consumption increases business. And business will not budge until its goods are salable. Business has explored all the possibilities of the markets today. It knows the limitations of the markets and it is a preposterous proposition to ask sensible people to believe that by giving industry, commerce, and finance, big industry, big commerce, and big finance the world on a silver platter one more man will be put to work.

If 50,000,000 people in industry buy more bread, can buy more clothes and shoes, and comforts and necessities even in a small sum during the year it is astonishing how quickly industry will respond to the stimulus of their buying. But when the dead load of the unemployed and unemployable is increased by the slashing of expenditures for them and what they eat is further limited by taxation and what they wear or otherwise consume shares the same fate, the result is neither good for business nor for the Nation.

The fact is, unpleasant as it may be to industry, commerce, and finance, restoration of activity must begin at the bottom by increasing buying power to absorb the products of industries. It is not to come from any other source under the sun. Wealth production by labor and machinery—yes; but that wealth production must be distributed more equitably so that consumption of industrial goods can be assured.

World Peace

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

EDITORIAL BY E. A. FITZHUGH

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to include herein an editorial written by my friend, E. A. Fitzhugh, managing editor of the Imperial Valley Publishing Co., and written in the interests of world peace:

IT IS NOT YET TOO LATE TO BRIDGE THE CHASMS OF HATRED

(An editorial, written by E. A. Fitzhugh, in the Imperial Valley Press, El Centro, Calif., April 13, 1939)

The world stands today over an abyss of which no man can see the bottom. Half the peoples of the globe poise themselves on the edge of eternity, like a young man eager for adventure who strains his eyes forward and upward to a mirage of mad propaganda while the pit at his feet goes unseen. One careless stride, or one vengeful push from behind, and his magnificent body will be a horrible, mangled thing on the jagged rocks below.

There is still time to step carefully back to the firm footing of a saner path. There are still materials at hand to bridge the chasm opening to swallow civilization in a threnody of shellburst and insane hatred. With the steel of determination and the strength and courage we, the peoples of the world, might yet swing a span upon which to march safely above the hell of war across to the goal of progress and understanding which guides us.

The way is simple, yet it is one which would drain the last ounce of courage and dip deeply into the final reserves of forbearance. It is not easy; it is only possible. It is this:

Let us today call upon our leaders for an armistice.

Let us draft our treaties of peace now, drawing their terms from the calm deliberations of a world saved from war, not from the jealous hatreds of nations still dripping with one another's blood.

Let us not have another Versailles, where the greed of political madmen can break the heart of a Woodrow Wilson and lay the explosives for still another more terrible conflict.

Let us strive in the light of reason to do every nation full justice, foreswearing alike the swaggering lust of the victor and the cringing acceptance of the vanquished.

With all the power that is ours who are governed only because we allow ourselves to be governed, let us today demand that this time our armistice must be an armistice to prevent war, not an armistice

to end war. Let us, the peoples of the world, send the wisest men of all nations to the conference table, by our mandate to treat with one another for lasting peace.

Theirs would be a task unequaled since Christ toiled up Calvary; theirs could be an accomplishment of the thing for which He died.

Courage must be theirs, for today it will require courage not to fight. It is easy to make war when narrow nationalism has stirred racial hatreds to fever pitch. It is hard to exercise the calm wisdom which reminds us that the armistice of 1918 could not give back the eight and a half million lives spent in the mud of European battlefields.

Patience must be theirs, for the problems set up by years of international wrongdoing cannot be solved in a day. Unselfishness and forebearance must be theirs, too, for great sacrifices will be required of each if success is to crown the efforts of all.

Theirs will be the task of remaking the map of the world, not with bombs and bayonets but with calm logic and warm cooperation. The world's markets, the world's raw materials, the world's factories and trade routes would be theirs to shuffle into a new pattern.

A costly proceeding this, but what would be the cost compared to the $219,000,000,000 cost of the last World War? It is an item the world can well afford.

No; we need not follow tremblingly into chaos and despair in this latest crisis that grips the world. We need only count the millions of lives lost needlessly, the billions of dollars spent wantonly, the unending suffering undergone fruitlessly by those who gave themselves up to hatred and madness in the World War of 1914 to 1918, and then resolve that today we shall forestall a yet more terrible fate by demanding peace before war, not after.

We want no armistice after the world is half destroyed.

We want it now!

Tribute to the Late Bert Lord

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. PLUMLEY. Mr. Speaker, it is with a very personal sense of loss that I realize that in the death of my friend BERT LORD, the third Member of the group called "The Four Horsemen" by former leader Bert Snell, has reached his journey's end.

Goodwin and Thomas and Lord, of New York, and I had many interests in common, as some of you will recall, and were so mutually fond of one another and so often together in conference or in our votes, that the appellation was not displeasing.

And now BERT LORD has followed Thomas and Goodwin. He is gone.

> They say we meet him. None knows where or when;
> We know that we shall not meet him here again.

All that has been said with respect to his training, experience, and qualifications as a legislator is true and very moderately stated. Only those who knew him intimately can evaluate him as the real man he was.

I cannot bring myself at this time to add to this my tribute of affection and to his memory, for I am remembering in my sorrow at his passing the hours of pleasant and profitable companionship; of mutuality of interest; his anxiety, readiness, eagerness, and capacity to serve; the countless virtues that make it seem almost impossible that he can have gone away; but I am sure that somewhere—

> Where the Immortals keep; where Homer now
> Has back his sight, David his little lad;
> Where all those are we dully call the dead,
> Who have gone greatly on some shining quest,
> He takes his way.

Government Spending

EXTENSION OF REMARKS

OF

HON. PEHR G. HOLMES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

EDITORIAL FROM THE WORCESTER (MASS.) TELEGRAM OF MAY 24, 1939

Mr. HOLMES. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following editorial from the Worcester Telegram of May 24, 1939:

[From the Worcester Telegram of May 24, 1939]

PRESIDENT IN A VACUUM

The President's address to the forum of the American Retail Federation reads as though it were composed and delivered in a vacuum. So much that is vital is missing. The essential basis of national prosperity is ignored. As Will Durant made his Story of Philosophy a best seller by the simple dodge of leaving philosophy out, so the President has contrived an economic argument, which may impress the unwary, by the similarly simple dodge of leaving business out.

That is exactly what he has done—left business out. The tone of his delivery would indicate that he himself did not believe in what he was saying. And, indeed, how could he? He knows better. In the past Mr. Roosevelt has uttered some startling economic vagaries, but always he has seemed to believe in them, always he has been the assured master of the situation. Not so before the retail forum, however. The old self-confidence, the old ring of conviction were absent.

It is literally astounding that the President could dwell so insistently on the buying power of consumers and at the same time refuse to acknowledge where that power must come from, if prosperity is to be reestablished in this country. Apparently he sought to inspire in his hearers the notion that Government spending was the source of that power. It is difficult to escape the feeling, the depressing feeling, that here was a deliberate attempt to mislead.

In an emergency, Government spending may, undeniably, be made an auxiliary source of consumer buying power. Government spending has been so employed under this administration. But Government spending, by itself, can never supply adequate buying power. During the great depression the bulk of consumer buying power has come from business itself in the form of wages, salaries, and whatever dividends there were. Otherwise the country would have gone bust long ago.

Moreover, an emergency is supposed to be but temporary, although this Rooseveltian emergency gives every sign of being permanent. And, if our national economy is ever to regain its health, Government spending as a source of consumer buying power must be temporary. In the nature of things it cannot go on forever, because Government must get its revenue—which it spends—from the same source from which all consumer buying power is derived in normal times, namely, business.

It is elementary to say that the business of the country rests squarely on what are known as our basic industries, the so-called heavy industries, the industries which President Roosevelt in his retail forum speech affected to contemn. One does not have to look beyond Massachusetts for an illustration of this truth. When our basic industries slump, when they close up, when they leave the State, other business slows up, languishes, sometimes dies.

In fact, one does not have to look beyond Worcester for proof of this truth. The city's prosperity stems straight from the prosperity of our basic industries. When those industries are in the doldrums all the business of the city is in the doldrums. That has been demonstrated not so often, happily, but more often than we like to think of

If the American Steel & Wire Co., the Norton Co., Crompton & Knowles, and a few other of our bigger concerns were to be eliminated from the Worcester business scene, what does anyone suppose would happen? Could a Government dole take their places? Hardly. What would happen would be that our Main Street stores would hit the rocks, and the smaller stores around the corner as well. And the banks would hit the rocks, and our professional men, too.

These are jagged facts which the President's soft words cannot cushion. Government spending as a source of consumer buying power can never take the place of our basic industries. Our basic

industries are the creators of our wealth; they are the goose which lays the golden eggs. If they are killed off, our economic lives are ended.

To get at the heart of the matter, a Worcester retailer need only ask himself one question: Does he prefer a customer with a welfare department slip or a customer with, say, a Norton Co. pay envelope? And the customer need only ask himself this: Does he prefer to go into a store with a welfare department slip in his pocket or with a pay envelope from private industry in his pocket?

No; it is not the money which the Government pays out to W. P. A. workers or in doles of one kind or another; it is not the money which is paid to regular Federal, State, or city employees which makes possible our stores, big and little, and enables them to operate on their present scale. The money which makes our business wheels go round comes from private industry, from our basic industries, from those heavy industries against which the President is determined to carry on a feud.

The International Labor Organization

EXTENSION OF REMARKS

OF

HON. MARY T. NORTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

ADDRESS BY SMITH SIMPSON, APRIL 26, 1939

Mrs. NORTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Smith Simpson, assistant professor of law, Wharton School of Finance and Commerce, University of Pennsylvania, before the Women's City Club of Philiadelphia on April 26, 1939:

After such a generous introduction I fear your expectations concerning this evening's address have been carried to great limits. Before I proceed to disillusion you, let me supply an achievement which Mrs. Lefferts omitted. The amiable Dr. Oliver Wendell Holmes used to say that if one could not arrange to be born in Boston, the next best thing he could do was to go and live there. Unlike Dr. Lefferts, I was unable to arrange to be born in Philadelphia. But I have done the next best thing. I have come to live here.

After having heard that I have at different times served as an adviser to workers' groups, to employers' groups, and to governments you must wonder what kind of a hybrid I am. Rabid partisans of workers and employers, if there are any such in the audience, will remember the anecdote of the Virginian who lived so near the Mason and Dixon line at the outbreak of the Civil War that he had difficulty making up his mind which side to join. Finally he compromised by wearing a Union jacket and Confederate trousers. When the two armies converged you can imagine what happened to him. I am glad to have noted that on tonight's program there is no place reserved for a civil war between workers and employers. If anyone has come in without having deposited his munitions at the door, we can pause now to give him time to do so.

It is difficult these days, when labor disputes are so frequent, to keep a disinterested and reasonable point of view toward the issues in dispute. Yet this is very necessary if strife is to be reduced to a minimum and a satisfactory solution arrived at. This is one of the great things about the International Labor Organization. It solves the great problems with which it deals by reason and argument, by ballots, and not by bullets. It affords representation to all interested groups. Workers and employers take part in it on a completely equal footing. No one group dominates. The I. L. O. is an effort to solve our problems which relate to labor standards by a democratic procedure.

The International Labor Organization deals with conditions which affect labor standards. One of those conditions is unemployment. My own contact with the I. L. O. came in 1933 when I was seeking comparative material with which to judge better the nature and extent of our unemployment problem in the United States. I spent 6 weeks of travel and study of unemployment and unemployment compensation in Great Britain. I then wanted additional information about the unemployment problem of other countries without spending the time and money necessary to visit other countries. The existence of world-wide unemployment, furthermore, suggested the operation of common causes of unemployment throughout the world. So I went to the International Labor Office and I found there not simply all the information I wanted but the one group of people who are concerned with these common causes of this world-wide problem and concerned also with finding a solution of it.

And so, from my own experience, I know that an important contribution which the International Labor Office makes to the solution of labor problems is serving as a clearing house of information. From all over the world it assembles facts concerning industrial and agricultural conditions. It has at its command facilities for the gathering of facts which no other institution in the world has. Not only has it 6 branch offices in China, France, Great Britain, India, Japan, and the United States, and in addition 18 national correspondents, but national governments, as well as employers' and workers' organizations are also sources of information which the I. L. O. by its constitution is permitted to draw upon. Sometimes special missions of investigation are sent to different countries by the International Labor Office.

This information has proven of great value to governments throughout the world in the drafting of social legislation and to those groups which are interested in obtaining this legislation. It is due to the reports of the International Labor Office on the subject of occupational diseases in industry—diseases like silicosis—that more adequate legislation is developing on the subject in this country. If reason rather than force is to prevail in the relations of workers, employers, and governments, we must know our facts. We can reason only from facts. Hence, the fact-assembling and fact-publishing activities of the I. L. O. have a great influence in promoting understanding and cooperation not only between nations but between groups within nations.

The International Labor Organization also makes use of this information. The International Labor Office is more than a fact-gathering agency. It is also a laboratory in which all this information is constantly worked over, studied and restudied, analyzed, and interpreted, and used for the initiation of international agreements. It is no simple matter to obtain international agreements even in the most favorable times. A great amount of information has to be assembled; thought and study must be given to the ways as well as the objectives of agreement; conferences must be held; differences in opinion must be reconciled; the language of the agreement must be adjusted to meet everyone's desires; and finally the agreement must be ratified and enforced.

The development of international agreements on those problems which affect labor standards is one of the chief tasks to which the International Labor Organization is devoted. The I. L. O. has, therefore, what we may call a law-developing function as well as a fact-assembling function. The organization consists primarily of an international labor office, a governing body, and an international labor conference. The office is the permanent staff of the organization, an international civil service, appointed by the director of the office in accordance with civil-service rules. The principal functions of the office are to collect information and to publish it; to prepare for the international labor conference and the many technical conferences and committee meetings which are held within the organization to facilitate agreements; to take the initiative in suggesting agreements, or in developing them; to consult governments, employers, and workers so as to facilitate agreement; and to coordinate the work of the entire organization. The governing body consists of representatives of governments, workers, and employers from 16 countries. It meets four times a year—its eighty-seventh session having been held this past week in Geneva—to carry out the decisions of the conference, to consult with the director on the affairs of the organization between the annual sessions of the conference, and to fix the agenda of the conference. The conference, which meets annually, consists of governments', workers', and employers' delegates from all member states and is the body which adopts the international agreements which governments later ratify. These agreements are called international labor conventions.

In addition to gathering information and promoting international agreements, an important function of the I. L. O. is seeing to it that conventions, once adopted and ratified, are enforced. This it does by a system of annual reports. Each government is required to furnish reports on its enforcement of all conventions ratified by it, and these are examined by a committee of experts. If there is any delinquency, the government is requested to correct it. Although this seems like a very casual way to secure enforcement, and theoretically the system may be open to some objections, no difficulty has been encountered to date in this system of enforcement. It has worked extremely well.

To date the International Labor Conference has adopted 63 conventions. These have received more than 840 ratifications. That is an amazing record. The international labor organization has been going for 20 years and some of those years have been distinctly unfavorable to the development of international agreements as all of us know. Nevertheless 63 agreements have been adopted and ratified by governments. That is a little better than an average of three conventions a year—three agreements a year for the protection of the living standards of the peoples of the world. This record becomes even more significant if we break it down into the pre-depression period and the depression period. Before 1932, 31 conventions had been adopted, or an average of a little over 2 a year. From 1932 to 1938, 32 conventions have been adopted, or an average of 4½ conventions per year. That is, in the 7 years, 1932–38, inclusive, more conventions have been adopted than in the 13 years 1919–31, inclusive. At a time when other international institutions have diminished in usefulness, the I. L. O. has not only maintained the tempo of its activity but has expanded and increased it.

This acceleration of I. L. O. activity has coincided with the assumption of a difficult task by the I. L. O. Since 1934 the I. L. O. has been experimenting with the development of international agreements establishing the 40-hour week. Agreements on hours are the most difficult of all to negotiate. Nevertheless, from 1934 to 1938, five 40-hour international labor conventions have been adopted establishing the 40-hour week in sheet-glass works, in glass-bottle works, in the textile industry, on seagoing ships, and in public works. The convention on sheet-glass works has been ratified by Belgium, Czechoslovakia, France, Great Britain, Mexico, and Norway, and legislation is in progress in Sweden which will make possible ratification by the Swedish Government. The glass-bottle convention has been ratified by Czechoslovakia, France, Ireland, Mexico, New Zealand, and Norway. The textile convention was only adopted in 1937, and has been ratified by New Zealand. The French Government has recommended ratification to the French Parliament. This convention alone, if ratified by all textile-producing countries, would blanket 14,000,000 workers under the 40-hour week.

International labor conventions cover a wide variety of subjects, including not only hours of work but child labor, night work, placement of workers, weekly rest, workmen's compensation, unemployment compensation, old-age insurance, sickness insurance, invalidity insurance, and accidents. Some 13 conventions cover the field of social insurance; and the work of the I. L. O. in this field has been a great stimulus to the origin and development of the limited program of social insurance which has been launched in our own Social Security Act in this country. They have been the basis of labor legislation in a large number of Latin-American, far eastern, and European countries.

The purposes accomplished by the international agreements which the I. L. O. has developed are three: (1) They protect the employer from unfair competition in the markets of the world; (2) they protect the workers having high standards from the danger of losing their high standards because of competition from workers having lower standards; and (3) they protect society at large from the deteriorating effects of low labor standards. The I. L. O. does not proceed upon any dogma or theory. It obtains international agreement where international agreement is possible. It does not attempt to force any agreement upon anyone. Since employers are equally represented with workers, and governments hold the balance of power, it is obvious that the I. L. O. is not partial to any group. Employers have ample opportunity to object and to oppose agreements which they feel are detrimental to their interests, and they have frequently done so. Hence the 63 agreements which have been adopted represent a general consensus of opinion that these agreements are necessary. It is a good example of reason operating upon information to secure a gradual improvement which everyone is willing to accept.

In view of this record, and particularly in view of the important work which the organization has done since the depression set in, it is understandable why popular interest in the I. L. O. should be increasing now. Until 1932 the I. L. O. was viewed as an organization incidental to the League of Nations—a case of twins, one of which made the headlines of the newspapers and outshone and outdazzled the other. The League was regarded as the principal performer and the I. L. O. a sort of accompanist whose chords were heard only when the performance of the chief attraction momentarily ceased. But now the accompanist has been recognized as an artist in its own right and an unusual performer entitled to an independent appraisal. People are now asking seriously: "What is it? What has it done? What hope does it hold for the world?"

As those of us know who deal with the I. L. O., people in the United States are keen to know more about the I. L. O. The United States joined it in 1934. Our representatives have taken an active, and sometimes a leading part in it. Together with other countries the United States has made possible several notable advances in international labor legislation. An American has recently been elected director of the International Labor Office. For the first time in the history of the international organizations established by the treaty of peace in 1919, a member of the United States Cabinet last year attended a session of the annual conference of one of those organizations—the International Labor Conference. The United States last year ratified five International Labor Conventions which, when ratified by other maritime countries, will save the United States millions of dollars a year in subsidies to our merchant marine. Ratification of others are now under consideration by the Senate. With the constant pressure of industrial, maritime, and agricultural problems in this country and the necessity of international cooperation if some of them are to be solved without continuing governmental subsidies, the I. L. O. promises to be of increasing importance to the United States. It is no wonder, therefore, that people in the United States are taking a great interest in it.

But other peoples are also. The awakening of popular interest in the I. L. O. is not confined to the United States. It is occurring elsewhere; and when governments withdraw from the League of Nations, they often retain their membership in the I. L. O. This was true of the Hungarian Government, for instance, when it resigned from the League this month.

The chief underlying cause of this increasing world-wide interest in the I. L. O. is the increasing efficiency and usefulness of the organization in the present chaos of the world. Some of the reasons why the I. L. O. has been expanding in the face of a general international break-down are therefore worth exploring.

To begin with, the I. L. O. was created to serve the welfare of the masses of the people directly and not merely indirectly. It is designed to improve living standards and labor standards. It is thus concerned with the well-being of the masses of the people. It is not concerned with the perpetuation of national sovereignty. It is not concerned with national sovereignty at all. The fact that the institution was created to further the common good and the general welfare is as much a source of strength to the I. L. O. as it is to the United States Government or any other government.

In the next place, the International Labor Organization is not an institution conceived and utilized for the perpetuation of the status quo. On the contrary, it was created for the purpose of effecting change. Labor conditions and labor standards, living conditions and living standards, are continually changing, continually improving as technical progress marches on, and the I. L. O. was established to facilitate and, if need be, to initiate the changes in law which change in social and economic conditions require. This dedication to change has enabled the I. L. O. to keep step with the times and to genuinely effect a larger and larger measure of improvement to the well-being of peoples. In the beginning of the I. L. O., there was a certain suspicion and hostility on the part of governments whose policy was the perpetuation of the status quo. This produced a serious obstacle to the organization. But this handicap has been overcome and the direct contribution which the I. L. O. has made to the common good has been a tower of strength to it as well as to the masses of the people themselves.

The ability to promote and bring about change in international relations has saved the I. L. O. from those debacles which have sometimes characterized the League of Nations. The League has played a useful and necessary part in the political and economic relations of nations. It has served as a machinery by which governments desiring change could work for it and help keep before the world the need of change. But the League has been composed only of governments. The common people have had no direct voice in it. Hence, in the League, governments have had an opportunity to play power politics and to prevent international agreement even when the masses of the people have earnestly desired it, as in the limitation and reduction of armaments.

In the International Labor Organization, not only governments are represented but workers and employers as well. When governments have stalled the workers' group has pressed for action. When governments, as in the League of Nations, have sought to substitute diplomatic pleasantries for substantial progress, the workers' group, through its own representation in the International Labor Conference, on committees of the conference, on the governing body, on committees of the governing body, and in technical conferences, have been able to outmaneuver governments and press forward the great work of the organization. The mere fact that the I. L. O. was created to serve the common welfare and to effect change were not enough to make the organization great. It was necessary to incorporate into the organization those economic groups—employers and workers—whose interest is in change and in the constant improvement of the welfare of the masses of the people.

There are other reasons for the unusual success of the I. L. O. But I cannot ask you to indulge me further. The thought I would like to leave with you in ending this inadequate address is this: The present situation in the world is depressing, but when we have an exemple of international cooperation such as that of the I. L. O. we cannot be wholly desperate. We cannot feel there is no chance for unity and the peace which comes from unity. We have seen how peoples can assure progress even over the protests of their governments. This example is cheering. It is also illustrative of the point that as long as national governments have the only voice in the conduct of international cooperation progress is impossible. But if the people themselves are given a voice progress and the common welfare will be served.

Squander Hypodermic Not a Cure

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. REED of New York. Mr. Speaker, President Roosevelt's address at the meeting of the National Retail Federation leaves no doubt that the New Deal intends to follow the counsel of the spend-tax-elect boys and to give the ailing Nation another shot of the squander hypodermic, not in a sincere belief that it will cure the patient, but in the

hope that at least it will produce a state of coma until 1940 which will be less painful than alert awareness.

The threat to our economic stability of a public debt which has passed the $40,000,000,000 mark and is increasing at the rate of three billions a year is a more serious threat to our national safety than anything else.

Briefly, the threat to our economic stability is that the increase in our national debt will so inflate bank deposits that an uncontrollable credit boom and inevitable collapse will result.

The threat to our national safety arises from the fact that a nation, no matter how well prepared and equipped its armed forces be, faces a serious handicap in borrowing to finance a major war if it starts with a forty- or fifty- or sixty- or one-hundred-billion-dollar debt.

If to warn of these perils is to merchandise horror, then horror is merchandised by the red traffic signal at crossings and the Danger sign on the dynamite storehouse.

Let us look first at the inflation danger. Only yesterday Comptroller of the Currency Preston Delano announced that the assets of 5,218 active national banks reached a new all-time high on March 29. Deposits totaled $28,169,251,000, exceeding by $118,575,000 and $1,931,009,000 the amounts reported on December 31, 1938, and March 7, 1938. Investments in United States Government obligations, direct and fully guaranteed, aggregated $8,573,784,000, an increase of $481,622,000 in a year. Direct Government obligations held on March 29 were $6,861,577,000 and indirect obligations totaled $1,712,207,000.

Now, wherein lies the danger of this? It lies in the excessive borrowing of the Government from the Nation's banks. Senator HARRY F. BYRD, of Virginia, a stanch Democrat steeped in the traditions of his party, felt it his duty to call the attention of the Senate to the fact that the banks and institutional investors today own approximately half of our public debt.

Bank deposits are built up by loans. And since the larger part of the new obligations being floated by the Treasury is being acquired by the banks, a corresponding expansion of deposits results. And that situation, as the history of this Nation demonstrates, leads to uncontrollable credit booms followed by disastrous collapses.

Billions have been spent, but 11,000,000 American employables are now jobless. Still the spending goes on; still the taxes pile up, until the point has been reached where business is completely bogged down by the tax burden.

How long can this go on? It can go on only to the point where business corporations and individuals either cannot or will not pay more taxes. Corporation taxes are the most lucrative source of Federal revenue. But corporation taxes are paid on profits. If there are no more profits, there is nothing left to tax. And when an individual reaches the point where he no longer can earn a living, he also ceases to produce tax revenue for the Government.

The new dealers argue that the danger is remote. But not even Cohen, Corcoran, or Eccles would attempt to argue seriously that there is not some point in the upward expansion of debt where it must be halted if the whole financial structure is not to collapse under the weight of insupportable taxation.

And even more dangerous is the fact that nobody can tell when that point is reached by mounting public debt. The limit of safety for our public debt is fixed by law at forty-five billions. Undoubtedly it could go higher than that without disastrous consequences. But how much higher? That is the question. A definite answer is impossible. The point is not determined by mathematical calculation. It is determined by mass psychology, just like a run on a bank which may actually be financially sound.

But when mass hysteria holds sway, there is no controlling it or predicting where it will lead. It is to such a day which every disciple of Lenin is looking to doom capitalism and our American system.

Sugar

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. HOOK. Mr. Speaker, certain Republican Members of Congress have recently used the threatened closing of a sugar plant in Michigan as a peg on which to hang a bitter, unfair, and unjustified attack on the New Deal's sugar program in that State and elsewhere. I am afraid, however, that their attacks were not as effective as they would have liked them to be, because the mill-closing announcement was followed very shortly by one stating that the mill would, after all, operate. I wonder if this sudden reversal did not make it necessary for my friends across the aisle to revise rather hurriedly some of their intended remarks. Nevertheless, I should like to discuss first the Michigan mill episode and then see what treatment Michigan and other sugar-beet growers have received under legislation enacted during the Roosevelt administration.

Toward the end of April the Northeastern Sugar Co. announced that it would have to close its plant at Mount Clemens, Mich., because it did not consider the 1939 sugar-marketing allotment received by it under the Sugar Act of 1937 sufficiently large to warrant operating the mill. Instead of seeking relief through the machinery provided in the Sugar Act, the firm proceeded to try its case in the public press. As you know, there is in the act a protective clause which provides that any person who feels he has been unfairly treated in the matter of a sugar-marketing allotment may, as a part of the procedure, appeal within 20 days directly to the United States district court of appeals for an impartial review of the allotment determination. The 20-day period has just ended, but the firm has filed no appeal.

However, before providing the House with information on the particular marketing allotment received by the Northeastern Sugar Co., and asking the Members of the House whether or not they think the firm was equitably treated, I should like to point out that the Sugar Act does not give the Secretary of Agriculture authority to make special allotments for each company on the basis of local conditions. The act requires uniform treatment of all sugar processors in any producing area in the United States, based on standards specified in the act and on the record of the public hearings. The Michigan sugar-processing companies, like those in other States, were represented at the public hearing on marketing allotments, held in Chicago in February of this year. After the hearing a period was allowed for the filing of briefs presenting arguments for and against the various proposals made at the hearing. Later on tentative allotments were announced and interested parties had a period in which to register their objections to the tentative findings of the hearing officers.

It happened that the formula which the Department decided upon as being the one most fair to the industry as a whole and to each individual processor worked out in favor of the Northeastern Sugar Co., since it gave only 25 percent weight to marketings in the years during which the company had a low production because of floods, droughts, and other causes, while it gave 75 percent weight to the 1938 production of 179,086 bags, the firm's largest production in any of the past five years. In spite of this heavy production of 179,086 bags for 1938, during which year there were no restrictions on the amount of sugar any beet processor could market, the Northeastern Sugar Co. disposed of only 47,920 bags for the entire year.

The firm received a 1939 allotment of 139,400 bags. How did this allotment stack up with the firm's past production

and marketings? Well, during the most recent 5-year period, 1934–38, the company's production amounted to 114,678 bags, and their marketings to 97,010 bags. As I have already pointed out, the sugar company's marketings in the full calendar year 1938 totaled only 47,920 bags. In other words, the allotment received by the firm is almost 25,000 bags greater than its average production during the 5-year period mentioned, more than 42,000 bags larger than the average quantity marketed by it during the same years, and nearly three times as large as the quantity marketed by it last year. Under such conditions, why should the company have considered it necessary to announce on one day that it would close its Mount Clemens mill and then a few days later reverse its position?

I am informed that some companies which withheld sugar from market in 1938 have sugar stocks too large to be marketed completely this year under their 1939 marketing allotments. I understand, however, that most sugar-beet processors have in the past taken the position that the industry should be allowed to carry substantial sugar reserves from years of large production, such as 1938, so as to have sufficient supplies of sugar on hand to meet the beet quota in years of shortage. This attitude is not surprising inasmuch as in every year since 1934 the beet-sugar industry has failed to fill its quota—in 1937 by as much as 375,000 tons of sugar. It appears that in such years it was necessary in accordance with the Sugar Act, to reallot this quota deficit to other producing areas which could furnish the sugar. Obviously, beet-sugar interests were not happy over the loss of such opportunities to market the full quota for the area, and chiefly for this reason, it seems, many processors stated they wished to carry substantial reserves.

It has been said rather frequently of late in Congress by Representatives from some of the producing areas, that the 1939 sugar-marketing allotment determination of the Secretary of Agriculture was unfair. I therefore wish to call the attention of the House to the fact that no beet-sugar processor in the whole of the United States saw fit to appeal to the courts for a review of the determination. If this does not speak well for the fairness of the Secretary's action, then I do not know what does!

Shortly after the Department of Agriculture, at the request of President Roosevelt, had wired the facts to the Honorable Donald R. Westendorf, mayor of Mount Clemens, the sugar company announced that it had decided not to close the mill. I ask permission to insert in the RECORD a copy of the telegram sent by Mr. Westendorf to the President, and the reply of the Department. It is a pity that although the announced closing of the mill received plenty of editorial notice in the press of my State and elsewhere, the cancelation of the closing order has been hardly noticed.

The other day my colleague [Mr. WOODRUFF] stated that in Michigan there were 16 beet sugar-refining plants when the Roosevelt administration took office. That the plants were there is quite true, but were they all operating? According to my information they were not. In fact, as was pointed out on the floor a few days ago, during the 5-year period 1928–32 an average of only 10 sugar factories were operating in Michigan, whereas in the 5 years of sugar programs, 1934–38, an average of 13 factories functioned and it looks as though an equal number will operate this year. Moreover, the beet-slicing capacity of Michigan mills today is greater than it has ever been.

What about the situation of growers in Michigan? Well, I find that the acreage harvested by them in the 5 years preceding sugar legislation averaged 92,000 acres; in the 5 years of sugar programs, it was 105,000. Their income per ton of beets in the earlier period was $6.78, in the latter one it was $7.41, and, as you can see, this income was received on a much larger acreage.

The position of sugar-beet growers elsewhere has also shown notable improvement. In the 5 years preceding sugar programs, 1929–33, the average acreage harvested by American beet growers was 785,000 and the farm value of their crop $54,249,000; in the period 1934–38 the acreage was 798,000 and the farm value $60,428,000. Last year the acreage harvested rose to 931,000 and the value of the crop was more than $72,000,000. In fact, beet-sugar production in 1938 was the greatest on record.

The gentleman from Michigan [Mr. WOODRUFF] has said dramatically that the New Deal is trying to destroy the American sugar industry "acre by acre, factory by factory, State by State." Inasmuch as the beet-sugar industry in Michigan and other parts of the United States was experiencing some very bad days during the Hoover administration, whereas today both growers and processors are making money, I find it difficult to understand the meaning of his statement.

The telegrams referred to are as follows:

SUGAR DIVISION, *May 1, 1939.*

Hon. DONALD R. WESTENDORF,
Mayor, City Commission,
Mount Clemens, Mich.:

Your telegram of April 20, 1939, to the President has been referred to this Department for reply. The Northeastern Sugar Co.'s 1939 marketing allotment of 139,400 bags of refined sugar greatly exceeds their most recent 5-year average production of 114,678 bags, and their most recent 5-year average marketings of 97,010 bags. It is nearly 3 times their total marketings for the entire year 1938.

The act does not give the Secretary authority to make special allotments for each company on the basis of local conditions, but requires uniform treatment to all sugar-beet processors in the United States, based on certain standards specified in the act and the record in the public hearings which have been held on the subject.

The formula used in the computation of the 1939 marketing allotments gives recognition to the low production of the Mount Clemens area in prior years resulting from drought, flood, and other causes as it gives only 25 percent weight to marketings in such years and 75 percent weight to the large production of 1938, a year in which the company's production amounted to 179,086 bags. If the company deems this allotment unfair, it may avail itself of the recourse provided in the act. Within 20 days after issuance of the allotment order the company or any interested person who feels aggrieved may file an appeal with the United States Court of Appeals for the District of Columbia, to which the Secretary is required to reply.

Inasmuch as the quota for all areas including Cuba, are established in the act itself the statements being made to the effect that this Department could provide an increased allotment for the company by reducing the Cuban or any other quota are entirely erroneous.

We are working on administrative procedure which will permit the company to dispose by substitution of the quantity of approximately 28,000 bags in excess of their 1939 allotment to prevent any possible deterioration of such sugar.

Of course, it is possible that the company may have various reasons for wishing to close its Mount Clemens plant but we are unable to understand how the allotment already made for the calendar year 1939 would make it necessary for the company to discontinue operation of the factory.

JOSHUA BERNHARDT,
Chief, Sugar Division.

MOUNT CLEMENS, MICH., *April 20, 1939.*

FRANKLIN D. ROOSEVELT,
President, Washington, D. C.:

We feel that operation of Northeastern Sugar Co.'s mill at Mount Clemens, Mich., is of vital importance to Mount Clemens and Macomb County, 300 employees and 1,000 field laborers will be thrown out of work and 8,600 acres will be planted to surplus crops. If not operated many of our farmers surrounding our city depend entirely upon the growing of sugar beets for livelihood. Unless relief is given in marketing allotment the processor cannot operate. This local sugar factory operating means a great deal during fall and winter months to our city.

CITY COMMISSION OF MOUNT CLEMENS,
By DONALD R. WESTENDORF, *Mayor.*

The Child Refugee Bill

EXTENSION OF REMARKS
OF
HON. CAROLINE O'DAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 25, 1939

RADIO ADDRESS BY HON. SAMUEL DICKSTEIN, OF NEW YORK, MAY 23, 1939

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks, I include the following address of my colleague, the

Honorable SAMUEL DICKSTEIN, on station WEAF, Tuesday, May 23:

I am speaking to you tonight on a subject about which I imagine you have already heard a certain amount of discussion—the Wagner-Rogers bill, sometimes known as the child-refugee bill. I am particularly glad to have this opportunity to talk to you because this measure will, tomorrow, be the subject of public hearings before the committee of which I am chairman, the Committee on Immigration and Naturalization of the House of Representatives. At those hearings men and women who believe the bill should be passed will speak in its behalf. Those who hold the opposite view will also be given a full and free opportunity to state their case. We of the committee will listen and form judgments on which to base our recommendation to the House of Representatives.

Since it is not possible for all of you in different parts of the country personally to attend these hearings, I am very glad to have these few minutes to bring some of the facts and issues before you. For I feel it is extremely important that citizens and voters everywhere understand clearly just what this bill means and what it does not mean. It is only through such understanding that we who are your Representatives in Washington can interpret your will.

There has been much discussion about the Wagner-Rogers bill. There have been newspaper reports and editorials. There have been letters to the editor and radio comments. On the whole, this discussion has been the expression of that fine, generous, and humanitarian spirit which we know to be so typically American.

Our Congress has now a wonderful opportunity to perform the most humanitarian task which ever came to its official attention. Even the opponents of this bill could not very well muster any arguments against it which would appeal to the conscience of the masses. And so the story was allowed to go abroad that the admission of these children refugees will be fraught with great danger to this country. One was led to believe that if we open the doors to this wreckage left by the tides of European persecution, that somebody here will suffer, and that someone in America will be unfavorably affected. We hear people state that these few thousand children refugees will take away bread from the mouths of American workmen, and that they will become a great factor in increasing unemployment in the United States and similar statements of the same nature.

My object in addressing the radio audience tonight is to show that no such results are absolutely to be feared, and furthermore to show how we are definitely obligated by the ties of our historical tradition, and by the processes of true Americanism to speed this measure toward its enactment as a law.

In one sense, the interest in the bill has been greater than one would expect this kind of a proposal to stimulate. For, as a practical matter, the Wagner-Rogers bill will have no very great effect upon our lives here in America. What does the bill propose? It is a grant of authority—and only a grant of authority—to permit the entry into the United States of 10,000 refugee children, none of them more than 14 years of age—in each of the years 1939 and 1940, in excess of the present quota. This is not a large number of human beings in a country of about 130,000,000 inhabitants.

Furthermore, the bill creates no responsibilities for us, either as individual citizens or as taxpayers, for—and I want to make this as plain to you as I possibly can—not a single child will be admitted until satisfactory assurances are given that he or she will be adequately cared for by responsible private citizens who have already signified their desire to do so. In other words, the bill does no more than give to people who have a humanitarian impulse the privilege of expressing that impulse in a concrete way.

Who are these child refugees? They are children whose parents have either been killed or placed in concentration camps, or deprived of every means to make a livelihood for themselves, solely for the reason that these parents value human liberty more than they value lip service to a dictatorship, or parents whose only crime consists of belonging to the wrong race or the wrong religion.

Fortunately, this is not a religious question, and not even a racial question, and it cuts across all racial and religious lines. Among these refugee children there are some whose parents have been Aryan for generations, and some whose ancestors have lived on the soil of Germany for a thousand years. These children are unable to continue in that country since all means of livelihood for their parents have been dried up at the source. The German Government will not allow anyone to live in peace if the individual in question is not both an Aryan and an adherent of the regime.

And so, men and women have found themselves uprooted and removed from their occupations, trades, and professions in that country just because they refused to give lip service to its dictatorship, but wanted in their own humble way to express views and ideals which might be contrary to the political creed of the day.

Some of the greatest German scholars and scientists came to this country solely to escape the rigorous supervisions of their mental life which would be their portion if they lived under Hitlerism. And, mind you, many of these scholars and scientists were Aryan and some of them even German Protestants. How much worse is the lot of those who are not Aryan or are at least not 100 percent Aryan, or who happen to be adherents of the Jewish or Catholic religion. In their cases the entire force of the state has turned against them. They are not allowed to worship God in the manner in which they would like, and the least little infraction of any rule laid down by a brutal ruler, or the least deviation from the norm of conduct prescribed by a ruthless dictator finds them in concentration camps. Insofar as members of the Jewish faith or race are concerned, these can find themselves in concentration camps for no reason at all, except because their wealth might be coveted or their business wanted for a Nazi henchman.

We are now called upon to save from the hell that is a dictatorship, a few thousand innocent children, victims of the dictator's wrath. These children will not come here to compete with American labor. On the contrary, they will be put in American schools under the supervision of American welfare organizations. They will not become producers of labor but consumers of labor. Much as we might differ on the advisability of further restrictions of our immigration, there can be no difference of opinion on the advisability of not restricting this type of immigration. This immigration is solely in the interest of this country, and at one stroke we shall be performing a humanitarian act, and at the same time help this country and increase production of goods here for the maintenance of these victims of misfortune.

It is appalling to think what will happen if this country, with its vast resources and unlimited possibilities should decide to close the doors of opportunity to those helpless victims of persecutions. There is too much selfishness in this world as it is, and surely by encouraging more selfishness we shall not be doing our duty to our fellow men.

When our President called together a conference on the question of refugees last summer, there were those who expressed themselves rather critically of his efforts, mindful as they were of the fact that our country did nothing to alleviate conditions. A cursory examination of our immigration practice of recent years will show that the only aliens who were able to gain admittance to the United States were aliens who could demonstrate that they are in every sense of the word capable of taking care of themselves. Every alien who entered this country in the last few years came here not to work, not to take away a job from an American citizen, but on the contrary, came here with financial resources capable of taking care of his own wants, and in most instances to invest it in business and to give employment to American citizens.

We have the assurance of our welfare agencies in the United States that the aliens on relief at the present time are not aliens who were admitted in the last few years, but aliens who have been here for a decade or longer.

When our first restricted immigration law was passed only about one-half of those who were eligible entered this country, and even today the quota is not fully used up, and every year only one-third of those who were eligible to enter are allowed to enter. Some of the countries have never used their immigration quota and their being on the statute books is merely a gesture of no practical and material benefit.

Would it not be a beautiful gesture on the part of this country to throw its doors open to those children? For many years to come these children will be able to obtain instruction in our American schools and learn our American way. After the children have been selected and brought to this country, what will happen to them? Responsibility for them has been assumed by an organization which has been formed for this especial purpose—The Nonsectarian Committee for German Refugee Children.

This organization is headed by such distinguished citizens as Cardinal Mundelein, Bishop Bernard James Sheil, Canon Anson Phelps Stokes, Gov. Herbert H. Lehman, William Allen White, Dean Helen Taft Manning, President Frank Porter Graham, and Owen D. Young. Its executive director is Mr. Clarence E. Pickett, who is also executive secretary of the American Friends Service Committee—the man who was recently given the Bok award for his outstanding services to humanity. The treasurer of the committee is Mr. Newbold Morris, chairman of the City Council of New York City. Sponsoring the committee's program is a Nation-wide group which is a roster of outstanding names in industry, in education, in religious spheres, and in social welfare. That this is a responsible group we can have no doubt, and we may rest easy in the knowledge that such an organization has pledged its resources as a guaranty that these children shall not become public charges.

In an article published in the New York Times a day or two ago, the statement was made by one of its European correspondents, that we in this country are particularly fortunate in that in Europe you are a member of a nationality willy-nilly, and a Frenchman can never become a German, and a German can never become a Frenchman. But an American does not have to be born, he can be made into one. Here is a wonderful opportunity to make a few thousand new Americans who will realize that the system under which European nations who indulge in persecutions, is not the "American way." They will learn to know that the principles of justice and tolerance are not empty phrases but a thoroughgoing way of life, our American life. They will grow to learn the ideas and ideals of this unique country of ours, which at this particular time, with Europe torn into shreds by its racial, nationalistic, economic, and other differences, is the only place on earth where truth, liberty, and justice still prevail.

Wages and Hours

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

SPEECH OF HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES, MAY 23, 1938

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a speech which I delivered on wages and hours on May 23, 1938, as follows:

Mr. WELCH. Mr. Chairman, I yield the gentleman from New York [Mr. SIROVICH] 15 minutes.

Mrs. NORTON. Mr. Chairman, I yield the gentleman from New York [Mr. SIROVICH] 15 additional minutes.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. SIROVICH] for 30 minutes.

Mr. SIROVICH. Mr. Chairman, when a symphonic orchestra with diversified mechanical instruments plays in harmony, in unison, and in one accord, we have unity of musical expression which is called rhythm and melody. Here we behold how a cooperative tendency results in transforming diversity to unity. Evolution always means the change from diversity to unity. This constant change from diversity to unity is not only true of mechanical nature but is true of biological nature, as well as of all manifestations of the historical process.

In religion, for instance, we see polytheism, the worship of the many gods, dying out slowly and being replaced by monotheism; that is to say, going from diversity to unity.

Political life of man begins with tribalism. In the course of political development tribes unite and form a nation. The way from tribalism to nationhood—many tribes and one nation—is again the way from diversity to unity.

In science we observe a similar evolution. First, man tries to gain knowledge of simple phenomena. When he accumulated a greater knowledge of a multitude of phenomena, he tried to discover the one principle governing them all. In seventeenth century physics Newton discovered that principle, gravitation. In twentieth century physics, Einstein discovered that principle, relativity. The greatest triumph of science is the discovering of one principle as the explanation for a multitude of phenomena. The fundamental and underlying principle of science consists, therefore, in going from diversity to unity.

The literary process shows a similar tendency. First, there are local expressions and then there is national expression. Before a nation produces its Shakespeare or its Goethe, its Hugo, or its Tolstoi, it experiences literary localism and regionalism. When a national expression embodies in the figure of one creative genius it replaces all local expressions; the literature of a nation has therefore reached its peak of development.

It stands to reason that economic development is not an exception to the ironclad law from diversity to unity. The many economic standards and the many economic laws governing our Nation must be replaced by one standard and one law of minimum wages and maximum hours. A fully developed Nation of 48 States can no more have 48 different and contrary economic laws than it can have 48 different languages, different civilizations, or different cultures. But as it is today, we have in America two different economics, governed by two different laws, and representing two different standards. In one section of our country the economic toiler is paid a living wage, though not a saving wage. In another section the worker receives starvation wages and is often so underpaid and so badly exploited that he can hardly meet both ends and can scarcely have a real feeling of human dignity. He is not only the underdog but he is also the underworm. The underworm, struggle as hard as he does, cannot be creative and cannot contribute to the physical, spiritual, and moral strength of the Nation. What the wage and hour bill really represents is an attempt to create one uniform minimum-wage standard for the entire fabric of our American economic life, replacing a diversity of wage-slave standards that is a reflection upon human dignity and the respect that America owes to its producing and toiling workers that have made our Republic great and glorious. [Applause.]

Mr. Chairman, everything that is produced in our country through agriculture and industry is the result of the labor of the beast of burden, the machine, and the human being. Whether we are reactionaries, conservatives, liberals, progressives, or radicals, whether we are in the habit of looking forward or backward, we must all admit that there is a tremendous difference between the labor of the beast of burden, between the labor of the machine, and the labor of human beings.

Let us analyze the wages of these three groups that I have just enumerated. What are the wages of the beast of burden today in our country? All that he receives from his master, whom he serves loyally and faithfully, is the oats, bran, hay, corn, and other food products necessary to keep him alive, besides the roof that shelters him from the ravages of the weather. In other words, all that the beast of burden receives as compensation is enough to live and to exist.

What is the wage that the modern machine receives for its compensation for producing day in and day out? The machine receives as its wage for the services and labor that it renders, metamorphically speaking, the right to be well oiled, well cleaned, well housed, and better taken care of than the beast of burden in order that the ravages of weather may not disintegrate the highly mechanized machinery.

Now, what are the wages of human beings throughout the length and breadth of our country in agriculture and industry? First, there is starvation wages which cannot keep body and soul together and is less than the beast of burden receives. Second, living wages which just barely keep body and soul together and does not equal the cost of the shelter that the modern machine receives. Third, is the principle involving saving wages, whereby the modern workingman would be able to receive wages that would enable him to save in times of affluence and prosperity for days of adversity and misfortune, which is the fundamental principle motivating our great President, Franklin Delano Roosevelt, and the New Deal, in order to give purchasing and consuming power to the millions of underprivileged and undernourished Americans who are crying and clamoring for a better day in this great and beloved Republic of ours. [Applause.]

Mr. Chairman, the human personality revolts against the identification of machine, cattle, and man. Human labor must not be treated as is the labor of the beast of burden, or of the machine, for they are of different qualities and orders. The machine or the animal is not held responsible for its work for being deprived either of intelligence or consciousness, or of both; it cannot be called to accountability. But man, being endowed with intelligence and moral consciousness, owes responsibility for his labor and its quality to his employer. Consequently, to treat human labor as other labor is treated is not only inhuman but even economically unsound, resulting in strikes, boycotts, and general labor upheavals.

This consideration that man cannot be used as a means, like the machine or the animal, is the main motive animating the labor legislation of wages and hours of the present administration. In conformity with our religious traditions that man has been created in the image of God—that is to say, that he is a spiritual being—the present wage and hour bill seeks to humanize our economic order and raise the standard of life of the American people by—

First. Standardizing a minimum wage by freezing a minimum below which no human being can be exploited, and thus curbing the acquisitive powers of the captains of industry and commerce.

Second. Raising the general economic life of the Nation by a gradual, more equitable redistribution of wealth by increasing through minimum wages a greater purchasing and consuming power of the exploited worker.

Third. Securing greater leisure for the working people through the maximum of 40 hours of work per week, so that working people will have more time to attend to the education of their children, to the improvement of their own knowledge, and to their participation in the spiritual pleasures of life. In times gone by painters and poets, composers and writers, created for the select few only. The rich and the mighty alone were the patrons and beneficiaries of the arts and letters, for the masses of people, having been used as tools and labor devices, were precluded from enjoying the higher pleasures of life that accompanied the beautiful, the good, and the true. It is the ardent desire of our great President, Franklin Delano Roosevelt, that the American people as a whole, and not the select few alone, be the patrons and beneficiaries of the arts and the letters and of everything that is noble and beautiful in life. Such an order of things requires greater leisure time, economic security, and social tranquillity. The vision of our humane President, Franklin Delano Roosevelt, is not so much a satisfied party as a contented and happy American people. [Applause.]

Mr. Chairman, to achieve the objects of the wage and hour bill, we must first bring about a standardization of our economic life. This is most important, since it will complete in America the entire economic process from diversity to unity. We have to bear in mind that only five generations ago our Nation consisted of a variety of political and economic units, representing a maximum of diversity and a minimum of unity. Within this short span of time we have become a united nation. We have produced a civilization of our own which is the envy of representatives of other civilizations. We have developed a culture of our own which promises to become the culture of tomorrow, largely because it is a fusion and a synthesis of the best and noblest that can be found in all great European cultures of all times. We have marched through the road from diversity to oneness at a much faster pace than any other nation in the Old World. The tendency toward unity in America must be considered nothing short of miraculous because, in the course of that process, millions of people not belonging originally to Anglo-Saxon nations have been made an organic part of American civilization, which is basically Anglo-Saxon. The only missing link in this unity is the economic factor. In the economic field we are still divided. We still represent a house divided against itself. This division will be eliminated and a complete unit established by the adoption of the wage and hour bill. When there will be one minimum wage for every American worker, no matter whether the scene of activity is in the North or in the South, the East or the West, the process of American civilization will be complete. I dare say that President Roosevelt, who is vitally interested

in seeing this bill passed, is only completing the work of our great unifier, the immortal Abraham Lincoln. Just as Abraham Lincoln has united the Nation politically, so Franklin Delano Roosevelt is trying his utmost to unite it economically. [Applause.] In these trying days unity is more desirable than at any other time. For in unity there is not only strength but hope. A united nation will be in a better position to weather the storm and to resist diversified forces than a nation divided against itself.

Mr. Chairman, if we fail to pass this bill, we will only be instrumental in continuing the exploitation of millions of workers, condemning them to a life of misery and squalor, and we will create the conditions for the rise and development of destructive forces. When the worker has a minimum of security he is likely to listen to all kinds of agitators trying to capture him for their dubious causes. The satisfied worker is sober-minded, patriotic, and conservative, but the dissatisfied toiler, whose starvation wage is scarcely sufficient to provide him and his family with the most elemental necessities, is just the ideal objective of the agitator and the false prophet.

Mr. Chairman, we often hear reactionaries singing the praise of a feudal order, because in that order the workingman, while deprived of freedom and many liberties, enjoyed a modicum of economic security. Today the American workingman enjoys all the liberty and freedom he desires; but he has no economic security, because he is badly underpaid, and has neither the benefits of feudalism nor the advantages of industrialism.

Mr. Chairman, we are all familiar with the contentions advanced against a wage and hour law, but all these arguments become invalidated by the one simple consideration that a unified wage and hour law will once and for all do away with unfair competition in our economic life. The American people simply do not care for cheap, exploited labor, and are ready and willing to pay the price for well-paid services.

The shameful commercialization of labor in many parts of our country means that the well-paid workingman is always endangered by cheap labor. The manufacturer who pays his worker a living wage is always threatened by the manufacturers who pay their workers a starvation wage. This is unfair competition and can be eliminated by the wage and hour law. If we fail to pass this bill, we only punish those manufacturers who pay their workers a decent living wage. Instead of penalizing we should encourage them, and the only encouragement we can offer them is to make this bill the uniform law of the land. A united American Nation wants one basic American economic law and one economic standard.

Mr. Chairman, American labor, like American civilization, must grow organically. It must grow like a plant. The symbol of the American worker is the tree, deeply rooted in the fertile soil, holding its position against all odds, weathering the storms, resisting the winds, and holding its own no matter what comes. Such growth testifies to health, to strength, to creativeness. But, in places where labor is cheap and the worker underpaid, he is always on the go, he is always moving, and is symbolized by the insect and not by the tree. The result is that localities that exploit labor, and treat them as economic slaves, undergo more changes than is good for them, and are interrupted in their development, to assume the character of armed camps, ultimately to be abandoned and deserted because a great section of the population migrated to other places, to look for better labor conditions. Cheap labor is the curse of every community. Well-paid labor is a source of strength and a blessing to every locality.

I have often heard foreigners traveling through our country tell me that there are two Americas, and two American civilizations, one in well-paid sections and the other in poor-paid sections. Their strange impression of our country is primarily traceable to the fact that in one part of our country labor is well paid, and consequently, towns and cities flourish, while in the other section, labor is underpaid, and the demarcation line between wealth and poverty is so sharp that where wealth ends, poverty, misery, and squalor begins. It is this kind of poverty, and the sort of squalor to which there is not any analogy even in the poverty-ridden countries of the Old World, that make us shudder at man's inhumanity to his fellow man. The adoption of the wage and hour bill will remedy these terrible conditions. It will make an end to that misery, suffering, and squalor which are a disgrace to American civilization.

Mr. Chairman, this bill must not be considered from the point of view of party interests, of local economic interests, of sectional, racial, or group interests; it must be looked upon from the point of view of our Nation at large, of the exigencies and requirements of the American civilization, and of the most elementary postulates of ethics. Its adoption will complete the minimum wage economic process that swings from diversity to unity. It will make the unity of our Nation and the American civilization complete and absolute. It will be a source of helpfulness and humaneness to our fellow man in places where labor is cheap. It will prove to be a source of strength in those localities in which the worker is always on the go in quest of better labor conditions. It will remove unfair competition. It will create a minimum unified economic wage standard in America. And it will make the dubious agitators and false prophets superfluous, for it will shut up the sources of agitation, discord, and propaganda, and especially of foreign propaganda, with its variety of "isms." The adoption of this bill must therefore be considered an event of great historic significance. The adoption of this bill, Mr. Chairman, will be the greatest patriotic act imaginable, for it will create for our Nation a source of health, strength, and happiness, and will make millions of suffering human beings contented. What greater service can a man do in life than make his fellow man happy?

Mr. Chairman, the Declaration of Independence established the principle that all men being born equal must share a minimum of equality, at least, extending to all spheres of life—political, economic, and social. At the time that great document was composed man had but a vision of equality, the Declaration of Independence becoming a promissory note calling for future redemption. The present administration, in its efforts to emancipate the struggling masses of the American people from the many fetters to which it is bound, and to bring about greater economic equality, merely is honoring a note signed by the founding fathers of our Republic. And the honoring of this note will be completed when the American people will enjoy greater happiness, greater freedom, and greater security. Mr. Chairman, this state of economic justice can only come by adopting the wage and hour bill, which will emancipate millions of exploited, inarticulate, unskilled American workers, who are praying for a better day in this great Republic of ours. [Applause.]

Mr. Chairman, the great prophet Isaiah once said, "And a little child shall lead them." That profound, mystic, occult, and intuitive vision has come down to us through the ages. Asia is the mother of every religion and is the founder of all culture. Europe is the father of all civilization. America is the child. That is the result of the fusion and synthesis of these diversified, continental groups that have come to our country in the past and have made America great, glorious, and prosperous. These same groups are responsible for the creation of the shibboleth and slogan of our Nation and our Republic, "E Pluribus Unum." Out of the diversified many has come one Nation, unified, indivisible, with liberty and justice for all. The passage of the wage and hour bill, with the abolition of child labor forever, will make America "the child" lead all the nations of the world in progress, in culture, in civilization, and in the respect and refining influences it pays to American labor that has made our Republic the greatest in all the world. [Applause.]

Blow at Bigotry

EXTENSION OF REMARKS
OF
HON. DUDLEY A. WHITE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 25, 1939

EDITORIAL FROM THE WASHINGTON POST

Mr. WHITE of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post of yesterday:

[From the Washington Post]

BLOW AT BIGOTRY

Those who are familiar with the record of John Hamilton, chairman of the Republican National Committee, gave no heed to the innuendo apparently intended to connect him with anti-Semitism. For purposes of the record, however, it is well that Mr. Hamilton has reiterated his liberal and tolerant attitude before the Dies committee investigating un-American activities.

"All my life," says Mr. Hamilton, "any form of intolerance has been hateful to me. My first campaigns in public life were marked by my opposition to the Ku Klux Klan. I have always opposed any movement to penalize any man because of his race or because of the manner in which he chooses to worship God. * * * Intolerance, to my mind, is as great an enemy of these American institutions as is communism, fascism, nazi-ism, or any other alien 'ism.'"

Mr. Hamilton's statement is worth emphasizing, not only because it fully clears away false implications of previous testimony before the committee as to his personal attitude, but also because it reflects the traditional American view. Democracy can thrive only when racial prejudices are eliminated or submerged and when tolerance for differing beliefs is assured. It is a well-known fact that bigotry sometimes crops out even in this country, and that it is occasionally fostered by unprincipled politicians. But thanks to the high-minded attitude taken by most political leaders and the public at large, movements of this sort are more likely to act as a boomerang than a prop to any candidate associated with them.

In throwing his influence against the intolerant Rev. Gerald B. Winrod in the Republican primaries in Kansas last year Mr. Hamilton struck an effective blow at any bigotry in the Republican Party. Equally impressive was the repudiation by Thomas E. Dewey of any support that might have been given him in his New York gubernatorial race by intolerant groups. Representative DIES can count on full support from both the major parties in exposing the work of bigots so utterly out of harmony with the ideals of free government.

Influences Retarding the Flow of Goods

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, May 25 (legislative day of Friday, May 19), 1939

ADDRESS OF HON. JOSEPH C. O'MAHONEY, OF WYOMING, CHAIRMAN OF THE TEMPORARY NATIONAL ECONOMIC COMMITTEE, BEFORE THE AMERICAN RETAIL FEDERATION FORUM, MAY 23, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a speech delivered by the senior Senator from Wyoming [Mr. O'MAHONEY] before the American Retail Federation Forum on Tuesday, May 23, 1939, on the subject, Influences Retarding the Flow of Goods.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The very fact that an organization of retailers is meeting in the National Capital is itself a rather conclusive symptom of the economic and political disease from which the whole world is suffering—centralism. The primary reason why goods and services do not flow readily is that all the physical facts of modern life have been steadily producing a growing concentration of economic power and authority, with the result that this concentration has in turn been followed by a similar tendency to concentrated political power.

People struggle instinctively against these twin tendencies, but to date the struggle has been without effective results, because we have not succeeded in adjusting our individual human lives to the high-geared economic civilization in which we live.

Nothing is more local than retail distribution. It is the handing of commodities or services to the individual who uses them. The retail business, therefore, is found wherever men and women are found, but in a steadily increasing degree the local distributor has become part of a national system.

Time was when the retailer dealt primarily with goods which were produced in the immediate vicinity of the place in which they were consumed. That is no longer the case, and a very large proportion of the goods upon which the modern retailer's business depends is produced at great distances from the point of consumption.

Not only is that true, but until a comparatively recent period in our national development most of the goods which society used were produced by natural persons in the home and on the farm. We have seen the factory move out of the home, and we have witnessed the substitution of organizations for individuals in the production of goods. That, of course, is the industrial system. It presents to modern society the fundamental problem of adjusting the lives of people to the organizations which carry on the economic system.

NATIONAL ASPECT OF BUSINESS

The business organizations which dominate the modern economic field are necessary and beneficent instrumentalities of modern life. Without them few of the modern inventions which have placed life upon the luxury plane would be possible of either development or utilization. But precisely because they operate on a national scale instead of upon a local scale, they have, as it were, separated the consumer from the producer. They have resulted in specialization of production. Whereas in the earlier days of our history all types of production took place in the home—agriculture, weaving, sewing, preparation of food, etc.—nowadays each of these functions is carried on by a separate organization in a factory. Each one of us is a consumer of all things which are produced, but, so far as we are engaged in production, we are simply cogs in a specialized machine producing a particular commodity.

This is the reason why retailing has developed a national aspect. This is the reason why the retailers are assembled in Washington. They are here studying the effect of national producer policies and national political policies upon the local distribution of commodities to individuals scattered all over the United States.

Your organization, I am told, is not yet 5 years of age. Yet it has a membership of almost 200,000 stores, of 7 national retail-trade associations, of 25 State-wide retail associations, and 109 individual subscriber members. The very fact that you have 109 individual subscriber members and more than 175,000 stores is itself a demonstration of the progress which centralism has made.

Retailers have been compelled in self-defense to organize in order, quoting the pamphlet entitled "The American Retail Federation," which Dr. Craig placed in my hands, "to bring retailers together as a cohesive industry, to coordinate their efforts, and to protect the common interests of all retailing," so that you may have the facts with which to protect yourselves when State legislatures and the national legislature undertake to enact laws which affect retailing.

That retailing is a national business with a local aspect is a fact which we have been very slow to comprehend. Witness the fact that your organization is so young. What is true of retailing is true of the entire economic system.

The basic fact all business must learn is one which ought to be particularly obvious to those who are engaged in the distribution of goods to the ultimate consumer. It is that all business in the last analysis depends upon the capacity of the individual natural person to purchase the commodities and services which are offered for sale.

BUILD UP PURCHASING POWER

I say, therefore, that the most effective influences retarding the flow of goods are those which destroy purchasing power.

These destructive influences may be divided into two categories, first those which produce industrial unemployment and second those which make it difficult, if not impossible, for the farmer to operate at a profit. The industrial worker who is without a job and the farmer who cannot sell his crop at a profit are of no benefit to the retail trade.

Since the retailer deals with the ultimate consumer, that is to say, since it is his function to place goods in the hands of the natural persons who consume them, I have no hesitation whatsoever in saying that the primary concern of every retail establishment and every retail organization, of every person engaged in any way in retailing, is to do everything in his power to create employment and to solve the farm problem.

Whatever else you may consider at this gathering or in any other assembly, your efforts will be wholly fruitless and unavailing unless you help to solve these twin problems of industrial unemployment and agricultural surpluses. The two are inseparably tied together. As long as they exist, you will have an utterly inadequate market for the goods you try to sell. As long as they exist, our economic machine cannot function effectively.

Whatever we may do to create jobs at real wages for those who are now without them, and whatever we may do to make markets for the products of the farm and the ranch will contribute to the restoration of economic health. The solution of one of these problems will help to solve the other. The solution of both of them would carry this Nation and the whole world out of the desert into the promised land of prosperity and plenty.

PEOPLE COME FIRST

When we consider these aspects of the lack of purchasing power, we realize another fundamental fact which seems to have been obscured in modern thinking, namely, that economic organizations, like political organizations, are created to serve the people—not the people to serve the organizations.

The current political philosophy in a large part of Europe is that men are subordinate to the State, that the State may do anything it pleases with them, that they have no individual rights and indeed have no individual thoughts, except those rights and those thoughts which may be prescribed for them by those who for the moment happen to be directing the State.

This doctrine has no roots in American soil. Our people do not believe in such a philosophy. The people of America realize that the prosperity and happiness of men are the objectives which all governments are instituted to serve. The founders of our Nation announced this principle in the Declaration of Independence, and our people still adhere to it.

I am inclined to feel, however, that we have not realized that economic organization in the modern world has become so pervasive that the individual is lost before it. A business system which does not first of all provide for the individual cannot permanently provide for itself, because all business depends upon the ability of the individual to make use of it. If business would save itself, therefore, it must first save the people from those influences, whatever they may be, which have destroyed the purchasing power of the masses of Americans.

It will not do to jump to conclusions with respect to responsibility. As a matter of fact, in my opinion it is quite impossible to place blame unless upon the entire community. Government cannot point to business and say that business is responsible, nor can business point to government and say that government is responsible. The problem is much bigger than one of claiming credit or fixing blame.

Not so many years have elapsed since business was in the saddle and could do practically what it pleased. The result was not prosperity. The result was unemployment and a farm problem.

Today government in both State and Nation is adopting all manner of expedients to protect individuals from the unfortunate effects of centralism, but to date none of these has succeeded, because none of them takes account of the fact that science and invention have made business national in its scope and that the primary problem is one of adjusting the individual to the national economic organization. Some of these expedients, indeed, have themselves been new obstructions to the flow of goods.

STATE BARRIERS

We are, for example, witnessing the multiplication of State laws intended to establish local preferences. All sorts of barriers are being raised to interstate business by State legislatures. A battle, for example, is being waged in State legislatures between the independent merchant and the chain. Licenses, taxes, inspection fees, and the like are being levied for the purpose of keeping business at home, and although the framers of the Constitution sought to abolish all frontiers in trade except the international frontier we have lived to see an almost Nation-wide effort being carried on to

reverse this policy. Curiously enough, it is being made at a time when all the means of transportation and communication have the inevitable effect of widening the circumference within which trade and commerce are carried on.

It is not for me here to catalog these various expedients nor to pass judgment upon them. I attempt only to analyze them insofar as their purpose is concerned. They are the direct result of the inherent desire of the American people to be free in their individual activity. These laws are an expression of a desire upon the part of each individual citizen, a desire which cannot be eradicated, to be master of his own economic fate. They are the expression of a Nation-wide determination to free business from restraining influences which have brought about unemployment and closed the door of opportunity to free, independent enterprise.

That they are not succeeding is apparent to all. That they cannot succeed seems to me to be clear, because they are attempts to set up economic boundaries which were eliminated when the Constitution was adopted and utterly destroyed when men learned how to use steam and electricity.

If we can find the formula for putting men back to work, we shall speedily find that these barriers are not necessary, and we shall then be able, I am confident, to find the way to adjust the system of distribution to the system of production in such a way that the persons employed will find their proper places in the whole economic mechanism.

REAL JOBS NEEDED

That this cannot be done by made work through Government spending seems to me also to be perfectly clear. Business was unable to prevent the depression, because business had not found how to stabilize employment. Government has not eliminated unemployment; it does not have the resources to do so, even if it attempted it.

Government has, it is true, provided for relief, and no one in any position of authority has ever denied its inescapable responsibility to do so. But made work for the man out of a job is not a permanent cure for two reasons: First, because the work which is made is not a spontaneous and natural wealth-producing development of the system; and, secondly, because the wages paid are utterly inadeqaute to make the relief worker an effective consumer.

One characteristic of the modern system which must be recognized if we are to approach the problem intelligently is that the goods upon the production of which the modern economic system principally depends are luxury goods; things our fathers and grandfathers never had an opportunity to enjoy—the automobile, the radio, electric refrigerators, the plants and equipments which are necessary to produce these goods, silk stockings, ready-made tailored clothing. A thousand and one things to be found upon the shelves of the modern retailer are produced only because we have been at least subconsciously raising the standard of living in America.

These goods cannot be produced at a profit and cannot be distributed at a profit unless they are sold, and they cannot be sold unless we devote all of our energies and all of our patriotism to the creation of normal jobs in normal industry at normal wages.

THE MARKET AT HOME

When we do that for the industrial worker, we shall likewise open a market for the agricultural producer, a market which he does not now have. The millions of families upon relief and the millions which are receiving less than a thousand dollars a year are worth more than all the foreign markets of the world to the American economy. If we just make up our minds that all of these families are entitled to use and consume every luxury commodity that was ever produced.

I well remember the time when comparatively few persons wore anything but cotton stockings. That day has gone by, and well it has, too, for American industry. We cannot build prosperity in America and put the retail business back upon the road to prosperity upon any concept that will divide the people of America into two classes, one of which enjoys all of the luxuries which modern industry is capable of producing and another of which is compelled to eke out a meager existence upon a security wage.

Let us make up our minds, therefore, to the fact that we are one people, that this country of ours was created "to promote the general welfare," and that it is the supreme responsibility of the Government not to direct the activities of the people, no matter what line of activity they may choose to follow, but to establish the rule under which each may develop his own talents, and guide his own economic destiny, so long as he does not invade the similar rights of his neighbor.

All of this has a familiar sound. It has the approval of the great majority of our people. It will be called a "glittering generality." But it is not a "glittering generality." This is precisely the freedom which we have lost in an economic world which is dominated by organizations rather than be individuals.

There lies the problem.

RESTRAINTS OF TRADE

Restraints of trade committed by individuals in their individual capacity were simple enough to avoid. Their effect was naturally limited in scope. But restraints of trade, when committed by the huge organizations of modern commerce are difficult, if not impossible, to escape, and the whole population suffers.

When organizations follow restrictive practices which are intended to make it impossible for other organizations or individuals to engage in particular lines of business, the whole social body suffers. Practices which are intended to restrict production in order to maintain price have a deterrent effect upon the entire economy and produce the unemployment which destroys the market for the things which are produced.

These practices, which in the time allotted to me it is impossible to discuss this morning, are also very effective influences to retard the flow of goods and must be eradicated if we are to have a prosperous economy.

How to do this is, of course, the question that arises immediately in every man's mind. My own feeling is that the answer is much more simple than people are willing to let themselves understand. Because we naturally withdraw from every suggestion of discretionary Government control over business, our people have for 50 years turned away from the road out of economic disorder. But discretionary control is neither desirable nor necessary.

THE CORPORATE CONTRACT

The first essential is a recognition of the fact that modern business is carried on by organizations which we call corporations, that these corporations arise by reason of a contract between some government and the natural persons who desire to do business in the corporate form, that they could not exist without the authority of government, and that heretofore, because we have not realized the tremendous power which is vested in the corporate entity, we have paid no attention as a people to the drafting of the contract by which the corporations arise.

Every city in the country is a corporation operating under a charter granted by some State. For the most part such cities operate without interference or discretionary supervision on the part of the State which created them. The same principle can be followed in the economic field.

If we recognize the fact that the Constitution of the United States took away from the States and vested in the Federal Government the power to regulate commerce among the States and then realize that this very commerce is carried on by corporations which are the creatures of the States from which the framers took away the power to regulate interstate commerce, we shall begin to see that the primary need is a system under which the Government of all of the people shall in the common good draw the contract with those agencies which carry on interstate business. When that is done, we shall escape both discretionary government control of business and arbitrary private domination as well; we shall be able to fix the responsibility of these national organizations, and we shall be able to set them free to solve the unemployment problem, to solve the problem of agriculture, and to create a permanent basis of universal prosperity in America.

The solution of our difficulties is not to be found in economic tinkering but in the return to the fundamental principle of organization in the public interest.

Who Wants to Fight?

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. NICHOLS. Mr. Speaker, what we need in America is more Americanism, more good old-fashioned Fourth of July patriotism. What we need is more folks who think the United States of America is the best country on earth, that the people are the smartest, that the form of government is the fairest and squarest, that the automobiles are the fastest, the athletes the strongest, the girls the prettiest, and the scenery and climate the most attractive of any to be found on earth.

That is the form of optimism that made us the greatest nation on earth. If we lose our high place in the society of nations it will be because of mental troubles—not because we have not been blessed with enough material possessions.

We need to keep our eye and our attention on our own problems and let Europe and Asia take care of their quarrels. We do not want to fight anyone.

Hundreds of mothers have written to me in the last few months asking me to help keep America out of war. Thinking of these mothers, I am glad to do all I can to prevent war.

And I want to repeat here and now a pledge that I have often made to my people. I will never, under any circumstances, vote to declare war except in actual defense of our own Nation. And the day that I vote to declare war, I will resign my seat in Congress and enlist in the Army, resuming

my place as a buck private, which I held during the World War.

America is a great country—well worth fighting for. When the time comes to fight, I am ready.

But until that time comes, I hope we will devote our minds and our energies to taking care of our own people and our own problems.

The American Farmer—Peasant or Citizen

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, ON MAY 2, 1939

Mr. BENDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Senator ROBERT A. TAFT, Republican, of Ohio, over the Columbia Broadcasting System recently:

Farmers of America, in spite of the fact that Representative SMITH and myself come from the city, we represent farm States. In fact, from the point of view of the value of agricultural product, Illinois and Ohio stand fourth and fifth among the States of the Nation, exceeded only by California, Texas, and Iowa. There is only this difference between us—that the electoral majority which I had last November in Ohio came from the farmers, whereas Representative SMITH would never have been in Washington if he had had to rely on the farmers of Illinois.

I have listened with interest to all the benefits which Mr. SMITH says the New Deal administration has conferred upon the farmer. In fact, Mr. SMITH would have us believe that before 1932 no one ever realized that there was a farmer and he was rapidly sinking into the position of a mere peasant. Yet, strange to say, when we look at the gross farm income during the days of the twenties, when the farmer was supposed to be sinking into peasantry, we find that every year from 1924 to 1929 the gross income from agricultural production was between eleven and twelve billion dollars, whereas after 6 years of New Deal nursing it was only $8,400,000,000 in 1938, about three-fourths of what it was in the twenties, although there are 10,000,000 more people in the United States. Of course, the total farm income is more than it was in 1932. Nineteen hundred and thirty-two represented the bottom of a world-wide depression, which incidentally could not have been produced by Republican policy, because it occurred just as severely in Europe and Asia and Africa, where they never heard of Republicans; and it hit the city workman as hard as the farmer.

Of course, both political parties have always tried to help the farmer, and after the war Republicans adopted a whole series of forward-looking permanent measures in the interest of the farmer, including the Stockyards Act of 1921, the Capper-Volstead Cooperative Marketing Act of 1922, the Grain Futures Act of 1922, extensive farm-credit legislation, and numerous acts dealing with specific commodities. It is quite true that the Republicans did not adopt any panacea or trick device to raise farm prices, for the simple reason that they did not think such devices would raise farm prices; and they knew that in the long run Government price control would be against the best interest of the farmer. Our experience with 6 years of New Deal experimentation with currency inflation, production control, domestic allotment plans, processing taxes, and the like is hardly sufficient to convince us that the Republicans of the twenties were wrong. In fact, back in 1920 the present Secretary of Agriculture himself said, "Farmers have been the victims of exploitation. There are too many people in public office who seem to think they ought to exercise some sort of guidance or guardianship over the farmer."

Statistics don't mean a great deal, and I am quite willing to leave it to every farmer to decide whether he has really benefited by the New Deal policy. He certainly cannot regard his present situation as any solution of his problems. He knows that he is selling corn anywhere from 30 to 45 cents, 20 percent less than a year ago. He knows that hogs are down from 9⅞ cents to 7¾ cents in less than a year; wheat from 90 cents to 70 cents. The index price of all grains was 130 in 1926, 1927, and 1928, and now it is down to 63, or less than half what it was before the depression. It is slightly higher than it was at the very bottom of the depression, but no higher than the average in 1933, bank holiday and all. The drop in the price of cotton and cotton-seed is almost as bad. Incidentally, the drop has been a good deal worse in these products which have been regulated than it has been in meat and dairy products, poultry, and eggs, which have been more or less free to respond to the laws of supply and demand. I have referred to the tremendous drop in farm income since the twenties, and there again the drop is greater in the case of corn and wheat and cotton than in the general average. Furthermore, the cotton situation is even worse than the price indicates, because the Government, through its loan policy, has practically acquired the ownership of 11,000,000 bales of cotton, in which it has invested $550,000,000. There was plenty of criticism when the Hoover Farm Board acquired 3,000,000 bales to stem the drop in price during the depression, and it was pointed out what a disastrous effect that tremendous surplus had hanging over the market, but the Hoover Farm Board was a mere piker compared to the Surplus Commodities Corporation. The same dangerous New Deal policy has been pursued with wheat and corn, in which the Government now has invested several hundred million dollars. The public debt has been increased by $20,000,000,000, equal to a mortgage of $667 on every farm family and city family in the United States.

Furthermore, the policy of limiting production, killing pigs, and plowing up cotton ruined American markets abroad and brought a flood of foreign imports into the United States. In 1937 we imported $2,000,000,000 worth of agricultural products instead of the one million which we must usually import of products not raised in the United States. The country was flooded with Argentine corn, Polish meat, and other foreign products which never competed with the American farmer under pre-New Deal conditions. We imported more peanut oil than we produced, while southern acres lay idle. By artificial controls in cotton, restriction of production, Government loans, we have made it difficult to ship American cotton abroad and have so stimulated the production of cotton in Egypt, Brazil, and elsewhere that probably we will never recover our foreign markets. Such a loss is disastrous for the South. President Roosevelt has said that the South is the Nation's economic problem No. 1. I agree; the New Deal cotton policy has made it so.

I listened with interest to Representative SMITH's boast that the new dealers have conferred democracy on the farmer. I spent 10 months last year traveling through rural Ohio. If American rural sections aren't the most typical examples of democratic communities in the world I don't know where they can be found. The farmers of the United States know more about democracy when they graduate from high school than any new dealer will ever know before he dies. I suppose Representative SMITH is referring to the agricultural referendums. Those referendums are about as democratic as Hitler's plebiscites. The Department of Agriculture proposes a program, thought out by experts who never saw a farm. The voters are flooded with propaganda in favor of the program, and no one could get a list of voters to send any opposing propaganda to even if there were reason to organize opposition. As a rule, the Government announces that there will be special benefits from the Government for all those who join in the program, a proposal which would be called bribery in any ordinary democratic election. I have talked to a lot of farmers who say frankly they are against the whole program, but that under present conditions they vote "yes" because no alternative is offered. Either way they get Government regulation, and if they vote "yes" they may get some payments. Of course, they aren't given any alternative program to vote for on their ballot.

But they vote against the program when they go to the real polls in November. As a matter of fact, I feel very confident that the farmers in Ohio today would prefer no program at all to the present New Deal program. They deeply resent the orders from the Government to restrict their acreage. They don't like to have Government agents out measuring their fields. They don't like to have Government airplanes flying overhead, taking pictures to find out what crops they are raising and what use they are putting their own fields to. They don't even like the idea of taking Government checks, but they can't see any reason why they should not when everybody else takes them, and they have to help pay the taxes. The don't want to have a marketing quota applied and have a Federal padlock on their corncrib, so that they can't even use their own corn to feed their own stock on their own farms. The present New Deal farm policy rests on a basis of regimentation and bureaucracy, enforced by hundreds of thousands of Government agencies. It is as far away from democracy as anything which exists in the United States today.

The extraordinary thing to anyone in Congress is that the New Deal administration hasn't the faintest idea what to do about it today. They have not advanced any proposal that will make the farmer's plight the least bit better next year than it is this year. They are hopelessly divided over the question how to deal with the present cotton surplus. They are hopelessly divided over the proposal to increase the cash payments to the farmers, although they seem to be willing to subsidize the sale of wheat and cotton even to Germany to get rid of them. The guiding spirit in the Department of Agriculture seems to be a stubborn obstinacy to go on with all their present policies, including the reciprocal-trade treaties, and hope that something may happen. We don't even hear anything about the ever-abnormal granary.

Representative SMITH says the farmer was victimized by the tariff and by monopoly in general. But certainly the farmer has not been victimized by the tariff as much as he has been by the lowering of the tariff on many agricultural products through the reciprocal-trade treaties; and he hasn't been protected much against monopoly, because where the Republican administrations from 1921 to 1933 prosecuted an average of 13 antitrust cases a year, the New Deal, up to January 1938, had prosecuted an average of only 9 cases a year. For a long time they favored the N. R. A. policy of almost encouraging monopoly under Government protection.

There isn't very much doubt about the farmer's present condition. Last year I attacked the New Deal farm policy in every rural county in Ohio, and carried all but a few of those counties by overwhelming majorities. We can't cure the farmer's difficulties by fancy economic remedies and planned economy, but we can work steadily and soundly to improve conditions. America looks to its farm population for new blood, new ideas, and the preservation of sound American principles. Nothing is more important than to make life on the family-type farm as attractive as that of the average city dweller. Unless the farm people are prosperous, city production is steadily reduced. On the other hand it is useless to hope for good farm prices while the entire country is in the midst of a depression. We must encourage private industry to go ahead, so that it may put back to work some of the 11,000,000 unemployed so they can buy more farm products. We must reduce the burden of Government regulation, taxation, and control of business, so that men again may start new enterprises and enlarge old enterprises. The best single remedy for farm prices is a condition of general prosperity. The Government can stimulate business, and leave more money available for investment in private industry if it will reduce the tremendous Government expense, and incidentally give up the alliance with the C. I. O.

The basis of any American farm policy under present world conditions must be to secure the American market for the American farmer and build up that market. The Government should deliberately stimulate the domestic market for agricultural products, and should assist in finding new uses for them. A start has been made, and the chemurgic council is doing a good work in developing that field. Rather against the will of the administration, laboratories have finally been provided to find new uses for all the products of which there is a surplus. This policy should be energetically and sympathetically pursued.

The reciprocal trade treaty policy should be amended so that no tariff shall be reduced on any product below the difference in cost of production here and abroad as certified by the Tariff Commission. In the process of a progressive policy of conservation, the Government should buy or lease a great deal of the marginal land and take much of it out of immediate production by the planting of trees, which in time will enable the United States to produce more of its own paper and pulp.

I think the New Deal agricultural policy was less subject to criticism before the passage of the 1938 act, when reasonable benefits were paid for soil conservation. The farmer has to pay a higher price for some of the things he buys because of our tariff policy, whereas those farmers producing crops with an exportable surplus, like wheat and cotton, must sell at the world price. This condition justifies a reasonable subsidy in the form of benefits for soil conservation, but such payments should not be used as an indirect method of limiting production and controlling price.

There should be a further intelligent promotion of cooperative marketing, so that the farmer is not at the mercy of the buyer. Much may be done to reduce the cost of distribution, particularly through marketing in cities. The progressive work of Fellowes Morgan, commissioner of markets in New York, has so reduced the margin between the farmer and consumer that the farmer has received higher prices while the consumer has bought at lower prices and therefore been able to buy more food.

The various farm credit agencies can be coordinated and much red tape eliminated. In spite of the Government's lending policy, most farmers find it very difficult indeed to borrow money conveniently at low rates of interest from Government agencies. All these things can be done without Government dictation or the creation of a vast corps of bureaucratic inspectors overrunning the farms like a plague of grasshoppers. If they are carefully planned and consistently carried through, they can bring back the American farmer to the independent and respected position he occupied before the New Deal.

The National Debt

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

EDITORIALS FROM THE BUFFALO COURIER-EXPRESS AND THE BUFFALO EVENING NEWS

Mr. HARTER of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Buffalo Courier-Express of date May 23, 1939, entitled "Sore or Halo," and also an editorial from the Buffalo Evening News of date May 23, 1939, entitled "No Retreat From Spending."

The editorials are as follows:

[From the Buffalo Courier-Express of May 23, 1939]

SORE OR HALO?

This is National Debt Week. The Republican National Committee asks you to take a look at what it considers a great national sore, a malignant growth which threatens the security of the American economic and political structure.

Of course, that is not how the spending boys of the administration view their creation. They count it a halo, bathing their great achievement with the pure white light of a great beneficence.

In the first view, the national debt is the foundation upon which we are building national poverty and continued financial distress. In the second view, the national debt is a stable foundation for the "abundant life."

The first is based on human experience; the second on hopeful wishing.

The Republican Party has made this National Debt Week because it believes that we should be made more debt-conscious than we have as yet become. So it stresses such facts as these:

In 1920 the national debt was twenty-four billion and some-odd million, most all of it due to our participation in that great adventure which was to make the world safe for democracy. By 1930 we had paid off some eight billion of that debt, during that period when we all sang the joyful refrain of prosperity. Then came the beginning of the bad days. Before the Republican Party was pushed out of power the debt had climbed again to twenty-two billion. That was in 1933, when the Democratic Party came into power, with the promise of its leader that he would promptly bury Old Man Depression—the Roosevelt phrasing—and end all Government deficits by a program of strict economy, all of which promises were speedily repudiated.

So, beginning with a debt of twenty-two billion at the end of the fiscal year 1933, the national debt has jumped annually, first by five billion, then by nearly two billion, then by five billion, then by three billion, then by one billion, until at the end of the last fiscal year it had reached $37,167,487,451. The estimated deficit for 1939 puts the debt at forty-one billion, with an estimate at the close of 1940 of nearly forty-five billion.

Looking at the facts from either the viewpoint of a malignant sore or of a glowing halo, that is quite a story, especially when one remembers that finis has not yet been written.

[From the Buffalo Evening News of May 23, 1939]

NO RETREAT FROM SPENDING

With the public debt approaching $45,000,000,000, the limit set by law, President Roosevelt announces he will continue to adhere to his spending policy. This he made known in an address before the American Retail Federation. He described critics who favor sound fiscal methods as "gamblers." But the New Dealers for 6 years have been gambling with the future of the Nation; this by devaluing the dollar, by increasing expenditures, by refusing to balance the Budget, by encouraging a variety of pressure groups to dip their hands into the Treasury. Yet the President regards himself as "conservative." He says that "a reasonable public debt will not impoverish our children."

Mr. Roosevelt said in 1932: "Any government, like any family, can for a year spend more than it earns; but you and I know that a continuation of that habit means the poorhouse." In the 6 years of the President's administration, the public debt has doubled. On March 4, 1933, it was $20,937,000,000; on June 30, 1940, it is expected to amount to $44,457,845,210. That is the kind of "gambling" which the New Deal has encouraged. The President told his audience Monday that "balancing the Budget today, or even next year, is a pretty difficult if not impossible job." It is difficult because Mr. Roosevelt has in the past made no effort to effect economies. He and his associates have spent with lavish hand. As a result, the per capita debt of the Nation now is $305, as compared with $131 in 1931. A break-down of the figures discloses that the Federal Government has spent, on the average, $15,000 every minute of day and night every year since 1933. In the same period its revenues have been only $8,000 a minute. The average citizen would regard such a spending policy as the wildest kind of gambling.

The President insists on maintaining the present tax system. He told the American Retail Federation Forum that, "for good sound business reasons," the Nation "ought not to raise less money than we are doing now." In 1932 Mr. Roosevelt said: "Taxes are paid in the sweat of every man who labors because they are a burden on production and are paid through production. If those taxes are excessive, they are reflected in idle factories in tax-sold farms, and in hordes of hungry people, tramping the streets and seeking jobs in vain." The present burden of taxation certainly discourages business enterprise.

In 1913 Federal taxes consumed 1.9 percent of the national income; last year they took 10.9 percent. Government revenues have swelled during the period in which the national debt has mounted to new heights. In 1934 revenues amounted to $3,115,554,000; this year they are estimated at $5,669,000,000. But no matter how much the Government receives, it spends more than it gets. The yearly deficit is added to the total of the national debt and the spending is continued.

The New Deal spending policy has driven "venture capital" into hiding. Mr. Roosevelt says that the new dealers are "the conservatives because we simply cannot bring ourselves to take radical chances with other people's property." But that is what the administration has been doing ever since 1933, taking chances with other people's property. Reduction in taxation must be accompanied by a curtailment of Government spending if the Nation is to escape financial disaster. There can be no recovery while business and industry are oppressed by taxation imposed in a vain attempt to defray the expenses of an administration that shows no restraint in spending.

The Road to Ruin

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. MUNDT. Mr. Speaker, this week alert Americans in every State of the Union are commemorating—one could scarcely say "celebrating"—National Debt Week, which has been so designated because for the first time in our history this Government has now acquired a national debt of over $40,000,000,000 and we are dropping further into debt every minute of every day. Since even the miracle men of the New Deal combined with their most suave and seductive propagandists have not been able to purge the multiplication table or repeal the principles of arithmetic by executive decree, it is well that patriotic Americans of all parties in the South, the North, the East, and the West give serious thought this week and every week hereafter to the solemn realization that unless reckless and unnecessary Government extravagance is stopped we are witnessing here and now the processes by which strong nations commit national suicide.

It is a sorry commentary on the manhood of our day to observe ourselves in the mirror of history as a nation of spendthrifts squandering not our own money but the future earnings and savings of our children and our children's children. Men used to be made of sterner stuff in this country; they used to be willing to tax themselves for their own advantages, and they used to be willing to sacrifice and do without in order that those coming after them could have opportunities at least equal to those which they enjoyed. But one of the most insidious doctrines of this New Deal is its new philosophy that men of the present should gaily spend and freely squander money which is borrowed from men of the future.

Apologists for today's carnival of spending are fond of trying to cover their cupidity by groundless statements to the effect that "deficit spending is not a New Deal invention; it was started by the Republicans prior to 1932." Weak as such an argument would be as justification for today's conscienceless squander mania if it were true, it becomes the silliest type of political tommyrot when judged in the light of facts of record, because it is not true.

DEMOCRATS STARTED DEFICIT SPENDING

A 60-second look at the record tells its own sordid story of when deficit spending started and who started it. Any schoolboy knows that the House of Representatives is the appropriations body of Congress; it is in the lower House that appropriations bills must originate and when economy is practiced here, governmental extravagance is impossible. Any schoolboy also knows from a glance at a history book that in 1931, the Democrats assumed control of the House of Representatives, a Democratic Speaker was its presiding officer, and the Appropriations Committee was Democratically controlled. And from these two inescapable statements of fact, any citizen can for himself place the finger of responsibility for wild deficit spending precisely where it belongs and that is squarely upon the shoulders of the Democratic Party. Since the Democrats have had control of the House since 1930, any fair and honest and valid comparison of Republican and New Deal Government records must compare and contrast the period before 1931 with the record of Government since 1931. Proceeding mildly and with caution at first the Democratic spenders got into full stride with the advent of the New Deal with its Aladdin lamp axioms of spend yourselves rich and squander yourselves solvent and the figures set forth from official Government records in the following editorial tell their own irrefutable story and put the blame for bankruptcy where it belongs. Regardless of what you or I may say on this floor or over the radio or in the contemporary press, the future generations who must struggle with the shackles of ruinous debt, will look back to the New Deal with all the resentment and sadness that peoples of other countries look back at the particular era in their history which changed them from governments of prosperity to nations of poverty. And in that record your names and mine will be permanently enscribed by virtue of the positions we now hold. Let us here resolve that from this time forth, at least, we shall do our part to write those records so that no blame can be directed to us for shouldering off on others responsibilities which are unerringly ours to meet.

Mr. Speaker, I now call attention to the following editorial from the Sioux Falls Daily Argus Leader of May 23, 1939, published in Sioux Falls, S. Dak., and edited by a sincere and able student of government, who sees clearly the signs of the times and writes lucidly of the goals to which they point. Ladies and gentlemen of the House, I give you this editorial from the pen of Fred Christopherson, of the Sioux Falls Daily Argus Leader, and commend it to your dispassionate study and your open-minded contemplation.

THE ROAD TO RUIN

This is National Debt Week—an observance sponsored primarily by the Republican Party.

But interest should be confined by no means only to Republicans. The national debt is the debt of all the people, Republicans and Democrats alike. And its payment is a task that will be placed upon the shoulders of all citizens.

It is well, therefore, to hesitate a moment in our active consideration of the ups and downs of the baseball leagues, the way the fish are biting, the picnic chicken, and give some thought to the national debt.

Over a period of several years it has been mounting steadily and rapidly. It has reached the point now where our fiscal solidarity is really threatened.

It is easy, too easy, however, to overlook the danger clouds on the horizon. The pleasures that come with big Federal spending are sufficient to lull us into a false sense of security.

Why worry, the imprudent soothsayers tell us. Eat, drink, and be merry, they advise.

But common sense is common sense and surely we in America have retained a bit of it, despite the topsy-turvy nature of our financial existence in recent years. The plain facts of arithmetic have not been changed by Roosevelt legerdemain—2 and 2 are still equal to 4. The rules of subtraction apply as usual.

And we can't spend more than we receive and remain in a state of solvency.

The following tabulation of the deficits and surpluses and national debt over a period of years tells a graphic story:

Year ended June 30—	Surplus or deficit	National debt
1920	[1] $212,475,198	$24,297,918,412
1925	[1] 250,505,239	20,516,272,174
1930	[1] 183,789,215	16,185,308,299
1931	[2] 901,959,080	16,801,485,143
1932	[2] 2,942,051,451	19,487,009,766
1933	[2] 2,245,452,980	22,538,672,164
1934	[2] 3,255,393,267	27,053,085,988
1935	[2] 3,782,966,360	28,701,167,092
1936	[2] 4,952,928,957	33,545,384,622
1937	[2] 3,252,539,719	36,427,091,021
1938	[2] 4,702,165,600	37,167,487,451
1939 (estimated)	[2] 4,072,229,000	41,131,502,010
1940 (estimated)	[2] 3,426,363,200	44,457,845,210

[1] 1920, 1925, 1930 showed a surplus. [2] Deficit.

Awesome as they are, however, these figures do not tell the entire story.

In the past few years the Government has assumed a contingent liability on obligations amounting to $5,416,000,000. These include loans made by the Reconstruction Finance Corporation, Commodity Credit Corporation, Federal Farm Mortgage Corporation, Federal Housing Administration, Home Owners' Loan Corporation, and the United States Housing Authority.

To assume that these agencies will be in a position to defray their obligations in full is to ignore the general record of the Govern-

ment as a banker. The showing of the past would indicate heavy losses when complete liquidation is achieved.

The Federal debt currently is about $41,000,000,000. If we are to add the approximate $5,000,000,000 of contingent liabilities, we have a total of $46,000,000,000. Using the estimated figures for the 1940 debt total of $44,457,645,210, the gross total is only slightly under $50,000,000,000.

As testimony to illustrate the fallacy of our Federal financial policy, we can point to nothing better than the comment made by Franklin D. Roosevelt himself several years ago.

On July 30, 1932, he said: "Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits. * * * Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse."

In his message to Congress March 10, 1933, he said: "Too often in recent history liberal governments have been wrecked on the rocks of loose fiscal policy. We must avoid this danger."

These arguments are as sound today as they were when Roosevelt advanced them. He might reread his early speeches and messages to his advantage and that of the Nation.

Prejudicial Freight-Rate Items

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. KITCHENS. Mr. Speaker, on May 18 I made some remarks on further proposed railroad rate discriminations affecting my State, which is isolated in the southwestern zone with the highest rate on processed goods in the Nation. I showed that the freight rate on gasoline from New Orleans to Memphis, Tenn., is 15 cents per hundred pounds, while the rate per hundred pounds of gasoline from El Dorado, Ark., to Memphis is 33 cents. This is true, notwithstanding El Dorado is nearer by 140 miles. I mentioned the proposal to put in a similar rail rate from New Orleans to the markets in Alabama, Mississippi, and Tennessee for gasoline and kerosene, the real effect of which will be to reduce the refining of oil in my State, destroy contract water carriers, barge lines, and thus create a monopoly. In that connection I failed to mention last week the Cross refinery of Smackover & McMillan Petroleum Co., of Norphlet, Ark. They, too, will be affected adversely by the proposal.

The rail rate on gasoline from El Dorado to Little Rock, Ark., a distance of 160 miles, is 35 cents per hundred pounds. The truck lines have now procured a rate of 16 cents per hundred pounds on truckload shipments of petroleum products from El Dorado and intermediate points to Little Rock, applicable on shipments of 16,000 pounds or more.

It is thus plain that railroads, charging 35 cents per hundred pounds of gasoline for the same haul, have been charging more than a fair freight rate. It is further plain that the refineries in my congressional district are not only discriminated against and handicapped by the railroads so far as interstate rates are concerned but as to intrastate rates. Necessarily, if the trucks can transport profitably at 16 cents per hundred pounds, the railroads will lose the business on a 35-cent rate. Railroad workers will lose in wages and jobs. This loss will cause the average cost per mile of rail rates in my State and zone to be increased on other hauls. This will give a further argument against an equalization of such rates with and into other zones.

The time is imminent for the railroads to adjust their rates in my section on a fair, equitable, and nondiscriminatory basis. The railroads will haul freight a distance of more than 500 miles to Memphis, Tenn., at a cheaper rate than they will haul the same freight a distance of 135 miles to Little Rock, Ark.

Mr. Speaker, Magnolia, Ark., is my home. It is located 19 miles north of the Louisiana line. Magnolia business institutions have in some instances forced the railroads to unload at that line freight destined to Magnolia. Such freight has been unloaded, then trucks sent from Magnolia, the freight reloaded, and then hauled by truck while the empty cars of the railroad then are pulled into Magnolia. This, to me, is an intolerable situation. It is an economic waste, injurious to the railroads, its employees, and unfair and injurious to the people of my community and State.

Mr. Speaker, these discriminations, preferences, and differentials in the treatment of different sections of this country, at arbitrary zone or State boundary lines, must be abolished. They unduly burden part of the people for the benefit of all. Everything the farmer or other laborer uses or consumes in any way costs more by reason of these higher freight rates to my section.

I want the railroads to prosper. They cannot do so under present chaotic freight-rate conditions. I want their labor to have jobs and reasonable wages, but surely other means of transportation inevitably will jeopardize those jobs and wages in the rail rate discriminated sections. Other laborers likewise have their jobs jeopardized, their wages kept lower because industry in my State cannot pay a higher freight rate and at the same time pay the same wage as industry in other sections. The final result will be, if such conditions continue, we will have no industry and all of our natural resources will be exhausted and nothing left for those who follow us.

Effect of Inflation Upon Savings Banks and Insurance Companies

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. RUTHERFORD. Mr. Speaker, in view of the determination of the President to continue to borrow and spend it might be well to consider just where such a policy will carry us. The following article by Gen. Hugh Johnson may be read with profit by those who believe that "pump priming" is a sure road to recovery:

Since its first brilliant 100 days, the only white rabbit our Government ever pulled to give to business even the semblance of a shot in the arm was to spend billions blindly. All the other bunnies, instead of increasing activity, have decreased it. It is not even certain that the 6 years' squandering spree has increased it.

The fundamental condition of business and Government after more than twenty billions of deficits or forty billions of outlay is worse than it was when it began. It not only hasn't worked to produce the result intended—recovery—it has worked to the reverse of that.

Among even the most radical of the "tax-spend-elect" boys, there is none who does not admit that there is some point in the upward expansion of debt and the increasing burden of taxes where the whole financial structure of any nation must collapse. Neither they nor anybody else knows at what point that will happen. But it has happened over and over again in the world's history and twice in our own country, and always for the same reason—that the debt becomes so heavy that it never can be paid and the burden of taxes so great that nobody can earn a living. Now, the money of a nation is simply its debts. Look at the greenback in your pocket or any Government security. They are only promises to pay. When those debts are so large in relation to revenue that everybody knows the debt is no good, then money is no good.

At that point, every savings account in banks, every insurance policy, every fixed income in interest, annuity, pension, or social security becomes as worthless as autumn leaves.

The radicals who now control our Government, while recklessly pursuing a course which admittedly leads inevitably to this result, argue that we are nowhere near it and can therefore safely continue to gamble on squandering ourselves into prosperity.

Where is this tragic dead line of debt? Is it forty, sixty, eighty or one hundred billions? Nobody knows. Congress once said forty. Some of the squanderers now say eighty. There is no yardstick, because it is a matter of mass or mob psychology which nobody can time, regulate, or direct. The catastrophe will come when, because of debt, enough people begin so to doubt the value of money that to save themselves they rush to turn their money into things which they can see and touch—land, commodities, and common stocks. Such movements always become panic and they drive prices so high that money has no value.

These New Deal genii who are driving us toward this certain dead line, which they admit but cannot locate, are like a man in impenetrable night stumbling toward a precipice which he knows is ahead but doesn't know how near—yet keeps on walking. Our Government also doesn't know and keeps on walking, but keeps on walking faster. It is obviously shooting craps with destiny by inexperienced, irresponsible zealots. The stake is only our democracy, the capitalist system, and all that has been accumulated here by 150 years of sacrifice, work, and frugality. Fade you the works and roll the bones!

If it fails, what? After us the deluge. They have personally nothing to lose and this experimenting is such fun. Furthermore, all their policies are in such collapse that their last desperate chance in 1940 is to bid billions for their reelection and devil take the result. They think they could ride even complete collapse to glory in 1944.

As the general says:

Where is the dead line of debt? Is it forty, sixty, eighty, or one hundred billions of dollars? Nobody knows.

He is correct; nobody knows. But this we are sure of: If we keep on borrowing and spending, the end will surely come, and when it does inflation will be here in earnest. What effect will inflation have upon our savings-bank deposits and upon our insurance companies and their policyholders? We can only judge the future by the past. We know what happened in other countries. It can happen here. Today I want to discuss with you the effect of inflation upon savings-bank deposits and upon insurance companies and their policyholders.

THE EFFECT OF INFLATION ON SAVINGS-BANK DEPOSITS

As of June 30, 1938, the Comptroller of the Currency reported that there were in the United States 42,683,225 holders of savings-bank accounts. The value of the deposits so represented was $23,725,288,000, or an average of $545.30 per account. This indicates that, speaking in general terms, the savings-bank depositor is a person of modest means and that in most cases the sums so deposited—along with perhaps an insurance policy—represent his or her main security against unemployment, sickness, old age, and death. Any government which of its own volition brings about inflation to a degree that would destroy or impair the assets of savings institutions or seriously depreciate the purchasing power of the money represented in savings deposits must be answerable to a great cross section of the American people.

SAVINGS BANKS UNDER GERMAN INFLATION

The fate of German savings banks and their depositors under the period of extreme German inflation may provide an instructive object lesson as to what would undoubtedly happen to our own savings banks and depositors under similar conditions. At the outbreak of the World War the German people had on deposit in German savings banks the sum of 19,000,000,000 marks, or a little more than $4,500,000,000 at pre-war rates of exchange. On November 27, 1923, when inflation reached its height, this entire sum of 19,000,000,000 marks had a purchasing power of less than one-fourth of a cent in American money.

This statement presupposes that at the peak of the German inflation there actually were 19,000,000,000 marks on deposit in German savings banks, but obviously such was not the case. It is true that during the earlier stages of inflation, up to 1920, the German people attempted to offset the steady decline in the value of money by increasing the amount of their savings, and indeed the actual amount of such deposits in 1920 was 44,563,000,000 paper marks, though the purchasing power of this amount was equivalent to only about 3,000,000,000 marks as of 1913. However, beginning in 1920 the purchasing power of the paper mark began to fall faster than the volume of savings could be increased. Hence began what writers on currency matters term "a flight from the mark." In other words, people sought to convert their paper marks, which were rapidly becoming worthless, into goods and services of whatever character and whether needed or not, and instead of further saving, they drew out of the banks the savings they had so far accumulated. This is tantamount to saying, in effect, that depositors lost all future benefit of their savings, and the mere statement is utterly inadequate to give a picture of the shattered hopes and aspirations of millions of people who were saving for old age, for the purchase of homes, and as a guard against unemployment and illness. Inflation defeated all the fruits of thrift and sacrifice.

The effect of this "flight from the mark" upon the savings banks themselves can well be imagined. Between 1913 and 1923 they lost 99.9 percent of their total deposits and to meet this situation they had to liquidate all available assets at any price. In fact they virtually ceased to be banks in the accepted sense of the term and many of them closed their doors never to open again. By 1924, when the Germans had stabilized the mark at about 1,000,000,000,000 to 1 and had revalorized deposits in savings banks at about 10 percent of their face value, there were found to be 4,870 savings-bank offices as against 10,890 in 1913, and 1,780,000 accounts on their books as against 22,739,000. Even as late as 1927, the value of all German savings-bank accounts was only 4,650,000,000 marks as against 18,967,000,000 in 1913.

AUSTRIAN BANKS UNDER INFLATION

Austrian savings banks also lost practically all their business as a result of inflation, having in September 1922—at the inflation peak—only seven one-hundredths of 1 percent of the deposits that they had in 1913. Depositors also lost practically everything, for while the Austrian currency did not depreciate quite as fast and far as German, its final stabilization at 14,400 paper crowns to 1 gold crown virtually wiped out all but a few fortunate speculators.

It is interesting to note also how inflation changed the customary methods of Austrian savings banks in investing the funds of their depositors. While the following table applies specifically to the Central Savings Bank of Vienna, it is typical of the vast majority of other Austrian savings banks as well.

Distribution of funds of Central Bank of Vienna (percent)

	1914	1922
Check deposits	0.0	31.9
Mortgage loans	51.8	1.0
Mortgage overdraft credits	.0	2.5
Loans to public corporations	7.4	.0
Advances on securities	1.7	.3
Bills payable	.7	.9
Overdraft credits	.0	18.4
Cash in vaults	.6	37.1
Securities	37.8	7.9
Total	100.0	100.0

It will be noted that in accordance with sound banking practice, 97 percent of all items in 1914 were mortgage loans, securities, and loans to public corporations. In 1922, on the other hand, check deposits, cash, and overdraft credits made up 87 percent of the total; mortgage loans, securities, and loans to public corporations made up only 8.9 percent.

FRENCH INFLATION AND THE SAVINGS BANKS

French savings banks, due to the less drastic character of the French inflation, escaped, except for a few months in 1926, the drastic withdrawals of deposits which left the German and Austrian banks with virtually no deposits at all. Nevertheless, the savings-bank depositor in France saw the value of his hard-won earnings depreciate by practically four-fifths, and the investments of banks which were largely in fixed-income securities—a considerable percentage being in government bonds—were similarly reduced. This left them in a seriously weakened position and only the hardier institutions survived.

THE SITUATION IN THE UNITED STATES

Turning again to the American scene, we can readily appreciate the devastating effects of a major inflation on the purchasing power of our $23,000,000,000 of savings deposits, with the consequent wiping out of the hard-earned savings of 40,000,000 men and women. As to the banks themselves, their resources are invested almost entirely in fixed-income securities, which are particularly vulnerable under inflation. This situation is bad enough in itself, but a more ominous condition exists in the fact that the banks of the country are being made unwilling partners in the administration's deficit financing program, which carries this on

by means of the deposits created for it through the sale of Government bonds to the banks—in itself a highly inflationary procedure. Thus the Comptroller of the Currency reports that as of June 30, 1938, the 15,341 active banks of the country held United States Government securities valued at $16,774,262,000 as against $7,796,000,000 as of June 30, 1933. This is an increase of about 115 percent. This is an average of about 35 percent of their entire loan and investment portfolio amounting to $47,656,639,000 in 1938. This has placed the banks in a position which has been well outlined by Mr. Carl P. Dennett, chairman of the National Economy League in the following words:

Many of the banks have already reached, if not exceeded, the limit of Government bonds that they can safely carry. Taking 10 important banks at random, the following startling facts were revealed: If there should be a decline of 22½ percent in Government bonds, it would wipe out the surplus and undivided profits of all of these institutions. In 5 out of the 10 it would seriously impair their capital.

Let us assume for the moment that some of the important banks of the country become convinced that the Federal Government is going to continue its reckless expenditures, that there is not going to be any serious attempt made to balance the Budget, and that inflation of the currency is inevitable. Ordinary prudence would demand that they reduce their holdings of Government securities, because fixed interest-bearing securities may and probably will decline rapidly in value if we have currency inflation. In France, for instance, where inflation was precipitated by just such financial policies as we are now pursuing, as inflation progressed fixed interest-bearing investments fell in proportion to the decline in the value of the franc. This has been true in other countries. It would be true in the United States. And, as I have pointed out, a decline of 20 percent to 25 percent in Government securities might cause a large number of banks in the United States to become bankrupt. The minute the banks begin selling their Government securities there will be a rapid decline in value, because there is no other adequate market for them. The Government can offer nothing to protect the Government bond market, except possibly the stabilization fund, which would margin the present Government securities outstanding only about 7 percent and would be entirely inadequate under the conditions mentioned. Government bonds have declined 20 percent in the past. United States Government 3½'s declined approximately 20 percent, and so did the 4¼'s. If totally tax-exempt 3½-percent bonds could decline 20 percent under vastly better conditions than now prevail, taxable 2⅞-percent bonds can easily decline more than 20 percent, especially in the absence of any adequate market in which the bonds can be sold in volume, which is now the case in this country; otherwise the banks would not have been called upon to carry practically all the financing for the Federal Government for the past 3½ years. On the other hand, even if the banks of the country do not sell their securities, but refuse to make further purchases, the Government will be unable to finance its requirements. Either of these conditions would bring about inflation of the currency, or printing-press money, and would have a serious effect upon the investments and deposits of savings institutions. (Speech at convention of National Association of Mutual Savings Banks, Atlantic City, N. J., May 15, 1936.)

It will be noted that while the above remarks were made nearly 3 years ago, this same condition exists in even more aggravated form as the administration has piled up further deficits which have been met by further issues of Government bonds largely taken by the banks. How many more they can absorb may be open to question, but there is no question that the banks of the country would be the first to feel the effects of any impairment of Government credit with disastrous results to their depositors.

THE EFFECT OF INFLATION ON INSURANCE COMPANIES AND THEIR POLICYHOLDERS—INFLATION AND GERMAN LIFE INSURANCE COMPANIES

The consequences of inflation in Germany on German life insurance companies were as follows: They lost 93.5 percent of their assets, 79.8 percent of the number of policies outstanding, and 95.6 percent of their investments. The effect on the German policyholder can best be visualized by the fact that in the latter stages of the inflationary period, when a check in payment of a substantial death claim was mailed to a beneficiary, the postage stamp on the envelope cost more than the check for the insurance was worth. In short, policyholders and their beneficiaries were robbed by inflation of practically all the income and security which this ordinarily safe form of investment is supposed to possess.

This melancholy situation was not due to the fact that German insurance companies were unsound financially. On the contrary, their methods were so sound and conservative that they attracted many policyholders from neighboring countries. Indeed they were so firmly entrenched that they were able to withstand the excessive losses of the war period without danger to their financial stability. Nevertheless inflation brought them to the brink of ruin.

The following table illustrates briefly the position of German life insurance companies at the end of 1913 and the end of 1924. In February 1924 the German revalorization law had been enacted which fixed arbitrary valuations on certain classes of assets above what they were quoted at the time. Hence, the figures in the table show the insurance companies in a considerably better position than they would have been at the end of 1923 at the height of uncontrollable inflation. However, the volatility of figures during that period was such and accounting was so difficult that most company records for 1923 at least are very unreliable.

Position of German life-insurance business

	End of 1913	End of 1924	Percent 1924 is of 1913
	Million marks	*Million gold marks*	
Policies outstanding	16,200	3,275	20.2
Premium intake	724	159	21.9
Total assets	6,060	389	6.5
Investments	5,700	251	4.4
Notes	258	4.5	1.7
Real estate	104	3	41.4

Comment as to the significance of this table has already been made in the first paragraph of this memorandum. It may be added here that real estate alone stood up fairly well, but even this declined nearly 60 percent.

The insurance companies tried every method possible to counteract the deadly influences of inflation and to protect their policyholders. Thus when policies came due these latter were asked to take out insurance in increasing amounts; sliding scale premiums with corresponding sliding scale principal amounts based on the cost of living were tried, and after 1922 when it was made possible by law policies were written basing both premiums and insurance in foreign currencies—dollars, Swiss francs, Dutch guilders, and the like. All of these devices, however, proved relatively unsuccessful.

A further threat to the solvency of insurance companies during this period was that while premium income was steadily declining both in volume and purchasing power the cost of doing business was steadily increasing. Wages, salaries, and commissions of employees had to be increased at least in some rough proportion to the rise in living costs occasioned by the disastrous depreciation of the currency, and also because of inflation new methods such as are outlined in the preceding paragraph had to be worked out if total collapse was to be avoided. Indeed, many attempts at economy were introduced by reduction of personnel, increasing use of office machinery, reform of accounting and management methods, and the like. One large insurance company between July 1922 and November 1923 managed to reduce its staff of 560 full-time workers to 77 half-time workers, but by the end of 1923 many companies had gone into liquidation or were absorbed by other institutions.

We have already indicated the consequences of inflation upon the life-insurance policyholder, whether as a recipient of a death claim, endowment, or annuity. The sums so paid to him simply had a smaller purchasing power first from week to week and then, as inflation became uncontrollable, from day to day and even from hour to hour. In 1918 a claim for 25,000 marks would buy a house; by the end of 1920 it would pay the rent for a room; by the end of 1922 it would buy only a suit of clothes; and by the end of 1923 it would buy practically nothing. In fact, it was only through the revalorization law that policyholders received anything, the sum total amounting to about 10 percent of the value of their claims.

AUSTRIAN LIFE-INSURANCE COMPANIES UNDER INFLATION

The situation with respect to Austrian life-insurance companies and Austrian policyholders was practically the same as in the case of Germany. While in Austria stabilization was achieved before currency depreciation had gone as far as

in Germany—in Austria stabilization was on the basis of 14,400 paper crowns to 1 gold crown; in Germany on the basis of 1,000,000,000,000 paper marks to 1 gold mark—there was no revalorization law in Austria, and in consequence both companies and policyholders had to bear the full brunt of inflation's losses. Its effect on the insurance companies may be seen from the statement of the Anchor General Insurance Co., a statement typical of many other insurance companies in Austria.

Item	Gold crowns, 1914	Gold crowns, 1922	Percent recovery, 1922 of 1914
Total assets	219, 412, 920	216, 200	0.099
Real and landed estate	16, 052, 622	1, 116	.0069
Securities	27, 823, 651	151, 209	.54
Mortgages	100, 853, 833	8. 742	.0086

Austrian policyholders did not even do as well as the companies. Many who had taken out endowment insurance, for example, in the hope of achieving the degree of security which goes with that type of contract, or who had purchased annuities, or who had sought to provide their heirs with the necessities of life, found that in exchange for the good money they had paid to the insurance companies year after year they had to accept paper crowns that were practically worthless.

INFLATION AND FRENCH INSURANCE COMPANIES

Although inflation in France did not go nearly as far as in Germany or Austria—the franc was stabilized first at about one-fifth of its former value, i. e., 3.9 cents as against 19.3 cents—it was severe enough to wipe out about four-fifths of an estate that a person may have sought to build through insurance.

As for the insurance companies themselves, their portfolios declined on an average to about one-fourth of the pre-war value. Their assets in general were distributed about 70–75 percent in fixed interest-bearing securities, 10–15 percent in investments with variable revenue and 15 percent in real estate, the fixed interest-bearing securities being in Government bonds or private obligations of French origin. These fell almost in direct proportion to the decline in value of the franc. At the height of the monetary crisis fixed revenues had fallen to about 10 percent and real estate to about 50 percent of pre-war values. Common stocks had, however, suffered only minor fluctuations. As a net result, one outstanding company, La Nationale, suffered a shrinkage in assets of about 81 percent between 1913 and 1925—the asset value being 673,000,000 francs in 1913 as against 126,000,000 in 1925. This decline was roughly typical of French insurance companies in general.

THE CONSEQUENCES OF INFLATION ON INSURANCE COMPANIES IN THE UNITED STATES

From the record just cited as to the consequences of inflation on German, Austrian, and French insurance companies and their policyholders, no great powers of deduction are necessary to visualize the effect that extreme inflation would have on the more than 60,000,000 policyholders in American life insurance companies and on the $110,000,000,000 represented by their policies. It would have an equally disastrous effect, as the German, Austrian, and French examples show, upon the assets of the companies themselves, which at the end of 1938 amounted to about $27,000,000,000. By law the greater part of these assets, for the protection of policyholders, have to be invested in instruments of the highest grade, which means, in effect, Government bonds and those of the best type corporations, first mortgages and preferred stocks, or, in other words, fixed-income securities. Thus, as of December 31, 1938, we find that the investments of 49 legal reserve life insurance companies, which hold approximately 93 percent of the admitted assets of all legal reserve companies, are in the following approximate proportions:

	Amount	Percent of total assets
Government bonds	$6, 540, 000, 000	25. 7
Mortgages	4, 942, 000, 000	19. 4
Corporation bonds and stocks:[1]		
Railroad	3, 082, 000, 000	12. 1
Public utility	3, 254, 000, 000	12. 8
Other	1, 453, 000, 000	5. 7
Policy loans, etc	3, 089, 000, 000	12. 1
Real estate	1, 982, 000, 000	7. 8
Other	3, 000, 000, 000	4. 4
Total	27, 542, 000, 000	100. 0

[1] Of this entire total only $115,000,000 was in common stocks.

Source: Proceedings of Thirty-second Annual Convention of the Association of Life Insurance Presidents (pp. 95–98).

In this entire category it will be observed that at least 85 percent fall into the class of investments having a fixed return, and these, as we saw in the case of Germany, Austria, and France, depreciated almost in direct ratio to the ultimate depreciation of their currencies. The fate of the policy holders in those countries has also been made clearly apparent, and it must be remembered that in the United States these constitute in number about 50 percent of the entire population of the country and in personal estate not only the "economic royalists" but a vast cross section reaching from the very rich to the very poor, whose present security through annuities and whose future security through endowments and death claims depend squarely upon the value of the currency in which they are paid.

Taxation and Unemployment

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

RADIO ADDRESS BY HON. BRUCE BARTON, OF NEW YORK, ON TUESDAY, MAY 23, 1939

Mr. O'BRIEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered over the raido by my colleague from New York, Hon. BRUCE BARTON, on May 23, 1939:

More than a month ago I set to work to try to find a job in New York City for a young Irishman whom I will call Johnny O'Hearn.

Johnny is 23 years old, and he has a good, clean record. He is competent to be an office assistant or a bookkeeper, or a salesman inside or outside; he will drive a truck or sweep sidewalks. He just wants a job, any kind of an honest job.

I wrote to 20 men high up in business, presidents and chairmen of boards, and directors who are my personal friends. I asked each one of these men if he would use his influence in his own company to get Johnny a job. That doesn't sound like a very difficult contract, does it? You have heard a lot about the power of Big Business and you would say that it shouldn't be beyond the capacity of a corporation president to find a place for a $25-a-week young man.

Every one of my 20 friends answered my letter. And what kind of answers do you think I received? Here are two that were typical of all the others:

"DEAR BRUCE: You know how gladly I would do anything I could to help you, but here is our situation: In the past year we have had to lay off 2,800 people. Our business volume is down, but we could have managed to keep these folks on the pay roll if it were not for the increase in our taxes. But the tax load forces us to look for every possible economy, and, of course, this means

cutting the pay roll as well as every other expense. Our agreement with our employees is that these 2,800 old workers must be hired back before we can put on a single new worker. So you see my hands are tied. Much as I'd like to find a place for Johnny, there just isn't any place and will not be until these 2,800 are reemployed."

The second letter was to the same effect:

"DEAR BRUCE: There are 3,000 of our old employees who have first call on any jobs that may open up in our plant. Last year our company showed a loss for the first time in 20 years."

So, my friends, here is an almost unbelievable situation; it would be ridiculous if it were not so tragic. With all the so-called influence that I used to think I possessed, all the goodwill that I have built up in 30 years of business life in New York, all the prestige that goes with being a Member of Congress, I have to throw up my hands and confess that I can't even find one $25-a-week job.

I am telling you this story because I like whenever possible to bring our great national problems down out of the stratosphere of economic discussion and translate them into terms of everyday life. We hear lots of big talk about governmental deficits and the national debt, and you and I are tempted to think that the deficits and the debt are something remote from our lives. We assume that the debt will have to be paid some time, but that the payoff will not come until long in the future and that when it does come the money will be taken away from the big corporations or the very rich.

When we think about the debt in these far-away terms we are just 1,000 percent wrong. The cruel fact is that the debt is being paid right this minute, and by the people who are most innocent of any part in it and least able to pay. It is being paid by the Johnny O'Hearns and the millions of other young men and women all over the country who are willing to do any kind of honest work and just cannot find jobs.

Where do you think the money comes from to pay the interest on the debt? Much of it comes from corporations and businesses, big and small. And where do the corporations and the businesses get it? Part of it from the consumer in the form of higher prices. But a larger part of it comes out of economies in production and management. And economies mean putting in machines to do work that used to be done by people; they mean combing the pay roll week by week and month by month to see what jobs can be combined and what salaries and wages can be saved.

This is not because business is heartless or callous. Business has no choice. It must keep solvent or it can't employ anybody. And the only way it can keep solvent and still meet the terrific load of taxation is to produce at a lower cost. When you cut costs, it means cutting people.

In my home town, New York, a survey was made a year ago to reveal what is happening to the young men and women between 16 and 24 years of age. The results were shocking. Six hundred and forty-three thousand young people between those ages, young folks who had finished their schooling and were ready for work, have never been able to find any kind of work at all. Six hundred and forty-three thousand Johnny O'Hearns and Sally O'Hearns, tramping the streets, ringing the bells, knocking on the doors, and finding no door open. That is what is happening to the youth of America. And it is happening because taxes are taking the billions of dollars that ought to be going into pay rolls. Taxes are destroying jobs.

This week has been set aside as National Debt Week. You will hear many speeches and read many editorials about the terrible dangers involved in our mounting debt. Economists will talk, editors will write. I hope everyone of you, as American citizens concerned with the future of our country, will read these editorials and listen to these speeches.

And while you are reading and listening, keep in mind my young friend, Johnny O'Hearn. Have a picture of him as he goes in and out of my office with his hair combed and his clothes neatly brushed and the gleam of hope still in his eye—the hope that this morning I may be able to give him some good news.

Get it clear in your mind that the reason I can't find a job for him in industry is not because industry has suddenly grown cold or cruel. The reason is because industry has tens of thousands of older, trained workers whom it must hire back before it can find even one place for a new employee. And the reason it is still firing instead of hiring is because every day more money that ought to go into jobs is being drained away to pay for the extravagance of government. And when you see the pictures of all the beautiful post offices that Mr. Farley is dedicating, and all the big dams of the T. V. A., and when you read about all the billions that have been spent in trying to re-elect New Deal Senators or defeat the critics of the New Deal, just remember that all that expenditure is coming out of the country's pay rolls. That extravagance is being paid for in the blasted hopes of the 643,000 young men and women in New York, and the millions in other cities who can't find jobs. The new dealers may think they are kind-hearted men, but their taxes are throwing men and women out of work faster than the W. P. A. can put them on. The taxes aren't coming out of the pockets of the New Dealers. They are coming out of the empty pockets, and the frustrated lives, of millions of Johnny O'Hearns.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Friday, May 26 (legislative day of Friday, May 19), 1939

LETTER FROM HON. CORDELL HULL, SECRETARY OF STATE

Mr. HARRISON. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a communication addressed by the Secretary of State, Hon. Cordell Hull, to Mr. Millard D. Brown, president, Continental Mills, Inc., Philadelphia, Pa., under date of May 15, 1939, concerning the reciprocal trade-agreements program.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

MAY 15, 1939.

Mr. MILLARD D. BROWN,
President, Continental Mills, Inc.,
Armat and Lena Streets, Philadelphia, Pa.

MY DEAR MR. BROWN: I have received your letters of March 15, March 22, and March 29, 1939, attacking the trade-agreements program, and enclosing reprints of advertisements which your company inserted in the Daily News Record, New York, of the same dates, in which you attacked the trade-agreements program, with particular reference to the agreement with the United Kingdom, effective January 1, 1939, under which the duties on certain woolen and worsted textiles were reduced. Since it appeared that these attacks were taking a serial form, acknowledgment of your letters has been deferred pending completion of the series.

These widely publicized advertisements evidently seek to foster the belief among workers in the wool manufacturing industry, and on the part of the general public, that the trade-agreements program is contrary to the interests of the workers and of the Nation. In the interests of fairness and truth I cannot allow such statements to pass unchallenged.

The truth is that the trade-agreements program is not opposed to the real interests of American labor or of workers in the wool manufacturing industry. Moreover, it most certainly is not, as alleged in these statements, an "altruistic" program under which business is taken away from Americans and handed over to foreigners.

The essential facts are:

First. That despite your inferences to the contrary, actual conditions in the wool-manufacturing industry are not worse than they were before the trade agreement with the United Kingdom went into effect, but instead are decidedly better than they were last year.

Second. That the trade agreement with the United Kingdom has not resulted in such an increase in imports of wool products as could be seriously felt by the wool-manufacturing industry or by workers in the industry, whereas, on the other hand, the trade-agreements program as a whole is operating to the definite advantage of the industry and of those who gain their livelihood from it.

Third. That the trade-agreements program does not destroy but, on the contrary, promotes economic activity and employment in this country to the benefit of all important economic groups, including the wool-manufacturing industry.

As to the first proposition—the inference that conditions in the industry have been worse since the trade agreement with the United Kingdom went into effect on January 1, 1939—permit me first of all to call your attention to your own advertisement in the Daily News Record, under date of March 8, 1939. This advertisement—which was not included among those which you forwarded to me—stated, among other things, that:

"The general economic situation shows signs of marked improvement. More people are being employed; more money is being disbursed in private pay rolls; more impetus is being given to consumer purchasing power * * *. There is a real dearth of quality clothing in the marts of trade. A latent demand for merchandise of established character will be manifest in the new season. It behooves us to take steps to stimulate and supply it."

The fact is that the important indices of conditions in the industry reveal a decided improvement during the first quarter of 1939 as compared with the same period a year ago. The average number of persons employed increased by 28 percent. Average weekly pay rolls increased by 40 percent. Machinery activity increased by 68 percent. Consumption of raw apparel wool

increased by 106 percent. While, for reasons with which you are doubtless familiar, these percentages vary rather widely, they tell the same general story; namely, that the situation is much better than it was last year. Whatever the explanation may be, it is certainly a fact that conditions in the industry have not worsened, but rather have definitely improved, since the trade agreement with the United Kingdom went into effect.

The second point noted above—relating to the effects of the trade agreement with the United Kingdom, and of the trade-agreements program as a whole, upon the wool-manufacturing industry—calls for more extended discussion.

It is, of course, a fact that duties were reduced on various items in the wool schedule in that agreement. Naturally, it should be expected that imports will be larger than would be the case if the duties had not been reduced. Only on that assumption could we expect to obtain from the United Kingdom worth-while concessions on behalf of our agricultural and industrial exports. But these duty reductions on wool manufactures were carefully devised, from the standpoint both of types of goods selected and of magnitude of the reductions, with a view to giving reasonable assurance that any adverse direct effects upon the domestic industry on account of increased imports would not be serious and would be at least counterbalanced (in actual fact probably more than counterbalanced) by the favorable effects of the British agreement and the trade-agreements program as a whole upon domestic prosperity and hence upon the capacity of American consumers to buy the products of the wool-manufacturing industry.

Nothing has happened since the British agreement went into effect which would indicate that these calculations were erroneous. The figures you give as to imports in January 1939 and 1938 are not good evidence to support the alarmist conclusion which you seek to convey concerning the effects of recent imports of wool manufactures upon the domestic industry. To say that imports of wool fabrics, for example, amounted to 1,602,000 square yards in January 1939, as compared with 811,000 square yards in January 1938, may seem alarming to some. But an uncritical acceptance of such figures as representing a flood of imports fails to take into account not only that these increased imports are still only a very small percentage of our domestic consumption but also that imports immediately after the tariff reductions went into effect included considerable quantities which had been previously withheld from entry in anticipation of the reductions.

That this withholding of entries did in fact take place is quite evident from the figures. In November and December 1938 imports of woolen and worsted fabrics were smaller, even, than in the same months of 1937—and this, too, in spite of the fact that the domestic demand was stronger and consumption greater than in the preceding year. For the last 2 months of 1938, imports amounted to 905,000 square yards, valued at $543,000; whereas, a year earlier, they had amounted to 1,281,000 square yards, valued at $1,118,000. It is perhaps noteworthy also in this connection that imports since January of the present year have been receding rather than increasing, having declined from 1,602,000 square yards in January to 1,081,000 square yards in February, and 974,000 square yards in March.

In your statements you allege that these imports are a serious burden to the industry and to the workers in the industry. There are no real grounds, however, for such a conclusion; and the manner in which it is arrived at furnishes an excellent illustration of a basic weakness in your approach to the whole problem which is common to most of the attacks that are made on the trade-agreements program by industries on whose products tariffs have been reduced.

Your conclusion assumes that only a certain quantity of woolens and worsteds can be sold in the United States and that the sole question is whether the domestic industry shall supply all of the demand, or whether some part of the demand, however small, shall be supplied by imports. What this completely overlooks, apart from differences in type and quality of the imported products on which duties were reduced as compared with the vast bulk of the domestic production, is the fact that the trade-agreements program as a whole has a definite bearing upon the capacity of the American people to buy woolens and worsteds. Yet the facts are (1) that the general prosperity of this country is profoundly important to your industry, as to others; (2) that the rebuilding of our foreign trade is an essential phase of any program for establishment of stable conditions of prosperity; and (3) that the trade-agreements program, by removing excessive and unreasonable barriers to trade and reopening foreign markets for products of American agriculture and industry, is a major contribution to that end.

In this connection our recent tariff history is highly instructive. For it shows all too clearly what happens when tariffs are forced up to embargo levels and the foreign trade of this country is decimated in consequence of such extremism.

In 1930 the Hawley-Smoot Act was adopted, shutting out of our markets practically everything that could be produced in this country at costs not utterly prohibitive. In that act the duties on wool manufactures were still further increased, notwithstanding that they were already high enough so that imports comprised but a small part of our total consumption, and in substantial part were composed of high-priced specialties. In order to obtain these further increases, wool manufacturers acquiesced in the imposition of embargo tariffs on the products of other industries as well. The result was a most untimely contribution to the general economic collapse at home and abroad which brought severe depression not only to our great export industries, both agricultural and manufacturing, but to all branches of our economic life, including the wool-manufacturing industry.

How, actually, did the wool-manufacturing industry fare in this situation? Did the workmen in the industry obtain, as a result of this tariff legislation, that additional "$4 a month," or "$48 a year" which, in your very misleading advertisement, you now claim is being taken away from each workman on account of the tariff concessions on wool manufactures in the United Kingdom agreement?

Of course they did not. The result was not satisfactory to American workers in general or to textile craftsmen, or, indeed, to anybody. In 1929, at a time when 14,307,000 square yards of woolen and worsted piece goods, valued at $17,681,000, were being imported, there were 147,000 workers employed in the woolen and worsted industry, and their weekly pay roll averaged $3,157,000.

In 1932, when imports of woolens and worsteds had declined to 3,437,000 square yards, valued at $2,530,000, there were 101,000 workers employed in your industry and their weekly pay roll averaged $1,533,000. In other words, the number employed had fallen by nearly a third and the total pay roll by more than half.

Keeping out of the domestic market almost every trace of imports of woolen goods, as part of a general tariff policy which destroyed a large part of our foreign trade and contributed greatly to the general economic maladjustment, both in this country and abroad, did not prove to be a paying proposition for your industry or the workers in your industry. That imports of wool fabrics amounted on the average to only about 1 percent of our domestic consumption—as they did after 1930—was surely poor consolation for the 46,000 employees who were out of work and for the decline of more than half in the pay roll of your industry. As a matter of fact, a study of the trends of national income and of domestic exports and imports over the past 15 years shows that all three tend to fluctuate in unison. For example, in 1929, when national income reached $81,000,000,000, our exports amounted to five and two-tenths billions and our imports to four and three-tenths billions. By 1932, national income had fallen to forty billions, exports to one and six-tenths billions, and imports to one and three-tenths billions. Are not these figures sufficient evidence to any reasonable person that there is something radically wrong with the idea, which seems to be the underlying assumption of your statements, that a slight change in the small share of the domestic market supplied by imports is what makes the difference between good and bad times for the American industry?

It is idle to say that other factors besides the Hawley-Smoot Act contributed to the depression. That there were other important factors no informed person would deny. But neither would he deny that the rapid rise of trade barriers throughout the world—a development in which our own tariff policy after the World War, reaching its ultimate extreme in the Hawley-Smoot Act, played a sinister part—was an important factor in contributing to and greatly aggravating the general depression

The third point which I set forth at the beginning of this letter was that the trade-agreements program tends to promote economic activity and employment generally in this country. What I have just said concerning our experience under the Hawley-Smoot Act shows clearly enough what happens when the opposite policy, the policy of embargo protectionism, is followed. I desire, however, to comment further with reference to the attempt in your statements to induce workers in your industry and the public generally to believe that the trade-agreements program is merely an altruistic policy which aims to engender good will abroad at the expense of American industry and the American standard of living.

The fact is that the trade-agreements program has been remarkably successful in restoring foreign market opportunities for many products of our farms and factories. In the agreement with the United Kingdom alone—the main object of your unfair attacks—we obtained specific concessions on American products exports of which to the United Kingdom, Newfoundland, and British colonies in 1936 amounted to $326,000,000. It is obviously too early to judge the value of these particular concessions in terms of actual trade increases. However, it is significant that exports to agreement countries in the 2-year period 1937–38 were greater in value by 61.2 percent than the average for the preagreement period 1934–35, while exports to all other countries increased by only 37.9 percent. Agreements are now in operation with countries which in 1938 accounted for nearly 60 percent of our total foreign trade.

These are some of the facts you fail to mention which are vitally significant to the vast number of American producers of farm and factory products who must export or shut down or operate at a loss. When these American producers lose export markets as a result of embargo tariffs here and abroad or for any other reason, then the wool-manufacturing industry and other "protected" industries lose part of their domestic market, and we have what we had in 1930, 1931, and 1932.

Neither do you mention that the powers vested in the President by the Trade Agreements Act have been exercised with the utmost scrupulousness. The President has had the assistance of all the facilities of information and expert judgment available to the Government of the United States from official and private sources, and every detail of the agreements has been scrutinized by expert advisers with a degree of thoroughness such as has never before characterized the determination of tariff rates in this country.

In view of all the facts and circumstances, it seems to me that the misleading claims and inferences which are set forth in your advertised assertions cannot possibly serve any useful purpose either from the standpoint of the public generally or from that of the workers in the wool-manufacturing industry.

Without questioning the honesty of your motives and convictions in connection with these matters, I am convinced that you have not taken all of the facts into account. It is to be regretted that no opportunity was sought before your statements were published to discuss the whole subject with us. We would have been very happy to discuss it with you, and we are still ready to do so at any time.

Sincerely yours,

CORDELL HULL.

Germany's Immigration Quota

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, May 26 (legislative day of Friday, May 19), 1939

STATEMENT BY JOHN CECIL

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD a statement before the subcommittee of the United States Senate Immigration Committee, made by John Cecil, president, American Immigration Conference Board, New York City, in opposition to Senate Joint Resolution 64, introduced by the Senator from New York [Mr. WAGNER], seeking to increase Germany's immigration quota by 20,000.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I appear today as president of the American Immigration Conference Board, Inc., with offices at suite 1200, 92 Liberty Street, New York City. We are a nonprofit membership corporation; a nonsectarian and non-partisan organization in daily touch with interested citizens and organizations in all parts of the country.

TEN THOUSAND PROTESTS

For instance, within the last 4 weeks I have received by mail over 10,000 individual signatures to communications in support of the complete stoppage of all immigration into this country for permanent residence, and therefore in opposition to this resolution. I do receive a very few letters from people who do not agree with our stand, but only a very few.

I am convinced that if the Wagner Senate Joint Resolution No. 64 were left to the direct vote of the people of the United States it would be snowed under, overwhelmingly.

The people believe that America's children are America's responsibility, and that refugee children in Europe are Europe's responsibility. They believe that first things must come first, and therefore, that America's children must be considered before we bestow our charity on Europe's children.

America's first duty is to feed, clothe, and educate her own millions of "ill-fed, ill-clothed, and ill-housed" American children.

Here are the grim facts: Every State in the Union has a tremendous number of children in want of proper food, clothing, medical attention, and better schooling.

TENANT FARMERS' CHILDREN

Millions of starving, half-naked children of 8,000,000 tenant farmers, scattered throughout all parts of the United States, live in hovels. Their tumble-down shacks have no windows. They sleep on rags. Their clothes are tattered and filthy. They eat thickened gravy and biscuits as a year-round diet. They have no medical care. They fall easy prey to disease. They are unschooled. From out of these dingy huts of tragedy comes a reeking army of destitution, while the false idea of humanitarianism and internationalism is wailed by propagandists.

Shall we first take care of our own children, or shall we bestow our charity on children imported from abroad?

Mrs. Franklin D. Roosevelt said in her newspaper column, on January 31, 1939: "I cannot help wondering about the sharecroppers * * *. I fear that human suffering is not confined to Europe."

What is American citizenship worth if it allows American children to go hungry, cold, naked, and unschooled, and without proper medical attention—while we import and care for children from a foreign country?

SLUM CHILDREN LIVE IN SULLEN POVERTY

In hundreds of American cities millions of worthy children are growing up in filth, squalor, and ignorance in slums. Huddled together in poorly ventilated, cramped rooms, these American children of every race and foreign extraction, cry for the right to breathe fresh air, eat good food, and for the right to play and live in the American way.

Shall we sentence these slum children to crime, poverty, and hopelessness while we import children from a foreign country?

The Wagner bill proposes to import 20,000 children from Germany.

These foreign children are to be placed in American homes.

Organized minorities who advocate bringing in these foreign children state that homes already have been provided for them by applications now on file. If that be true, this is America's answer:

If homes are available for the adoption of alien children, Americanism demands that needy American children be adopted into them.

These children are to be "14 years of age and younger."

In almost every State in the Nation children 14 years of age are allowed to work under certain conditions.

We cannot take care of 20,000 German children.

One third of all the unemployed in America are young people of working age under 25 years—over 60 percent have been out of school from 2 to 6 years.

FOUR MILLION UNEMPLOYED YOUTHS

Wherever you live, about one out of every three unemployed is a young person who has the right to an American job at American wages, but who cannot find a job at any price.

Six hundred thousand young people reach working age each year in the United States. These face a jobless future.

SLAVE MARKETS—AMERICAN GIRLS TO HIGHEST BIDDER

In one eastern city there is a "slave market" where Negro and white girls gather on the street corners in the hope of securing a few hours' work at from 15 to 20 cents an hour.

One-third of all crime committed in America is by unemployed youths. Thirty-five percent of all arrests in New York City are young people.

Four out of every five unemployed youths in an eastern city have no vocational education; there are not schools enough.

Thousands of American children are forced to go to school part time because schools are overcrowded.

This is not the first time such ill-advised proposals have been introduced in Congress.

In many sessions of Congress since the World War similar bills have been introduced in an effort to capitalize on the sympathy of the American people and for the purpose of breaking down restrictive immigation. In every case so far the common sense of the people has prevailed; not one such proposal has ever been enacted.

I recall that I once was regional director of the Near East Relief for several Rocky Mountain States, with headquarters in Denver, Colo. I was responsible for raising vast sums of money for relief of Armenian, Greek, and Near East children. With the money I helped to raise Near East children were given medical attention, food and clothing, and placed in schools. I believe that I helped to save the lives of literally thousands of these children.

I suddenly resigned from my office, however I began receiving repeated calls and letters demanding that I bring pressure to bear on our several State delegations in Congress to get legislation passed which would legalize the importation of 75,000 Armenian and 25,000 Greek refugees into this country.

ALIENS—"WINE, WOMEN, AND SONG"

While I was willing to apply whatever talents and time I had toward raising money to feed and clothe these starving refugees in the Near East, I considered it a culpable offense against the American people to be a party to using such public relief funds for high-pressure lobby purposes here in Washington. My judgment was vindicated shortly thereafter, because in less than a year the activity of aliens who were in the country under bond became a common scandal in the press. Washington dispatches appearing in such papers as the Cincinnati Times-Star captioned the story: "Wine and women are seeking admission of alien refugees. Wine is served at dinner given Congressmen by foreign lobbyists, and women are telegraphing that to refuse admission to refugees would be murderous." All this in the headlines.

The American people felt about this matter as I did, and the bills were defeated; shortly thereafter the Near East relief fell from popularity in the hearts of the people.

The Wagner resolution if enacted into law seeks to admit 20,000 "German children" in excess of Germany's enormous annual quota of 27,370; no one of these children would have to be a persecuted child under this resolution. Everyone could be a German Nazi child under this resolution. The bill, after the enacting clause, says nothing at all about these children having to be the offspring of parents who have been persecuted because of race, or religious, or political ideas.

BILL MUST BE AMENDED

Existing immigration laws provide for exemption from the literacy test of "aliens that have been persecuted" religiously or politically. If there were written into this bill the words contained in section 2 of the Immigration Act of February 5, 1917, with regard to religious and political refugees, then the bill would be made to do what proponents have been arguing for it, but only then.

PRESENT QUOTAS ADEQUATE

Proponents of this bill have been loud in their assertion that the situation confronting as many as 20,000 German children is so acute that, unless Congress immediately legalized their importation here, in excess of the quotas, we as a Nation will be guilty of murder. I deny this statement in its entirety. If conditions are as urgent as painted by the proponents of this bill, the situation demands that quota immigrant adults step aside and allow these children to come under quotas already set up. We have an

enormous quota already for Germany. It legalizes all whom we can possibly handle in any 12-month period, regardless of what the necessity for importation may be. It strikes me, therefore, that the situation is similar to a wreck at sea where the cry is "Children first." Let adults step aside.

Refugees are now coming to our ports by the shiploads and are being rushed into employment with as little delay as possible, particularly to New York City where I live. They are coming under the quotas. Many are coming under permits of temporary visitors, the number of which has no legal limit. These temporary permits are often extended time after time, for the benefit of aliens who hold American jobs.

More refugees have settled in the United States in the last year than the number who permanently settled during this period, in the rest of the world.

Refugees are at work everywhere in America and every time a job is filled by one of them, an American is thrown out of work.

This question resolves itself into the following proposition:

AMERICA HAS ALREADY DONE HER SHARE

No one is arguing that there is not intense suffering in Germany. No one is trying to establish that America has no sympathy for destitute and suffering children. The point I wish to make is that we are sympathetic, that we are concerned over the plight of these unfortunate people in all of Europe, and that we are actually now doing our full share, and we have been doing it all along. I cannot see why we should be expected to take care of these German sufferers to the exclusion of all other people suffering in the entire world.

If we are going to bring these German children in, why not enlarge our charity to bring the Chinese, and the Ethiopian, and the Spanish children, and especially the orphans of the many millions of white Christians who were starved deliberately in the Ukraine over the period of the last several years? Why has there been no outcry to Congress to take care of these other people?

"IN THE NAME OF HUMANITY"

For several days now sob-sisters have been appearing before this committee, appealing to the emotions of this Congress to admit 20,000 German children, "in the name of humanity."

Practically everything harmful which has been asked of this country during my lifetime has been offered "in the name of humanity."

When I was a youth I went to France as a soldier for 15 months "in the name of humanity" and "to make the world safe for democracy."

"In the name of humanity" America spent money like it was water and sent 2,000,000 young men to Europe to establish the political zig-zag lines of nationality, and "self-determination for all minorities in Europe."

Then, "in the name of humanity," we opened our Treasury to all of our alleged allies to rehabilitate bankrupt Europe.

WORLD SAFE FOR COMMUNISM

And what happened? Instead of making the world "safe for democracy" we have made the world safe for communism and nazi-ism, and fascism. Instead of bringing about self-determination of minorities we have succeeded in creating the most gigantic refugee problem ever known to history. Instead of rehabilitating Europe we have made ourselves the most hated nation on earth, and are called Shylock because we have asked for the interest on our money. All of this "in the name of humanity."

"In the name of humanity" we were asked to join the League of Nations, which has since proved itself the most dangerous proposal ever offered to the American people. "In the name of humanity" we were asked to join the World Court. It seems that the schemers, plotting the downfall of America, have always wrapped their phony packages in this self-same wrapper, "in the name of humanity."

"In the name of humanity" this resolution should be, and I believe will be, defeated.

Seventieth Birthday Anniversary of Rt. Rev. Msgr. John A. Ryan, D. D.

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, May 26 (legislative day of Friday, May 19), 1939

ADDRESS BY RT. REV. MSGR. JOHN A. RYAN, D. D.

Mr. MURRAY. Mr. President, last evening at the Willard Hotel a most distinguished audience assembled at a banquet to celebrate the seventieth birthday anniversary of Dr. John A. Ryan, the eminent theologian and economist of the Catholic University. Dr. Ryan has long occupied a foremost position in the field of economics and sociology, and long ago foreshadowed many of the important reforms which have taken root in this country in recent years. On the occasion of the tribute paid him last night Dr. Ryan delivered a noteworthy address relating to the perplexing problems still confronting the country. I ask unanimous consent to have that address printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I like to regard this splendid celebration as fundamentally a tribute to the causes with which I have been associated: social reform, social justice, the uplifting of labor, the defense of civil liberties, the fight against religious and racial intolerance, and the application of moral principles to social and economic life. These causes and activities are infinitely greater in importance than the years or the achievements of any man or any number of men.

How did I come to enter this field? Significant answers are to be found in my time, my early environment and my inheritance. The year of my birth was within the decade which included the Civil War. Minnesota was still a part of the frontier, and the historian Turner has made us all acquainted with the unique role which the frontier has played in the economic history of America. The neighborhood was rural, and here I wish to cite the man whose writings exercised a greater influence upon my formative years than those of any other author. Archbishop John Lancaster Spalding, in one of his earliest books, refers with approval to the saying of a certain philosopher, "There are 10,000 chances to 1 that genius, talent, and virtue shall issue from a farm house rather than from a palace." My parents were Catholics who had to leave their native land on account of the infamous system of Irish landlordism. My father and mother were heirs, therefore, to all the glorious traditions associated with both their race and their religion. This environment and this inheritance made it easy for me to become interested in the social question.

Subsequent developments nourished, stimulated, and increased that initial interest. About 57 years ago, I read, in part at least, Henry George's Progress and Poverty. In 1887, I rejoiced over the success which attended the efforts of Cardinal Gibbons and the other archbishops of the United States to prevent the threatened condemnation in Rome of the Knights of Labor.

Naturally, the most important factor in my early social education was the encyclical of Pope Leo XIII On the Condition of Labor. This great pronouncement appeared in 1891, about 1 year before my graduation from college. Some 3 or 4 years later I came upon Dr. Richard T. Ely's book, Socialism and Social Reform. This was, I am confident, the first work by an American economist which made any systematic or vital contribution to the discussion of modern economic evils and maladjustments.

At this time I was within 4 years of ordination to the priesthood. I had already determined to devote as much as possible of my time and energy to the study of economic conditions, institutions, and problems. I wanted to examine economic life in the light of Christian principles, with a view to making these principles operative in the realm of industry. It seemed to me that the salvation of millions of souls depended largely upon the economic opportunity to live decently, to live as human beings made in the image and likeness of God. That this is proper work for a priest seemed clear to me from the teachings of ethics and moral theology; the moral law governs economic transactions as well as every other sphere of conduct. In addition to this general truth, I had before me the specific exhortation and command of Pope Leo XIII. Near the close of his encyclical, On the Condition of Labor, he declares: "At this moment the condition of the working population is the question of the hour; and nothing can be of higher interest to all classes of the state than that it should be rightly and reasonably decided." Having pointed out the parts to be taken in this task by the wage earners, by the employers, and by the state, he outlines the contribution to be made by the church. "Every minister of holy religion," he says, "must throw into the conflict all the energy of his mind, and all the strength of his endurance * * *." Clearer or more authoritative encouragement than this no man could have desired.

Almost half a century has gone by since the publication of this great papal pronouncement. How have its doctrines and injunctions been treated in the United States? In attempting briefly to answer this question I shall divide this period of 48 years into 2 unequal parts: The 40 years between Leo's encyclical and that of Pius XI, and the 8 years that have since elapsed. This division has significance for our economic as well as for our religious history.

Speaking summarily, I observe that the encyclical On the Condition of Labor did not receive adequate consideration until almost 28 years after it had appeared. Then its teaching and influence found expression and recognition in 2 notable publications. These were the Program of Social Reconstruction, published February 12, 1919, by the bishops who constituted the administrative committee of the National Catholic War Council, and the Pastoral Letter of the Entire American Hierarchy, issued September 26 of the same year. The Social Reconstruction Program was very widely read and approved by both Catholics and non-Catholics. In fact, it obtained more attention and acclaim than all the other 60 plans of reconstruction which appeared in various countries between February 1918 and June 1919.

The year 1921 saw the establishment of the department of social action as an integral part of the National Catholic Welfare Con-

ference. In the first 10 years of its existence this department did more to make known Pope Leo's encyclical than all other agencies combined. Particularly noteworthy among its acts was the holding of anniversary observances of the encyclical for several years before the publication of Quadragesimo Anno on the fortieth anniversary.

During those 40 years economic reform made little progress in the halls of legislation. The right of labor to organize received some protection, but not nearly so much as the union leaders had expected, in the Federal law known as the Clayton Act. A majority of the States enacted measures restricting night work, requiring the maintenance of safety and sanitation in factories, and providing compensation for injured workmen. A considerable number of our Commonwealths passed laws reducing the hours of the working day for women. About a dozen adopted minimum-wage legislation for women and children.

One reason why more labor legislation was not passed during these 40 years is suggested by that historic interlude sometimes known as the delirious twenties. In that decade our country became submerged in sodden materialism and pseudo prosperity. These were not favorable conditions for the enactment of laws on behalf of the economically weak. Another obstacle was set up by the Supreme Court. Through declarations of unconstitutionality it rendered inoperative legislation which restricted the hours of labor for men, which forbade the discharge of an employee for membership in a labor union, and all our compulsory minimum-wage laws. These decisions not only nullified the statutes upon which they passed sentence but discouraged legislators who might have made efforts to enact similar legislation.

The second division of the period that we are considering begins with the publication of the encyclical of Pope Pius XI on Reconstructing the Social Order. This was on May 15, 1931. As most of us are aware, this great papal pronouncement reaffirmed all the main propositions in Leo's encyclical, explained and expanded some of them, and added an entirely new program for the reconstruction of the social order by means of vocational groups. Quadragesimo Anno repeated in even stronger language and in greater detail Leo's exhortations to bishops, priests, and laity to concern themselves with the reform of social and economic conditions. It has received most discussion, study, and approval not only from Catholics but from non-Catholics in the 8 years that have elapsed since it appeared than Rerum Novarum had obtained in the preceding 40 years. Moreover, it has greatly increased the interest in and appreciation of Leo's encyclical.

In some respects, the encyclical of Piux XI goes beyond the proposals and the language that in years past caused some of us to be stigmatized as radicals. Since the appearance of Quadregesimo Anno we feel quite safe and respectable. We even think that we have a right to call ourselves conservatives.

Turning briefly to the subject of social and labor legislation during the years since 1931, I note immense progress. There was the Norris-LaGuardia Act which greatly lessened the abuses of the injunction in labor disputes. This was enacted early in 1932, consequently, before the advent of the present national administration. Since 1933, however, more important Federal legislation has been passed for the reform of social and labor conditions than in all our previous history. Out of a very large number of these measures I select only four for brief mention. Perhaps the most important of them as regards the number of persons affected, is the insurance of bank deposits which has practically abolished bank failures. No one now fears to put his money into a bank. Recalling the 4 years immediately preceding April 1933, we realize that this law produced a veritable revolution. Already we have become so accustomed to its beneficent effects that we scarcely ever mention deposit insurance; we take it for granted. The second of the four reform measures to be noticed here is the Social Security Act, which provides insurance against old age and unemployment. Then there is the National Labor Relations Act, which effectively protects the right of labor to organize. Finally, I call attention to the Fair Labor Standards Act, which fixes minimum wages and maximum hours. All four of these laws are in complete accord with the two great papal encyclicals.

The Social Security Act and the Labor Relations Act have already been upheld by the Supreme Court, and the best indications are that the Fair Labor Standards Act will likewise be sustained if and when it comes up for judicial action. In all probability, the act providing for insurance of bank deposits will never be attacked in the courts.

In his introduction to the twentieth anniversary edition of the Bishops' Program of Social Reconstruction, Archbishop Mooney enumerates 11 major recommendations in that document and notes that 10 of them have become wholly or partially realized. That much success was probably more than any of us dared to hope for 20 years ago. At the risk of being thought lacking in modesty, I observe that, so far as I know, I was the first person publicly to advocate a family living wage ordained and enforced by law. That was in 1906. Today we have such legislation on the statute books of the Federal Government. While it is not adequate either in its terms or in its scope, it probably goes as far as is practicable at this time.

Yes, there has been progress toward social justice in my lifetime. Those of us who have been active in the movement know that the struggle has been well worth while. It has been interesting, zestful, stimulating, soothing to the conscience, and sufficiently fruitful to assure us that our labors and efforts have not been in vain.

Nevertheless we are well aware that much remains to be done. We see two economic problems before us which are more perplexing than any of those that have been solved. One of these present problems is immediate and very urgent; the other is less urgent but more fundamental. The first arises out of our enormous and persistent volume of unemployment. In its magnitude and setting it is a new problem. Concerning it I wish to make one negative and one positive statement. And I know that I am right in both. Our immense unemployment cannot be abolished, nor even notably diminished, by a vast increase in capital investment. Well-meaning persons who advocate this course have failed to realize two developments in our social life which are absolutely new. The first is that our economy has come to "maturity"; the second is that within a few years we shall have a declining population. What we need now is not more capital instruments but a better distribution of purchasing power, so that those who wish to consume more will have the means to do so and thus to bring about full use of our productive plants, and full employment for our workingmen. More of the national income must go to the farmers and wage earners and less to the owners of capital. Interest rates must be reduced everywhere by every effective device. We must have more spending and less saving. In passing, I would observe that if the recommendations of Pope Leo XIII and Pope Pius XI for higher wages, better-balanced prices, and a more equitable distribution had been accepted and put into operation the solution of the problem of unemployment would now be in sight. In the long run good ethics is good economics.

The more fundamental problem confronting us is that for which the outline of a solution was set forth by Pope Pius XI in Quadragesimo Anno. It is the reconstruction of the social order, the reorganization of our industrial system. As realists we must assume the continuation of the profit motive. As lovers of justice we must realize that historical capitalism cannot and ought not to survive. Private ownership of the great bulk of the means of production should be enabled to continue and flourish, but historical capitalism went far beyond this simple management. Speaking of the economic individualism which became the basis of modern capitalism at the end of the eighteenth century, J. L. and Barbara Hammond declare: "It involved the right to take what interest and profit you could get; to buy and sell as you please * * *; it substituted for the divine right of kings the divine right of capitalists." (The Rise of Modern Industry, pp. 216, 217.) In all the decades since the industrial revolution the spirit of capitalism has sanctioned the lowest practicable rates of wages, the highest possible rates of profit and interest, unlimited economic domination, and unlimited accumulation. To be sure a large proportion of capitalists and entrepreneurs adopted higher standards than these, but in so doing they were disregarding the spirit of the system.

To change all this, and to change it integrally and fundamentally, is the long-range program before the American people. But this change, the rational reorganization of our industrial system, does not imply communism, nor fascism, nor nazi-ism, nor any other form of totalitarian state. We want an economic reorganization which will be democratic and self-governing from top to bottom, from center to circumference. This means the adoption and adaptation of the guild system, as outlined by Pope Pius XI in his recommendations concerning occupational groups. This program offers the only escape from the twin extremes of fascism and communism.

In all probability the full actualization of this program will take a long time. It will keep you younger men and women busy for many years. But it holds out the secure hope of larger and wider benefits to labor and the common good than minimum wages or unionism or any of the other causes that have achieved substantial victory.

To all who are assembled here this evening, I am under a very great obligation of gratitude. To the speakers, I am particularly and profoundly indebted: To the Honorable Felix Frankfurter, Associate Justice of the Supreme Court, whom I have known for upward of a quarter of a century, and beside whom, in his crusading days, I was privileged to stand in more than one contest for human rights; to the Honorable Frances Perkins, Secretary of Labor, who has never missed an opportunity to show me kindness, and who has always been a devoted, intelligent, and effective champion of social justice; to the Honorable JAMES M. MEAD, Member of the United States Senate from the State of New York, whose long and successful defense of the rights of labor, both without and within legislative halls, has won for him a seat in "the greatest deliberative body in the world"; and to my academic superior, the Right Reverend Joseph M. Corrigan, rector of the Catholic University, honoring us with his presence and for his very kind observations concerning myself. I wish to stress in a particular manner my gratitude to the group of more than 100 ladies and gentlemen who have conferred dignity and distinction upon this event by acting as its sponsors. They comprise captains of industry as well as leaders of labor, statesmen, lawyers, journalists, financiers, social workers, clergymen, and bishops. I am thankful to the Right Reverend Michael J. Ready, general secretary of the National Catholic Welfare Conference, for his gracious and efficient performance as presiding officer and toastmaster; and, finally, to my university colleague, Rev. Dr. Maurice S. Sheehy, and his efficient staff for their exacting labors in making all the arrangements for a delicious dinner, served in a beautiful and spacious hall, under the direction of a kindly and genial host.

The shock of realizing that I am now definitely among those who have been overtaken by old age is considerably cushioned by

your touching manifestations of esteem and affection. "My way of life" may be, like that of Macbeth, "fallen into the sere, the yellow leaf"; but, unlike Macbeth, I have "that which should accompany old age, as, honor, love, obedience, troops of friends."

Forum on World Peace Through World Trade

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Friday, May 26 (legislative day of Friday, May 19), 1939

MESSAGES AND ADDRESSES DELIVERED AT NEW YORK WORLD'S FAIR, MAY 4, 1939

Mr. THOMAS of Utah. Mr. President, leading advocates of the principle of world peace through world trade, from this country and abroad, recently participated in a forum on this theme at the New York World's Fair. Several notable messages and addresses were delivered in a program held in connection with the dedication to world peace of the Gallery of Science and Art in the exhibition hall of the International Business Machines Corporation. In addition to Mr. Thomas J. Watson, its president, other prominent members of the International Chamber of Commerce and the board of trustees of the Carnegie Endowment for International Peace took part in the forum which was broadcast throughout the world.

In these times when the people of all nations are seeking the road to peace, the forum held at the world's fair is of especial importance and significance. Because of its interest to all the people of America, I ask unanimous consent to have inserted in the RECORD a brief summary of the program from the magazine Think, together with a digest of the principal messages and addresses delivered on this occasion.

There being no objection, the messages and addresses were ordered to be printed in the RECORD as follows:

[Excerpt from magazine Think]

Mr. Grover A. Whalen, president of the world's fair, opened the Forum on World Peace Through World Trade, held in the Hall of Music on May 4, and presented messages from the Secretary of State, the Secretary of Commerce, Governor Lehman, and Mayor LaGuardia, addressed to Mr. Thomas J. Watson, president of International Business Machines Corporation and of the International Chamber of Commerce.

A unique appeal for the promotion of world peace through world trade was carried to all countries by radio broadcast, including the world-wide broadcasting foundation, WIXAL, the Canadian network of the Mutual Broadcasting System, and the short-wave station W2KE of the Columbia Broadcasting System.

At the conclusion of the Forum on World Peace Through World Trade, a musical program was broadcast from the Hall of Music by the Philadelphia Orchestra under the direction of Eugene Ormandy, with commentary by Olin Downs. The Gallery of Science and Art, including representative works by leading artists of 79 countries throughout the world, was officially opened to the public at ceremonies in the exhibition hall. Mr. F. W. Nichol, vice president and general manager of International Business Machines Corporation, introduced Mr. Grover A. Whalen and presented the proclamation designating May 4 as I. B. M. Day, with response from Mr. Thomas J. Watson.

ADDRESS OF GROVER A. WHALEN, PRESIDENT, NEW YORK WORLD'S FAIR

Opening the Forum on World Peace Through World Trade in the Hall of Music, Mr. Whalen read the following messages addressed to Mr. Thomas J. Watson, president of International Business Machines Corporation and president of the International Chamber of Commerce:

"I am glad to send this message of greeting to you who are assembled in celebration of the I. B. M. Day which has been dedicated to the cause of peace.

"The Government of the United States, supported by an alert public opinion, is endeavoring to employ the best methods for bringing about enduring peace.

"The utilization of every means for economic rehabilitation, the adherence to the basic principles of international law, the observance of treaties, the exercise of self-restraint, and the furtherance of the freest possible intellectual interchange between nations are fundamental and essential points in this program.

"This Government is carrying on a determined effort to promote economic appeasement and security through making possible the expansion of international trade along lines of constructive, peaceful effort and upon the friendly and universally beneficial basis of equal treatment. This policy is being followed in the firm belief that only by a healthy international trade can a full and stable domestic economy be guaranteed. It has been encouraging and gratifying to note the wide support which the business interests of this country have given to this policy.

"Every citizen has a grave responsibility in these days when menacing developments seriously jeopardize peace in many parts of the world. I confidently believe that the policy of economic stability through the lowering or removal of barriers to international trade and the application of the principle of equality of commercial treatment if generally supported would be an inevitable prelude to permanent peace.

"CORDELL HULL,
"Secretary of State."

"It is a pleasure for me to be able to join others honoring you on I. B. M. Day at the world's fair. In these troubled days, with threats of war hanging over Europe, it is thoroughly proper that we pay tribute to a business statesman who has served untiringly the cause of peace and good will in international relations. You have done this not only as an individual, but also as the guiding influence of a world-wide business organization which has maintained the highest standards of business conduct, both here and abroad.

"I am also well familiar with your contributions in the realm of public service. As a past member of the Business Advisory Council for the Department of Commerce and chairman of its Foreign Trade Committee, you gave the Government the same untiring effort that has characterized your work as a proponent of peace.

"I regret very much that I am unable to attend the ceremonies at the fair and extend my every good wish to you personally.

"HARRY L. HOPKINS,
"Secretary of Commerce."

"I have noted that on May 4 the New York World's Fair will observe I. B. M. Day and that the theme of the meeting will be peace.

"With the peace-loving nations of the world striving so hard at this time to avert armed conflict, it is both fitting and timely that your organization should use the I. B. M. Day at the world's fair as an occasion for emphasizing the benefits of peace and the destructiveness of war. President Roosevelt deserves the gratitude of all Americans for pointing out that while we in the United States are ever ready to promote world peace, at the same time we are prepared to resist political and physical aggression.

"My congratulations to you and your associates and my best wishes for complete success of the occasion.

"HERBERT H. LEHMAN, *Governor."*

"I am happy to have the opportunity to join in this well-merited tribute to one of New York's most public-spirited and forward-looking cititzens.

"Without the cooperation and earnest endeavors of the great business interests of New York, and the untiring efforts of those individuals who, like yourself, gave unstintingly of their time and energy, this great world's fair would not have been consummated. It is particularly appropriate and fitting, therefore, that this day should be set aside as I. B. M. Day, to honor a great industry and the man who has brought it to its present success.

"With sincere personal and official greetings and good wishes,

"F. H. LAGUARDIA, *Mayor."*

MR. WHALEN'S ADDRESS

This opportunity affords me great happiness. I have been asked to extend words of welcome on behalf of the New York World's Fair to the officers, employees, and guests of the International Business Machines Corporation. Thanks to the radio hook-up, I can also extend a welcome to all of our friends in this country and in many other lands.

The Fair Corporation, as you know, is honoring the International Business Machines Corporation and its president, Mr. Thomas J. Watson, by setting aside May 4 as International Business Machines Day. We have met here in the exhibition grounds in the Music Hall to consider a striking parallel, that of the New York World's Fair and the International Business Machines Corporation as international educational and good-will institutions.

The New York World's Fair is both the symbol and the product of international business and of the world desire for better understanding of international relations and further recognition of the interdependence of nations. It is an international meeting place where sixty-odd nations, the League of Nations, and the Pan American Union are not only exhibiting their best products but where they are exchanging their ideas and ideals.

The International Business Machines Corporation, I am told, now transacts business in 79 countries of the world. The citizens of those countries work together and compete for recognition of individual achievements and business honors. They also assemble in annual convention in the most friendly manner. This demonstrates in a practical way that there is no inherent antipathy between races and nationalities, and that man can cooperate for the common welfare of all countries. This is a vital contribution to the cause of international understanding and culture, and, in itself,

entitles International Business Machines to be honored by the New York World's Fair.

Both this international exposition and this international business have been built on faith. Faith has inspired the artists, the engineers, the designers, and all other persons who have worked in the creation of the fair; likewise, only faith in the inherent integrity of the majority of men and nations could have served as a foundation for the growth during the past 25 years of a small domestic manufacturing company to a world-wide institution for the promotion of trade and human welfare. Fairs have long played an important part in the spread of knowledge and in the development of the industries and the arts. Our fair is the biggest and most forward-looking of any heretofore conceived. Surely it is one of the most heartening examples of international cooperation.

Perhaps even more important than the goods exhibited are the ideas that are displayed, and it is this exchange of inspirational thoughts along the lines of trade, art, and culture that is invaluable in stimulating international understanding. The New York World's Fair is great enough to open a new period of world history. Civilization is at a turning point. We have discovered materials and resources. We have invented machines and methods, and we have specialized human activities, all to a point where we know a new era of prosperity and advancement in culture is within our power of attainment.

What we need now is cooperation and justice between individuals and between nations. In the circumstances, I feel sure that history will one day record that the New York World's Fair was an outstanding force in the nineteen hundreds in promoting international cooperative effort and world peace.

ADDRESS OF MR. THOMAS J. WATSON

It is appropriate that this program should originate from this great exposition whose theme is the World of Tomorrow.

We are all looking forward to a better future. But what the New York World's Fair will accomplish in this direction depends upon what is done by the people from all over the world, who are assembled here as representatives of their countries and as visitors, in helping to develop a better understanding and deeper friendship among peoples and nations.

As we view the grounds, the buildings, the exhibits, and the many other evidences of the fine organization he has built up, we recognize the tribute we owe to Grover Whalen and to all of his associates who have provided this oportunity for the people of the world to learn more about each other. We see on every hand the spirit, vision, and courage of Grover Whalen.

We must take advantage of this oportunity to accomplish some real and lasting results, so that when the fair is over we can all return to our respective countries and duties with the feeling that we have made some worth-while contribution to the World of Tomorrow.

We all know what a privilege and a blessing it is to have peace in our world. But we must also recognize the fact that this privilege carries with it an obligation, and we must live up to our obligations regardless of any personal sacrifice we may be called upon to make.

I am sure that every person in the world who is doing any intelligent thinking realizes the importance of peace, and desires peace above everything else.

But what are we, as individuals, doing about it?

The world as a whole is so enormous that most of us hesitate to take an active part in world affairs. We do not feel that anything we might personally do would be important or effective enough to make any difference.

But each of us has a world of his own, in which he can make contributions to the peace of the world at large.

Let us consider our own personal world. It is made up of our family, friends, business associates and others with whom we live and constantly come in contact.

As individuals working alone we cannot exert enough influence on the world as a whole to solve problems of world economics and peace. But as individuals working in our own communities, dealing with the people whom we know and who believe in us, we can wield a tremendous educational influence.

The International Chamber of Commerce is working for world peace through world trade. I believe that when we can have the proper movement of food and clothing across borders it will eliminate the necessity of guns and gas crossing those same borders.

As a businessman I think of universal peace as one of the most desirable, most worth-while ideals in the world today. It cannot be achieved by a few people working in widely scattered regions. The project requires a worldwide organization of enthusiastic, hard-working individuals, spreading the gospel of peace in their own communities to the people who know them and have confidence in them.

We must think of education, culture, and religion as a threefold force that will provide the means of bringing the people of the world to a better understanding of each other, because this is the first step toward universal peace.

Education enables us to gather facts. But facts are of no use until we know their value. Culture enables us to place a value on facts, and when we know the value of facts we are in a position to use them for the betterment of ourselves and others.

The last war taught us many facts, and since the war we have come to know the value of those facts. The facts are: The last war took a toll of 23,000,000 soldiers and civilians killed; twenty-two and a half million soldiers injured, more than one-half disabled for life; 10,000,000 children made orphans; 9,000,000 people made refugees. The value of these facts will be reflected in what use we make of them in maintaining peace and continuing to develop our civilization.

As individuals, let us constantly promote education and culture. Let us promote a spiritual revival, based on each individual's religious affiliation and the Golden Rule. Let us create a desire in the hearts of the people throughout the world to do right in their dealings with their fellow men, regardless of race or religion.

There are some 2,000,000,000 people in the world, all interrelated and interdependent. Anything that affects any part of our civilization economically, socially, or spiritually affects all mankind.

We must develop greater cooperation, eliminating factions and feuds. We cannot go from crisis to crisis and maintain our equilibrium, much less make any progress as a civilization.

I believe the world is going to improve, not for any particular group or class, but on a basis that will bring greater comfort, happiness, and security to everyone in every country.

Let each of us, whatever our race, our station in life, our religious belief, or our political creed, really work for this great cause of peace, for peace is in the heart of the individual. Let us not look for, or wait for, leadership in this cause, but let us create that leadership within ourselves.

The Supreme Ruler of the universe looks upon us as free moral agents, and we are expected to carry our share of responsibility for the evils of the world. It is within the power of each of us to understand what is right and what is wrong, and then act accordingly. There is work for all of us, for in the last analysis it is by collective and concerted decision and action that the people of the world will achieve lasting peace and happiness.

ADDRESS OF DR. NICHOLAS MURRAY BUTLER, PRESIDENT OF COLUMBIA UNIVERSITY AND PRESIDENT OF THE CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

In this year of grace 1939 of the Christian era, why is the whole world at war—economic war, emotional war, intellectual war—and shivering under the threat of military war? How can such a condition be possible, after all that has been said and done through centuries of growing and ripening civilization to raise mankind, wherever he may be, to a higher level of satisfaction and accomplishment and to bring him into relations with his fellow men that will supply new sources of comfort and satisfaction as these years of life pass on?

How is this present outlook possible? What has happened? Bluntly, there has been, and there is, a complete break-down of moral conviction and moral principles in respect to national and international policies and relations, and an appalling incapacity on the part of the citizens of the world through free governments that are left to rise to the height of their responsibility and opportunity.

If you will take the written public record, war is impossible. Every civilized nation has formally and openly renounced it as an instrument of national policy. Why, then, has it not been renounced? Bluntly, again, because governments have not kept their word and have demonstrated that they can no longer be trusted to keep their word.

In consequence, every nation—east and west, north and south—is pouring all its resources, and far more than its available resources, into expenditure for what it calls defense. No government under any circumstances is preparing for offense. Every government is preparing for defense. If that be true, why is preparation for defense necessary? Because no one believes the protestations of governments.

You are living in an age where the ordinary relationships of nations no longer exist. The formulation of rules and laws which have been developing for 200 or 300 years and which we thought had established themselves in an elaborate and highly useful code of international law and conduct, have been thrown to the winds, and we are now confronted by pressure politics in the international field of a sort with which we are quite familiar on a much smaller scale in the national field.

One of the outstanding statesmen of Europe said to me in private conversation a few months ago that the appalling thing was that all this trouble in the world is being caused by not to exceed 1,200 or 1,500 men. He insisted that the peoples everywhere in the democracies, in the totalitarian states, in Asia and South America wanted peace and prosperity, but that some 1,200 or 1,500 human beings in positions of great responsibility and authority, that authority being largely based on emotional grounds, held the policies of the world today in their hands.

What can be done about it? There is only one answer, and that is that these people themselves must either compel their existing governments to do as they wish or they must find new instruments of government that will respond to their peaceful ideals.

Think what must be the feeling of the mothers of the world as they look out on this scene. Many of them remember only too well what happened to their husbands and their sons 25 years ago. How many of them can face with equanimity what might, within 24 hours, begin to happen to the husbands and sons of today?

What is the use of trade, what is the use of industry, what is the use of commerce, what is the use of effort, what is the use of trying to gain some return from all these in order to make mankind more comfortable, more fortunate and better protected in

old age and adversity? What is the use of it all? We are pouring away not only the world's earnings, but the world's savings, savings for a thousand years, and those savings are not illimitable. There comes a time when they will have gone, and what will the world do then unless it desists from this policy?

In the last war, some of the figures concerning which were given us just now by Mr. Watson, there was destroyed a value equal to five countries like France, plus five countries like Belgium. Should there be another war tomorrow, that destruction might be five countries like Great Britain, or five countries like the United States of America. And what would history have to say of that 100 or 200 years from today as a comment upon our intelligence, our courage, and our capacity to maintain civilization on the high plane—what?

Believe me, there is need for leadership. A new kind of leadership: not the leadership which meets force with force, not the leadership which regards war as inevitable and spends time and countless moneys in preparing for it, but leadership that understands there is only one way to get rid of war, and that is to remove the causes of war, and to remove the causes of war means international cooperation and international effort on an economic, a monetary, a social, and a political scale.

Why should not the Government of the United States go back to its traditional leadership in this field, which it had in its hands from 1899 until 1919 and which it has let pass out? Why should we not go back with our vast population, our high ideals, our wide political experience, our economic power, our convinced belief in peace and its possibility? Why should we not go back and make the reply on behalf of the Government which President McKinley made to the great rescript of the Czar of Russia, one of the greatest documents in human history, when, in 1899, he asked the nations of the world to do just what I am proposing they do now? Why should we not go back to President McKinley's great statement made with superb eloquence on the day before the assassin took his life?

The period of exclusiveness is past. Why should we not go back to Secretary Elihu Root's instructions to the American delegation to the Second Hague Conference in 1908, which resulted in the arranging for a Permanent Court of International Justice? Why should not we go back to the famous joint resolution passed by the Congress of the United States on June 24, 1910, by unanimous vote in each House, calling upon the President of the United States to lead in the organization of the nations of the world for peace with international security protected by the combined navies of the world?

Twenty-nine years ago the Congress of the United States passed that resolution without a dissenting vote in either House. Then came the Great War, the sad results of which I need not repeat. But here we are today faced with this perfectly appalling calamity, and voices saying that it is no concern of ours; that we need not care if one neighbor murders his neighbor, or if one human being assaults another human being, so long as they do not live in our house or belong to our family. That sort of neutrality is immorality.

The sooner and more completely that it is pronounced as such, and denounced as such, the further we will be along on the road to peace. That sort of conduct leads inevitably to war, no matter what professions may accompany it. If the United States Government from its present commanding position feels, for the moment, outside of and above the particular causes of conflict—except economic, in those we are involved—the particular causes of conflict that are likely to lead to military war, why should not the Government of the United States today say to the whole world:

"We remember what we said in 1898 to the Czar of all the Russias. We remember what we said in 1908 which led to the Permanent Court for International Justice. We remember that our Congress voted in 1910 to promote the peace of the world, and today we say to you, 'There is where we stand and that is what we propose to do.'"

ADDRESS OF MRS. VINCENT ASTOR, CHAIRMAN, WOMEN'S PARTICIPATION COMMITTEE OF THE WORLD'S FAIR AND DIRECTOR OF THE AMERICAN ARBITRATION ASSOCIATION

This great fair is dedicated to the world of tomorrow, and women have participated in its activities to a large degree. Certainly every woman should be interested in the world of tomorrow, because women have an opportunity to take their place in this world on a scale that was not dreamed of in the world of yesterday.

In 1880, before the use of typewriters and accounting machines, 82 of each 100 women employed were domestic or farm laborers, textile operators, or dressmakers. Women have always borne their share of the drudgery of the world, but 82 percent was more than their share. Now the ratio of women in the occupations which I mentioned has declined to 29 out of each 100 workers.

In 1880 only 1 out of each 100 women workers was a nurse or clerical worker. Now those ratios are 21 out of 100 in the case of nurses and 18 out of 100 in the case of clerical workers.

In half a century practically every occupation has been opened to women. This is a profitable part of an expanding standard of living where women now play a dominant part in determining how our national income should be spent.

Up to the present, the force of women's aspirations has never been integrated in support of any world-wide cause. Twenty years ago, at the end of the World War, when the resources of the world were partitioned off, new boundaries were established and a new set of rules promulgated, women had little or no voice in world affairs.

Today, women are wielding important influence in every phase of human activity. When a new world structure is established, as it must be sooner or later, let us hope that women may have a larger share in the responsibilities and a voice in the decisions that are made. For I believe that women will be idealistic enough to see the necessity of world order and world organization, and at the same time be practical enough to seek to do justice to all people rather than perpetuate things that have proved unjust.

For a decade or more, a few men, among whom Mr. Thomas J. Watson, have been outstanding in urging a revision of the restrictions upon the exchange of goods and services so that no people may be deprived of those things which will help them to raise their standard of living.

To a greater extent than ever before, women are molding their ideals and enlarging their horizons in order to shoulder their share of responsibilities in world affairs.

Nature has provided enough for all, and it is inexcusable that there should be want and deprivation in so many places, while unsalable surpluses create unemployment and distress in others. The time has come to substitute a balance of equity for a balance of power. Give us a world of tomorrow where women have their fair share of influence in world trade, and Mr. Watson's ideal of salesmen instead of soldiers crossing boundaries will be realized.

Let us then hope that this fair, dedicated to the world of tomorrow, may prove to be the rallying point for the women of the world in a campaign to bring about the new era of world peace and justice men have dreamed of, which we stand ready to assist them in making a reality.

United States Conference of Mayors

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Saturday, May 27 (legislative day of Friday, May 19), 1939

ADDRESS BY COL. F. C. HARRINGTON

Mr. WAGNER. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD a very interesting and enlightening address delivered by Colonel Harrington, Works Progress Administrator, before the United States Conferences of Mayors, at the Waldorf-Astoria Hotel, in New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure as well as an honor to appear before the United States Conference of Mayors. And it is for me a pleasure as well as a duty to talk about the Works Progress Administration.

In discussing our work program, I shall bear in mind that you gentlemen know more than I do about the specific situation in your respective cities, and I shall confine myself to the general or total situation throughout the Nation. The city governments which you represent, and the Federal agency which I represent have now been working together for almost 4 years, and I think that by this time we understand one another pretty well. The work which we have been doing together is to my mind a remarkable example of cooperation. I think it can truthfully be described as not only the largest and most successful achievement in peacetime cooperation in the history of our Nation, but one of the greatest in the history of the world.

I am very proud of my connection, past and present, with this great collaboration between the Federal Government and local governments in providing work for the needy unemployed and in providing municipalities with needed improvements and services. And I am in a position to know that it is because of the administrative diligence and skill of the officials of local governments that this gigantic and complex collaboration has been so successful.

It is inevitable that in carrying out such a program there should be differences of emphasis. I am aware that we in Washington and you in your various localities do not always see eye to eye in regard to particular details of W. P. A. administration and policy. But I shall not attempt to anticipate any criticisms that you may wish to make. If you have questions to ask me at the end of these remarks, I shall answer them frankly to the best of my ability. What I propose to do now is to take up several aspects of the W. P. A. program that seem to me most important at the present juncture and comment on them briefly.

The first thing I feel obliged to mention is one that concerns the degree of adequacy of our employment program. W. P. A. national employment stands for the moment—as of May 8—at 2,600,000. This figure does not represent the extent of the current

need. It is simply the number of jobs that the W. P. A. can provide with the funds appropriated to us by Congress. We know that there are additional large numbers of men and women certified by local governments as able to work and in need—who are not being provided with W. P. A. employment. The cooperation of the W. P. A. with communities in dealing with such needs is necessarily limited by the funds available for wages.

All of us have had to make up our minds as citizens upon what to do about unemployment. And once it was decided that Government had an obligation in that direction, there has been little doubt that it should take two distinct forms—one, toward needy unemployable people, and another toward needy employable people. The first large group is now being given Federal and State assistance, where the proper cooperation is forthcoming, through social-security benefits, or through local direct relief. Most of the other group is being provided with work on public projects. This is being done by our States and localities with the help of the Federal Government. I think you will agree with me in saying that our public-work program is now under the effective control of the States and localities in the respects in which such control is desirable and practicable.

It is the broad general policy that your local government relief agencies shall determine what workers are in need of W. P. A. work, and that your local governments shall plan and initiate projects. Since you help pay for them, it is to be presumed that you are getting what you want.

The President's message to Congress on April 27 supported our present arrangement as to sharing the costs of projects between the Federal and local governments. The rightful amount of the sponsor's contribution has, naturally, been a subject of frequent dispute between us in Washington and you in your localities. We have often thought that you should contribute somewhat more, while you have often thought that you should contribute less. But we have usually been able to come to a satisfactory understanding. That was possible because we on our part had no arbitrarily fixed requirements, except the very reasonable one set by Congress in 1938, which limits the expenditure of Federal funds for other than labor costs to a maximum of $7 per month per worker in any State.

It is my opinion that this type of control—namely, the limitation of Federal nonlabor funds in terms of dollars—is far more advantageous than any limitation in percentage of total cost. We have thus been able to meet, far better than would otherwise have been possible, the varying needs and capacities of local sponsors. I think you will agree that to set up arbitrary, unalterable percentage requirements for sponsors' contributions at the present time would not only make it quite impossible for many of your communities to continue various projects of undoubted value but would go far to cripple the work program as a whole.

Fundamentally we have to choose between continuing our work program along its present lines, and abandoning it in favor of the dole. The latter, in my opinion, would be a mistake of the most unfortunate kind. The President's message of April 27 contained these words: "I firmly believe that the advantages which accrue from the maintenance of the morale and self-respect of the worker and the creation of permanent public assets fully justify this increased cost, and that the adoption of the dole as the solution of this problem would be disastrous."

The vague phrase, "return relief to the States," is often heard these days. This ambiguous slogan covers the proposal to turn Federal work-relief funds over to the States and let them decide whether to use those funds in conducting a work program, or, if they prefer, to stop providing work and merely distribute Federal funds as a dole to the able-bodied unemployed. The significance of the whole proposal seems to lie in the latter alternative—the prospective abandonment and destruction of the work program within the various States.

The present method of Federal, State, and local collaboration on a public-works program, though doubtless capable of improvement, seems to me worth preserving and defending.

And this brings me to another matter, the question of how to increase W. P. A. efficiency. In comparing the efficiency of W. P. A. workers with those in private industry, it is customary for many of our critics to overlook several important aspects of the situations they are comparing. We are sometimes criticized for making less use of labor-saving machinery and equipment than does private industry. This criticism ignores the fact that the purchase or rental of machinery and equipment costs money, and that Federal work-relief funds have to be expended chiefly in the payment of wages to the project workers. I know that we in Washington have no objection to you in your localities providing all the labor-saving machinery you may wish on W. P. A. projects—the more the better. And if anyone should propose that special and separate Federal funds should be appropriated to provide W. P. A. workers with the most modern machine equipment on every project, I am sure that neither you in your localities nor we in Washington will have any objection to that.

In the meantime it is difficult to compare the efficiency of W. P. A. workers with those in private industry. In some instances that are directly comparable, W. P. A. projects have cost less money than contract work would have cost, with equally good results. But we all know that these projects are exceptional. We know the reasons why W. P. A. workers do not, by and large, produce as much results per man-hour as those in private industry. The weather is one of those reasons. Unemployment tends to be greatest in winter, the most unfavorable season for nearly every kind of outdoor work. Private construction can pick and choose its weather for working and the W. P. A. cannot.

Another reason is the fact that we cannot hold on to our best workers by offering them higher wages. We have to let them go—in fact, we make them go—when they have a chance to get a private job. And, contrary to what some people think, our workers do leave W. P. A. projects for private jobs, sometimes at the rate of several hundred thousand a month. Their places are taken by other needy unemployed workers, who have been waiting on your local relief rolls for a W. P. A. vacancy. No work organization can attain a maximum efficiency with a high labor turn-over. And our high turn-over is one of the things that we must put up with and welcome, as an essential part of the whole scheme of emergency work relief.

A third reason is the different number of hours of work put in by various W. P. A. workers as the result of our combining a limited security wage per month with prevailing rates of pay per hour. This compromise between two different types of wage system, which in some instances results in unskilled and semiskilled workers putting in more than twice as many hours as skilled workers on the same project, does not make for efficiency.

There are other difficulties, and I am not going to discuss them all. The point is that some of these matters can be improved, while others are part and parcel of emergency work relief. You on your part, in your localities, have been very patient and have learned how to get valuable results out of W. P. A. projects in spite of all these difficulties. And we on our part owe it to you to minimize these difficulties as far as possible.

The W. P. A. is often judged by isolated projects, and often these criticisms turn out to be ill-founded. Sometimes they are based on complete misrepresentation of the project. The famous "marble dog pound" at Memphis is a good example of what might be called mythological criticism. A more recent example is the so-called "$100,000 beauty-parlor project" in Cleveland.

Let me say a few words about this particular project. It was initiated by the Cleveland Hospital for the Insane. It involved the employment of 130 persons, all but 2 of whom were on the relief rolls. The opinion of the sponsor of this project was expressed in the following telegram, which appears in the CONGRESSIONAL RECORD of March 31, 1939. I quote: "Recent allegations referring to unwise use of Federal funds in Cleveland State hospital project absolutely false. Actual expenditure for beauty operators less than $2,000 a year. Newspaper reports erroneous. The therapeutic projects in welfare institutions are much needed and show a wise and careful expenditure of money.—J. Fremont Bateman, commissioner of mental diseases, Department of Public Welfare, State of Ohio." The whole story, as it is now going the rounds of unfriendly newspapers, is a $100,000 fairy story.

Another W. P. A. project recently criticized is the North Beach Airport project in New York City. This project is being attacked on two grounds—first, that the Federal Government is spending too much money; and second, that W. P. A. workers are receiving too much of the money spent.

It is true that the W. P. A. is spending a great deal of money on this project. It is, in fact, the largest project the W. P. A. has so far undertaken. Some $14,000,000 of Federal funds already have been spent by the W. P. A. on this project. But—and this is a fact seldom included—the city of New York has spent almost as much of its own money to date.

This is not a new type of W. P. A. project. The W. P. A., as you know, has been working on airport projects for years. Hundreds of airports and landing fields were completed before the North Beach Airport was begun. North Beach is simply the latest, the largest, and the most costly. It is a necessary addition to our network of airports and airways, not only commercially but also as a part of our system of national defense.

We are accused of paying high rates to skilled workers on this project. The fact is we pay merely the prevailing rates in New York City, as required by Congress. We also are accused of working W. P. A. workers full time, 5 days a week, every week.

Gentlemen, I wish it were possible for me to admit the truth of this charge, not only for the North Beach Airport but for every other W. P. A. project in the whole country. But the truth is that those regular 5-day-a-week workers at North Beach are not W. P. A. workers, but contract workers, whose wages are paid entirely by the city of New York.

And, finally, as to the number of W. P. A. workers on this project, if they were not working here they would be working on some other project. They have been certified to the W. P. A. by the relief agency of the city of New York as in need and capable of work. The W. P. A. puts them on one project or another project. Why not on this airport project? The quota for New York remains the same.

In short what is the point of these criticisms? In part they are not true, and as a whole they are irrelevant. The North Beach Airport project is 1 of about 35,000 W. P. A. projects scattered all over the United States. It should be judged in the light of the purpose of the whole program. This purpose, I repeat, is to set the needy unemployed at suitable public work for the benefit of the communities in which they live. Undoubtedly these projects are of varying degrees of social value, and certainly they are conducted with varying degrees of efficiency. Criticism along these lines would be useful. But our current critics do not seem concerned with whether we do our job well or badly. Their grievance appears to be that we are doing our job at all—that we actually are providing public work for the unemployed, and actually are helping to

create civic improvements and services. If that is a crime, we are certainly guilty of it.

I have been frankly disappointed at the apparent motivation of the investigators who have been sent out by the congressional committee now investigating the W. P. A. These investigators seem entirely absorbed in hunting things to criticize. So far as I can learn, not one of them has yet told the committee anything about the accomplishments of this program or the good it has done the unemployed. Small faults have been magnified and great virtues entirely omitted.

The true and the fair story of the W. P. A. is to be had from thousands of sources, merely for the asking. Several of your own membership gave very effective parts of it to the congressional committee on May 8 and 9—testimony in strange contrast to that the investigators are bringing in.

Your conference, also, is 1 of 11 national organizations which have just completed a Nation-wide survey of the W. P. A., gathering independent testimony from 8,000 local officials in 42 States. Your president was chairman of a committee which took this report to the White House about a week ago.

This survey contains knocks as well as boosts, and plenty of frank talk. I do not wish to go into great detail about it, but the overwhelming endorsement of the W. P. A. which came from these thousands of mayors and county officials and educators and engineers ought, somehow, to be made known to the American people.

More than 90 percent of these reports stated that their W. P. A. projects were badly needed, of benefit to the communities, and of permanent value. Over 80 percent of them said W. P. A. workmanship has been good, and that the work has maintained the skill and the employability of the workers.

I want to express our gratitude to your conference and the other agencies which helped carry out this appraisal. You have erected an enduring monument upon which the actual public opinion of the Nation's communities is inscribed, to inform those who are uninformed and to confute those who misrepresent.

I should like to say a word about the white-collar projects of the W. P. A. Here are the four questions and answers concerning them in the Appraisal:

"Have the education activities of the W. P. A. been worth while?" Over 95 percent of the answers were "Yes."

"Have the public-health activities of the W. P. A. been worth while?" Over 95 percent of the answers were "Yes."

"Have the public recreation activities of the W. P. A. been worth while?" Over 91 percent of the answers were "Yes."

"Have the other non-construction activities of the W. P. A. been worth while?" Over 95 percent of the answers were "Yes."

It is hardly necessary to say that all these white-collar, the nonconstruction projects of the W. P. A., stand upon the same footing as our construction projects. Unemployment is not confined to manual workers, nor is it confined to men. Employment on public works should include work for white-collar workers and women workers. These account for at least 20 percent of the Nation's total unemployment, and it is only just that they should receive about 20 percent of the jobs in our work program.

This has been the policy of the work program from the beginning, and nothing has occurred to change our view as to the justice and practical necessity of providing work for needy unemployed white-collar workers and women.

In this matter we have the reassurance given by the President in his recent message, when he said:

"I wish to state with emphasis, since the opposite view is frequently expressed, that the Works Progress Administration should, as at present, include some projects of the nonconstruction type to meet the needs of those unemployed workers whose training is such that they are not adapted to employment on construction projects. This provision of work for those people at occupations that will conserve their skills is of prime importance, and the emphasis placed on construction projects should not obscure the necessity for this portion of the program."

Many white-collar projects are concerned with the preservation of important cultural values of our civilization—whether they are education projects, music projects, art projects, or historical record survey projects. If we really respect civilization and really believe in it, we will welcome and encourage the projects which use the special training and preserve the special values that represent the flowering of long ages of cultural effort in the past.

If we care nothing for either the past or the future, we will set our artists to digging ditches and think nothing of it. But I am deeply convinced that we do care culturally for the world's past and for our American future.

If there were time, I should like to discuss the problems of community planning. We in America, with our vast resources, have done too little planning in the past. We are only just beginning as a nation to realize the necessity for planning. You have made a beginning in the communities that you represent. I am glad to know that the W. P. A. has been of assistance to you in carrying out your plans. I know, however, that we have not been of as much help as we might have been, because of the emergency character of our own work, and the impossibility of counting upon us for longer than the end of any current fiscal year. Both your special interest in providing community improvements, and our special interest in meeting the unemployment situation in a constructive way, have been severely hampered by the lack of any long-term basis for our joint efforts. As to the future, that will depend on a fuller recognition by the American people of the fact that unemployment is a long-term problem. I know of no better brief statement of the need for facing the facts than that made by the President in his recent message.

I wish to quote that passage from his message, and with it I will conclude my remarks, except for answers to any questions which those here may wish to ask me.

Said the President: "In any consideration of the problem of unemployment relief, it must be borne in mind that the program adopted to meet it must be envisioned to extend over a considerable period of time. The reason for this is that this Nation, in common with the entire world, is undergoing a process of readjustment, particularly in connection with the production and distribution of goods. Until our American machinery can be realined to meet present-day conditions, the problem of unemployment will persist, and the measures adopted to deal with it must, therefore, be carefully thought out and their operation planned to extend well into the future."

I thank you for your attention.

Crux of the Recovery Problem

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Saturday, May 27 (legislative day of Friday, May 19), 1939

ARTICLE BY WALTER LIPPMANN

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann entitled "Crux of the Recovery Problem," printed in the Washington Post of Saturday, May 20, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 20, 1939]

TODAY AND TOMORROW—CRUX OF THE RECOVERY PROBLEM

(By Walter Lippmann)

The great achievement of Senator O'MAHONEY's committee is that it has succeeded in defining the problem of recovery. If the country, if Congress, and if the President would only fix in mind the elementary and fundamental proposition that has now been demonstrated by the testimony of Professor Hansen and Dr. Currie, there would be a lot more light and very much less heat in the current controversies.

In fact, a full understanding of the proposition would go far to resolve the deadlock between Congress and the administration, and between Washington and the business community. The underlying truth, on which competent men are now agreed, would, if it were sufficiently realized, dispel a large part of the confusion, the suspicion, and the destructive divisions that are paralyzing this country at home and impairing its influence abroad.

I know this is a large assertion, and it may seem rather simple-minded these days to believe that there is such a thing as truth which can prevail over prejudice and partisanship. But, nevertheless, I believe that violent and irreconcilable controversy would give way to constructive debate among men, be they economists, Republican businessmen, or new dealers, who have studied and digested the Hansen and Currie testimony.

CAPITAL INVESTMENT DETERMINES PROSPERITY

The fundamental proposition that has been demonstrated in their testimony is, as Prof. Hansen put it, that "the margin of income which is created by the capital-goods industries * * * fills the gap between prosperity and depression." It is, in other words, the money spent on machinery and on all kinds of construction which determines whether times are good or bad, whether there is full employment or unemployment.

We have, of course, heard this before. We have heard it a thousand times from Wall Street bankers, from corporation managers, from Republican orators, from conservative editors. But we are now hearing it also from the President, from this committee which has in charge the laying of the basis for New Deal policy, and from economists who are among the most trusted technical advisers of the administration.

So at least on this proposition, that recovery depends on capital investment, there exists complete agreement in all quarters. We can go further. We can now say in fairly specific figures what is the problem of recovery. According to disinterested calculations which are not, I think, disputed, the annual capital investment in the United States needs to be about eighteen billions a year. This was the average for 1923 to 1929, and with that much capital investment the Nation will be prosperous, its income will be between seventy-five and eighty billions.

FLOW OF EIGHTEEN BILLIONS NEEDED EVERY YEAR

The figure that the layman needs to keep in mind is this eighteen billions of capital investment needed for prosperity. He can realize

how crucial it is when he sees that in 1931 capital investment fell to less than nine billions, in 1932 to about three billions. This fall in capital investment at the depth of the depression brought the whole national income down from well over seventy billions to a little more than forty billions. So it is clear that to be worried about the amount of capital investment is to be worried about the fundamental difference between national riches and national poverty, between bad times, fairly bad times, and really good times.

Broadly speaking, the problem of recovery is therefore the problem of getting eighteen billions invested each year. That is what is worrying Wall Street, and that is what is worrying the new dealers who are putting their minds on the subject.

Now, we can get further light on the problem by comparing national investments in 1925, which was a good year, with 1937, which started out to be the best year the country has known since the crash. In 1925 the Nation made capital investments, that can be accounted for, of nearly seventeen billions. In 1937, with a considerably larger population, the Nation managed to invest fifteen billions.

Almost certainly that explains why in 1925 there was no serious unemployment, whereas in 1937 there was, along with much prosperity, a great mass of unemployment. To have had as full employment in 1937 as we had in 1925, we should have invested more capital because there were more people to be employed. But actually we invested somewhat less capital.

We can get still more light on the problem by comparing the main items of capital investment in 1925 and in 1937.

The first thing we must observe is that contrary to the general belief there was no spectacular change in the amount of capital invested by Government. The real difference between Government spending, financed by the sale of bonds, between the best year of Coolidge and the best year of Roosevelt is that under Coolidge it was the States and cities that did the investing, whereas under Roosevelt it was the Federal Government.

Politically this is an important and serious difference. But economically total Government investment in 1937 was only about $800,000,000 as compared with $527,000,000 in 1925. Between Coolidge and Roosevelt, Government power became greatly centralized, but Government investment increased only a little.

The next thing we observe is that the capital investment in mining and manufacturing was substantially larger in 1937 than in 1925, about $3,000,000,000 as against $2,600,000,000. So we may say that, taken together, Government, manufacturing, and mining were investing rather more in 1937 than in 1925. The origin of the unemployment is, therefore, not there.

It is perfectly clear where the unemployment originates. In 1937 railroads and utilities invested nearly $800,000,000 less than they did in 1925. But what is even more important, housing in 1937 employed nearly $4,000,000,000 less than in 1925. On the other hand, in 1937 over $4,000,000,000 were invested in inventories, in stocks of goods that had not been sold. But in 1925 only $1,500,000,000 were invested in inventories.

Thus the fundamental difference between the prosperity of 1925 and of 1937 was, first, that with a larger population less capital was invested, and, second, that whereas in 1925 a large proportion of capital was invested in railroads, utilities, and housing in 1937, it was invested in inventories. These two things explain why with prosperity there was still unemployment in 1937 and why the prosperity of 1937, since so much of it depended on inventories, was so feeble and so temporary.

It may also explain why the prosperity of 1925 developed into a boom that ended in a crash, whereas the prosperity of 1937 turned into a recession which has become the present stagnation. That is a cardinal point which needs to be studied much more thoroughly.

In any event, we know at least what our problem is. The problem is how to induce the investment of about 18 billions annually in such a way that we do not get the excessive construction of the late 20's and the excessive inventories of 1937.

The real differences of opinion among competent men begin here. For there are some who think that railroads, utilities, and housing could now invest enough capital to restore employment if only the Government would encourage profits and remove various restrictions. There are others who do not believe that private enterprise, even if liberated, could take sufficient capital to provide full employment. They argue, therefore, that Government investment must not only continue but that it should be expanded.

The difference between these two schools of thought, the one that of most businessmen, the other that of the leading economists and of the reformers in the New Deal, is the area of true debate. The question to be debated is how much capital private enterprise could invest under favorable conditions and how much Government investment is needed to supplement it.

PRIVATE ENTERPRISE NEEDS ENCOURAGING

This debate is confused, however, by the intervention of two groups of extremists. There are the very reactionary who are dogmatically opposed to the whole idea of expenditures for social services. There is the radical group inside the New Deal who do not want private enterprise to invest what it can because their objective is not social reform or recovery but the substitution of political for private control of the industrial system.

Were the confusion wrought by these reactionaries and radicals clarified and dispelled, we should soon see that actually the choice is not between private and public investment. We should see that our real task is to encourage private enterprise to invest what it can and then to supplement it by public investment.

Conference of One Hundred at Washington, D. C.

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, May 27 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, APRIL 16, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Senator from Florida [Mr. PEPPER] before the Conference of One Hundred at Washington, D. C., April 16, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the conference, ladies, and gentlemen, you deserve a great deal of commendation for having come together to put your thoughts and your aspirations together at a crucial time like this.

In spite of the fact that not long ago we were all immigrants and that we have had a good many contests, even wars, with other nations of the world, I have been somewhat impressed by what I have observed to be the general confusion in American thought about what our foreign policy is or what it should be. I have tried on innumerous instances and with varied audiences a number of suggestions, more or less, to provoke the thoughtful response of typical American audiences. I have surmised, for example, that America's course in world affairs should be one of absolute indifference to all political and moral action that seems to be current in the world; that we should primarily be interested only in our own security and our own trade; that so long as our geographical integrity was not threatened, so long as our ships plied the lanes of the world's commerce and trade, and so long as we had economic and commercial access to the various markets and peoples of the world, we were not disturbed about world moral issues. Therefore, we traded equally with the dictatorships and the democracies and it was only a question of a practical adjustment of mediums of exchange or methods of trade, because we didn't mix our scruples and our pecuniary rewards. There are a good many people that think that that is the high destiny to which America should come in world affairs.

Then I would provoke further reaction by surmising perhaps that the people of the United States had been screened and protected for generations past behind the stabilizing influences of the British Empire. Therefore that what we should do is to preserve that primary line of America's defense and simply violate forthrightly Washington's admonitions against the making of permanent entangling alliances and say that the Empire of Great Britain, allied to us in permanent alliance, can give us a force physically, economically, and spiritually that the world cannot down because of the fact that we do not have an appreciable economic conflict, that our economies more or less complement each the other; that we have a tradition and a background, literally a common one, that would be the proper course for America to follow and that disaster would go in the wake of a policy to the contrary. I find a great many people who are considerably impressed by the supposed wisdom of such an appeal.

Then I have ventured to surmise the third possibility; that is to say, once upon a time Great Britain was able to play the game of the balance of power in Europe with geographical security assured by the English Channel, with a mobile empire politically, with great strength and vast economic power, but that the time has come when the English Channel has in the nature of scientific improvement become practically obliterated; that Great Britain or the British Isles were no longer isolated from Europe. They were in the world's eyes a part of Europe and literally a European power, and they no longer had the political mobility that they once enjoyed, because their far-flung dominions were no longer subject to the mere beck and call of the mother country. Many times, no doubt, they had to be coddled, persuaded, or induced into an accord with the mother country in the crises of war. Wherefore the home government couldn't declare war overnight by the mere agency of the home government itself, but these appeasements with the dominions had to be made and finally the strength of the vast Empire had to be mobilized. This couldn't be done as quickly as it formerly could be, and the great British Empire that for so long had been the stabilizing influence in world affairs, based also on its economic strength, was no longer so superior to the other nations of the world; that it could not continue the role of the world's policeman and protector, as it were. Furthermore, the roar of the old British lion has diminished in intensity until sometimes hostile critics call it merely the barking of an old, sick bulldog. So, if what they said, or I ventured to surmise, were true, did it mean that the world had been deprived of a nation and a political power that actually could be the chief stabilizing influence of the world and the conservator of the world's security and peace?

Then I ventured to suggest that the Atlantic Ocean had succeeded to the place that the English Channel formerly occupied; that it was hardly farther across the Atlantic Ocean for the modern airplane than it was across the English Channel for the ancient ships; and that we relatively had the geographical security now which England formerly enjoyed. We still do have political mobility. If our President and our Congress act, it is the action of the people of the United States, and we don't have to bring into that accord people segregated by thousands of miles of ocean and diverse interests from the home government and its sentiments and opinions. [Applause.] And so the American Nation, therefore, has succeeded to that role that the British Empire formerly enjoyed.

No one ventured to deny that as far as sheer economic strength and power were involved the people of the United States stood alone among the economies of the world. The same might be said of its physical strength because the Navy, the skeleton of an Army that we have preserved, the recent experiences that we have had in mobilization, and the plans and formulae that are at present in contemplation and in existence by the Government of the United States with this vast reservoir of intelligent and morally indignant manpower make the force of the United States an agency in the world not to be tampered with. And so I ventured to provoke the reaction of a great many people that the time when England could carry the moral burden of the world had physically passed and either that burden or that cross had to be laid down or there had to rise up one capable of filling its honorable place.

I have been gratified to observe the number of people that have become aware of the fact that we can't be a part of this world, we can't be a member of this generation, we can't be the world's greatest economic and physical power, we can't be this unique thing that all history has never before presented to the mind of man and avoid all moral responsibility for the state of our world. [Applause.]

So, therefore, I think your fellow Americans join with you in the sentiments that you expressed yesterday in commendation of the message of your President, my President, and the American people's President. [Applause.]

I thought there were four significant things about that message that the President sent to Mr. Hitler and Mr. Mussolini abroad. The first one was the recognition of the indisputable fact that a war cannot come to reality in Europe without grievous detriment to the people of the United States. Already more than $5,000,000,000 have been taken from the pocketbooks of American owners of securities by the sheer threat of war, let alone war actually coming. Every businessman and economist knows that if a war were to occur in Europe now that every security and probably every commodity exchange in America would be certainly closed for an indefinite period of time; that the whole economic structure of this Nation would be disorganized and thrown into a state of chaotic disorder, and that the people of this country would be torn into bitter, contending factions and partisanships about the issue of the cause in Europe. Not only that, but the whole stream of world, spiritual, cultural, health, and economic progress would be either downed or dried up by such a catastrophe that might come to smite the peoples of the world.

The President merely lifted the scales from the eyes of those who didn't want to see, and by that courageous message indicated the recognition of the fact that the greatest tragedy that could occur to the people of the United States, not only in the possible involvement but in the detriment that would be certain to ensue, would be a European war.

In the second place, the President laid it down as a condition of world peace that there be a free interchange of world-needed goods and services in the unobstructed channels of world commerce and trade. We should honor that as we do the herculean efforts of our Secretary of State and his staff. [Applause.] We have tried to impress that fact upon the peoples of the world. So the President reemphasized very clearly and directly in that message the fact that there had to be as a condition of world peace a free and an untrammeled and uninterfered with by artificial methods world trade, and more than that he indicated that we would be willing to help to bring about the two things that would make that condition possible; a world recognized medium of exchange and the removal of artificial barriers to the free flow of world commerce and trade.

In the third place, the President courageously recognized that there can be no effective world peace that is based upon world wrong; that world justice is a necessary condition precedent to world peace, and that no peace is safe that depends upon the perpetuation of wrong as a basic condition of its existence. In other words, he applied to world affairs the principle that we find expressed in the maxim that is used in our courts of equity, "He who comes into equity must come in with clean hands." Therefore he does not absolve even our friends from the obligation to do right if they expect to achieve right before the peoples of the world. [Applause.]

In the fourth place, and to me more satisfying than anything else, was the unequivocal recognition of the fact that the people of this country had a share in the moral responsibility for the condition of this world while we are integral parts of it. You know, the America of the 1920's I never thought was the genuine America. The coin of America sounded, it seemed to me, counterfeit when it dropped on the telltale conscience of the world in that year of our history. But day before yesterday it wasn't the America of the materialistic, the money-mad, the world responsibility-shirking America of the 1920's. It was the America that was established when the Pilgrims were here and when they went to church with their guns across their bended arms, and when they fought for the things they believed in. [Applause.] America was preaching to the world a sermon day before yesterday and the world knew that that sermon came from America's heart, and that it came from the conscience of America's people. The world knew that that sermon was right. And it knew that the people of America by that message evidenced the fact that since God had established them here upon the firm foundation of a spiritual inspiration, the people of 1939 had not forgotten their fathers. [Prolonged applause.]

The National Debt

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Saturday, May 27 (legislative day of Friday, May 19), 1939

ARTICLE BY RAYMOND CLAPPER

Mr. MINTON. Mr. President, Mr. Raymond Clapper is recognized as one of the most brilliant and thoughtful of newspapermen, and as this is Debt Week, I should like to have inserted in the Appendix of the RECORD his article on the national debt that appeared in the Washington Daily News on May 25.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of May 25, 1939]

THE NATIONAL DEBT

(By Raymond Clapper)

On the gloomy subject of the national debt, it isn't possible to disagree with the Republican National Committee which is devoting this week to telling the world that $40,000,000,000 is a lot of money. That seems an enormous sum, particularly when it is described as the Roosevelt New Deal debt (which it isn't by half of that).

It might also be pointed out that $31,844,396,000 is a lot of money, too—and that is exactly the sum which national banks of the country reported on hand in assets and deposits on March 29, an all-time high. And $69,000,000,000 is a lot more money than $40,000,000,000, being the amount of cash savings of individual citizens now as estimated by Dr. Ronald Davenport, of the Harvard Graduate School of Business Administration, in his testimony before the O'Mahoney Temporary National Economic Committee. That enormous sum, which is more than half again as large as the national debt, represents the total savings of millions of people who are depositors in savings accounts and building and loan associations, policyholders in life-insurance companies and contributors to old-age retirement or pension systems.

This is a big country, with big savings, big capital, and big debts. So much toward suggesting a sense of proportion.

Now for the figures in the war against depression as prepared by the National Resources Board for the O'Mahoney committee. They cover Federal receipts and expenditures for the years 1931–38. Receipts total fifty and seven-tenths billion dollars. Of these receipts, taxes brought in twenty-nine and seven-tenths billions and borrowings (representing the increase in the national debt) brought in twenty-one billions. Remember that when Mr. Roosevelt took over in 1933 the national debt was $22,500,000,000.

Now for expenditures for 1931–38. Running expenses, including defense, veterans' payments, interest, and A. A. A., totaled twenty-nine and six-tenths billion dollars—almost exactly equal to the twenty-nine and seven-tenths billion collected in taxes. So in these running operations the expense and income were even.

The borrowings of twenty-one billion almost exactly equal the items classified as emergency relief (six and six-tenths billions), net plant (eleven and seven-tenths billions, covering public works), and estimated amortization on the net plant (two and nine-tenths billions). You will take out of that the eleven and seven-tenths billions of net plant structures from which we shall draw either monetary or social dividends over a long period; it leaves some $9,000,000,000 as the real deficit indicated for the 1931–38 period.

That's trick bookkeeping, of course. It serves only to suggest roughly that we have over the last 8 years of depression paid our running expenses with taxes and used a little more than half of the borrowings for useful public construction while scattering a little less than half in nonproductive relief as the price of saving depression victims from starvation. That last item can be viewed

either as humanitarian generosity or as insurance against social disorders, whichever way you like to think of those things.

But let's say that the $20,000,000,000 increase in the national debt which has occurred in the last 8 years was all devoted to the war against depression, with no tangible public works or other values surviving from the expenditure. Put it all down as money that has gone up the chimney in a struggle against the depression. The war against Germany ran up the public debt about $24,000,000,000. Every man will have to figure out for himself the relative merits of borrowing $20,000,000,000 to fight depression and $24,000,000,000 to fight Germany.

And it might be pointed out that in our present national debt of $40,000,000,000 there still remains some $14,000,000,000 of deadweight unpaid debt from the war—or "dead horse debt," as Leon Henderson called it during the committee hearing. We have nothing left to show for it except veterans' expenses and rearmament bills.

International Affairs

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Saturday, May 27 (legislative day of Friday, May 19), 1939

RADIO ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, APRIL 16, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address on international affairs delivered by the Senator from Florida [Mr. PEPPER] on April 16, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There are four respects in which the message of the President of yesterday's disclosure has momentous significance:

First. It indicated the consciousness of the United States that war in Europe is of certain and immeasurable harm to this country. Already more than $5,000,000,000 have been taken from the value of listed securities here by the mere threat of war in Europe. It is known that such a war would close every security and probably every commodity exchange in the Nation for an indefinite period; that our whole economy would be thoroughly disorganized; the passions of our people aroused and the country torn into bitter factions and partisanships. The whole current of world economic, cultural, and spiritual progress of necessity would be dammed and dried up and all the passions and baser sentiments which for 2,000 years we have been trying to subdue would spring up again with almost jungle intensity.

Second. The message affirmed that a free-flowing world trade and commerce—a free interchange among the peoples of the world of needed goods and services—was a basic condition of world well-being and, therefore, of world peace. These conditions could prevail, the President pointed out, only through modern commercial methods; that is to say, where there existed a world recognized medium of exchange and where the channels of free trade were not blocked by artificial obstacles and unfriendly interference.

Third. World peace must depend upon world justice. No peace is permanent which depends upon the perpetuation of wrong. From time to time the state of the world must be reexamined. Frictions and boiling controversies must be brought to the consciousness and to the conscience of the world community. Peace cannot come from a few only. There must be a universal disposition toward peace, and therefore a universal effort for peace. At the council table (with the guns checked outside) the world community must become introspective and self-critical. Who would expect to achieve right must be willing to do right, or, stated in the language of a maxim in our courts of equity, "He who comes into equity must come with clean hands."

Fourth. The message, more than anything else by its very existence recognized that we could not shirk a share of moral responsibility for the state of the world and of the generation of which we are an integral part. It was a stimulating example of how the force of moral leadership may assert itself in the affairs of the world. This was not the materialistic, cold, money-mad, pleasure-seeking America of the twenties when the moral values of our country were in eclipse; this was the heart of real America speaking again. America was aroused to its old fervor. America was preaching a sermon; and the whole world knew that that sermon was from America's heart. More than that, the world knew that a great nation which God had built upon a spiritual aspiration, had not forgotten its fathers.

Some Problems of Today

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. CORDELL HULL, SECRETARY OF STATE

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Secretary of State before the Chicago Sunday Evening Club, in Orchestra Hall, Chicago, Ill., on the 28th day of May, on the subject Some Problems of Today.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

These are perilous times in the lives of individuals and of nations. Violence and threat of violence haunt the world. Again, as, unfortunately, on so many occasions in the past, one of the most exalted aims of civilization and progress—the banishment of brute force as the arbiter of relations among nations—is being subjected to a strident and powerful challenge. Within nations many long-established institutions and concepts of political and social organization are also being subjected to challenge, while economic difficulties, some of them of unprecedented character, continue to press for solution. Tonight I should like to discuss with you the bearing of the important phases of our international relations upon some of the fundamental problems which we face at home.

Only two decades have passed since guns were stilled in the greatest armed conflict of history. At the conclusion of that cruel ordeal, with its incalculable human, material, and moral devastation, it was the passionate hope and desire of men and women everywhere that such tragedy should never again be reenacted. It is appalling to contemplate how quickly and how widely the lessons of so recent a past seem to have been forgotten; how soon again the voices of national leaders are raised in several parts of the world in glorification of war and in deprecation of the blessings of enduring peace.

Overwhelmingly men and women in every country of the world yearn today for a peaceful existence devoted to promotion of human welfare through increasing mastery of man over the forces of Nature, uninterrupted and unretarded by recurrent catastrophes of armed strife. War is today an incomparably greater menace to progress than it has ever been in the past. Responsibility without parallel rests, therefore, upon those national leaders who proclaim their readiness to employ the instrument of armed force for the attainment of their aims, and who thereby compel nations which are threatened by their actions to face the tragic choice of surrender or armed defense.

The situation thus created contains the monstrous possibility that millions of human lives, as well as the substance and creative genius of the nations involved, may again be sacrificed on the altar of military conquest. Even if the supreme disaster of war should be avoided, the gigantic waste of human energies and material resources involved in the widespread construction of armaments on the present scale must inevitably exact a fearful toll in general economic and social deterioration throughout the world. The result can only be to put many nations on drastically reduced rations of civilized existence for a long time to come.

We cannot accept the argument that because in the past many controversies among nations resulted in a clash of armed forces, the scourge of war must forever be an inescapable reality of international relations. In the face of difficulties, scarcely less discouraging, men have successfully grappled with many of the great scourges by which they have been beset. Why should war—the greatest of these—be regarded as incapable of eradication?

This is the season of the year when we, in this country, decorate the graves and monuments of our heroic dead. We honor those who fell in the various wars in which our Nation has been engaged for the supreme personal sacrifice they made. But we shall be untrue to their memory if, in honoring them, we fail to make two all-important resolutions: to be as loyal as they were to our country, and to spare no effort within our power to create conditions under which there will no longer be place on this earth for the kind of purgatory through which they had to pass.

The sacrifice made throughout history in countless armed conflicts will have been wasted, indeed, if it does not serve as a constant reminder to all of us, everywhere, of the tragic cost of war for vanquished and victor alike, and of the desperate need, if civilization and progress are to continue, to find other and more constructive means of adjusting differences and grievances among nations. Such means of pacific settlement, tested both by reason and by experience, exist; their ultimate success is inevitable unless

outworn doctrines of bygone ages are permitted to supplant concern for the welfare of human beings as the aim of statesmanship.

Against this background of troubled world conditions, problems of the utmost gravity confront us in this country. Some of these arise out of our own domestic conditions; others grow out of our relations with other nations. The two sets of problems are, in many vital respects, interdependent. Their solution, as I have indicated on many occasions, requires the fullest practicable development of our domestic economy combined with appropriate policies in the field of foreign relations.

I can, perhaps, best illustrate this interdependence by reference to some of the problems involved in the preservation and advancement of those things which we Americans prize as the bases of our way of life. Among those things there are two which, in my opinion, are fundamental and vital to all the rest.

The first is that every citizen is entitled to a fair chance to earn a decent living for himself and his family, to give his children a good start in life, and to face his declining years free from the specter of poverty and want. In view of the resources with which this country is endowed and of the great forward strides that have already been made, it is within our power to build a nation in which every citizen, willing to work, will be able to enjoy a rising standard of living and an adequate measure of economic security.

Second, the true ends of social justice can be achieved only in conditions of individual freedom under law, through the operation of institutions of popular government. It is true that a measure of economic security is possible without freedom of the individual. But that is the security of serfdom. Even aside from its moral and spiritual degradation, this type of security is subject to enormous limitations in the degree of individual well-being which it provides. It leaves too little scope for the human spirit, for individual initiative, free enterprise, willingness to face risks, readiness to engage in voluntary cooperation for the common good. These are the most powerful motive forces of progress; they are attributes of free men, banded together in voluntarily accepted and self-imposed social discipline—not of men held by fear of brute force.

This ideal is a distinctive part of our national heritage. Our country was reclaimed from the wilderness by men and women who sought to establish on its vast expanses conditions of life under which new pathways of progress would be blazed. The long American experience represents the fullest demonstration yet available that the welfare and security of the individual—and, therefore, the progress and well-being of the Nation of which he is a part—are indissolubly bound up with the enjoyment by every citizen of the greatest practicable measure of personal freedom under law and of true equality of economic opportunity.

The process of attaining these objectives is long and arduous. In the course of our national existence we have made marked advances in that direction. But each step forward brings with it new needs and new problems, which must be met successfully if we are to advance. The manner in which a nation fulfills these needs is the true measure of its physical, intellectual, and spiritual virility.

Our great tasks in the past were in the spheres of physical settlement and of a search for means of multiplying our powers of physical production. These tasks we have largely accomplished. The initiative and labor of the pioneer have brought the arts of civilization to every corner of the land. The ingenuity of the inventor and the technician, the enterprise of the businessman, the industry of the worker, and the farmer have created in this country a productive equipment thoroughly adequate to supply the present needs of our people and thoroughly capable of further expansion to supply our future needs.

But these very developments have brought with them new complexities and new problems. Our economic structure under present conditions functions as a complicated and intricate mechanism. Our great task today is to perfect our social and economic organization to meet the increasingly complex conditions of modern life. For this, new types of cooperation and accommodation are required between region and region, between group and group, between individual and individual, for the greater benefit of all. New duties and new responsibilities are imposed upon government.

We are determined that all these purposes shall be carried out by using to the full our traditional processes of popular government. As I have already stated, it is my firm conviction that all this cannot be accomplished except under conditions in which the individual will enjoy the greatest practicable measure of freedom under law.

At a time when pressing problems confront us at home it is sometimes thought that preoccupation with our country's international relations and with developments outside our frontiers is an unnecessary dissipation of national energy. From this plausible error, as much as from any other source, springs the advocacy of national isolation, which is frequently heard in this country.

There is no more disastrous illusion than the thought that a policy of national isolation would make it easier for us to solve our great domestic problems. The exact reverse is true.

Great as are the material resources with which our country is endowed, they are not sufficient to enable us as a nation to meet the needs of our people on the level of well-being to which we aspire. Today we supplement our own resources by imports from abroad. Some of which, like rubber, tin, manganese, though small in relative volume, are essentials to the functioning of our greatest national industries. Some of the things we now purchase in other countries we can, perhaps, produce domestically, but at a much higher cost in terms of economic effort than is required for the production of exports with which we now buy these foreign products. For others, we can develop substitutes, of inferior quality and, again, at a relatively higher cost. Still others we cannot produce at all, and, if we did not import them, we would have to do without them altogether. In each case the net result would be a decline of our national efficiency and consequently an inexorable lowering in the level of satisfaction of our people's wants.

By dispensing with imports we would necessarily lose foreign markets for our exportable surpluses. Those branches of our production—in farming, mining, and manufacturing industry—which are now geared to an output in excess of what can be absorbed in the domestic market, would be forced into a drastic curtailment of their productive capacity. The resulting impairment of their capital investment would be a net loss to our national economy. Millions of workers would be deprived of their means of livelihood through the loss of foreign markets; they would have to be shifted into other fields of activity or else be supported by public relief. Reduction of surplus-producing branches of our national economic activity to the dimensions of the domestic market requirements would necessitate a long, painful, and costly process of readjustment. All these burdens would fall upon the entire national economy. The result of the whole process would be to lower still further our standards of living.

Readjustment would be an undertaking of such magnitude that it could not possibly be accomplished without far-reaching intervention on the part of government, with dangerous social effects. Regimentation in practically every phase of national life would be the inevitable consequence. One needs only to look at the experience of the few countries which have attempted to reorganize themselves on a basis of even partial self-sufficiency to realize what the character, scope, and results of such regimentation would probably be.

These would be some of the consequences of a policy of national isolation carried to its ultimate conclusion. Any move in the direction of isolation must necessarily have the same results in varying degrees. Far from facilitating the solution of our domestic problems, a policy of national isolation, or even a movement toward such a policy, would aggravate the very difficulties with which we are now confronted. It would, moreover, put into jeopardy precisely those institutions of free enterprise and individual freedom the maintenance of which alone holds a promise of success in solving our great problems.

Some argue in favor of national isolation from another point of view, namely, that by withdrawing from normal relations with other nations we can insure for ourselves freedom from risk of embroilment in war. Here again the exact reverse is true.

No country can insure peace for itself by merely proclaiming its desire for peace, when there are in the world nations willing to challenge and fight other nations to gain by force what they covet. When such is the case, peace can be assured only at the price of abject surrender to the challenger. One would have to be blind to obvious facts to indulge in the belief that the existence of such potential international challengers is not today a stark reality.

The possibility that such a challenge might one day be directed against us would be enhanced by the fact that a policy of national isolation on our part would hurt not only ourselves, but other countries as well. Deprived by our action of the opportunity to trade with us, they would be faced, in varying degrees, with the need for painful adjustment of their own economic structures. The resulting ill-will would not be an aid to our national security.

A policy of national isolation would not relieve us of the need of maintaining the means of armed defense. Rather, it would necessitate an intensification of our efforts in that direction, which might become increasingly difficult in proportion as the effects of isolation impaired our national efficiency, our economic strength, and—with them—our power of defense.

It is not through a policy of isolation, but rather through supplementing our domestic efforts by playing our appropriate role as a member of the family of nations, that we can hope to solve the problems which confront us today within our own frontiers. That role has two essential aspects.

The first is concerned with the maintenance of world order under law as the sole effective instrumentality for the preservation of enduring peace. Such world order calls for acceptance and application by nations of certain basic principles of justice and fair-dealing in civilized international relations: respect for national independence and sovereignty; scrupulous observance of international obligations; willingness to adjust all international disputes solely by pacific means. To the establishment of such world order we can contribute by our own firm adherence to these principles; by using our moral influence to induce other nations to give them their adherence; by cooperating in all peaceful efforts to give practical reality to the application of these principles; by maintaining our strength and our courage, to the end that no nation will be tempted to challenge anywhere our vital national interests.

The second aspect of our role in foreign affairs is concerned with the promotion of sound and healthy international economic relations as an indispensable foundation of world order under law and, therefore, of enduring peace. Today the well-being of every nation increases in proportion as its citizens have peaceful access to the resources of the world rather than merely to those within its own frontiers. Such access is possible only through mutually beneficial trade and through all those other innumerable international

relationships which have already enriched so magnificently the lives of individuals and of nations. Without such access, all nations would be compelled to dissipate their efforts and substance in a hopeless struggle for shrinking economic opportunity.

To the promotion of such international economic relations we can contribute by facing squarely the fact that they are indispensable to the well-being of our own country and of every country; by ourselves giving them practical application through policies such as those embodied in our reciprocal trade agreements program, which has already demonstrated its effectiveness as a powerful instrument of action in that direction; by being ready to extend our policy and action along every practicable line that holds a promise of strengthening the foundations of peace through mutually advantageous economic relationships among nations.

The goal of an America such as I have envisaged—a country at peace within and without, in which all citizens will enjoy economic security under conditions of orderly freedom for the individual—may best be reached by a twofold program, covering both domestic and international problems. Concentration on one to the exclusion of the other—whichever of the two we might choose—could not by itself bring the desired results. Action on both fronts is essential. The means of action on both fronts are at our disposal. Our task is to use them with vigor and determination, with clear thought, with faith in our ability to win through to our desired objectives.

The Political Mill

EXTENSION OF REMARKS

OF

HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

ARTICLE FROM THE WASHINGTON EVENING STAR

Mr. ELLENDER. Mr. President, I ask leave to have printed in the RECORD an article by G. Gould Lincoln appearing in the Washington Evening Star, issue of the 27th instant, headed "The Political Mill, 1,500 Families' Livelihood Seen Imperiled in Florida by Sugarcane Quota Order."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of May 27, 1939]

THE POLITICAL MILL—1,500 FAMILIES' LIVELIHOOD SEEN IMPERILED IN FLORIDA BY SUGARCANE QUOTA ORDER

(By G. Gould Lincoln)

Under the leadership of Senator ANDREWS and Representative PETERSON of Florida, legislation by Congress is sought to permit sugar growers in this country to choose whether they shall be subject to restrictions under the existing Sugar Act and receive benefit payments from the Federal Government or shall be free of these restrictions and accept no benefits. Florida sugar growers, they have made it clear, are willing to take on the world catch as catch can.

They have said in the past that they are willing to operate without the benefit of a tariff. Now they are willing to operate without the benefit of Government benefit payments—and still continue to pay the processing tax under the law, just as do any sugar producers in this country who receive these benefit payments. All they want is to be allowed to plant and grow sugar and sell it.

It seems strange that American farmers—Florida sugar farmers—should be restricted to the point they are in the matter of production, when they can make money without the restrictions and "benefits" and can sell to the American consumers at low prices.

FUTURE CROPS DESTROYED

The more recent orders of the Department of Agriculture, acting under the so-called Sugar Allotment Act of 1937, as they affect Florida, call for plowing under approximately 6,000 acres of fine sugarcane. By destroying this sugarcane, not only is the current crop destroyed but the crop for 4 or 5 years on this acreage goes by the board. From four to nine crops result in Florida from one planting.

Sugar, including both beet and cane sugar, is not a surplus crop in the United States. Indeed, it is quite the other way. Although Americans use nearly 7,000,000 tons of sugar annually, sugar producers in this country are permitted—permitted, be it understood—to supply only about 2,000,000 tons. It does not really make sense when it is understood that sugar producers like those in Florida can do without a tariff and without Government benefits to offset a processing tax, and still provide the American people with sugar at prices as low as any others.

It is quite true that the American people have been accustomed to draw their major supplies of sugar from Cuba, Hawaii, and Puerto Rico, and that if American continental production is increased the markets for sugar from the outlying countries will necessarily be decreased. In fact, the sugar problem is and has been a tough one. But the Floridians argue that their people are entitled to just as much consideration as anyone else, and that if they can produce good sugar at cheap rates they should be allowed to do so.

QUOTA 50,000 TONS

In Florida, under the Sugar Restriction Act, the farmers have been allowed to produce and sell approximately 50,000 tons a year. This is not even enough sugar to feed the people of Florida, not to mention the rest of the country. Yet it has been estimated that Florida could produce 500,000 tons of cane sugar if given the chance, and produce it well and cheaply.

Senator ANDREWS and Representative PETERSON have introduced identical bills in their respective Houses which would amend the Sugar Act by giving the growers of sugar anywhere in continental United States the right to decide for themselves whether they wish to continue under the restricted and benefited program, or whether they wish to go it on their own. This legislation would not take away from the sugar producers who wish to keep on with the Government benefit payments, and to agree to restrict their acreage, it is explained. For them the act would operate without change.

Under the law, the Government pays as benefits to sugar growers 60 cents per hundred pounds, with the scale graduated down to 35 cents for the larger producers, provided they live within the allotments and restrictions set by the Department of Agriculture. The penalties are so heavy that they have no other course. If the producers go beyond their quotas, the sugar is subject to confiscation and the growers open to a fine three times the value of the sugar. There are similar market-allotment penalties. The Government collects a processing tax on sugar in this country amounting to 50 cents a hundred pounds.

SEES MANY FAMILIES IMPERILED

The plowing under of 6,000 acres of sugarcane in Florida, now ordered by the Secretary of Agriculture, will result, Senator ANDREWS says, in the discharge of about 1,500 heads of families now employed in the Florida sugar industry. He insists that these workers are among the highest paid on any agricultural project in the United States. They will no longer be needed for sugar cultivation and harvesting if the acreage curtailment stands. Out they will go, and no one seems to know what they will do.

The sugar producers of Florida are not alone in the matter of crop curtailment under the orders of the Department this year. Further restriction of crops in Louisiana and for the beet-sugar producers in other parts of the country have gone or are going into effect.

Supporters of the Andrews-Peterson bills insist that it will not interfere with the administration of the Sugar Act of 1937, and they point out that the proposed legislation does not become effective until 1940. The Secretary of Agriculture, they say, has not yet made his estimates for 1940, and before he begins his calculations he will know the producers in this country who will not apply for benefits and how much sugar they will produce. The administration of the act, they argue, would be simplified.

For Victory in 1940

EXTENSION OF REMARKS

OF

HON. JOHN A. DANAHER

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. DANAHER. Mr. President, on Saturday, May 27, my colleague from New Hampshire, the senior Senator from that State [Mr. BRIDGES], delivered an address at the Seventh Annual Convention of the Association of the New York State Young Republican Clubs, in New York City. I ask unanimous consent that a copy of the address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Toastmaster, Congressman BARTON, delegates, and guests of the convention, it gives me great pleasure to have the opportunity to address once more a New York State Young Republican Convention. This is your seventh annual convention. Our country is also going into the seventh year of New Deal administration of our National Government. Perhaps seven is a lucky number, for the country and for the Republican Party. You know, it is related in the Bible that in the ancient lands 7 lean years are followed by 7 years of plenty. We have had 7 lean years; 7 years of idle workers, idle capital, and economic planning that has included too many plans and no economies. Next year this Nation will rid itself of the 7-year plague called the New Deal. Nineteen hundred and forty will see the end of 7 lean years—years of

drought and economic scarcity. The handwriting on the wall says a Republican victory.

In 1932, the Republican Party went down for the count of 10 and in 1936 the corpse was supposed to be decently buried. But it got up from the coffin, walked away from the funeral, and now it has begun to scare the undertaker. And the Young Republicans had a great part in that rejuvenation. They have done as much as any other group to keep alive in the party the will to fight.

They have had the idealism to believe in the integrity and courage of the men and women of this country—to know that neither the false promises of crackpots nor the disguised bribery of the most monstrous bureaucracy in our history could permanently debauch the American people. For the vitality of the party today, the Young Republicans deserve the thanks of the Nation. As one who holds national office under the Republican banner, I welcome this opportunity to express my own gratitude.

The reviving power of the Republican Party means growing influence for you. How are you going to use that influence? It puts upon you the responsibility of clear and thoroughly honest thinking. The country has lived on hokum and hooey for 7 years. We've got to find some way out of the mess. That influence puts upon you also the responsibility of the far vision. When we plan for the 1940 convention we've got to be looking not only beyond June but even beyond November. We've got to win the election, of course; but we've got to win it for the purpose of entrusting the welfare of the Nation to the men we elect. That is your responsibility for the far vision.

In the third place, you have the responsibility of helping to form and direct public opinion. It is particularly for that reason that I want to talk to you for a moment about our foreign policy, which, with recovery, is one of our most critical problems and one of the most pressing.

The Republican Party is the party of peace. There is no question but that peace is the most ardent desire of the American people. There are several schools of thought, however, on the methods through which peace can be best maintained. In all schools are people who think loosely; people who are prejudiced; people who think of war profits; people who think perhaps that a war might bring revolution to this country; and people who even think perhaps that the danger of war and the keeping of the public in a constant state of war jitters might promote their own political fortunes. We Republicans wholeheartedly condemn any and all activities on the part of the present administration which might tend to involve this country in a European war.

But condemnation of the policies of the Roosevelt administration are not enough. What ought to be the Republican policy? You have no more urgent question to decide; and the decision is—it must be—yours to make. For my own part, I believe that the legitimate aims of the United States in its dealings with other nations can be briefly stated under three main headings. They are: Friendly intercourse with all, a secure defense, adherence to the Monroe Doctrine.

First. Friendly intercourse with all means promotion of healthy trade relations—reciprocal-trade agreements, for example, which take into consideration the American producer, the American farmer, and the American worker.

It means also the encouragement of arbitration as a means of settling international disputes.

It means strict neutrality in our dealings with any nations between which any dispute has arisen, and a very carefully prepared scheme of formal neutrality when such a dispute reaches the point of armed conflict.

It means a respect for the will of other people as expressed by their form of government. Such an attitude is only consistent with our own principles of democracy.

Friendly intercourse with all does not mean sanctions or threats or insults against the governments of nations with which we are at peace. Loud-mouth blusterings in foreign newspapers lend no dignity, no propriety, no justification to similar conduct on the part of members of our Cabinet.

Second, secure defense, this means armed might, of course—strength of Army, Navy, and air force, adequate to our territory and the performance of our obligations. But it means more than that. It means the protection, by diplomatic means or otherwise, of our national rights and of our citizens in their legitimate pursuits in all parts of the world.

The American people have always been devoted to the ideal of disarmament. We have indicated repeatedly that our judgment of what constitutes armed protection for us is always subject to revision by treaties for the limitation of production of armament. We stand today ready to undertake and to be a party to any conference looking toward these ends. But it is not the policy of the Republican Party nor the will of the American people that this Nation be defenseless in the face of present world conditions. Therefore, we must subscribe to such an Army, Navy, and air force as will protect the Western Hemisphere from invasion or political or economic aggression.

Third, adherence to the Monroe Doctrine. This means two things—two lines of policy that are separate but mutually dependent. First, we will stay out of European affairs; second, European powers must stay out of the affairs of the Western Hemisphere. That is the substance of our policy given by President Monroe in his famous message to Congress. One part of the doctrine without the other is like a violin without a bow; it cannot function to the purpose for which it was designed and the only use you can make of it is to hit somebody on the head with it. America has no more interest in European power politics now than she had in the days of Washington and Monroe. America has no reason whatever for entering an alliance with any European power, whether nominally in the interests of "collective security," or for any other end. The essential fallacy of the "collective security" idea is the fact that some of the poker players of Europe regard any such alliance as binding only so long as they themselves do the collecting. We want friendships with Europe, yes; alliances, no.

As to the second part of the doctrine, the words of Monroe are as necessary today as they were a hundred years ago: "We construe any attempt on the part of European powers to extend their system to any portion of this hemisphere as dangerous to our peace and safety."

If we fulfill the obligations placed upon us by a truly hemispheric policy, we shall have our hands full without trying to police Europe.

For victory in 1940, then, the Republican Party must present a sane and understandable program for the conduct of foreign affairs. The American people are looking to the Republican Party for leadership. We can give it to them. A sane foreign policy is a vital part of our program. So far as our foreign relations are concerned, the Republican Party and the American people want the opportunity to develop our industry and our trade, our arts and our culture, in fellowship with all mankind. We want peace and we want leaders who will follow the paths of peace. God grant that we may soon have them.

On the home front the Republican Party will present a clear and concise program which will bring about social and economic recovery in the United States. Such a program is vital for victory in 1940. Given the greatest nation in the world, given the most fertile soil, given a people who possess the greatest initiative in the world, given the most widely diversified natural resources, there is no excuse whatsoever for the present condition of domestic insecurity in our country.

For victory in 1940 the Republican Party must present such a program as will release the forces of recovery. What are these forces? They are the expansion of private industry and the encouragement of private initiative; the repeal of all laws which tend to curtail production; the development of new methods of distribution in the fields of industry and agriculture; the development of a sane agriculture program which will mean the return of the American market to the American farmer and new uses for agricultural products, crop insurance, and soil conservation. They are the amendment of the Social Security Act to put it on a pay-as-you-go basis; the revision of such tax laws as hamper, curtail, and strangle American industry; the repeal of all laws which permit the Chief Executive to tinker and experiment with the people's money; and abolition of the vast duplication of bureaucracies, boards, and commissions. They include the amendment of the Wagner Act to make employees equally responsible with employers for the maintenance of industrial peace—to provide for arbitration in place of inquisition and thus insure, so far as possible, steady employment under democratic conditions and fair standard of hours and wages.

In short, for victory in 1940, we Republicans propose to put the Government of the United States into the business of running the Government of the United States and take it out of the business of running the private life of every citizen in the land.

For victory in 1940 the Republican Party must offer work—jobs—the encouragement of thrift and the security which a free people under a free government should enjoy. For our philosophy of government is based upon the proposition that the American state is made up of 130,000,000 individuals, who have guaranteed rights under our Constitution. This is not the philosophy of the Roosevelt administration. Our philosophy is dedicated to the proposition that our citizens are still willing and competent to manage their own affairs. We realize no party can legislate the golden streets of Paradise into existence, but we know that the American people in our generation are not licked. They have inherent in them that same capacity for progress and achievement in their time which enabled their fathers to carve from the wilderness the greatest nation in the world.

It is possible to undertake a program which will make for happiness, for an ordered existence, for the necessities of life and some of the luxuries, for a savings-bank account, and for hope that individual initiative will be rewarded and not chastised. That is the American way of life.

The people are the masters of the state; they may be led, but they must not be dictated to; they must not be bribed; and they must not be robbed of their birthright by an administration whose domestic program is composed for the most part of economic fallacies.

For victory in 1940 the Republican Party must offer a candidate and a program which will give the country temperate and trustworthy government based upon the traditions of private liberty and justice to all men. Our candidate in 1940 must be a man who will not pussyfoot and will not straddle. He must be a man who will not promise all things to all people, who has too much strength of principle to use a talent for oratory to varnish nonsense with the charms of sound. Neither do we need a man who continually stirs up strife in order to convince the people that he is their leader. We want no man who will ride a whirlwind in order to direct the storm of his own creation.

For victory in 1940 we will offer to the American people a man of hard, common sense, of experience, and of a fundamental knowledge of the wants, the hopes, the desires of the American people; and, above all, a true respect for the American form of government.

The Cabinet of the Republican President in 1941 must not be overlooked. For victory in 1940 we can promise that the Cabinet of

the Republican President will have no Harold Ickes and no Madam Perkins and no Tommy Corcoran doing a Charlie McCarthy act.

More and more it is necessary for the Cabinet of a Chief Executive to be composed of men who have proven character and ability, for the men who operate the executive branch of our Government must have the trust of the American people. They may be sure that the Republican Party will offer no "crackpot" theorists or political racketeers.

For victory in 1940 the Republican Party must promise, above all things, that this Government shall not be run by communistically inclined backstairs "brain trusters." Nowhere have I seen a more apt description of the "brain trust" of Franklin D. Roosevelt than that given by an up-State New York apple farmer who said, "They know a lot, but what they know just ain't so."

For victory in 1940 the Republican Party must offer a program which will repair the wounds of our economic machinery and restore the morale of our people. This will mean hard work for all of us. I see the campaign of the Republican Party for 1940 as a holy crusade for the return of economic sanity. The American people are turning to the Republican Party in their hour of need. They seek leadership and in their search they turn to the one party whose promises they can believe and whose program will mean peace and plenty.

In the New York World's Fair we see the scientific marvels the "world of tomorrow" will bring to us. If that "world of tomorrow" is to come to us in the American way, free of persecutions and of the destructions wrought by the New Deal, we must carry out the ideals of the Republican Party. We must provide a leadership worthy of the trust of the people. Uniting behind that leadership, with a deep sense of consecration to a great task, we must reestablish honest and progressive Government that will enable the American people to attain in that "world of tomorrow" the high destiny that is their birthright.

National Debt Week

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, May 29 (legislative day of Friday, May 19), 1939

RADIO ADDRESS BY HON. THEODORE F. GREEN, OF RHODE ISLAND

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an address over the radio by the junior Senator from Rhode Island [Mr. GREEN] on Saturday, May 27, 1939, the subject being National Debt Week.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow citizens, here is good news for you! National debt week is over. For a week opponents of the administration have been trying to scare you out of your wits by weird pictures of all the terrible things which are going to happen to you and your children and grandchildren because of the national debt. They have been acting like a lot of small boys on Halloween ringing doorbells, tapping on windows, dressing up in sheets, and carrying jack-o'-lanterns. Just as the King's birthday seems to have been moved ahead half a year, so Halloween has been moved for partisan purposes from the end of October to the end of May and stretched out for a whole week in addition. You not only have heard a lot of talks over the radio by well-advertised headliners, but you have had amateur nights as well. Not only have our ears suffered, but our eyes also have been subjected to attack. Walking through the streets of Washington this week, I passed a window decorated with a nice model of the Empire State Building in New York City with a large label stating that if the administration had only spent its credit on Empire State buildings like that, instead of on other things, we would have 940 Empire State buildings by now.

Do you think it would have been better, regardless of whether the Government or private enterprise paid for them, to have built 940 Empire State buildings rather than all the conservation projects that the Government has built, the new schools in every State and practically every county in the Nation, the new playgrounds for old and young, the camps for young men, or in fact all the fine assets that the unemployed have built with the aid of our Federal Government? At any rate, if their jack-o'-lantern was supposed to scare me, my bones did not chill with horror at all. In fact, I think I would have done much better if I had gone to the movies.

But, my fellow citizens, was it what those opponents of the administration said about debt in National Debt Week, or was it what they did about the debt which really carries weight with you? Only a week before, as you will remember, in spite of their long speeches for economy, the United States Senators voted, without winking an eyelash, $1,218,000,000 for parity payments to our farmers, thereby increasing our next year's deficit by about 10 percent. I am not criticizing their vote; I am drawing attention to the curious inconsistency between preaching economy and voting huge appropriations.

At the very beginning of this National Debt Week, these critics in the National House of Representatives, lined up and voted for this bill, too. This was followed by one of the Senators introducing a bill calling for an extra appropriation of $22,000,000 for a project near his home town. As the President has pointed out, in general, these advocates of economy are all for economy except in their own home towns. They are also all for economy except at the present time, even if the present time is National Debt Week. All of them while speaking against debt and preaching economy seem to be repeating the prayer of St. Augustine "Make me pure—but not yet."

Day before yesterday, as a part of this week's celebration, the President signed the naval appropriation bill amounting to over $773,000,000, being an all peacetime record for naval appropriations, this bill having passed the Senate and House by huge majorities.

Do not these official acts of these Senators and Representatives in Congress speak louder than their radio speeches, no matter how greatly their voices may be magnified? One Senator issued a statement saying that the increase in the national debt would be disastrous because the vast majority of our people have to pay increased taxes to pay interest to a small number of bondholders. He failed to point out that this situation, so horrible from his point of view, could be avoided by increased taxation, not on the mass of our people but on the small group to whom the interest would be paid. Such a thought was perhaps too dreadful to contemplate.

Another Senator attacked Government spending, and presumably our program of relief to the unemployed, because it demoralized our Nation. He did not mention how he proposed to care for our unemployed. Perhaps he longed for a dole which in his opinion may not be demoralizing.

And a Representative whom I admire gave a moving account of an unemployed lad in New York looking for a job. This was part of his attack on Government spending. But this very spending included the C. C. C. and the N. Y. A., which have given young men like the one he described a better chance to make life worth living.

In view of all these inconsistent contributions to National Debt Week, can you blame me for wanting to add my bit at its very close? I believe in economy as these critics do. Coming from New England as I do, where fortunes have been built up by economy and thrift and where these virtues have been extolled higher than anywhere else in the country, I share the desire to balance the Budget as soon as possible. I cannot, however, bring myself to believe that thrift and economy are to be practiced regardless of circumstances or that balancing the Budget is the principal aim of government. Suppose in your family you carefully worked out a budget system which would carry you along in a reasonable way and even provide something for the future. And then suppose an unexpected catastrophe like an automobile accident overtook you, and your only son was brought home on a stretcher and his little sister lay a bit of human wreckage by his side, would you patiently listen to a well-meaning theorist who said, "You can't afford a doctor or a nurse to look after your children; it will unbalance your budget. You must realize how serious it is to unbalance a budget. What will your children do if you run into debt?" Wouldn't you answer, "If I don't look after my son and daughter now, I won't have any children. What is the use of balancing the budget if I lose all that I value in my life?" And so it is with our national economy. Without ascribing any fault to anyone, even our critics must admit that the catastrophe of unemployment has overcome a large portion of our citizenry. They admit that it is through no fault of the unemployed that this has come about and that they cannot be allowed to starve. This is shown by the almost unanimous votes for huge appropriations for relief. Yet these critics seize this opportunity of criticizing the size of the debt without regard to the purposes for which the debt was incurred and give up a whole week to this childish appeal to you.

Now that this pathetic exhibition of National Debt Week has come to a conclusion I suggest that these critics undertake the celebration of another week devoted to two topics. The first topic should be the reconciliation of their speeches in debt week with their votes for appropriations far exceeding what President Roosevelt has recommended. The second topic should be the way to balance the Budget at the present time without subjecting our country to even greater evils than an unbalanced Budget.

Government spending and Government debt increases have been treated by our critics as much the same thing, but they are quite different. Government spending is now necessary, and will be necessary for some time, and perhaps indefinitely, to supplement private spending. If the private owners of hoarded funds will not spend them or invest them, the Government must and will supplement private investment with public investment. We cannot waste either capital or manpower by letting them lie idle while lasting improvements need to be made and human and natural resources need to be employed.

We tried the tragic experiment of letting private business alone and keeping the Government out of business in the years which ended with President Hoover. That experiment ended with long bread lines, millions of jobless workers, manufacturers and businessmen in bankruptcy, with their savings accumulated within a lifetime lost within a few years.

When the Roosevelt administration came into power it tackled the banking situation and launched its recovery program; but because

purchasing power failed to keep up with increased production, unemployment remained. The spending program was launched, and under its stimulus the business index rose until in 1937 the expenditures on durable producers' goods had risen to almost exactly the 1928 level. Then businessmen urged the Government to stop spending and balance the Budget. The Government accepted these views. What happened? Again a depression and again widespread unemployment. Critics argue that this was owing to the New Deal. They overlook other facts contributing to the result. Our population, which increased fifteenfold in the last century, has become almost stationary. The frontiers which we pushed out farther and farther during that century have reached their limit. Machinery has taken the place of manpower to an unprecedented extent. So, until some other solution can be found, spending is necessary and the debt must increase.

But need we be alarmed at an increase in the public debt? As the President has pointed out, the aggregate public and private debt of this country is no greater now than it was in 1929. And the assets against which the public debt is held are for the most part as sound as the assets against which the private debt is held. Our public assets are not only the calculable assets of the new wealth we have created, they are the great incalculable assets of a happy nation and a nation at work.

Any private firm when it draws up its budget does not think of how little it can spend. It thinks of how much it should wisely spend within the limits of its credit. In the same way the home owner when he buys his house does not think only of how much cash he has in hand; he thinks also of his expenditure in terms of his ability to pay the interest and amortization charges upon it in contrast to his past expenditure for rent, etc.

Our Government in caring for our natural and human resources should think in exactly the same way. Then it is surely clear to us that so long as our national income rises by more than the interest burden upon the debt it is easier and not harder for us to carry that burden.

Finally, we must remember that, as the President pointed out, our debt is not owed to a foreign power. From a national standpoint, we owe it to ourselves and we can raise the funds to pay ourselves in any way we like.

In their bewilderment our critics hark back to England, who they say, achieved recovery without spending. They forget that England now is maintaining its level of business activity by spending an amount nearly twice as great in proportion to its size as the greatest amount spent by our Treasury in any of the last 6 years.

Does anyone think that England or any other country can revert now or in the future to the old order in which government investment was barely known? Millions would be left without work if this should happen. It cannot happen.

And so let us throw what is left of National Debt Week, jack-o'-lanterns, spending inconsistencies, and all into the ashcan.

Now let us look forward. We must understand this new world in which we are living. Then we can reach the happy position in which our national income is determined by the limitation of our resources rather than the limitation of our ideas. Then, as a Frenchman once said, we can "Put money in the service of production, production in the service of humanity, and humanity itself in the service of an ideal which gives meaning to life."

Neutrality

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

LETTER FROM THE SECRETARY OF STATE

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a copy of a letter addressed to the chairman of the Committee on Foreign Relations of the Senate by the Secretary of State, dated the 27th day of May, on the subject of neutrality legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 27, 1939.

The Honorable KEY PITTMAN,
Chairman, Committee on Foreign Relations,
United States Senate.

MY DEAR SENATOR PITTMAN: In harmony with the conversations I have had during recent weeks with you and other members of the appropriate committees of the two Houses of Congress with regard to pending legislative proposals for modifying existing peace and neutrality legislation, I wish to offer the following comments.

These proposals are intended to aid in keeping the United States from becoming involved in war. They contemplate, primarily, a state of affairs in which relations in the world have ceased to be peaceful.

Our purpose must be at all times to endeavor to foster that state of relations among nations which will maintain the fabric of world peace. In pursuance of that aim we have done and must do everything possible within the limits of our traditional policy of noninvolvement in overseas affairs.

In considering the present proposals for legislation we must keep in mind that, no matter how much we may wish or may try to disassociate ourselves from world events, we cannot achieve disassociation. The simple fact of our existence as a great nation in a world of nations cannot be denied, and the substance of the legislation adopted in this country inevitably influences not only this country but also other countries. The problem for us is not whether we shall help any foreign country or any group of foreign countries. Nor is it that of passing judgment upon or interfering in other people's controversies. Rather, it is that of so conducting our affairs and our relations with other peoples, both before and after the outbreak of war elsewhere, that we shall be more and not less secure, so that we shall not become parties to controversies, and so that our attitude and actions will encourage other people to avoid rather than to become engaged in controversy.

Because of troubled conditions with which we are all familiar, the Congress rightly is now considering the situation which might obtain were a state of war to develop between other nations. In such case the first concern of the United States is its own safety as well as the desire and intent, which all of us resolutely follow, to remain at peace.

In the event of a foreign war we would be immediately faced with the problem of maintaining our neutrality.

When a war begins that body of rules for the regulation of international relations which applies in time of peace becomes impaired. Under international law the belligerent states then acquire certain rights which do not appertain to states at peace, and at the same time states which remain at peace become affected by a body of rules under which they have the rights and obligations of neutrals.

In considering whether legislative restrictions upon our freedom of action can advantageously be maintained or adopted to insure against our being drawn into war, we should, in my opinion, avoid the error of assuming that provisions which are at the same time rigid and of universal application will serve our interests satisfactorily in every situation which may arise. The course of world affairs is unpredictable. What we should try to do for the purpose of keeping this country out of war is to enact measures adapted to the safeguarding of our interests in all situations of which we can conceive and at the same time imposing a minimum of abnormal and unnecessary burdens upon our nationals and a minimum of disruption of our peaceful economic life.

I believe it is important that the legislation which may be enacted should conform, so far as possible, to traditional concepts of international law adhered to by this Government. International law requires that the domestic measures adopted by a neutral shall be impartially applied to the contending parties in conflict. It does not require that a neutral nation shall embargo any articles destined for belligerents.

If we go in for embargoes on exports for the purpose of keeping ourselves out of war, the logical thing to do would be to make our embargo all-inclusive. Modern warfare is no longer warfare between armed forces only; it is warfare between nations in every phase of their national life. Lists of contraband are no longer limited to arms and ammunition and closely related commodities. They include not only those items which contribute toward making warfare possible but almost every item useful in the life of the enemy nation. A nation at war is no less anxious to keep cotton or petroleum, or, indeed, any useful product, from reaching an enemy nation than it is to keep guns and airplanes from reaching the enemy's armed forces. I doubt whether we can help ourselves to keep out of war by an attempt on our part to distinguish between categories of exports. Yet a complete embargo upon all exports would obviously be ruinous to our economic life. It, therefore, seems clear that we should have no general and automatic embargo inflexibly and rigidly imposed on any class or group of exports.

Our conclusion that embargo on export of arms is undesirable is not new, and experience has confirmed our belief.

On August 31, 1935, on the occasion of his signing the Neutrality Act of 1935, the President made the following statement:

"The latter section (providing for an embargo of export of arms) terminates at the end of February 1936. This section requires further and more complete consideration between now and that date. Here again the objective is wholly good. It is the policy of this Government to avoid being drawn into wars between other nations, but it is a fact that no Congress and no Executive can foresee all possible future situations. History is filled with unforeseeable situations that call for some flexibility of action. It is conceivable that situations may arise in which the wholly inflexible provisions of section I of this act might have exactly the opposite effect from that which was intended. In other words, the inflexible provisions might drag us into war instead of keeping us out. The policy of the Government is definitely committed to the maintenance of peace and the avoidance of any entanglements which would lead us into conflict. At the same time it is the policy of the Government by every peaceful means and without entanglement to cooperate with other similarly minded governments to promote peace."

On November 6, 1935, I made the following statement with respect to neutrality legislation:

"Any discussion of the avoidance of war, or of the observance of neutrality in the event of war, would be wholly incomplete if too much stress were laid on the part played in the one or the other by the shipment, or the embargoing of the shipment of arms, ammunition, and implements of war. * * * To assume that by placing an embargo on arms we are making ourselves secure from dangers of conflict with belligerent countries is to close our eyes to manifold dangers in other directions. * * * We cannot assume that when provision has been made to stop the shipment of arms, which as absolute contraband have always been regarded as subject to seizure by a belligerent, we may complacently sit back with the feeling that we are secure from all danger."

Our involvement in controversies is more likely to arise from destruction of American lives. In this regard we can effectively diminish our risks by keeping our nationals and ships out of areas in which there is special danger. The rights of our nationals under international law may properly be restricted by our own legislation along certain lines for the purpose of avoiding incidents which might involve us in a conflict. In indicating certain restrictions upon the exercise of our rights as a neutral I do not wish to be considered as advocating the abandonment of these, or indeed of any, neutral rights; but there is reasonable ground for restricting at this time the exercise of these rights.

For the reasons heretofore stated, it is my firm conviction that the arms-embargo provision of the existing law should be eliminated. I furthermore believe that the most effective legislative contribution at this time toward keeping this country out of war, if war occurs, would be made by enacting or reenacting provisions on lines as follows:

To prohibit American ships, irrespective of what they may be carrying, from entering combat areas;

To restrict travel by American citizens in combat areas;

To provide that the export of goods destined for belligerents shall be preceded by transfer of title to the foreign purchaser;

To continue the existing legislation respecting loans and credits to nations at war;

To regulate the solicitation and collection in this country of funds for belligerents;

To continue the National Munitions Control Board and the system of arms export and import licenses.

Provisions on the suggested lines would, I think, help to keep this country out of war and facilitate our adherence to a position of neutrality. They would make easier our twofold task of keeping this country at peace and avoiding imposition of unnecessary and abnormal burdens upon our citizens.

Sincerely yours,

CORDELL HULL.

Rt. Rev. Msgr. John A. Ryan, D. D.

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

TRIBUTES AT THE SEVENTEENTH BIRTHDAY ANNIVERSARY TESTIMONIAL DINNER

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD tributes to the Right Reverend Monsignor John A. Ryan, D. D., at the testimonial dinner tendered to him on the seventieth anniversary of his birth.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

REMARKS OF THE TOASTMASTER, RT. REV. MSGR. MICHAEL J. READY, GENERAL SECRETARY OF THE NATIONAL CATHOLIC WELFARE CONFERENCE

Tonight I serve you, the constituents of District Number One of the Sovereign State of Congratulation, in presenting distinguished witnesses to the worth and virtue of a great American citizen.

In the past decades true liberals had to stand and fight and conquer the doctrine of laissez faire taught in the system of nineteenth-century liberalism. The battle goes on under different systems today. Modern ideologies have added new methods, crueler and more efficient techniques, but the fight is the same—the defense of human liberty and human dignity versus the vicious, grasping selfishness of an individual, a group, or a government.

Throughout all these years the church and churchmen very often have been labeled reactionary and unprogressive and unreal. The same cry is heard today with modern variations of epithet.

And what was true in the lengthening decades of the past 70 years marked by our own jubilarian is true today. Catholic leaders would more heartily join with even the most vocal—which usually are the least discriminating—social reformers in driving out the devil of social abuse if these same reformers were less interested in injuring and destroying the rights of the church.

REMARKS OF MR. JUSTICE FELIX FRANKFURTER

Several things contribute to my pleasure in coming here in honor of a man who, despite all appearances to the contrary, is regarded as venerable, since he has attained the high mark of biblical expectancy. Monsignor Ryan's contribution to human welfare none can gainsay. Happily, his work as a Christian teacher has been recommended by a personality in which social zeal, aggressive integrity, and homely simplicity have been enhanced by an almost coercive charm.

He belongs to a church which has had a varied experience in human history. It has survived both poverty and prosperity, outlived alien and hostile philosophies, and throughout has shown that adaptability to changing conditions which is the index of an extraordinary vitality. It has been the distinction of Monsignor Ryan as a teacher of theology to apply dogmas avowedly conservative to the solution of problems affecting the welfare of the masses in ways that have gained him general recognition as a foremost liberal. Central to his thought have been the moral dignity of the individual and man's effort toward enhancing social security. It has not been his lot to enjoy the detachment and serenity which we associate with the life of a scholar. But perhaps it will be permitted one outside his faith to suggest that the practical pursuit of Monsignor Ryan's convictions has been strengthened by the thought that in promoting his conception of social justice he was faithfully carrying out the commission his church gave him to preach.

Many are here tonight who do not subscribe to the authority of those dogmatic principles which have supported and energized John Ryan in his teachings. Perhaps they salute him with more conscious gladness because, from different starting points than theirs, Dr. Ryan has reached conclusions of whose wisdom and fruitfulness this is a celebration. The members of his own church must find an additional satisfaction in feeling that he is an illustration of a cherished Catholic principle that the ancient church is ever new. And so we find that those high in the authority of his church, his colleagues, and his disciples take special pride in him at a time when he has been steadfast in his active devotion to those universal claims of humanity which has been so flagrantly denied by great temporal powers.

We confidently wish that Monsignor Ryan will carry on, unmindful of the clock, for many years, and that on the troubled and uncharted seas which the world now sails, his wisdom may point out stars for the course and his kindness may bring comfort to the weary mariners. And may the tribute of this dinner be remembered by him as testimony of our gratitude and as proof of a life greatly lived.

REMARKS OF SENATOR JAMES M. MEAD, OF NEW YORK

No force serves humanity more powerfully than truth. Seekers after truth and the teachers of mankind—in spiritual or in temporal life—have provided the pillars of wisdom upon which the destiny and progress of civilization rest. Tonight we honor a distinguished contemporary thinker. Monsignor Ryan has for a period of years been a searcher of truth—devout, conscientious, and untiring—his life has been devoted to the service of the church and to the service of his fellow men. His scholarly attainments in widely ramified religious, social, and economic endeavors mark him as an outstanding national authority on many subjects.

I leave to those better qualified than myself to review his theological contributions. Neither can I adequately describe the scope of his work as an educator. However, I can, and I take great joy in the opportunity to do so, refer to his leadership in the field of government.

Dr. Ryan's biography reveals a man who has steadfastly advocated liberal measures in government to bring a more full and happy existence to all the people. Persons have said that I was a new dealer a generation ago, and I am not embarrassed by such a charge. Dr. Ryan, however, has been thinking not one generation ahead but many generations ahead in his constant and unrelenting plea for an improved society. Here is a man who has obtained all of the instruction and education that schools could offer him and that books could reveal to prepare himself for a lifetime of humanitarian service. His whole career has been devoted to a study of mankind's problems and he has employed all of his wisdom and skill and zeal in efforts through teaching, through writing, through speaking, to bring a little more hope and promise to those who are less fortunate. He has written laws, delivered countless addresses, written several volumes, all designed to improve the lot of the masses of our people. His name is held in respect in every Christian nation and his works are familiar to scholars the world over.

As far back as 1906, Father Ryan was writing with fervor and appeal about the need for a living wage for workingmen. He said then—in that day of rugged individualism—that every man, of right, was entitled to a fair day's work and a fair day's pay to support his family under decent conditions, and to live in wholesome, healthful surroundings. He has stressed for 30 years the need for maximum wages and minimum hours for labor. He has pleaded the cause of social and economic victims of this modern age. He

has stressed the affinity between wholesome living and wholesome thinking. He has borne the label of "reformer" with dignity and he has been impervious to ridicule. His emulation of the example of the Divine Teacher has fortified him against unjust, unthinking, and destructive criticism. Always with restraint and tolerance and reason he has clung to his ideals. Today he can see the materialization of many of his hopes and there is tangible evidence of the fruits of his labors.

But with all these years of application to what he considered his duty and what certainly constituted his supreme ambition in life, he has not lost one iota of his humanness, his pleasant nature, and his indefatigable progressiveness.

To the legislator who is concerned with social problems, Dr. Ryan's influence and logic are indispensable. It is easy to measure in a concrete way the force that he has created in the legislative field. His authorship of the Minnesota State minimum-wage law and his definite recommendations to many congressional committees form but a very minor chapter in his long career of service. Dr. Ryan is a pioneer today in the field of liberalism just as he was a pioneer in liberalism 30 or more years ago. But it is not to his books nor to his professorships at the highest institutions of learning, great and scholarly as they are, but to his innate progressiveness and his ceaseless struggle for the betterment of mankind that I pay tribute. He may yield to none in the mastery of clear thinking, conscientious service, indomitable will, and long-ranged vision. He inspires the Nation's leaders of liberal thought; he advances the well-being of the common man; with exemplary dignity and Christlike humility, he gives his intellectual talents and his physical strength to the service of his church and his country.

ADDRESS OF HON. FRANCES PERKINS, SECRETARY OF LABOR

In Monsignor Ryan the rights of the working people of the world have had a profound interpreter and a devoted defender. While those of us who know him appreciate the high estate to which he has risen, as economist, teacher, and churchman, and the many titles bestowed upon him in evidence of this, we prefer to address him by that simple, more personal title of "Father."

To Father Ryan belongs the distinction of being among the first in this country to apply to the field of labor the principles of Christianity. These ideas found some expression in Pope Leo XIII's encyclical On the Condition of Labor. Father Ryan, at the time of the issuance of this encyclical in 1891, was a young man attending a seminary in St. Paul, but he has made great contribution to the development and practical application of some of the ideas there expressed. In any event, he has been consistently an advocate of the application of moral principles to the modern problems of the social and economic relation between capital and labor. His writings have given to those principles specific and concrete form. Nowhere has he done so more significantly than in a little book written 33 years ago when he was a relatively unknown professor of moral theology and economics. In this, entitled A Living Wage, Father Ryan presents a Christian theory of wages based on the dignity and worth of human personality and its duty to perfect itself. The individual, Father Ryan holds, is an end in himself. Man does not exist for society, but rather does society exist for him. He has a moral and natural right to a living wage. Natural moral law requires that he should be able to earn by his labor sufficient wages to satisfy more than mere animal needs and to insure him his share of modern society's resources, security for the present and future, and self-respect. When the industrial system for whatever cause cannot function adequately to provide this decent livelihood to its workers then, said Father Ryan, it becomes the duty of society to provide it. This is not charity but social justice which is the purpose of all government and which our own Constitution recognizes when it promises to "promote the general welfare."

This book was one of the first publications in any language to advocate the establishment of a minimum living wage by law. In a day when any attempt of the wage earner to gain better working conditions and wages by uniting was still regarded with distrust, Father Ryan was scored as a radical or dismissed as a dreamer. Yet he has lived to see his dream of a minimum wage come true and to find his own specific teachings of 33 years ago hailed as the new philosophy of industrial relations. As he sits here tonight he will undoubtedly hear those of us who have come to do him honor repeat, without knowing it, some phrases of his own rich humanitarianism.

His influence has been very great through his students, his books, his friends, and his generous and liberal association of himself with organizations of men and women everywhere who have worked for various social reforms.

But Father Ryan did not leave it there 33 years ago. He went on to point out that his conception of a living wage and a decent livelihood for labor was not only good ethics but good business as well. If it were established, the wage earners of the country who need so much more in the way of food, textiles, furniture than they are able to buy, would then have all the purchasing power necessary to keep industries running and men employed. Here, he said, social justice is identical with the general good and with economic expediency. And remember he wrote in 1906, when no threat of 1929 disturbed the complacency of business, no hint of unemployment or depression troubled the then universal American dream of prosperity.

We have still not caught up with Father Ryan's thinking, 33 years later, but we are coming closer to it. Only lately has business begun to realize that economic policies are subject to ethics, and that a moral obligation to pay a good wage falls on the employer of labor as a consequence of his position of power over the fruits of the earth. Only recently has the world recognized the wage earner's status of human dignity on the statute books and in practice.

In further application of the Christian doctrine for the improvement of the condition of the wage earner for the sake of his own development, Father Ryan long has recommended many other measures. Perhaps the more important of these are the following:

1. Insurance of wage earners against the hazards of accidents, industrial disease, sickness, unemployment, and old age.

2. Organization of wage earners into trade-unions for the purposes of collective bargaining.

3. Participation of wage earners in management, profit, and ownership.

To the field of labor problems Father Ryan's contribution and influence have been broad and deep and practical. There is no greater tribute I can give his persistent influence on American thought and action than to quote his own words. "Never before in our history," he says, "have Government policies been so deliberately and consciously based on the conception of moral right and social justice."

ADDRESS OF RT. REV. JOSEPH M. CORRIGAN, RECTOR OF THE CATHOLIC UNIVERSITY OF AMERICA

Monsignor Corrigan said, in part: Every man lives two lives—one in his proper person and the other through the pulsings of his thought and work in the other lives with which he comes in contact. Every man in his daily contacts begins an influence which spreads in an ever-widening circle to other lives which the life he has touched in turn reaches. There is no way of estimating, therefore, in any human accuracy the results of a long life. When, however, one has the happy consciousness that such an influence, issuing from his diligent pursuit of a high motive, has resulted in a nobler patience, a better hope, a more exalted courage in untold lives, that worker is already reaping a reward exceeding great.

It is part of Monsignor Ryan's great joy tonight that he, who, as a priest, has spent his life sowing the good seed of the Word of God, has lived to witness the glory of a great harvest. The priest is always the sower but has no promise that he shall see the reaping of what he has sown. To witness a bountiful fruit in the seed he has planted is to win very signally the Biblical promise of a hundredfold reward in this life.

When it has come to anyone, as it has come to Monsignor Ryan, to find he has sown blessed seed in the fertile soil of the hearts of a people, then we can understand why the glory of his years of service must be to him tonight a matter both of proper pride and of happy consolation. We can rejoice with him that through it all he has kept the simple heart of a priest; that he has never been swayed out of the balance required to keep him constantly in the footsteps of his Master, conscious that, like his Master, his steps were taking him among the beloved of the Master—the poor.

It is for this reason that we are most happy to share the splendor of this scene with him, and that I bring him here, in the name of the university, in the name of the chancellor of the university, Archbishop Curley, who could not be present, and in my own name this expression of our profound gratitude for the work that he has done. It would be difficult indeed to vision the Catholic University in the past quarter of a century without the pioneering work and untiring ability of Father John Ryan. That his own peace and happiness be the best measure of his success in the many years we hope are before him, is the wish of his colleagues at the Catholic University of America.

THE WHITE HOUSE,
Washington, May 10, 1939.

Rt. Rev. Msgr. JOHN A. RYAN, D. D.,
The Catholic University of America, Washington, D. C.

MY DEAR MONSIGNOR RYAN: Because of your perennially youthful spirit and your zest for service in behalf of your fellow men—particularly the underprivileged—it is difficult to realize that you have attained the scriptural age of three score and ten.

But your birthday gives your friends a welcome opportunity to break through the reserve which your modesty has built up and to tell you of their appreciation of the good works which you have wrought through all the years of your active career. With voice and pen you have pleaded the cause of social justice and the right of the individual to happiness through economic security, a living wage, and an opportunity to share in the things that enrich and ennoble human life.

Happily, at 70 you are unwearied in your labors. In extending congratulations may I express the hope that for long years to come you may continue to labor for those causes of which you have been such an earnest advocate and unselfish champion.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

DETROIT, MICH., *May 25, 1939.*

Rt. Rev. Msgr. JOHN A. RYAN, D. D.,
Catholic University, Washington, D. C.:

With keen regret that I am unable to attend your seventieth anniversary dinner tonight I send in the name of the administrative board of bishops heartiest felicitations and the fervent prayer for continued devoted service in the church and Nation.

EDWARD MOONEY,
Archbishop of Detroit,
Chairman of the Administrative Board of Bishops,
National Catholic Welfare Conference.

ST. PAUL, MINN., *May 25, 1939.*

Rt. Rev. Msgr. JOHN A. RYAN, D. D.,
Catholic University, Washington, D. C.:

Heartiest felicitations on your distinguished observance of your seventieth birthday with best wishes for health and happiness. Consecration of St. Mary's Church keeps me here.

JOHN G. MURRAY.

APOSTOLIC DELEGATION, UNITED STATES OF AMERICA,
Washington, D. C., May 22, 1939.

Rt. Rev. Msgr. JOHN A. RYAN, S. T. D.,
Catholic University of America, Brookland, Washington, D. C.

RIGHT REVEREND AND DEAR MONSIGNOR: With pleasure have I learned of the testimonial dinner that is being offered in your honor on the occasion of your seventieth birthday, and it is my desire to extend heartfelt felicitations and sincere wishes to you who have labored so many years for the betterment of general social conditions.

With this anniversary you also mark 25 years of teaching in the Catholic University of America, whence you have brought thousands to a realization and better understanding of the problems that confront society. Permit me, therefore, my dear Monsignor, to congratulate you most sincerely, and to voice my ardent wishes that the Lord may grant you many more years in His service.

With sentiments of deep esteem, and most cordial regards, I beg to remain

Sincerely yours in Christ,

A. G. CICOGNANI,
Archbishop of Laodicea, Apostolic Delegate.

T. V. A Power in Mississippi

EXTENSION OF REMARKS
OF
HON. GEORGE W. NORRIS
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Monday, May 29 (legislative day of Friday, May 19), 1939

LETTER FROM ALCORN (MISS.) ELECTRIC POWER ASSOCIATION TO TENNESSEE VALLEY AUTHORITY

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter written by the Alcorn (Miss.) Electric Power Association to the Board of Directors of the Tennessee Valley Authority.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 26, 1939.

The BOARD OF DIRECTORS, TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn.

GENTLEMEN: Early this month the Alcorn Electric Power Association sent to your electricity operations department at Chattanooga two checks totaling $5,839.32 in final payment of its long-term debt. The association is now free of debt.

This is an important milestone in the experience of our organization, and we know that it will be a source of gratification to you and your staff as well as to us. For one thing, it bears out your predictions of 5 years ago. You may recall that in April 1934 Directors H. A. Morgan and David E. Lilienthal came to Corinth for a conference to present a plan which was later adopted and resulted in the organization of this association. In connection with this conference Mr. Lilienthal made a representation in which he said:

"It will be proposed that the electric cooperative enter into a power-and-purchase contract with the Authority, by which it is expected that the cooperative will have completed purchase payments for the city and rural system within a period ranging from 5 to 7 years."

This prediction has been more than borne out. In slightly less than 5 years this association has not only repaid the original purchase price but has repaid additional debt to the Authority for rural-line construction and has expanded and bettered the electric facilities so that it now owns a system with a net value more than double the original price and completely free of long-term indebtedness.

We believe it will be of interest to sketch our experience briefly.

You will recall that on June 1, 1934, the association took over from the Authority the electric properties in Corinth and about 12 miles of rural distribution line, the total amount of farm lines operated by the private power company which we succeeded. We assumed a debt to the Authority of $114,632. This was subsequently increased to a total of $236,317, largely through purchase of additional miles of rural line constructed by the Authority. Of this amount $48,000, representing rural lines in Tennessee, was sold to the Pickwick Electric Membership Corporation, leaving a debt of $188,317.

The financial success of the operations of the association was such that we have been able to make payments on the debt almost from the very start. Annual payments have been as follows: $6,468 in 1934, $42,957 in 1935, $18,607 in 1936, $21,584 in 1937, $37,899 in 1938, and $60,802 in 1939.

Through this period, with the exception of 1939, the association paid all taxes required from a private power company and carried all the forms of insurance essential in protection of our public, our employees, and our business.

However, this is not the entire story. The association has been able to expand over this period of years. As of April 30 of this year, its books show an investment in plant and equipment of $345,930. Against this there is a depreciation reserve of $75,916, so that the net value of the plant and equipment at this date is more than $270,000.

There has also been an improvement in the working capital, so that at April 30, 1939, the current assets were $46,740 against current liabilities of $16,262. These results have been accomplished by the use of earnings amounting to $185,406 and investment of the members amounting to $112,400.

We are proud, justly proud, of this record, especially since 5 years ago we knew that we were embarking on an experiment in distribution of power at low rates. I know that you recall, more vividly than we do, the assertions that the resale rates which we contracted with you to charge were altogether too low for successful financial operation. And as a matter of fact we took notice of this possibility by placing surcharges of 10 percent on the bills of industrial and commercial customers.

Whatever fears we had, however, proved unjustified. In August 1936 we found that the surcharge was not needed and removed it.

As you and your staff predicted, the introduction of drastically reduced rate schedules brought about an immediate increase in the consumption of electric power and consequent growth in revenues. A few figures will show graphically the growth which this association's electric business has experienced.

On June 1, 1934, this association had 1,542 customers; on May 1, 1939, the number was 2,641. It now has 70 miles of rural line in Alcorn county, compared to 12 at the beginning.

During June 1934, the association purchased 268,000 kilowatt-hours of wholesale power from the Authority; during the month of April this year, it bought 966,000 kilowatt-hours. During the first 12 months of operation, it purchased 3,815,000 kilowatt-hours; during the last 12 months, ending April 30, it bought 11,074,000 kilowatt-hours.

The record of residential consumption is most striking. You will remember that members of your staff in 1934 compiled figures showing that during May 1934, the last month in which the rates charged by the private company were in effect, the average residential customer used only 49 kilowatt-hours for which he paid an average of 5.37 cents per kilowatt-hour. During this last April, the average use per customer was 174 kilowatt-hours, or more than three times as much, and the average price paid was 1.6 cents per kilowatt-hour. The number of residential customers has grown from 1,180 to 2,103. During this last April 365,000 kilowatt-hours were used by this class of customer, compared to 58,300 kilowatt-hours in May 1934.

We are convinced from our operations during the past 5 years that we have attained a place in the national movement for cheap electricity, and invite the closest examination of the association's record, firmly believing that it merits the approval of all, even its closest critics.

Most respectfully yours,

C. E. MCGEE,
Secretary, Board of Managers.
B. F. LIDDON,
President, Board of Managers.

German Refugees

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Monday, May 29 (legislative day of Friday, May 19), 1939

ARTICLE BY DR. HENRY SMITH LEIPER

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very interesting article by Dr. Henry Smith Leiper, secretary of the Federal Council of Churches, on the subject of German refugees.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Current History for May 1939]

THOSE GERMAN REFUGEES—FACTS DO NOT JUSTIFY THE PROPAGANDA ABOUT REFUGEES DISPLACING AMERICAN JOB HOLDERS

(By Dr. Henry Smith Leiper, secretary, Federal Council of Churches)

A great hue and cry is current these days about the number of German refugees reputedly displacing American workers. In New

York, department stores are accused of firing native Americans to hire refugees; in New England, according to oft-repeated rumors, entire mills are being manned by refugees; throughout the country the same story continually crops up in one or another manifestation, despite categorical denials by employers.

What is the truth? Americans have a right to know. Are we being flooded with refugees? Do they displace American labor? Are refugees a liability or are they, as their friends contend, a vast potential and already partially achieved economic asset? Fortunately, there are facts and figures to which we can turn.

To appreciate the problem presented by refugee immigration to the United States we must understand the extent of that immigration. What, then, are the official figures of the United States Immigration and Naturalization Service?

In the 6-year period, July 1, 1932, through June 30, 1938 (the official Government statistical periods most closely approximating the present era of national socialism in Germany), there has been an immigration to this country of 45,952 Germans. In the current fiscal year, which ends June 30, 1939, we may expect an immigration from Germany (including Austria) equal to the total allowable by our quota regulations—27,370. Thus as of July 1 fewer than 75,000 emigrants from Germany will have come to this country in the 7 years since July 1, 1932.

This figure of 75,000, which is the "roof" of all possible estimates of the number of German refugees in this country, must be lowered if one takes into consideration the number of aliens who returned to Germany.

For the 6-year period, July 1, 1932, through June 30, 1938 (the last year for which there are official Government figures), 18,445 aliens legally permanent residents of the United States returned to Germany.

Subtract this figure from the total number of immigrants for the 6-year period—45,952—and you get a 6-year net German immigration of 27,507, or 4,584 persons a year. If you ignore the emigration to Germany and concern yourself only with the German immigration to this country, the average immigration per annum for the 6-year period is 7,659.

It is interesting, in this connection, to compare the total German immigration per annum for the past 6 years with that of the 6 years immediately preceding the advent of nazi-ism. The German immigration for the 6-year period, July 1, 1926, through June 30, 1932, was 187,014, an average of 31,169. In other words, more than four times as many immigrants came here from Germany during the 6 years immediately preceding Hitler as came during the 6 years since his rise to power.

But what of the future? Is this only the beginning of a huge refugee immigration? Under the quota laws of 1924, still rigorously enforced, immigration to the United States from all countries is limited to 153,774 persons a year. The quota for Germany (including Austria) is 27,370. To this may be added the Czechoslovak quota of 2,874. Should this occur the German quota will be slightly over 30,000.

Carry these figures one step further. Be completely pessimistic. Assume that Hitler successfully continues his expansion program in the East; assume that he adds Poland, Rumania, Hungary, Danzig, Lithuania, and Latvia to his domain. Make all these unlikely assumptions, and you still would have a German quota of less than 40,000.

Now, for the moment, forget the refugees. Consider the total immigration to this country. You will recall that quota immigration is limited to 153,774. But remember that although 153,000 people may come here, it does not mean that they do come or that there is any likelihood that they will.

In 1938 only 67,895 persons came to this country for permanent residence, including those who came under various exemptions from the quotas. This year, the total quota immigration is expected to be about 75,000, a figure which is likely to remain the peak. The reason is that of the 153,774 annual quota allowance, 83,754 places are set aside for Great Britain and Ireland, countries which are no longer nor soon likely to be lands of emigration. Last year emigration to this country from them totaled 4,551.

To recapitulate: As of this coming July 1, only 75,000 German refugees will have come to this country in the preceding 7 years. Future German refugee immigration is limited to 30,000 a year. Total immigration to this country is limited by law to 153,000 and by practice to approximately 75,000 a year.

The next question is: Have these 75,000 German refugees who came in during the past 7 years displaced American labor; have they thrown out of gear the economy of a nation of 130,000,000 souls?

On the face of it, it is ridiculous to believe that 75,000 refugees could seriously complicate an unemployment problem that affects 10,000,000 wage earners. It also must be remembered that a large number of the 75,000 German refugees are women and children, as well as men too old to be competitors in the labor market.

On the basis of figures for the fiscal year ending June 30, 1938, there is reason to assume that at least half of the 75,000 are females. Of the 17,199 immigrants admitted during the year who gave Germany as their last permanent residence, 8,682, or 50.4 percent, were females. Furthermore, more than 16 percent of the German immigrants were under 16 years of age, another 12 percent were between 16 and 21, and 18 percent were over 45. On the basis of these figures, it is fair to estimate that between 37,500 and 50,000 of the 75,000 German immigrants are not wage earners.

But have the refugees taken American jobs? No one can categorically state that no refugee has taken a job from an American. But neither is there any sound ground for generalizations as to thousands of Americans being displaced by refugee workmen.

Individual rumors can be run down, and as a result of these experiences a basic general truth evolved. Examine, for instance, the story that New York department stores were hiring refugees and firing Americans. This rumor, spread by a whispering campaign, became so prevalent last November that a group of large New York stores issued a forthright denial. Among those issuing statements printed in the New York press were Delos Walker, vice president of R. H. Macy & Co.; Walter Hoving, president of Lord & Taylor; Samuel W. Reyburn, chairman of the board of directors of the Associated Dry Goods Corporation; and executives of Hearns, Gimbel's, Stern Bros., and Bloomingdale's.

Since then some of the stores have issued sworn affidavits as to the number of refugees employed. Richard H. Brown, vice president of Abraham & Straus, Inc., Brooklyn, a store with 2,719 employees, on March 28, 1939, said: "To my knowledge no employee has been discharged and replaced by a refugee from any foreign country."

Miss Elizabeth Westgate, director of personnel for Bloomingdale Bros., Inc., a store employing 2,563 people, declared: "The total number of people in our employ who might be classified as refugees is 11. Of these, 2 were employed in 1936, 7 in 1937, 1 in 1938, and 1 in 1939. Of the 11, only 1 is employed in selling. Of the others, 1 was employed as an executive in our Berlin office, 1 was employed in our Vienna office. Not a single person has at any time been discharged from our employ in order to make room for a refugee."

Take another case, a rumor that Americans were being displaced from factory jobs in Shelton, Conn. Following investigation by the Connecticut Department of Labor, John C. Ready, deputy commissioner, said:

"An investigation was made by this department in six or more plants in Shelton. Investigation discloses that one refugee has been employed in one of the plants as an elevator operator. This job was created for him and no one was displaced."

These instances do not prove that no American has been displaced by a refugee; they do indicate, however, that when these rumors are run down they are usually found to be baseless. Certainly no one can object to the job made for a lone refugee in that single Shelton factory; nor does Bloomingdale's detailed affidavit substantiate the charge that department stores are firing Americans to give refugees employment. On the other hand, anyone acquainted with the strange word-of-mouth process by which a rumor grows into a widespread whispering campaign will understand how the employment of one refugee in a job created for him can be magnified into a trend that threatens the security of American workmen.

Rumors about the competition exerted against American professional men by refugees are almost as far-fetched. The most common story deals with the German refugee doctor. But one also hears of the dentist, the lawyer, and other professionals. In the case of the doctors, there is a small measure of truth in prevalent rumors, although they, too, have been exaggerated out of all resemblance to the facts. But there is no valid basis for complaint against German dentists or lawyers. In the United States lawyers, being officers of the court, must be citizens before they can practice. Since one must live in this country for 5 years to qualify for citizenship, obviously there can be no truth in the story that refugee lawyers are competing with Americans. As for dentists: American dentistry is much further advanced than dentistry anywhere else in the world. Hence few, if any, foreign dentists can practice without at least 2 years' additional training here.

The facts in the case of the refugee doctors are not so black or so bleak as they are sometimes painted. The number of refugee doctors in the United States in no way approaches the figures popularly assumed. According to information compiled by the United States Department of Labor, 1,528 alien physicians came to this country during the 4½-year period, July 1, 1934, through December 1, 1938. This figure is considerably smaller than that of the 5,000 young doctors annually graduated in this country by our medical schools and, in a country which has more than 180,000 physicians, it is not overwhelming.

But once again the question may be asked: Is this only the beginning? And the answer is: No. The problem of the refugee doctor has already been largely solved. It must be remembered that the early Nazi anti-Jewish legislation was directed largely against doctors; they were, thus, among the first groups to emigrate. According to official Berlin statistics, published in the September 17, 1938, issue of the Journal of the American Medical Association, there were fewer than 2,500 Jewish doctors left in Germany on July 1, 1938.

As at least 600 refugee doctors came to the United States between July 1 and December 30, 1938, it is fair to assume that there are no more than 1,900 Jewish doctors remaining in Germany.

Of this number, 700, according to official German Government reports, have permits to practice among the Jews still remaining in Germany. A large number must consist of older men to whom migration holds no attraction, men who probably never will practice in this country even if they should come here. With no new Jewish medical replacements in Germany, it is fair to assume that there are not more than 1,000 potential medical emigrants left in Germany, and of this number many will go to countries other than the United States.

The problem, then, is the adjustment of some 2,500 physicians who have come here from Germany or who may later come. This

task has been taken over by a nonsectarian physicians' committee that includes distinguished American doctors. Among those who have taken an active leadership in this work are: Dr. Currier McEwen, dean of the Bellevue Medical School; Drs. Tracey Jackson Putnam and Stanley Cobb, of the Harvard Medical School; Dean Joseph Patt, of Tufts Medical School; Drs. J. M. Finney and Warfield Longcope, of the Johns Hopkins Medical School; Dr. Harvey Cushing, professor emeritus, Yale Medical School; Dr. Walter W. Palmer, of Columbia Medical School; and Drs. N. Chandler Foote and Foster Kennedy, of Cornell.

The physicians' committees in New York, Boston, and elsewhere first evaluate the training of the refugee doctors and weed out such persons as they deem unfit. Next they attempt to resettle the remainder where they will not compete with American doctors. The problem, as viewed through the eyes of the Boston committee on medical emigrés, of which Dr. David I. Edsall is chairman, is summed up as follows:

"It appears likely that, if a thoroughgoing search of this country's unfilled medical needs were made, all of these men who have arrived or may arrive here and whom we consider competent would be absorbed without difficulty and to the distinct advantage of institutions and communities which otherwise go without the services they can provide."

Which brings us to an important point: There is another side to the refugee question besides the negative one of refuting misconceptions as to the number of refugees and their alleged displacement of Americans. Many experts, among them noted economists, believe that refugee immigration can be an important factor in the return of prosperity.

These people point out that the refugees bring new skills, additional capital, and even new jobs to the countries in which they settle. This has been the experience of England, of Holland, of Australia, and now of America. This has been the experience of history, of the Walloons and Flemings in Elizabethan England; of the Irish, the Scandinavians, the Jews in the United States; the Spanish, the Portuguese, the Germans, the English in South America.

Only recently, Sir Thomas Hoare, British Home Secretary, told the House of Commons that 11,000 refugees in England had given employment to 15,000 Britons. It has been estimated that refugees will bring four and a half million pounds (approximately $22,000,000) to Australia within the next 3 years, a fact that prompted Lord Nuffield, British motor magnate, to declare that "Australia will be better off when Jews settle here."

A Dutch commission for economic advice to German emigrants reported that the number of workers in Holland who had been brought into employment by the direct economic activity of the refugees was approximately the same as the number of refugees who had come into Holland. The report also pointed out that, for the most part, new industries established by Germany industrialists produced articles hitherto imported.

Mr. R. F. Harrod, Oxford University lecturer in economics and president last year of the economic section of the British Association, has declared, in the Manchester Guardian, that "the notion that existence of unemployment is a good reason for discouraging immigration appears wholly fallacious. The notion that a bare reduction of the number of residents would serve to reduce the number of unemployed, and an increase would increase unemployment, has always been regarded as crude in the extreme. There is much to be said for the proposition that an expansion of numbers is good for employment and contraction bad. This accords with a broad comparison of the situation in the nineteenth century, both here and in other countries, with that in the twentieth century."

Americans who agree with Professor Harrod point out that typical small-town "booster" societies operate on this theory. They seek to attract new industries to their communities in the belief that prosperity comes with an increase in population.

These local chambers of commerce bemoan the loss of a local industry and try to bring new businesses to their community. Following this line of reasoning, many now ask: Is it not equally important to watch major international shifts in the location of important industries? Is there not an important national gain in the relocation here of industries which will employ American workmen and American capital? Should we not make every effort to bring to this country Germany's noted tool and die makers, their skilled optical and fine steel workers? Should not the glass workers of Czechoslovakia be brought here to establish an industry which we have long lacked?

A committee of the Bead, Stone, and Glass Importers Association of New York plans to bring 500 Czech experts here to teach between 50,000 and 75,000 American workers the secrets of making glass and bead trimmings, a Czech specialty.

Already the United States has harvested fruits of the refugee immigration. A survey just begun by the National Coordinating Committee for Aid to Refugees and Emigrants Coming from Germany reveals that thousands of Americans have been given employment in industrial projects started by refugee capital.

One German refugee who managed to bring a good deal of his capital to this country in 1935 now employs 200 American workers in a real-estate development in suburban New York.

A woolen-hosiery mill has been started in Lawrence, Mass., by three refugees who formerly exported these stockings to the United States. Already, 38 American workers have been employed.

Seventy-five American workers are now employed in a dress factory established in New York by a refugee who came here in 1936.

One hundred and forty-seven Americans are employed in a Chicago factory making shoes for women. This business, established by three refugees, has an annual production of $400,000. A brand new industry, the manufacture of a flexible synthetic resin for tubing, sheet material, gaskets, and such, was started in this country by a refugee who brought the patent for it from Germany. Forty-three Americans have been given employment by this New Jersey company.

Dentists used to import tiny gold screws from Germany because no American could make them. Good harmonicas used to be imported from Germany. Now these products, as well as others, are being made here.

The cultural contribution of the refugees to American life is by now too well known to need repetition. Germany's loss of Albert Einstein, Thomas Mann, Heinrich Bruening, Arnold Schoenberg, Stefan Zweig, Max Reinhardt, Emil Lederer—to name only a few of the great—has been America's gain. Some few hundred scholars, men of the first rank in academic circles, have been absorbed by American institutions, mainly with funds specially subscribed for the purpose.

But, needless to say, all refugees do not come to this country with large sums of capital or with especial technical or professional skills that can be readily utilized. There are lawyers who have to be retrained, businessmen who must be recrientated, clerks and salesmen who must be readjusted to a new life. This work is carried on by the resettlement divisions of Catholic, Protestant, and Jewish refugee organizations devoted to refugees. Because of the activities of these organizations not a single refugee has appeared on the public charity rolls. Under the direction of these groups, refugees are being spread throughout the country where they can best be assimilated, where they can best fit into the social and economic patterns of American life.

This retraining and resettlement of refugees, one of the most challenging problems in American sociological history, was started in 1937 under the auspices of the National Coordinating Committee. At the outset it was recognized that many of the refugees had a better chance of adapting themselves to American life as skilled workers and agriculturists than as traders, lawyers, or accountants.

The work has proceeded slowly but effectively. Three hundred committees now have local groups working with the national office of the coordinating committee. During 1937, 226 families, totaling 400 men, women, and children, were resettled. During 1938 the number was more than trebled, 797 families, comprising 1,256 men, women, and children, were resettled. Figures for the last 5 months for which figures are available, September 1938 through January 1939, reveal still greater progress. The number of persons resettled during this 5-month period was 1,011—nearly three times as many as were resettled in all of 1937 and almost as many as were resettled for the whole year 1938. Many other refugees have resettled without the help of the coordinating committee.

The most heartening aspect of the entire refugee situation has been the high degree of intelligence and sense of responsibility displayed by the friends of the refugees in this country. Of this, the work of resettlement is one good example.

Refugee immigration has been conducted within the framework of the 1924 immigration regulations; there has been no attempt to revise these laws so as to allow a larger immigration. On the other hand, the friends of the refugees feel that the present laws provide ample protection for this country against an overlarge influx that could not readily be assimilated. They point to the fact that the present quota system was inaugurated at a time when feeling against immigration was high, that the present laws satisfied the most fervent restrictionists then, and that there is no reason now to curtail further the traditional American hospitality to refugees.

Various immigration laws, however, have been proposed in Congress. Two polar opposites are a bill which would stop immigration completely and another which would double present quotas. The widely circulated New York Daily News has urged that we take in all the refugees who want to come here. Another suggested plan would allow the refugee countries to utilize the unfilled quotas of countries from which there is no present emigration. Still another plan would allow immigration authorities to mortgage the quotas of the refugee countries, that is, allow immigrants to come in now under the quotas for their countries for the next 10 years.

Washington observers report that none of these bills, either for increase or decrease of immigration, has any prospect of passage, with the exception of the Wagner-Rogers bill, which would allow 10,000 refugee children to come to this country outside the quota for each of the next 2 years. This bill has prominent bipartisan sponsorship and the endorsement of the Federal Council of Churches of Christ, the Society of Friends (Quakers), and other large groups.

The chances are that the status of the refugee in America will remain unchanged. He will continue to be treated as are all other immigrants with no special provisions or bars to his entry into the United States. Approximately 30,000 a year will be admitted. They will be assimilated into American life without unduly disturbing the economic or social pattern of the country.

They are definitely not a threat to the American workman in that their numbers are relatively small, many have especial skills new to this country, and already a large number of American

workers have been given employment in projects started by refugees or with refugee capital. Ignoring completely the inhumane and un-American aspects that would be involved in complete immigration stoppage, it would also, from a strictly utilitarian point of view, be bad business for America not to avail itself of the refugee talents now available. America has already gained much and stands to gain more from Germany's ill-advised and self-imposed loss.

Politics in Washington

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

ARTICLE BY CHARLES BROOKS SMITH

Mr. HOLT. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD an article written by Charles Brooks Smith, Washington correspondent for a number of West Virginia newspapers. Mr. Smith is one of the most competent writers of our State, and has a large reading public who watch the Washington scene through his daily column.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wheeling Intelligencer of Saturday, May 27, 1939]

POLITICS IN WASHINGTON

SUBMARINE SERVICE OF NAVY DEMANDS EXPERTS—PLUCKING BOARD WORKS ON UNITED STATES ARMY—UNMATCHED STORY OF THE "SQUALUS"

(By Charles Brooks Smith)

WASHINGTON, May 26.—The submarine service of the Navy is as highly a developed selective service as there is in the Federal establishment. There isn't a member of a sub's crew, from lowest rank to skipper, who isn't an expert. The number of tests he must pass before he makes his post would amaze a layman: from mentality to psychoanalysis, and a score of things between. Lowly in rank, but high in regard of the crew if he knows his business—and he knows it or you can bet he wouldn't be there—is the undisputed monarch of the cook's galley. As a sideline, he has to have a working knowledge of the entire mechanical gamut of the complicated ship which goes to sea—and sometimes doesn't come back or up. And he must be able to apply it in a crisis. Submarine is the most hazardous of the hazardous services of Uncle Sam. More hazardous than aviation. It is so recognized in the pay roll; officers and men in subs receive a little more than average pay; not as much as they should receive, but a little more. Two bills were introduced in the House on Wednesday providing pensions at war rates for dependents of the men who lost their lives in the *Squalus*.

We come now to recalling for you what Congress did last month in the way of a bit of misapplied cheese-paring economy to the poorest-paid, hardest-worked, and largest-efficient group of men in the Navy—enlisted men. For many years, or up until Congress legislated it out last month, a cash bonus was offered men if and when they reenlisted. It was an inducement to retain the services of experienced, trained men. Looked at strictly from the standpoint of their low pay, it was a just and a decent thing to do. Looked at in the tragic light of the *Squalus* disaster, the action of Congress cannot be justified, as this writer sees it.

The debate in the House featured two arguments, principally:

(1) Abolishing the cash bonus for reenlistment would be economy. (The total "saving" isn't a drop in the bucket.)

(2) It would operate to separate older men from the service and supplant them with younger men, needing jobs.

It was brought out that the reenlistment bonus was approximately $285 and that it cost the Government $210 to train a "gob" for the crew of a surface ship (subs exempt from this estimate). Net economy per man, $75.

This tiny piece of penny pinching caused no notice outside of Congress and very little inside of it, for at the time Congress was voting away thousands of millions for subsidies, parties, national-defense pump priming, and for an almost endless list of other things for which hundreds of millions of itching palms were reaching.

THAT AGE QUESTION

The Government, through many of its human loud speakers, broadcasts preachment condemning, in the strongest terms, the cruel practice alleged against industry and all other lines of business which would close the door of work opportunity to men of 40 and over. And yet—as in the case described above—the Government is one of the worst offenders. There is practically no end to the instances which can be cited to support the charge against it. There is no greater hypocrite in the human family than one who preaches what he doesn't practice. And it applies as aptly to governments, big and little.

The Government retires men from the Navy and Army who are still in their late 30's, not yet in their prime, upon whose training huge sums in the aggregate are annually expended—retires them by the wholesale, on one questionable pretense or another. But the real reason is to make promotion for the younger men below, less trained, less experienced, less mature. "To straighten out the hump above," as it is called. After a war there is always this "hump," because men are given commissions in the Navy as officers whose experience scarcely qualified them to tell the difference between a poopdeck and a boobyhatch (in our landlubber jargon); and in the Army who didn't know one from another in drill, if they hadn't a wisp of straw in one foot and a wisp of hay in the other to tell them. If the reader is old enough to remember the World War, we do not have to pursue this line of argument further.

During the last few months—their work is done now, we understand—"plucking boards" have been sitting in Washington "passing over" officers in the Navy and Army, which means slating them for retirement. By and large, these trained men are below 40. They have given the best years of their lives to the Government. Only the flimsiest excuses are given why they are to be retired to try to start all over again in a life for which their training has unfitted them—they, the very pick and flower of American manhood.

As you circulate socially among these men, the more fortunate officers who survived the "plucking," you can't help overhearing them wondering why this comrade or that one was "passed over," as they praised his worth without restraint or stint.

FACING THE FACTS

The story of the *Squalus* is, of course, unmatched in the history of the sea. That genius who is to tell it to the ages is yet to appear. There is one phase, with a personal professional bearing, which we feel qualified to mention. It is the way the Navy Department handled the "public relations" aspect of the tragedy, by no means as unimportant as it might look at first casual thought. It marked a new policy and set a new precedent. There was no secrecy, no mystery made of it. Every channel of communications to the public was thrown wide open. Reporters for press and radio were on rescue ships; on land at every spot they should be to disseminate correct information, authentic and dependable.

Every assistance was given them, nothing was put in their way. Everything opposite to what it was when the *S–4* was down off Provincetown, Mass., with 44 men, who perished, in 1927, and for days the United States was a country afflicted with hysteria in its most acute form. There was no such thing as this this time. "Here are the facts" (at once horrible and glorious), the Navy seemed to say to the American people. "Face them." And the American people did—and they could. And there we have the model and pattern for the future—"Let the people face the facts, and the facts will make them free."

A couple of years ago when Commander L. P. Lovett was assigned to press relations at the Navy Department, following personal contact with him about a story in which we were interested, we mentioned in this column that it seemed that the Navy was embarking on a new and entirely different policy in its press relations with the public. If prior thereto it had any press relation with the public, worthy to be called such without laughing, they were pretty bad and hardly visible. We welcomed Commander Lovett to his new assignment as head of the press section with a few sincere compliments. We'd heap a lot on him now, if we had the space, for the way he handled his job during the *Squalus* tragedy. He's the son of an old Tennessee editor-printer, which explains it. He is a successful writer himself. One book by him, written for Navy people exclusively, was bought and read by practically every officer, including noncoms, in the service—a navy best seller.

A Report on the Opposition

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, May 29 (legislative day of Friday, May 19), 1939

ARTICLE BY WALTER LIPPMANN

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Walter Lippmann, published in the Washington Post of May 27, 1939, entitled "A Report on the Opposition."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of May 27, 1939]

TODAY AND TOMORROW

(By Walter Lippmann)

A REPORT ON THE OPPOSITION

It begins to look as if May 8 to May 12 will turn out to have been the turning point in the politics of this session of Congress. On the 8th the Senate added almost $400,000,000 to the agricultural appropriation for the fiscal year beginning on July 1 next. The total was made up of nearly 100 items which were adopted without a roll call.

On May 12 the Senate adopted the bill as a whole with only 14 Senators recorded as opposing. Among the opponents was Senator VANDENBERG. But Senator MCNARY, the Republican leader, and Senator TAFT, the outstanding Republican Presidential candidate in the Senate, were not among those who went on record as opposed to a spending measure which has increased by 45 percent the appropriation asked for by the New Deal.

This was more than a spectacle. It was an event which marked not only the moral collapse of the so-called economy bloc, but very probably it marked also the disintegration of the organized political opposition in this Congress to the President and the New Deal. At the polls last November public sentiment expressed itself by a vote which, on the face of the statistics, indicated that there was a popular majority against the New Deal. This sentiment has been represented in Congress by a loose coalition of conservative Republicans and conservative Democrats. Between May 8 and May 12 this coalition fell to pieces.

OPPOSITION COLLAPSES AND ROOSEVELT ACTS

Mr. Roosevelt has not been slow in recognizing that the political opposition was demoralized, nor did he fail at once to take advantage of the opening. With the collapse of the opposition in Congress, the opposition from the Treasury within the administration lost its effectiveness. Then the President, with a few face-saving concessions to Mr. Morgenthau and Mr. Hanes, plumped for the policy of continued and enlarged spending. He took the New Deal into its fourth—or is it its fifth—phase. For the ideal of a Budget in which income and outgo would balance, an ideal to which he had always hitherto paid lip service, he substituted the conception of large-scale public investment as a permanent national policy. This newest phase of the New Deal will probably be signalized and confirmed by a new system of Treasury bookkeeping so as to separate the ordinary Budget for current expenses from the Budget for capital outlays.

The political position in Washington has very suddenly been transformed in that the President and the New Deal have regained the initiative which they lost in November, and the opposition is disorganized and demoralized. If the administration succeeds, as it may, in forcing Congress to take a record vote on the Townsend plan, the plight of the opposition will be pitiable.

NO CONCRETE ISSUE FOR A PARTY FIGHT

This reversal of the political position during the past 2 weeks is almost certain to have very far-reaching consequences in the elections of next year. For with the collapse of organized resistance to public spending, with the demonstration that the Republicans, with few exceptions, will in fact vote to spend when they are put to the test, there is no very important concrete issue on which a factional or a party fight can be waged. Since it is axiomatic in politics that you cannot beat a horse with no horse, Mr. Roosevelt's political position is very greatly strengthened. Barring events that are now unforeseeable, he will dominate the next Democratic convention and he can create a discord in the Republican convention by confronting it with issues, measures, and acts on which the Republican politicians are greatly divided.

That the Republicans in Congress were headed for trouble has been increasingly evident to anyone who has observed them since they arrived in Washington last January. To those who realized the tremendous need of effective opposition, the spectacle of the Republicans as a body, certain individuals excepted, has been thoroughly depressing. They have misjudged the real situation just about completely, and their policy, such as it is, has been based on amateurish illusions.

Thus, they have based their oratorical attack against the spending policy on at least three illusions. The first was that national bankruptcy was near enough to frighten the voters. It is not. European experience shows that governments can spend a much larger proportion of the national income than we do, and carry on more or less indefinitely. The second was that the spending policy does not induce recovery. The fact is that enough spending does induce some recovery, and while morally and politically it is an exceedingly dangerous method, it does work. The third illusion was that the Republicans could declaim against spending in general without having to face particular issues with the pressure groups.

G. O. P. HAS SHOWN INCOMPETENT ACTS

These three illusions put the Republicans in a position where they first prophesied disasters that were not happening and then failed to take a stand to prevent the disasters they were prophesying. This is not very competent politics.

They then misinterpreted altogether the discontent which exists over the New Deal reforms. They imagined that this discontent signified the existence of strong opposition to the reforms themselves, whereas, in fact, it arises principally out of discontent with the administration of the reforms, as in the case of W. P. A., or with the failure of the reforms, as in the case of agriculture, to achieve what was promised.

This has caused the Republicans to get themselves into a position where they seem to be opposed to the reforms, where they can be charged with being opposed to them, though they have not and will not propose the repeal or even the radical amendment of any of them. That is not competent politics.

UNTENABLE POSITION IN FOREIGN RELATIONS

In the field of foreign relations they have made their position equally untenable. Their cardinal mistake here has been to misjudge altogether the real gravity of the world situation and to act, therefore, as if foreign policy were a domestic factional and partisan question. They have accused the President of magnifying the dangers of world war when, as a matter of fact, the danger has been and still is very, very real. They have represented his efforts, which have been by no means ineffective, to prevent a world war as an intrigue to entangle the United States in a world war.

The net result has been to diminish somewhat the influence of the United States, but politically the personal position of the President has been greatly strengthened. For as long as war is averted, a great mass of the people will recognize that he has played a part in averting it. If war comes, those who hampered his efforts to avert it will be in a very uncomfortable position, whereas Mr. Roosevelt will be recognized as the man who foresaw the danger and prepared, as far as he was able, to meet it.

With the peace of the whole world teetering in the balance, it is not competent politics to say that the danger is imaginary and to tie the hands of a man who is trying to avert the danger.

NEW DEAL FOES ARE DISORGANIZED

I do not know what conclusions are to be drawn from all this. This is a report of the facts as I see them. And the main fact is that the opposition to Mr. Roosevelt and the New Deal is disorganized, which is regrettable, since effective opposition is indispensable under our form of government.

Out of the Depths

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

EDITORIAL FROM THE NEW YORK TIMES OF MAY 25, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, my position on the subject of war has previously been stated, particularly that the United States never again become embroiled in a foreign conflict. The horrors of war leave me cold every time I think of them. Even in this Chamber, we see the terrible effects of war. In 81 hospitals maintained throughout the United States by the Veterans' Administration and in thousands of homes we see the terrible toll taken.

My colleagues, I am not a specialist nor a tactical expert. All war is ruthless to my mind. Gunshot wounds are terrible. Poison gas is abhorrent. But nothing can be more terrible to the young individual who wears a service uniform than the dangers of the submarine. Nothing more horrible can rule the imagination than the thought of a submarine attack.

It was a submarine, you will recall—or, say, submarines—that sent us into the raging war in 1917. I might even venture the assertion that the simple thought of submarine danger caused a greater number of casualties to young Americans during those months than did actual engagements on the front. The number of mental cases now in hospitals upholds this belief.

Now, again, we have tragedy undersea. Again young Americans carried on in the traditional courage of our fighting men. I would that this awful thing that happened to the *Squalis* serve to strengthen your determination toward the adoption of the resolution (H. Con. Res. 21) which I introduced on May 3, and which would inform the world that the United States will go to war only when our borders are invaded.

I do not know the identity of the writer of an editorial appearing in the New York Times last Thursday, but I wholeheartedly agree with his expression that "when the last submarine rusts at her moorings mankind may have cause to rejoice."

When all war is outlawed by popular sentiment throughout the world the Almighty will have cause to rejoice. I thank you for the privilege of appending the following editorial from the New York Times:

[From the New York Times of May 25, 1939]

OUT OF THE DEPTHS

When the first of the rescued crew of the *Squalus* came out into daylight yesterday afternoon on the deck of the *Falcon*, a little of the horror lifted from what might have been our worst submarine disaster. A little; not all. There were dead men in the black depths. What had been avoided by the remarkable success of the diving bell was the long agony of live men waiting for help that could not come, lying helpless in a living tomb, tapping out last weak messages, hearts pumping more and more heavily, and death playing cat and mouse in the torturing darkness.

Every man who signs in submarine service knows what may be in store for him. In time of peace he is in constant battle with the most remorseless of foes. He is trained to be ready for disaster and to behave with coolness when it comes. These men did so. Their commander, Lieutenant Naquin, asked that efforts be made to raise the ship before members of the crew were taken out. He tapped out a message: "Conditions satisfactory, but cold." That message ought to stand in naval annals beside some famous ones, no more heroic, sent in the heat of battle.

There was not only heroism in the submarine and in the men who saved the survivors. There were also coordinated action and precision. The rescue appliances worked. There is a heroic quality in the quiet resolution that takes men far below the surface of the sea, as it did take those who manned the diving bell, and enables them in that perilous position to work as accurately as a garage mechanic safe ashore. They were not only valiant. They knew their jobs.

Men whose home addressess covered 28 States, the Canal Zone, Hawaii, and the Philippines were in the sunken submarine. Most of them were not born to the sea. Some may never have seen it before they joined the Navy. But the great captains and the great sailors, not Farragut, nor John Paul Jones, nor Nelson, nor Drake, nor any of the nameless thousands of brave souls who have lived and died before the mast—none could have faced death more composedly than these men from the Kansas prairies, from Iowa, from Michigan, from the Tennessee mountains, from Arkansas, and Minnesota.

When the last submarine rusts at her moorings mankind may have cause to rejoice. We could not rejoice if the qualities that send men into dreadful danger in line of duty and that hold them firm in the face of death were likewise to rust away. They will not. And when they manifest themselves off the Isle of Shoals, as on many a sinking ship, on many a flooded river, in times of storm, whenever there is a call for courage, we salute them reverently.

New Deal Debt Dunking

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

Mr. WHITE of Ohio. Mr. Speaker, it is a long way between Ohio and Washington, D. C. The intervening distance and layers of Government red tape make it difficult for Ohio citizens to see how directly and how heavily the burden of continuous Government spending and borrowing rests upon their own shoulders.

In the fiscal year of 1938 the Federal Government took $335,417,098 in tax money out of the State of Ohio. Compare this with the $165,072,954 which the Federal Government returned to the State in direct payments and you find a shrinkage or difference of more than $170,000,000.

A prominent member of the majority party recently described this as the process by which a State is required to hand its shirt over to the Federal Government, then gets back only the shirt tail, and is supposed to cheer about the bargain. There you have the shirt-tail financing policy of the New Deal.

During the same period Alabama was putting $16,929,203 into the Federal Treasury and taking out $37,680,821; North Dakota was putting in $1,579,263 and taking out $39,900,148; Arkansas paid $8,046,468 and received $43,202,611.

That part of the story deals with receipts and expenditures. On top of that the burden of borrowing must be considered. This brings us to the national debt. Too many people have thought of it in times past as a debt that someone else pays. Now there is an awakening. It rapidly gains in force. The American people realize more and more each day the significance and direct effect of the incessant debt dunking to which the New Deal is subjecting them.

While every family in Ohio and other States is getting hit over the head with the New Deal tax club which now consumes so much of the Nation's purchasing power and thereby adds to unemployment, they glance out the window in a frantic search for help. Instead they find an even bigger and more menacing plug-ugly parked right there on their own doorstep, waiting for a chance to enter, barring their pathway, encumbering their property and what security they have left. It is the national debt—or, at least their share of it.

On the step closest to the doorway is the local debt. On the middle step is the State debt. On the first step is the national debt—not quite so close, but right there just the same.

What does it amount to?

The share of the national debt alone, on a per capita basis, which is chargeable against the citizens of Ohio amounts to $2,095,460,000.

The total tax value of all farms and property outside of municipalities in the entire Buckeye State is $1,572,639,000. This gives you a vivid picture of the extent to which the National Government has mortgaged Ohio taxpayers. Another $4,000,000,000 deficit for the current year will add about $203,723,000 more to Ohio's share of this Federal debt burden.

In other words, right this minute Ohio's part of the national debt burden is $522,821,000 greater than the tax value of every piece of farm land and other real estate from one end of the State to the other outside of cities and incorporated villages.

The same thing is true of every State in somewhat similar fashion. In recognition of National Debt Week I wish to present the following figures in order to drive home the facts to Congress and to the Government-mortgaged citizens in the various States, particularly Ohio:

States' share of the national debt, as of May 17, 1939

	Population [1]	Share of national debt [2]
United States	129,257,000	$40,227,673,187.61
New England	8,597,000	2,675,578,922.08
Maine	856,000	266,406,269.35
New Hampshire	510,000	158,723,420.99
Vermont	383,000	119,198,176.94
Massachusetts	4,426,000	1,377,470,316.29
Rhode Island	681,000	211,942,450.38
Connecticut	1,741,000	541,838,188.13
Middle Atlantic	27,478,000	8,551,768,945.08
New York	12,959,000	4,033,131,005.14
New Jersey	4,343,000	1,351,638,857.58
Pennsylvania	10,176,000	3,166,999,082.36
East North Central	25,841,000	8,042,297,885.94
Ohio	6,733,000	2,095,460,379.48
Indiana	3,474,000	1,081,186,597.10
Illinois	7,878,000	2,451,810,020.72
Michigan	4,830,000	1,503,204,163.50
Wisconsin	2,926,000	910,636,725.14

[1] Midyear estimate for 1937 (Statistical Abstract, 1938, p. 9; Daily Statement of the U. S. Treasury, May 17, 1939).

[2] Calculated by multiplying the per capita debt for the United States ($311.22) by the number of persons in each State.

States' share of the national debt, as of May 17, 1939—Continued

	Population	Share of national debt
West North Central	13,819,000	$4,300,782,264.07
Minnesota	2,652,000	825,361,789.15
Iowa	2,552,000	794,239,549.74
Missouri	3,999,000	1,241,466,130.06
North Dakota	706,000	219,723,010.23
South Dakota	692,000	215,365,396.72
Nebraska	1,364,000	424,507,345.55
Kansas	1,864,000	580,118,542.60
South Atlantic	17,260,000	5,371,698,522.17
Delaware	261,000	81,229,044.86
Maryland	1,679,000	522,542,309.69
District of Columbia	627,000	195,136,441.10
Virginia	2,705,000	842,167,798.43
West Virginia	1,865,000	580,429,765.00
North Carolina	3,402,000	1,086,788,600.20
South Carolina	1,875,000	583,541,988.94
Georgia	3,085,000	960,121,085.80
Florida	1,670,000	519,741,398.15
East South Central	10,731,000	3,339,727,511.09
Kentucky	2,920,000	908,769,390.77
Tennessee	2,893,000	900,366,386.13
Alabama	2,895,000	900,988,830.92
Mississippi	2,023,000	629,602,903.26
West South Central	12,900,000	4,014,768,883.89
Arkansas	2,048,000	637,383,463.12
Louisiana	2,132,000	663,526,144.22
Oklahoma	2,548,000	792,994,660.17
Texas	6,172,000	1,920,864,616.39
Mountain	3,792,000	1,180,155,318.43
Montana	539,000	167,748,870.42
Idaho	493,000	153,432,640.29
Wyoming	235,000	73,137,262.61
Colorado	1,071,000	333,319,184.08
New Mexico	422,000	131,335,850.31
Arizona	412,000	128,223,626.37
Utah	519,000	161,524,422.54
Nevada	101,000	31,433,461.80
Pacific	8,839,000	2,750,894,741.45
Washington	1,658,000	516,006,729.42
Oregon	1,027,000	319,625,398.74
California	6,154,000	1,915,262,613.29

Hon. James Hamilton Lewis

MEMORIAL ADDRESS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, May 29, 1939

On the life, character, and public services of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois

Mr. SMITH of Washington. Mr. Speaker, when the history of the United States for the period commencing in the late nineties and down to the present time is written, the name of Senator JAMES HAMILTON LEWIS, of Illinois, will receive prominent mention. His will be one of the few names of Members of the United States Senate for this period which will live in history.

I was living in Chicago when Senator LEWIS established his residence there in 1903. Several years later, although a mere youth in my teens at the time, I first met Senator LEWIS during the heated campaign for the mayoralty between Judge Edward F. Dunne, afterward Governor and United States Senator, and John Maynard Harlan, son of Justice Harlan, of the United States Supreme Court, involving the issue of municipal ownership of the street-railway system of Chicago. Senator LEWIS campaigned actively for Judge Dunne and was an important factor in bringing about his election and was rewarded by being appointed corporation counsel of the city of Chicago. My father became quite well acquainted with Senator LEWIS, and some years later, when I was preparing for a career at the bar, Senator LEWIS suggested that I consider the advisability of going out to the State of Washington, from whence he had come to Chicago after serving as a Representative in Congress from that State, and there practice law and enter politics. I later followed his advice and have never regretted that I did so. When I was elected to the House and came to the Capital in 1933, Senator LEWIS extended me a cordial welcome when I called upon him, and still remembered our former associations in Chicago.

Senator LEWIS was a man of brilliant parts and one of the most eloquent orators of his generation. I have heard him speak upon almost every kind of an occasion and he never failed to captivate his audience. He possessed one of the most exact and copious vocabularies of any of our political leaders and his language was chaste and beautiful. He was widely read in history and literature and was familiar with the classics, particularly Shakespeare, whom he often quoted. He was also witty and a most entertaining raconteur and story teller. He was urbane and courteous and excelled in politeness and consideration for others. He was very kind and tender-hearted and was always trying to render others a personal service and make them happy. I shall always prize as one of my most treasured possessions a most kindly letter which he wrote me commending my efforts when the legislation for restoration of the pensions to the veterans of the Spanish-American War, which I had the honor to sponsor in the House, was passed, and became law in 1935. It was a generous act on his part and naturally touched me deeply. He was never too busy to perform similar acts of kindness, for he was truly one of Nature's noblemen, and personified the truth of Tennyson's line:

Kind hearts are more than coronets.

Senator LEWIS wrote the Two Great Republics, Rome and the United States, which I have read several times, a work which showed erudition and profound historical knowledge, and also contains comments of a lighter vein. I quote:

It is not only in great but also in smaller things that we see the ever-recurring resemblances between Roman and American conditions. Cicero's complaint, "Let me tell you that there is no class of people so harassed by every kind of unreasonable difficulty as candidates for office" finds a responsive chord in every modern American politician. His account of his campaign for the consulship at Rome, as well as the historical record of other Roman political contests, shows many points of similarity between the details of the problems and methods of ancient and modern political battles.

In the concluding paragraphs of this thought-provoking volume, Senator LEWIS, although by nature an optimist with an abiding faith in the perpetuity of our institutions, expresses words of warning which we would do well to heed. I quote:

It is plainly to be seen that conditions in the United States of America have tended toward those of Rome which preceded the latter's downfall. Particularly true is this of latter-day conditions in the United States. The monopoly of Crassus in town lots in Rome and the exclusive right to dictate the price of farm products by the Fabii and their successors, which produced riots in the country and uprisings in the cities, have their parallel in the "corners" of the stock exchanges and grain houses of America, and in the monopoly in oil and its elements. These methods and the domination of legislative bodies by these massive interests, the corrupting of the assemblies of the people, and the defiling of the courts have created a revolt in the hearts of the Americans and awakened an insurrection among the citizenship. These, if not abated by the Government's action in controlling these agencies or restraining with plenary punishment the perpetrators of the wrong, will surely reproduce a parallel in the results which befell the Roman Republic. Cicero has well said, "Governments, like all organized creations, have their time to perish and to fade. The same conduct of persecution or protection work on each alike in the final results"—a sure continuance of life or a sure result of certain death.

Let it be remembered that man is ever himself and mankind ever human. No ill will be borne that can be overthrown. It will all return to the first principle of force—Byron puts it well—as the moral of all human tales:

First freedom, then glory;
With that past—avarice—corruption—
Barbarism at last—
And all of history's volumes vast
Hath writ but one page.

It has been the dream of those who in war fought for, and in peace strove for, a just republic in the United States, that the awakened conscience of a people educated anew under a Christian era would be a guaranty against the repetition of those evils which harassed government and injured men in the days of the Roman Republic. It is now seen that this dream is being to a most

encouraging extent gratified. In America wrong is at last condemned because it is not right. Right is approved—for that it is right. Justice is praised and sustained because it is just to do so, and the oppression of man resisted and despised because it is unworthy civilized men and in violation of the dictates of conscience speaking the voice of God.

In this new era America is working out her destiny of equality of man and equity of mankind, and this by the methods of peaceful persuasion, dictated from the heart. War is abhorred and brotherhood of man cherished as a coming state of modern citizenship proving in all its effect the justice and right of the theory of the American Republic founded on the assertion that "just governments derive their power from the consent of the governed." Education, bringing enlightenment in all avenues of life's pursuits, is rapidly giving to the American man the assurance and security that his Government will be perpetuated by its citizens, not destroyed, will be glorified as an ideal after which other nations and people may pattern.

Our fathers' God, from out whose hand
The centuries fall like grains of sand,
* * * * * * *
Oh, make Thou us, through centuries long,
In peace secure, in justice strong:
Around our gift of freedom draw
The safeguards of Thy righteous law;
And, cast in some diviner mold,
Let the new cycle shame the old.

LECTURE—"THE ACQUISITION AND RETENTION OF CLIENTS"

Senator LEWIS was an able and successful lawyer and achieved a solid reputation as a trial lawyer. He had a retentive memory and could readily cite ad infinitum rules of evidence and precedents and decisions of the courts especially the great landmark cases of the United States Supreme Court. He lectured before the Illinois College of Law, and I just happened to run across a lecture which I heard him deliver on the subject The Acquisition and Retention of Clients, which contains much of his own philosophy of life and so many suggestions which would be invaluable even to veterans as well as neophytes at the bar, that I deem it worthy of inclusion.

It reads as follows:

The subject, how to get clients, is a practical one. It is not often mentioned by your teachers. Yet in the great battle of life it is constantly brought to your attention each day. A failure to understand the merits of this discussion means failure to the young lawyer. While an appreciate of its art oftentimes crowns those with success whom we least expect. How a lawyer gets his first client is a mystery. It might well be classed among the three great mysteries of life. Who are clients? Some one in difficulty. What caused the difficulty? Well to answer that would be to explain life. An illustration from a personal experience might be pardonable. As a young lawyer I was once approached by a man who had endorsed a note and had been sued. After listening to his story, I remarked: "If you had not endorsed that note, you would not have been liable." "Yes," replied the client, "if I had not signed that note, I would not be here." In other words, it is those difficult situations that give us our opportunities. It is up to us to be able to master them, and as we learn to do so our success is assured.

The person in difficulty is going to turn first to someone he knows, in whom he has confidence, and who will take an interest in his case. As a basic principle it behooves young lawyers to make friends. And in doing this your manner of treating people will be an important element. If you are not naturally sociable and approachable, break yourself into the habit of being easily approached. Take an interest in your first client's story. Treat his wrong as if it were your own. Inspire him with the confidence that you are not only loyal to him, but also not afraid to speak for him. Confidence in expression is a valuable requirement. Speak to the court as if you meant what you said. Even if you are defeated your client will give you credit if you fight earnestly and honorably his cause, which he desires vindicated. The first client comes from someone whom you know, and who has been treated pleasantly by you.

It might be suggested in connection with this idea, what is your object in entering the bar as a profession? To make money? If so you may be disappointed, as many of the highest rewards of this life do not go to the lawyer. In fact, the opportunity to make money is less than in many another business. Why? First, because all questionable methods must be avoided by honest lawyers. In fact, his living, his sustenance, are mere incidents to the fulfillment of that highest desire of all good lawyers. The development of the spirit of reason is one's own mind. The vindication of the principles of justice, form ever new and changing condition. To do this work requires the highest order of ability and the scorning of sordid things in life.

It might be said in this connection that technicality so misunderstood by laymen is but the vindication of some well-established principle of law; made for the good of human kind. Yet because that principle should come in conflict with some selfish interest of the human heart, it is condemned. An example might be in point. The principle in criminal law, that a venue must be proven in all cases, is sometimes overlooked in a $10 petty larceny charge. The criminal is set free because of failure to prove venue, and no one notices it. It is too small a matter to notice. Yet here is a case of a bank failure. A man is tried on the charge of embezzlement—amount, $100,000. The whole city is stirred to the highest point of excitement. A failure to prove venue liberates the criminal. The whole press of the city condemns the law and its technicality. When in truth the error is not due to the law but on account of its inferior servants who are supposed to administer it correctly.

This brings to us the point of distinguishing between attorneys at law and lawyers. The people can no more be fooled. The time has come in the history of the world where knowledge is so generally distributed that a lawyer must know his business if he expects to succeed. In the past too much confidence was given to the advocate, who with flights of oratory, was expected to blind juries to the true principles of right. To the advocate who, it was thought, had a stock of tricks which would stifle justice. Today the ordinary man would have been the extraordinary educated man of yesterday. This fact makes the advocate of today logical, and careful not to mistake facts; as false conclusions are too easily discovered and ridiculed. A natural reaction has resulted. The business lawyer, who is intensely practical, has come to the front. Today you can name on one hand the noted orators of the bar. Yesterday they could not have been counted.

It might be suggested in this connection that the capacity to illumine a subject will never grow stale.

Even the business lawyer needs this art. In fact, this requirement is a necessity in all lines of business. How many times have you gone into a store and purchased an article that you had no intention of doing, just because the young lady clerk impressed you with the fact that she knew just what you wanted? It is well to learn how to express your views forcibly and accurately. This art will stand you in stead all through life. Many a lawyer has lost his case because he was not able to think quickly and state plainly to the court his ideas. What good does it do you to express your ideas when it is too late? You will never get credit for what you know unless you are able to express yourself correctly on all occasions. It might be said in this connection that the work of the literary society is more important than ever. What has all this to do with making a client? Do you not realize that people make your clients?

Then all things that tend to impress people with your ability and reliability are essentials. You know many people, yet you deal with each man separately. It is the manner then that you treat each person that is important. In fact, the A, B, C lesson to learn is the manner in which you treat people. Cultivate the acquaintance of men. How many good lawyers are unable to make a living because they are unapproachable? Learn men. Be among men. Go where men are. Speak upon all occasions. If you are against an assessment, say so at the meeting of those interested. Those who believe as you do are your friends. Therefore, rule I of my address is to get friends, because they are your first clients, and are the stepping stones of success.

The natural result of having friends is that friends will bring to you their friends. In other words, the second class of clients are brought to you by your friends. Do not be small then in dealing with your clients, as much of your success depends in being able to have your clients go away pleased. Regulate your fee by the size of the results—not always by the amount of work done, as people are not always able to understand that feature of the case. Oftentimes it pays to be liberal. When it comes time to settle say, "Well, my friend, how much do you think I ought to charge?" He will often say more than you would yourself. Say, "Well, you say so much; I feel that it ought to be so much. Now, let us split the difference." This will leave a good taste in the mouth of your client and do much to encourage him to bring others to your office.

The third class of clients are those who watch your work in the courtroom. It is not strange that people should watch you while you are doing your work in the courtroom. It is more or less of an advertisement, and as such should be used legitimately. Are we supposed to live like beetles and hide our existence from others? Far from it. Assert yourself. Be not afraid to let others see you. Let your work show that you are qualified to call yourself a lawyer, and the fruit of your toil is sure to come.

The fourth class of clients come from the men you beat. It is often true that the man you beat is your next client, as all desire to succeed.

Success then brings success. This is more often illustrated in personal-injury litigation—a branch of the law that is a very good field for young lawyers, as education upon a good many different subjects is always needed. The directors of large corporations give very little attention to the trials of young lawyers until judgments, one by one, are entered against their corporation. Then they ask the question, Who is he? Then the question, Where is he?

In conclusion permit me to say, take part in politics. Do not heed the cry of many concerning the debasement of our politics. There can be no debasement of politics; but there can be a debasement of politicians. For this reason it is all the more necessary for you to do your part to upbuild the State which has done so much for us.

Again, do not permit success to blind us. Many a prominent young lawyer has had his career cut short because success swelled his head. He forgot the means by which he attained success and scorned the ladder that bore him up. If you tear away the foundation, the building must fall. So be diligent and mindful of all your deeds, and never forget the people, who are the foundation of your success as lawyers.

Senator LEWIS was beloved and honored by his colleagues in the Senate, and I am glad that he was 1 of the 15 Members of the Senate during our entire history of 150 years whose funeral services have been held in the Senate Chamber, the only other Senators who have been thus honored during the past quarter of a century being his own colleagues and friends with whom he served, Senator Thomas J. Walsh, of Montana, and Senator Joseph T. Robinson, of Arkansas.

Mr. Speaker, men in public life are often misjudged and unjustly condemned; they are made the object of ridicule and contumely, sometimes even of libel and slander; and it is open to question whether public service is worth the price it costs. However, when the career has ended and the book of life has been closed, and knowing and understanding men and women render their meed of praise and appraisal and the people themselves give expression to their love and gratitude and join in loving tribute with the colleagues of the public servant who has departed, we conclude that after all, "public service, if faithfully performed, is worth all that it costs."

Senator LEWIS was a great man, lawyer, orator, statesman, scholar, author, and friend.

Alike are life and death
When life in death survives
And the uninterrupted breath
Inspires a thousand lives.

Were a star quenched on high
For ages would its light
Still traveling downward from the sky
Shine on our mortal sight.

So when a great man dies,
For years beyond our ken,
The light he leaves behind him lies
Upon the paths of men.

The National Debt

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

RADIO ADDRESS BY HON. T. V. SMITH, OF ILLINOIS

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by the gentleman from Illinois, Hon. T. V. SMITH:

My fellow countrymen, I am only an ignorant man and a politician, but I listen to the radio and I read the Book of Job.

Patience, the people is thy name! Patience, we politicians are thy beneficiaries. Gallant today is the patience of the people with us politicians, their servants. Discouraged over one group of us the people turn to another group of us, and this they do over and over again. Let it be said on our side that our intentions are worthy of this patience, even when our actions are disappointing. There are few of us politicians in any party who would not do all in our power to give aid to the distressed and to increase the prosperity of all the people. We would if we could, and if we don't, it's because we can't. The chief reason we can't do more is that we are ignorant of the causes and so of the cures of the greatest evils distressing our people.

The mounting national debt—celebrated by Republicans throughout this ceremonial week—is such an evil. Since this debt is as much ours as it is the Republicans, I think that we ought to help them celebrate it properly. They presided over arrangements that necessitated the debt; we contracted the debt under the lash of the necessity inherited from them. On any proper understanding, therefore, of the foundations of democracy, we are yoked together, brothers whether in debt or out of debt. But now we're in debt, and we ought not to make the people suffer the more because of any family quarrels between us.

Like brothers, indeed, we have much in common. We have this in common that neither of us can lessen the debt by talking about it. We have this in common, that neither of us supposes that the Budget can be or should be balanced immediately. Senator VANDENBERG allows 2 years plus. Senator TAFT gestures indefinitely toward the future. Congressman BARTON thinks that we must bring taxes down before we can raise up the prosperity to balance the Budget. And Prosecutor Dewey—well that deponent sayeth not; he only saweth political wood silently. But we have this also in common, that both parties and all of us politicians want to and mean to balance the National Budget as soon as possible.

I

Let us Democrats and Republicans celebrate debt week with one another, therefore, and with the patient people of these United States. The people, like Job of old, Job personified for our age, are afflicted and bear it patiently. Unlike the patient people, however, the professional friends of the people complain bitterly and cry nightly aloud over every open airway, "Debt, debt, debt!" They cry aloud as "comforters" of the patient people, but their "comforting" calls for even more patience from the people.

Job's first friend, Eliphaz the Temanite, alias Senator VANDENBERG, friend of the people from Michigan, brought in his report last Sunday night in a forum over whose panel I was privileged to preside. He told the radio in a voice of deep but well modulated emotion that the people's stock was low, was indeed in danger of being wiped out altogether by the debt—but from this deluge of debt he himself had been spared to tell the tale.

Then Job's second friend, Bildad the Shuhite, alias Senator TAFT, friend of the people from Ohio, came Monday night to mourn for another radio hour the dolorous debt. He reported, did Bildad the Shuhite, that the people's debt is "immoral," he reported that it is "dangerous," he reported that it is all "in vain." All this, Bildad TAFT, the Shuhite from Ohio, reported—but from this deluge of debt he himself has been spared to tell the tale.

Then came last night Job's third friend, Zophar the Naamathite, alias Congressman BRUCE BARTON, of Wall Street, the man whom nobody knows save as a friend of the people, indeed as public relations counsel for the patient people. He confided to the microphone this "new thing," that businessmen do not like taxes. He revealed that he had at least 20 friends, "presidents and chairmen of boards of directors," to whom he could write and who would write back to him "Dear Bruce." He reported that with all these friends and with all his pull he couldn't get a job for Johnny O'Hearn. Since businessmen don't like to pay taxes, he let the people in on the open secret that unless the Republicans are allowed to rule the country, there might not be any country left for anybody to rule. All this Zophar, the Naamathite from Wall Street, reported to the people—but from this deluge of taxes and debt he himself had been spared to tell the tale.

II

All these things spake Job's three friends mournfully over the radio, friends all three of the patient people.

"And Job answered and said [I'm quoting now from the Scriptures]:

"No doubt but ye are the people, and wisdom shall die with you. But I have understanding as well as you; I am not inferior to you. * * *

"I am as one mocked of his neighbors. * * * He that is ready to slip with his feet is as a lamp despised in the thought of him that is at ease.

"The tabernacles of robbers prosper, and they that provoke God are secure. * * *

"But ask now the beasts, and they shall teach thee; and the fowls of the air, and they shall tell thee.

"Or speak to the earth, and it shall teach thee."

III

Yes, let us "speak to the earth," and to the people who are the salt of the earth. They will teach us of the debt and show us another side of it to celebrate. Here comes a homeowner, not a friend of but a plain man of the people. He reports that his home was saved for him and for his family by a Federal loan upon it. He says that that part of the national debt is to him an investment; an investment in him. Rising up behind him are a cloud of witnesses to what Bildad the Shuhite calls "waste," calls "immoral," calls "dangerous," calls "in vain." Count these witnesses. One, two, three * * * No; we cannot count them: they're too many. I have the exact number of them here: 1,021,818 whose homes have been saved by what these grieving friends of Job and the people call waste and dismiss as that nuisance "the public debt."

Of this million and more, 81,230 are in the home State of Eliphaz VANDENBERG, the Temanite of Michigan; 98,557 are in the home State of Bildad TAFT, the Shuhite of Ohio; and 60,154 are in the home State of Zophar BARTON, the Naamathite of New York.

Let us "speak to the earth," and let its people speak back to us of the debt. Here comes a farmer who was losing his farm for want of credit to stay the mortgage. He reports that his part of the national debt he is paying back while living still upon the land he loves. Behind him stretch a cloud of witnesses, 869,642 strong; 30,401 of them are in Michigan with Eliphaz, 30,061 in Ohio with Bildad, and 16,098 are in New York State with Zophar.

Let us "speak to the earth," and let its people tell us of the debt. Here rises a mother to report that she has a stake in the debt, a stake not merely for herself but for all dependent children and for crippled children everywhere. Behind her rise a national throng, 264,774 mothers and 650,369 helpless children. They have survived to tell their tale about the debt, a tale of gratitude for this chance to live and to grow.

Let us "speak to the earth," and still others will speak back to us of the debt. We must ask to stand aside for this hour the businessmen aided by the R. F. C., the railroads kept running, the banks

saved. They can speak at any time. For the moment we must hear those not so easily heard when professional friends of the people monopolize the microphone to cry down the debt for the people, the debt of the patient people.

Here comes, finally, a man on relief. We must hear him and his on the debt, for the friends of Job have overlooked this man, this very brother of Job himself. He reports that the public debt has been his stake in government and in life during these trying years. He says that it is impossible to lessen public spending until private spending provides him a job. He says that spending ought to be increased rather than lessened. He says he doesn't understand the whys and wherefores of unemployment, but he means to work, he says, or to eat without working. But he much prefers, he says, to work for what he eats. He says that none will hire him, none save the Government alone. He says that he speaks for many, many more. Indeed, see rising yonder behind him to witness to his words, a mighty multitude of men. There of these men, 2,976,140; of Job's brothers, forgotten by Eliphaz in Michigan, we count 139,000; of Job's brothers forgotten by Bildad in Ohio we count 248,000; of Job's brothers forgotten by Zophar in New York we count 237,000.

IV

Yes, from the shadows of Debt Week let us "speak to the earth," and the earth will speak back to us. We owe it to the people to hear what they say of the debt. They say that bad as the debt is, there are debits worse than debt. They say that if the country has to see bad days, we ought to stand together and see them through peacefully and fruitfully. They do not say, with Bildad the Shuhite of Ohio, that public spending is "immoral"; they do not say with him that the efforts to save them have been "in vain." They think contrariwise. It is through those very efforts, they say, that they have been spared to tell their tale of the debt. They say that they are mocked of their neighbors. They repeat uneasily, in the language of the older Job, that "He that is ready to slip * * * is * * * despised in the thought of him that is ease."

And back of these millions of weary witnesses to the courage, the humanity, and the prudence of the policy that dared the debt for the sake of the debtors, I hear the poet of the people, "The People, Yes"—or is it the very voice of Job himself?—saying:

Who can make a poem of the depths of weariness
Bringing meaning to those never in the depths?
Those who order what they please
When they choose to have it—
Can they understand the many down under
Who come home to their wives and children at night and night after night as yet too brave and unbroken to say, "I ache all over?"
How can a poem deal with production costs and leave out definite misery paying a permanent price in shattered health and early old age?
When will the efficency engineers and the poets get together on a program?
Will that be a cold day? Will that be a special hour?
Will somebody be cuckoo then?
And if so, who?
And what does the Christian Bible say?
And the Mohammedan Koran and Confucius and the Shintoists
And the encyclicals of the Popes?
Will somebody be cuckoo then?
And if so, who?

V

CARL SANDBURG, The People, Yes.

The friends of Job, the patient people, talk of a debt that can be measured in money. They have measured it, weighed it, counted it, and many of them have even helped vote it in Congress. Of the service this debt has been to debtors they do not speak. Senator TAFT, the Shuhite of Ohio, does indeed speak of it, but this is what he says: "* * * balancing the human budget * * * this is merely a juggling with words, and doesn't mean anything."

But the debtors themselves speak of a debt that's different. To them the human side of the budget is themselves. This debt of which they speak is reflected in the living gratitude of the helpless who have been helped. This is the debt born of sore necessity, a debt measured in hours of anxiety, a debt tinged with the pathetic hope of better days to come. The debt of which the debtors speak is a debt to our national destiny. Not to contract that debt would have been revolutionary recklessness. To drum up hysteria against it now is to forfeit our common faith in the liberty, in the fraternity, and, above all, in the equality of our American way of life.

Democrats must speak respectfully of this debt of the debtors, a debt vastly different from that which Republicans lament so lustily throughout this ceremonial week, the week of their self-appointed Lent. Professional friends of the people can afford from the vantage of their own security to ask that spending be stopped so that men may go back to private work, thus restoring prosperity and beginning to pay off the debt. The people themselves, insecure and helpless, must demand work first so that spending can then be safely stopped, thus restoring prosperity and beginning to pay off the debt. Democrats must speak up for the people, asking firmly that the secure shall take their share of the risk involved.

That's what it means to be a Democrat. To ask the helpless to assume the risk of a premature policy of retrenchment, that's what Debt Week is rapidly making it mean to be a Republican. The issue between our parties is simply this: Who shall take the major risks for prosperity—those comfortable in their ease or those helpless in their poverty? Shall we quit spending in the hope that men will get private jobs, or shall we give men private jobs so that the Government may quit spending? We Democrats say that "friends of the people" should be friends to the people.

It is fitting that we Republicans and Democrats, brothers in both our ignorance and our hope, should celebrate Debt Week together. Celebrate it first by rereading the Book of Job. Reach there for your Bible and see who really proved friendly to the man with boils. Be encouraged by the fact that Job himself got well, recovered his prosperity, and lived happily ever afterward. Be warned by what happened to his friends—Eliphaz the Temanite, Bildad the Shuhite, and Zophar the Naamathite. Read there what happened to these three friends, friends all three of the patient Job.

Preserve the American Market for the American Farmer

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

Mr. LANDIS. Mr. Speaker, the greatest contribution which we can make toward stabilizing our economic life would be to preserve the American market for the American farmer. The hope of our farmer is an enlarged domestic market against low-cost foreign producers. The American farmer has seen his foreign market disappear and his home market gradually surrendered to the foreign producer. The farmers of America do not believe in free trade such as we are approaching under the reciprocal-trade treaties, and they are not going to permit this to go on much longer. They do not believe in trading the best markets in the world to increase the standard of living abroad.

Under these trade treaties this administration has been improving the buying power of foreign countries. They have been exporting jobs and creating prosperity in other countries. What we need is the development of some buying power and prosperity in the United States.

FOREIGN BEEF

The purchase of foreign beef is a direct blow to the cattle industry of the West. This industry employs American labor and pays taxes. Western beef is far superior to any similar produced in any part of the world.

These trade treaties have destroyed the cotton and dairy industries. They will eventually ruin all of our farmers. The competitive farm imports for 1937, valued at almost $1,000,000,000, brought a glutted market with falling prices and distress to the American farmer.

Millions of bushels of agricultural products are being imported into our country from foreign lands every year. Let us take the American corn-refining industry for an example. It is an industry which grinds from sixty-five to eighty millions of bushels of corn annually to provide a variety of starches. It is a dependable industrial outlet for American farm produce. This industry also furnishes employment to the heads of several thousand American families. This industry is threatened by the importation of low-grade foreign starches. Importations in 1936 were 306,000,000 pounds and in 1937 over 450,000,000 pounds.

In addition to the loss of the home markets and billions of dollars to our farmers, several millions of our unemployed would have had work on the farm if our own home markets had received the proper protection.

We should not sacrifice the birthright of the American farmer. The welfare of our own farmers should be considered before the welfare of foreign farmers.

Feeding our fellow citizens has always been and always will be the main job. We must insist on a consistent agricultural policy that will enable us to grow in America the things we need and to guarantee for American farmers the

right price for his products and the fullest advantage of the American markets.

We need a protectionist policy that would save the markets of the United States for our own farmers except for those few raw materials that must be imported, such as rubber, tin, coffee, and silk.

Look at the agriculture situation in Indiana, March 1939:

Corn 0.37 below parity on 1,000 bushels, the farmer is losing	$370
Wheat 0.55 below parity on 200 bushels, the farmer is losing	110
Hogs 1.89 below parity on 10,000 pounds, the farmer is losing	189
Butterfat 0.08 below parity on 1,000 pounds, the farmer is losing	80
Eggs 0.11 below parity on 100 dozen, the farmer is losing	11
Total	760

Seven hundred and sixty dollars is the loss to the average $5,000 Indiana farm. How long can we maintain our homes, churches, and schools with this income?

I for one am opposed to these trade treaties. I voted against appropriating the sum of $225,000 to carry out the reciprocal trade agreements program. I do not wish to further the importations of competitive foreign products which displace the products of our farms and factories and thereby add to the ranks of our unemployed.

The very least to which the American farmer is entitled is the American market. There will be no prosperity in America until the American market is restored to the American farmer.

The Salmon Industry in Oregon and Washington

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

ARTICLE FROM THE PACIFIC FISHERMAN FOR APRIL 1939

Mr. ANGELL. Mr. Speaker, one of the great industries of the States of Oregon and Washington is the salmon industry. No effort has been spared to protect and develop it. In considering the Bonneville project the protection of this important industry was of primary consideration.

The construction of the Bonneville project in the Columbia River between Oregon and Washington involved a serious problem as to the procedure necessary to protect migrant fish which must pass through the dam. A careful scientific and technical study was given to the problem, and as a result there was constructed as a part of the project an extensive system of fish ladders, elevators, and bypasses for taking care of fish life passing both up the river and down. These provisions have not as yet been fully completed, but the major portions, however, have been completed and have been in operation since the dam was finished.

The Government has made a careful study of the operation of these facilities for the passing of fish up and down the river for the full period from May 7, 1938, to January 31, 1939. During this period approximately a half million salmon and steel-head trout were counted going up the river over the dam. This study was made by Mr. Harlan B. Holmes, aquatic biologist, and Mr. Frederick G. Morton, inspector of fishways operations, both of whom were formerly members of the staff of the Bureau of Fisheries and who were loaned to the United States Army engineers in order that their expert services might be available in connection with the operation of the Bonneville Dam. These experts have recently written an article which appeared in the Pacific Fisherman in the April issue, detailing the results that have been achieved by the operation of these facilities. It is of such importance in connection with this project and the fishing industry of the Pacific northwest as well as for study in other projects of a similar nature where fish life is involved that I desire to extend it in the CONGRESSIONAL RECORD so that it may be available for study by all who are interested in this problem.

The article is as follows:

[From the Pacific Fisherman of April 1939]

BONNEVILLE'S FIRST YEAR

(By Harlan B. Holmes, aquatic biologist, and Frederick G. Morton, inspector, fishways operations)

On February 14, 1938, the river level above Bonneville Dam was raised to the point that water started flowing through the permanent fish ladders. Since that time the runs of fish for a full year have passed the dam, thus permitting an appraisal of the success of the fishways.

Due to the magnitude of the fish runs involved and the publicity that the problem of fish protection has received during the 4 years of construction, everyone who is interested in fish conservation has looked with keen interest to the results of this first year of operation. Those who have been required to rely upon newspapers and magazine comments have found decidedly conflicting reports. Among the thousands of people who visited Bonneville Dam during the summer, probably the majority saw few, if any, fish, and many of these visitors went away with a feeling of doubt regarding the success of the fishways. To the experienced observer, especially to those who have been responsible for the design and operation of the fishways, this failure to observe great numbers of fish has been one of the greatest sources of satisfaction. The continuous absence of any accumulation of fish below the dam gave assurance that the fish were passing as rapidly as they reached the obstruction. The experienced observer, further, is not disturbed by failure to observe significant numbers of fish in the ladders. The individual pools of the ladders, each having a surface area of 40 feet by 16 feet and a depth of 6 feet, give ample space for the fish to rest and to maneuver for the climb of only 1 foot to the next higher pool. It is decidedly the exception, rather than the rule, for a fish to jump clear of the water. A large proportion of the fish swim through the 2-foot-square submerged opening that is provided in each of the partitions between pools. The fish that pass over the partitions usually swim through the sheet of water which overflows this partition, seldom breaking the surface.

FISH COUNTING

Fortunately, it has not been necessary to base conclusions as to the success of the fishways upon this negative type of circumstantial evidence. Each fish is identified, counted, and recorded as it passed the upper end of the ladder. The counting stations consist of picketed barriers which block the passage of fish. In each barrier are three gate-controlled openings 2 feet wide through which fish may be permitted to pass. To facilitate the identification of the species of fish, there is a submerged, white platform over which the fish must pass as they leave the counting gate. The gates are opened only while an observer is on duty to tally the number of each species of fish on mechanical recording machines.

The counting stations were installed on May 7, 1938, since which time a complete record has been maintained of all species. No doubt there have been minor errors in identification of species, especially among the so-called scrap fish, such as suckers, chubs, and squawfish. Otherwise, the counts are substantially exact except in the case of the lamprey (eels), whose slender form permits many of them to pass through the 1-inch picket openings adjacent to the counting gates. The count of lampreys, however, is unimportant.

Throughout the greater part of the season one counting gate in each ladder was operated for 16 hours a day. The counter usually observed continuously for about three-quarters of each hour, taking the remander of the hour off to record the counts and rest his eyes from the confining task of looking continuously into the water. The procedure of counting for only 16 hours a day and leaving the gates closed at night was based upon a general knowledge of reduced activity of salmon at night. This condition was verified by counting 2 nights a week.

It was found that an average of about 4 percent of the salmon would pass during the 8 hours at night, and it was observed that no unfavorable condition was created by forcing this small proportion of the fish to wait until daylight to continue its migration. Some of the scrap fish react quite differently. Suckers, for example, are less active during the middle of the day and more active at night. Night counts represented about 14 percent of that species. In the case of lamprey, about a half of the run passed during the 8-hour period at night.

For a period of about 2 weeks in September, at the peak of the run, when the daily counts of salmon and trout ranged from ten to twenty thousand fish, a second gate at each counting station was operated through the middle of the day and counting was continued through the night. As the runs dropped off and the days became shorter, counting time was reduced until finally fish passage was permitted through only one gate at a time, one man making all the observations, by alternating between the two counting stations. In order to secure a complete record, counting has been continued regularly on this basis although the runs have decreased to as low as 45 salmon and trout for the entire month of January.

As the daily fish count for the preceding month usually has been published in each issue of the Pacific Fisherman and a summary by months was published in the February issue, the details will not be repeated here. The totals of the principal species for the period of May 7, 1938, to January 31, 1939, are as follows: 271,805 Chinook salmon, 107,026 Steelhead trout, 75,040 Blueback salmon, 15,168

Silver salmon, 2,119 Chum salmon, 2,227 miscellaneous trout, 5,274 shad, 44 sturgeon, 281,873 suckers, 57,542 squawfish, 19,465 chubs, 15,189 carp, 3,122 whitefish, and 227,627 lamprey (eels).

CONTINUOUS PASSAGE OF FISH

The daily count of fish varied tremendously. At the crest of the spring freshet, on May 31, the count dropped to 15 salmon and trout. The opposite extreme of 20,322 of these species was reached on September 9. Such fluctuations in the number of fish were known to be a normal feature of the Columbia River salmon runs. A general knowledge of the grosser fluctuations in the runs was available from accumulated commercial fishery catch statistics, but this information was not sufficient to indicate the exact time or magnitude of the fluctuations, nor to form the basis of reliable estimates of the actual number of fish that should pass Bonneville at corresponding periods. It appeared that it should be possible to utilize commercial catch statistics to observe individual fluctuations in the abundance of fish as they approached Bonneville. The presence or absence immediately thereafter of similar fluctuations in the counts of fish passing through the fishways then should indicate how readily the fish passed the dam and thus serve as a check on the efficiency of the fishways at the dam.

An opportunity to test this hypothesis occurred during the first week of counting. The commercial catch of Chinook salmon in the 40-mile stretch of the river between Vancouver, Wash., and Bonneville showed a distinct peak on the night of May 9–10. The count of fish passing Bonneville reached a peak the following day. Graphs of the two sets of data show essentially the same trend toward the peak and toward the decline as the run dropped off again. Similar examples were observed later and in other species, all indicating that fish passed through the Bonneville fishways within 1 or 2 days after passing the commercial fishery 10 to 40 miles below the dam.

PASSAGE THROUGH BACKWATER AREA

There has been a general tendency on the part of those who were not familiar with details of the project to anticipate that raising the water level at Bonneville would create a typical lake in which the velocity might not be sufficient to direct the salmon in their upstream migration. The natural depth of the river between Bonneville and The Dalles was in many sections as much as 30 feet at low water. Raising the water surface by the construction of the Bonneville Dam approximately doubles the sectional area in the pool at low flow. The velocity is therefore only reduced by about 50 percent, and still remains materially higher than at some places below the dam.

The fact that changes in the river above Bonneville did not disturb the passage of fish through the pool was determined by a reverse of the procedure used to trace the fish through the fishways from below the dam. In this case the fish counts were compared with the commercial catches at Celilo Falls, 50 miles above the dam. The peak of abundance of Chinook salmon described above appeared at Celilo 2 or 3 days after passing Bonneville.

A most convincing case for comparison was obtained in July, when the lowering of the water level above the dam for construction reasons impaired the operation of fishways for a period of 5 days. At this time the run of blueback salmon was at its peak; and while it is estimated that during these 5 days about 12,000 Bluebacks reached the dam, only 4,343 passed through the fishways. This accumulation of fish then passed through during the next 2 days at normal operation, 8,407 being counted the first day and 4,523 the second day. Nearly identical fluctuations were observed in the commercial catches at Celilo. A correspondingly abrupt drop occurred in the catch at Celilo 2 days after the interruption in passage at Bonneville, and after the resumption of normal passage at the dam, a corresponding increase appeared in the catch at Celilo during the succeeding second and third day. The trends of the runs of Steelheads and Chinooks on this occasion were not as distinct as in the case of the Bluebacks, but it appears that they may have taken from 5 days to a week to reach Celilo. At no time was there any indication of extensive delay, and surely no failure of the fish to continue their migration.

Further evidence of the unhampered movement of the fish through the backwater area is found in the season's operations at the salmon egg-taking stations located on Wind River, Little White Salmon River, Spring Creek, and Big White Salmon River, all of which are located along the backwater area. These stations collectively obtained about 42,000,000 Chinook salmon eggs, which is more than 10 percent above their average.

FISHWAY OPERATION

In the design of the fishways for Bonneville Dam a great deal of attention was given to means of attracting the fish to the fishway entrances. It was believed that in the absence of an attraction greater than that provided by the simple flow from the ladders, the fish might become injured or seriously delayed while searching for a route of passage. There accordingly was developed a combination of features known as a collecting system, which consists essentially of extensive auxiliary water supply and enlarged fishway entrances. In the collecting systems as installed at Bonneville the flow through the ladders can be augmented about twentyfold, to give a total of at least 8,000 cubic feet of water per second to attract the fish to the fishways. As a matter of comparison, the flow of the Willamette River is less than this amount for an average of 3 months a year.

The most elaborate collecting system is located at the powerhouse in the south channel of the river. The only flow in this channel is that which passes through the turbines and fishways. As very little power so far has been generated, few fish have been attracted into the south channel, and this collecting system, therefore, has not received a real test.

The collecting systems at each end of the spillway dam in the north channel have received a thorough trial. The dispatch with which the fish passed the dam is evidence of their success. Experiments conducted to determine the merit of the auxiliary water supply clearly demonstrated its advantages. At times of high river flow the fish seemed to follow closely along the shore lines, where they readily found the fishway entrances. Later in the season, when the peak of the run of Chinook salmon coincided with reduced river flow, the fish spread more widely and a few were observed each day in the rough water immediately below the dam. It is believed that a few fish were fatally injured in this area, but the number was insignificant.

Each collecting system is designed to direct the fish to the dual fishways in the form of a fish ladder and a pair of fish locks. The ladders were the first to be available for use, and their complete success immediately was demonstrated. The fish locks have been used only experimentally; but from the tests made it appeared that the fish entered the ladders more readily than they did the locks. It also was found that a fish trap to prevent the fish from leaving the lock after having entered is a feature essential to their success. Traps were included in the design but were omitted in construction until their need has been demonstrated. In the course of the experiments 4,637 salmon and trout passed through the fish locks.

An additional fishway known as the Tanner Creek bypass, which receives water from above the dam at the extreme south shore and has its entrance at the mouth of Tanner Creek, about 2,500 feet below the powerhouse, was temporarily deferred; but work recently has been resumed on a schedule calling for completion in August of this year.

PASSAGE OF DOWNSTREAM MIGRANTS

Throughout the consideration of fish protection at Bonneville Dam, it has been recognized that the passage of downstream migrants presents more uncertainty than that of upstream migrants. This is due mainly to the difficulty of observing small fish in large bodies of water. Little was known of the habits of the small migrants or of the hazards to them of different water courses. It obviously was impracticable to screen a major part of the flow of the Columbia River with mesh small enough to prevent passage of small fish and thus to divert the downstream migrants away from the routes that might be considered hazardous. The program adopted for downstream migrants accordingly was one of providing as many definitely safe routes as practicable and attracting as many of the fish as possible to these routes.

The definitely safe routes that were provided include the three fish ladders, five special bypasses, and the ice sluice at the powerhouse. Extensive laboratory and field tests seem to justify inclusion of the turbines among the safe routes, leaving the spillway as the only questionable route. Upon observing the turbulence of the water immediately below the spillway, one may justly become uneasy regarding the safety of the little fish. This anxiety is relieved, however, when it is recalled that extensive runs of fish are required to pass through equally rough water at points such as Oregon City Falls, Celilo Falls, and Rock Island Dam.

If the downstream migrants are distributed evenly across the river, all but an insignificant portion of them surely pass through the spillway. On the other hand, if it is correct, as generally contended, that the little fish remain near the shore, a large portion should find their way to the bypasses. The bypasses themselves carry only a small volume of water, but they are accompanied by screened auxiliary water intakes, forming a combination that may be compared with the collecting systems for upstream migrants. A large volume of water flowing into the structure serves to attract the fish and to direct them to the bypasses.

Various observations have been made to determine the success of passage of fingerlings. The shore lines of the river below the dam have been observed at frequent intervals for evidence of injured fish that might be washed ashore, but none has been found. The men who count upstream migrants also record the number of fingerlings that pass downstream through their counting gates. A trap operated in one of the bypasses gives a record of the number of fish following that route, and trap nets have been used at several points to check the activity of the fish. Upon the basis of these findings, minor changes have been made in the structures to better direct the fish to the bypasses.

It was anticipated that there would be numerous adult steelheads migrating downstream after spawning. While it was recognized that a large proportion of these fish might pass through the spillway without being observed, it seemed they would be in evidence at other points, such as in the ladders and the screened auxiliary water intakes. In the course of the year's observations, however, only six were seen. In the case of adult shad, a larger proportion was observed going downstream. Out of 5,274 counted on their way upstream, 40 were observed in the ladders on their way down again.

It is of interest to note that nearly 400,000 scrap fish, including suckers, chubs, squawfish, and carp were counted as they passed upstream through the ladders, and that only 55 adults of these species have been observed on their way downstream.

PROBLEM IS CONTINUING

Summarizing the year of experience with the fishways at Bonneville Dam, it is believed that a record has been established in the successful passage of upstream migrants by means of artificial facilities. Surely no runs of fish even approaching the magnitude of those at Bonneville ever before have passed through fishways.

All classes of fish have passed without apparent delay. The writers know of no other instance in which major runs of fish pass through fishways without first accumulating below the obstruction to the extent that their presence is conspicuous.

The situation relating to downstream migrants remains more of an uncertainty, due to the inability to make direct observations. There is no evidence, however, that the young fish are being injured.

In conclusion, it is recognized that the success of the first year's experience cannot be taken as evidence that the problem of fish migration at Bonneville is completely solved, leaving only routine operations of the fishways to follow. Conditions will be constantly changing. As more power is generated and a greater proportion of the flow is diverted from the north to the south channel, the fishways at the powerhouse, which have been little used as yet, must carry a large proportion of the fish. At the same time, the reduced flow through the spillway will present problems of attracting fish to the fishway entrances in the north channel. Such changes fortunately will be gradual, giving opportunity for adjustment to meet conditions as they arise. The Army engineers, being fully aware of these problems, have spared no effort in the construction and operation of the fishways, and continuance of this policy is assured.

Some Republican Chickens Coming Home to Roost

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

ARTICLE BY ARTHUR KROCK

Mr. BUCK. Mr. Speaker, in view of the forthcoming vote on the so-called Townsend plan, I believe it would be of interest to the Members on both sides of the House to see how one of the foremost political commentators in America, Mr. Arthur Krock, writing for the New York Times, regards the situation.

Under leave granted me, therefore, I insert an article by him, appearing in the issue of May 25, 1939, in the New York Times:

[From the New York Times of May 25, 1939]

IN THE NATION—SOME REPUBLICAN CHICKENS COMING HOME TO ROOST

(By Arthur Krock)

WASHINGTON, May 24.—A discouraging and confusing circumstance in the 1938 elections was the alliance between many successful Republican candidates for Congress and Dr. Townsend. Discouraging, because it aroused doubt that the New Deal's political opposition was concerned with much more than getting office by out-promising Treasury drafts. Confusing, because it gave point to the argument that the antiadministration trend apparently revealed by the voters was local and not national—an argument the President has steadily made.

After the election Democratic statisticians estimated that more than 60 new House Republicans and three new Senators had either embraced or flirted with the Townsend scheme, and thus defeated Democratic candidates who had declined to attempt what has been called "this cruel hoax" of elderly citizens. Majority Leader RAYBURN of the House said about this time he was determined to compel the new Representatives concerned to vote on Dr. Townsend's proposal through the public process of a roll-call. Today the Ways and Means Committee reported, without recommendation, the latest version of the $200-a-month pension plan for the elderly, to be financed by a transactions tax. Now those who promised or hinted in the 1938 campaign will have to go on record, as Mr. RAYBURN vowed they should.

If the expected happens in the House the display will be one of those which expose an unpleasant aspect of politics in a democracy. There will probably be examples given of retreating, dodging, and scared redeeming of reckless campaign pledges. The defeat of the bill is uniformly predicted. The news will be in the names on the roll call and the names missing therefrom. When it is remembered that the successful 1938 Republican campaigns in Ohio and Massachusetts were among those in which the New Deal critics encouraged the Townsendites, the political newsworthiness of the roll call can be anticipated.

COMFORT FOR THE DEMOCRATS

On this vote, unless many Republicans repudiate the intimations they gave during their campaigns, the Democrats will make a much better showing of responsible stewardship of the money of the taxpayers. In many instances this will require courage, for in certain sections of the country the Townsendites are well organized and Republicans aspiring to Congress are their spokesmen. But the Democratic leaders have assured Members in this position of a stay and comfort soon to come. They have promised to exert every effort to move up to 1940 from 1942 the first old-age payments under the Social Security Act and to resist every attempt to lower the benefits.

Only lately, and especially after the unworthy Republican display in 1938, have the Democratic leaders in Congress and the political managers of the administration realized the bad politics inherent in the 1942 payment plan. Their decision to protect themselves by advancing the date to the next general election year is comprehensible. In contrast to certain successful Republican congressional campaigns it assumes almost respectability.

As the Social Security Act was written the first benefit checks would go out January 1, 1942, nearly 14 months after the next election in which President Roosevelt and his policies will be the issue. Hardly a voice, even those belonging to sincere and courageous members of the Democratic economy bloc, has been raised against the amendments advancing the date. The President and the Cabinet are understood to support the plan informally, and both moderates and new dealers among the Democrats are said to be generally in line.

IN THE SAME PARTY BOAT

Though the moderates and the new dealers will probably engage in bitter primary and convention struggles next year, all are gathered under the Democratic label, and they have in this respect a common interest. Having been confronted by Republican tactics that were as reckless and demagogic as any in recent times, they have prepared to protect themselves with nothing like as much damage to the Treasury.

The first old-age pensions under the existing plan average about $25 a month, and they are not likely to be reduced by the amendments. A citizen who earned a total of $2,000 in the 5 years before the payments begin would get $10 a month from Washington, and $25 would go to the citizen who has earned $15,000 in those 5 years. This is no match for the luxurious Townsend scale of $200 a month which in 1938 was endorsed or encouraged by many Republicans now in Congress or in control of State capitols. No monthly spending commitment goes with it, and no transactions tax. But it constitutes a responsible acceptance of the theory of old-age benefits, and politically it is expected to prevent mass desertion of the Democrats by the elderly in 1940.

It might be pointed out that only a rich nation, in a period of secure and growing prosperity, should attempt to extend these benefits in any sum. But that is another discussion: the point of this account is politics, and for once the Democrats—New Dealers and moderates—are pursuing a far safer and more honest program than their partisan opponents.

Conservation—T. V. A. Model

EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

EDITORIAL BY OSCAR D. LEWIS, SECRETARY, LAUDERDALE COUNTY (ALA.) CONSERVATION COUNCIL, IN FIELD AND STREAM

Mr. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial written by Oscar D. Lewis, secretary, Lauderdale County (Ala.) Conservation Council, that appeared in the current issue of the magazine Field and Stream.

The editorial is as follows:

[From Field and Stream]

A lot of fish are being caught down in the Tennessee Valley these days—big fish, prize winners. The vast series of inland seas resulting from T. V. A.'s system of power dams is producing results, and fishermen are beaming. So are the T. V. A. officials. It's going to be a great place to live if you like hunting and fishing.

And, the authorities point out, there is more to come. Years hence the Tennessee Valley will have forests abounding in game, lakes teeming with bigger and better fish, myriads of wildfowl, and the world's biggest fish hatchery. In short, T. V. A.—to quote T. V. A.—is building a sportsmen's paradise.

But is it? Will the pretty picture they paint ever materialize? Or will it develop into nothing more than a mirage?

Well, a little female mosquito by the name of Anopheles—carrier of malaria—seems to hold the answer to that question. Or, more correctly, the answer rests with the T. V. A. and the Alabama Health Department, and the methods they will use henceforth in controlling Mrs. Anopheles and her brood.

As it is now, the conservation phase of the T. V. A. plan is being paid off in checks that bounce all over the lot, and malaria control is writing them. For T. V. A. is talking conservation and building conservation with one hand, and destroying fish and game and tearing down conservation with the other—a quaint bit of legerdemain not unheard of in Government activities where conservation is concerned.

For the past 5 years, in a relentless and almost fanatical war on Anopheles, T. V. A. airplanes have been roaring along the shore lines of the valley lakes, scattering clouds of paris green and soapstone dust in an effort to kill mosquito wigglers. Scores of motorboat crews spray the waters with tons of crude oil. Elaborate drainage systems rob marsh reservoirs of their water, sucking moisture from the land. Periodic fluctuations of lake levels and destruction of aquatic plant life may help in the campaign against the mosquito, but they also make the waters unsuitable for fish life.

Of course, malaria control is an essential part of the health program in the South. Don't get me wrong on that point. But there can be such a thing as "controlled" malaria control; and by their own admission, health authorities reveal that the present system isn't producing the desired results. There must be other and better ways to do the job without wrecking the earth and the waters around us.

I say "earth," because T. V. A.'s war on the mosquito is not confined to the waters. Even the marginal lands have been invaded. Nature's cover for birds and game has been cut and burned by the thousands of acres along the lakes in a program oddly suggestive of the "scorched earth" policy which China has been using against the Japs. Stumps of century-old cypress trees, willows, and oaks stand in grim ranks along the shores. Except in certain designated areas, not even aquatic plants, including duck foods, are allowed to exist within the T. V. A. "zones of fluctuation."

And what of the economic factor? Eventually such a program, if carried far enough, will mean soil erosion, and control of soil erosion is one of the vitally important features of the valley rehabilitation project. This is the only way to insure the future usefulness of the dams and lakes for power and navigation purposes.

It isn't malaria control that we Alabama sportsmen are objecting to, but the system being used. We believe that a coordinated health program, aimed first at the reduction of mosquito-breeding grounds in populated areas—in cities, towns, and around farm buildings—is of primary importance. Until malaria is controlled in these spots, we cannot see the wisdom behind the deliberate destruction of fishing waters.

At a recent meeting held in Huntsville, Ala., for discussion of the problems involved in malaria control, the T. V. A. and the Alabama Health Department completely ignored the suggestions made by the Alabama Wildlife Federation. Officials denied that the mosquito-control project was detrimental to fish life, despite the mass of evidence to the contrary. Dr. Walter B. Jones, president of the federation, pointed out that all the top minnows—among the best of Nature's own malaria-control agents—were destroyed by oil sprays on Lake Wilson almost as soon as they had been planted, and that 17 head of cattle were killed on the shores of this same lake by T. V. A. mosquito "dope."

The T. V. A.'s new hatchery on the Elk River in Alabama will have an annual capacity of some 6,000,000 fish. But where is the reasoning behind a plan to spend thousands of dollars to produce fish for waters where fish cannot live—where plant growth necessary to fish life has been so thoroughly decimated that even the willow bushes along the shores were killed by arsenic? There is no question about T. V. A.'s good intentions, yet it is certain that the development of a program of conservation—leading to that sportsmen's paradise which has been painted for us—can never succeed as long as the functions of one department are so obviously nullified by another.

Malaria should and must be controlled, but I repeat that—as far as T. V. A is concerned—it can be controlled without laying waste the land. Fish and game cannot survive in an area of sterile lakes and denuded forests, nor would any man want to live in such a spot. It will be shameful, indeed, if either the T. V. A. officials or the conservationists ever have to admit that they have been beaten by a female mosquito.

The Plight of Farm Families

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

Mr. BURDICK. Mr. Speaker, how many times have we heard the statement from some misinformed person that we have done enough for the farmers; that the farmers are better off than anyone else; "why keep spending taxpayers' money on a bunch of no-good farmers?" Businessmen of high standing have made such statements to me during the past few months. That sentiment is evidently widespread in the business section of the United States. Mr. Speaker, I cannot permit such statements to go unchallenged.

First, let me say that there is absolutely no doubt that millions of farm people are in distress. I desire to quote from a letter received from one of the good farm families of North Dakota. I submit that if businessmen will read this letter and take the pains to inquire about this good family, that no more wild statements will be given out about the worthless farmers. I quote from the letter:

WILLISTON, N. DAK., *May 22, 1939.*

HON. USHER L. BURDICK.

DEAR SIR: We children have spent all our lives on these prairies, and dad and mother have spent the most of their 50 years here. Life for us has meant the exchange of ease and pleasure for heat, poverty, hardship, and lack of thanks from an unappreciative world.

We had always paid our way in this world by doing our share in the production of wheat, potatoes, beef, and mutton until the present panic and drought. Celebrations, shows, ice cream, shade, and luxuries were almost unknown to us. Since the drought our cattle and horses have died on every hand, in spite of the fact that there was an abundance of feed. The inefficient and criminal handling of that feed was a monument of shame, not only in the public eye, but also the observation of the feed administration itself, unless it was absolutely blind.

That not being enough, we also were left many times without relief, having only potatoes and milk for months at a time. Once we had to go into the winter without coal.

We see, however, these relief clerks clad in brightest and latest colors, happy, well fed, and protected from the bitter cold by warm offices where the Arctic winds cannot touch them, riding in the best new automobiles with good tires, etc. Yet they do not walk a few blocks to and from work, and pleasure.

We do not expect a corporation to have a soul and a conscience. Indeed, the F. S. A. has many times demonstrated that. In confirmation of that, the care of the women and children are made secondary, and the special advantages of the F. S. A. are made first.

Specifically we mean that our recommendation for May, June, and July grant checks are being held up in the Williston office because our father cannot agree with such practices in the F. S. A. offices as are such a burning disgrace to the emergency feed administration a few years ago.

We therefore appeal to you in the name of a clear conscience before God that nothing be allowed to come between us and our sustenance at this time, that our care once more be placed first, and that our father and mother still be allowed to follow the dictates of their conscience in their business relations to the F. S. A. or any other individual or corporation.

These corporations have not only subjugated the conscience of their workers to their very will, but have also added greatly to the mental anxiety as well as physical suffering of those innocent and unoffending women and children who have been denied the luxuries and pleasures of town life. Is it not, indeed, pitiful that city workers and all others whose sustenance comes from toil of rural people should feel a certain hostility and indifference to our condition of want and isolation from those who are situated more comfortably than ourselves? Give us a square deal before God and conscience.

Yours sincerely,

MCGILL FAMILY,
Mr. D. L. MCGILL,
Mrs. D. L. MCGILL,
LEONA MCGILL (age 18),
WARD MCGILL (age 14),
JEAN MCGILL (age 10),
ELAINE MCGILL (age 12).

What has brought about this condition, Mr. Speaker? Many things have contributed. The unprecedented drought, of course, has been the immediate cause. Even with fair crops the price received from grain has not been enough to cover the high costs which a farmer must bear. The interest load is unbearable. One of the peculiar things about interest is that it is not concerned with droughts, frosts, hail, grasshoppers, or any other scourge. The interest goes right along working night and day through all the scourges until it becomes itself the greatest scourge of all.

We tax to keep up a government to protect our lives and our property, but few realize that we tax for another item which renders us no service at all, and this item takes fully one-third of the Nation's taxes—interest. We pay interest on the public debt. On Government obligations alone we must now raise $1,500,000,000 annually. State, city, county,

township, and school district interest takes another annual toll of interest; private interest takes another toll—in all annually the people of this country must raise $15,500,000,000 to pay interest. When our national income is running from forty-eight to sixty billion, we can at once see that approximately one-third of the national income is devoured by interest.

While this process is in operation and the price of farm products is low, what do we find on the other side of the ledger? A binder used to cost $135, and now the same binder is $375 and all farm machinery follows in regular order. If a farmer once gets into debt, he is lost under the interest system, punctuated by droughts, grasshoppers, hail, and poor prices.

As a Congress, could we do anything to stop this interest racket? Mr. Speaker, we could change the whole situation in one week if we could stay united long enough to do the job. Declare by a simple resolution of Congress our absolute control over the Nation's money and credit; stop issuing bonds and issue greenbacks instead; stop farming out our credit to private interests to be sold to the people in interest charges. This simple method would revolutionize the entire interest system. Any class of people would be able to secure credit for a nominal charge. Today see what the situation is. Every bank loaded down with money and no money to be obtained. Even businessmen have appeared here and testified that in order to get credit they have been required in many instances to seek credit from interest grafters and money racketeers and have been compelled to pay at rates as high as 35 percent. No such situation should be tolerated in this country.

Mr. Speaker, the farmers are victims of this system. The McGill family, whose letter appears here, are victims of that system. The Federal land banks foreclose when interest payments are not met. They have foreclosed and foreclosed and have so much land on hand that the President was required to set up an organization to handle this land. When a foreclosure takes place, the farmer and his family are ousted. If they do not vacate the premises they are ejected. They still have the instinct to live—they actually believe they have a right to live. How do they do it? They go to the nearest town, the nearest city, and apply for help. We appropriate millions for relief and they secure a little of it, not a living standard, but a starvation standard. But, however small that aid is, in the aggregate it amounts to annually hundreds of millions of dollars. When we appropriate these huge sums for relief, the businessmen of the country put up a howl that can be heard from coast to coast. Not once have they offered to pitch in and change the interest system that is the cause of all this disturbance of our society. And now, Mr. Speaker, they are falling victims of the same system. They cannot even get credit without paying tribute to a band of Shylocks who demand 35 percent interest on their pound of flesh.

It cannot be said that no move has been made in this Congress to change this system. I have had a resolution pending here (H. J. Res. 217) for 4 years, which reads:

Resolved, etc., That said national banks and said Federal Reserve Board, and the member banks of the Federal Reserve System, be, and they are hereby, declared to be operating without any constitutional authority; be it further

Resolved, That said institutions and each of them shall not, after the passage of this resolution, be permitted to issue any money or have any control over any of the money and credits of the United States.

How long will this Congress and the people allow the great mass of the people of this country to stagger along under this stupendous interest burden, when we have the power to remove it? How long will we shut our eyes to the evils for which we ourselves are responsible? In my judgment, we will continue in our course of supporting the lords of interest until that system has destroyed the Republic itself. If we actually believe in our country and want to defend it, we will take the first step that will protect it—take control of the Nation's money and credit and use it for all the people.

Letter From the American Indian Federation

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

LETTER FROM AMERICAN INDIAN FEDERATION

Mr. BURDICK. Mr. Speaker, the attitude and the operation of the American Indian Federation has been called in question in the proceedings in which I withdrew H. R. 5921, and very grave charges were made against this organization by the Department of the Interior. In this controversy, I believe it only just that the American Indian Federation be heard, and I therefore submit herewith a letter received from this organization dated May 15, 1939:

THE AMERICAN INDIAN FEDERATION,
Claremore, Okla., May 15, 1939.

Hon. USHER L. BURDICK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BURDICK: In his letter of April 28, 1939, inserted in the RECORD of May 1, 1939, page 4934, Mr. Secretary Ickes attacked H. R. 5921, the American Indian Federation, some of its officers, and reflected upon the character, integrity, and intelligence of its members.

In view of the embarrassing situation in which we or the Secretary have placed you, we believe it becomes our plain duty to acquaint you with the facts and to state clearly what is the attitude of some 15,000 Indians who are opposed to the present policies of the Indian Bureau and why, and to assure you that we are not the ignorant, misled "dupes" whom the Secretary would have you believe.

H. R. 5921, sponsored by the American Indian Federation, prepared by the undersigned as a committee, and introduced by you at our request, offers a plan under which we think the perplexing problem of Indian claims may have just and early disposition. It is in direct opposition to the policy of the Indian Bureau, which insists upon indefinite delay in order to perpetuate itself. We simply propose that the United States pay to those individual Indians who are willing to accept their share of the promised sums now and relinquish all rights to tribal equities therein, just as an alien in becoming a citizen of the United States renounces his former citizenship and surrenders his rights thereunder. In this manner each payment to an individual reduces the total amount due the tribe, leaving those Indians who prefer to remain members of the tribes at the mercy of the Indian Bureau. Universal acceptance would end forever the troublesome jurisdictional bills, actions in the Court of Claims, and silences immediately the bureaucratic suggestion that a "claims commission" be added to the long list of expensive Government agencies.

The Secretary and many good citizens have bitterly criticized certain foreign nations which have diverted funds owed to the United States to preparations for war. In like manner we criticize the Interior Department for its misrepresentations to Congress in order to divert funds owed to our people to pay salaries and expenses of a social experiment station whose record is one of ignominious failure.

The Indian Bureau has represented to Congress that there are 350,000 Indians in the United States. This exaggerated estimate was given to strengthen the plea for appropriations to teach these "ignorant" people to earn a living "and for other purposes." Mr. Commissioner Collier has told a committee of Congress that the total amount of Indian claims against the Government, apparently just and legal, amounts to more than a billion dollars, and that about another half billion is "morally" right. But if there were really that many Indians and each were to be paid $3,000, it would require $1,050,000,000 to settle all claims. A staggering sum, indeed. And yet an increase of less than 2.5 percent of the national debt. Even so, the written word of the United States would be made good to a people who are victims of the same policy of "aggression" and "expansion" which is so righteously deplored when it is pursued in Europe or Asia or Africa.

However, the Secretary failed to remind you that Congress has authorized the expenditure of approximately $60,000,000 annually at his request. Even if there should be no increase in these expenditures the United States will have spent $1,200,000,000 in 20 years. That would be $150,000,000 more in 20 years than we are suggesting for all time to come. But there is this difference: We propose that the money shall go to those to whom it is due, not to any army of Government employees. And with the added reminder that at the end of 20 years under the Ickes-Collier plan the United States would not be one step nearer a final settlement with the Indians.

Please bear in mind that the millions now being poured into the "Indian service" do not reach Indian purses; that Mr. Commissioner Collier placed in the record that there was 1 Indian Bureau employee for every 25 Indians; also, that it was costing the Government $209.90 per capita to administer the affairs of Indians.

Indian Commissioner Collier intimated to a committee of the Seventy-fifth Congress that it will require at least a hundred years at proportionately increased expense for his Bureau to complete its work. In the light of this confession of incompetency, the drain on the Treasury necessary to dispose of the whole matter and have the Indian problem justly and definitely solved pales into insignificance.

We resent, and most vehemently deny, the statement that there is any relation between the American Indian Federation and any group objectionable to a loyal patriotic citizen. We are proud of the fact, however, that we are associated with the American coalition.

The American Indian Federation was organized in 1934 in Washington, D. C. Its membership includes representatives of 33 tribes of Indians, residents of 38 States of the Union. The first shaft of criticism hurled against it from any official source followed our complaint that objectionable Indian legislation originated in a committee of the American Civil Liberties Union and smacked of communism, in opposition to which principles we are definitely committed. Later we complained that certain influential officials in the Interior Department were foreign-born, one with an Americanized name; and that they did not have sufficient knowledge of or interest in Indian matters to competently administer our affairs—if, indeed, our affairs are essentially different from those of other citizens. We complained that communism was being taught in Government schools for Indian children; that religious freedom was being arrested at established Indian schools.

The purposes of the American Indian Federation are clearly set out in its constitution, bylaws, and articles of incorporation. These are, generally, to promote the interest of the American Indian by education, industry, and thrift; to encourage Christian virtue and loyal citizenship. The membership fee was originally fixed at $1 and has not been changed. This fee has been paid voluntarily and without coercion on the part of this organization or any of its officers or authorized agents. No salary or compensation is paid to any officer or authorized representative. We contend that the Indians have the same right to organize for their own welfare as any other group of American citizens and that they have the constitutional right to petition the Congress and officers of the Federal Government for redress of any wrong or legitimate claim they may wish to present. They have the same right and privilege to contribute to the program of our organization as Secretary Ickes or Commissioner Collier have to advance the interests of the American Civil Liberties Union, which these Indians condemn as bitterly as the two public officers condemn our organization. Indians of the State of Oklahoma have stood for progress in every respect, and many of our members are now holding responsible public positions in the government of the State of Oklahoma and Indians will be found in every line of industry and useful endeavor throughout the Nation.

The Secretary told you in his letter that the federation is engaged in a "racket," etc., and that we promise prospective members or "victims" $3,000 from the Government if they will pay us $1. It may be merely a coincidence, but we have referred to the Indian Bureau as a "racket"; but its victims are Congress, the Indians, and the taxpayers of the United States. We have profound respect for the high office of Secretary of the Interior, but we resent the misstatement that we have promised $3,000 for $1, coming from any source. We have made no such silly promises. We have made no such impossible contracts. We have held out no false promises. There are open doors to all our meetings, many of which have been attended by Interior Department employees (at Government expense) to keep the Secretary informed of our activities. If, indeed, we are practicing fraud upon Indians to the knowledge of the Secretary or any of his subordinates, then they are derelict in their duty to their wards and to the Government by not bringing charges in the courts rather than in press releases and letters to Congressmen. If what he says is true, we have used the United States mail for purpose of fraud and he should have had us thrown into jail.

Our plan for final settlement was not finally developed until our annual convention in 1938—4 years after the Secretary first launched his abuse against us for opposing his policies. He hated us before H. R. 5921 was conceived and for other reasons.

We thank you again for the interest you have shown in the Indian citizen and the use of your influence in his behalf.

Assuring you of our continued confidence and esteem, we are

Very respectfully yours,

THE AMERICAN INDIAN FEDERATION,
JOSEPH ERUNER, *President.*
O. K. CHANDLER,
34 G Street NE., Miami, Okla.
W. E. MCINTOSH,
N. B. JOHNSON,
Legislative Committee.

THE AMERICAN INDIAN FEDERATION, UNIT NO. 4,
Elbowoods, N. Dak., May 23, 1939.

Hon. USHER L. BURDICK,
Washington, D. C.

HONORED FRIEND: Pursuant to first amendment to the Constitution of the United States, American Indians should have the same right to petition Congress as other citizens. When organized labor of the American Legion sponsors a bill in Congress no Cabinet officers write to any Congressman asking him to withdraw the bill and charge the members of these organizations with being crooks because they charge their members a membership fee of $3 to $12.50 a year.

The entire membership of American Indian Federation, Unit No. 4, respectfully request that the attached resolution with this note and letter from Joseph Bruner and others, written to you from Claremore, Okla., May 15, 1939, be included in the record of hearings before the United States Senate Committee on Indian Affairs.

Very sincerely yours,

FLOYD MONTCLAIR.

RESOLUTION

Be it resolved by the members of the American Indian Federation, Unit No. 4, convened in special session May 23, 1939, at Elbowoods, N. Dak., That we unanimously endorse the letter of President Bruner, N. B. Johnson, W. E. McIntosh, and O. K. Chandler, of the American Indian Federation, dated May 15, 1939, at Claremore, Okla., and addressed to Hon. USHER L. BURDICK, Member of Congress, Washington, D. C.

We are not "dupes"; have not been "duped"; have not attempted and will not attempt to dupe our people. We are American citizens and have the same right as other Americans to petition Congress. We are capable of understanding our problem, which is social and not racial, and we are capable of petitioning Congress in our own behalf. The bill now pending in the Senate and introduced in the House is the Indians' bill; the first, in our judgment, ever to be offered in Congress applicable to all Indians and with the distinct objective of ending "Indian affairs" as between the Indian citizen and the Federal Government: Be it further

Resolved, That a copy of this resolution be immediately mailed to Hon. USHER L. BURDICK with a letter requesting that he immediately introduce into the CONGRESSIONAL RECORD the letter of President Bruner and other members of the federation's delegation referred to herein, and that a copy of this resolution be mailed to Hon. LYNN J. FRAZIER, Hon. GERALD P. NYE, our United States Senators, and Hon. WILLIAM LEMKE, our other Member of Congress.

Unanimously adopted May 23, 1939.

VICTOR YOUNG BEAR, *President.*

Attest:

FLOYD MONTCLAIR, *Secretary.*

Reapportionment of the Legislature of Hawaii

EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

Mr. KING. Mr. Speaker, under leave to extend my own remarks in the RECORD, I wish to discuss a bill which I have introduced, H. R. 6453, to amend the Hawaiian Organic Act so as to provide for reapportionment of the membership of the House of Representatives of the Legislature of the Territory of Hawaii and to create districts from which said representatives shall be elected, and to provide for reapportionment within each county of the membership of the Senate of said Legislature.

The basic law of Hawaii is an act to provide a government for the Territory of Hawaii, approved April 30, 1900, and known as the Hawaiian Organic Act. This is the Constitution of Hawaii, adopted by Congress when incorporating the recently annexed Republic of Hawaii as a Territory of the United States. It can be amended only by Congress, and it, together with the Constitution of the United States, limit and restrict the degree of local self-government extended to Hawaii. It is a matter of pride with the people of Hawaii that the many amendments adopted to the Hawaiian Organic Act since it was originally enacted have always been proposed by our local legislature. Congress has never had occasion to initiate legislation for the government of the Territory, nor has Congress ever had occasion to veto any action of the Hawaiian Legislature.

Section 55 of the Hawaiian Organic Act defines the legislative power of the Territorial government. It also prescribes the manner in which the legislature shall be reapportioned.

as changes in population make such action desirable to obtain better representation. The precise language is:

The legislature, at its first regular session after the census enumeration shall be ascertained, and from time to time thereafter, shall reapportion the membership in the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory.

During nearly 40 years of existence as a Territory the mandate contained in the Hawaiian Organic Act has not been carried out. The figures for "the population in each of said districts who are citizens of the Territory" have never been available to our legislature. When the organic act was inaugurated in 1900, Hawaii had a population of slightly over 150,000 people, and there were only 11,216 registered voters. Only 1 in 15 of our population were voters, and probably not 50 percent of the total population—adults and minors—were citizens. Today the total population has increased to 411,485 people, of whom 328,185 are citizens. The number of registered voters in the election of 1938 was 83,433—approximately 1 in 5 of our total population and 1 in 4 of our citizen population.

This increase in population and in the electorate has thrown our present basis of representation in the legislature entirely out of proportion. Urban communities have increased faster than rural areas. The city of Honolulu, in particular, has grown to almost metropolitan size. Reapportionment has become a live issue with the people of Hawaii.

Both the local Democratic and Republican Party organizations have in recent years contained planks on the subject in their platforms pledging their candidates to work for reapportionment if elected to office. The subcommittee of the Committee on the Territories of the House of Representatives, which held hearings in Hawaii from October 7 to October 18, 1935, had this question presented to it. The Joint Congressional Committee on Hawaii, which held hearings in Hawaii between October 6 and October 22, 1937, also went into the matter quite thoroughly.

Its report, submitted to Congress on February 15, 1938, included the following statement and suggestions:

Subject of much local discussion has been the need for a reapportionment of the members of the Territorial legislature. As originally provided in the organic act, the membership of the legislature was probably in fair proportion with the population figures for the respective election districts. This gave the islands other than Oahu, where Honolulu is located, a majority in both houses of the Territorial legislature. Anticipating the need for future changes, the organic act further provided that the "legislature, at its first regular session after the census enumeration (referring to the United States decennial census) shall be ascertained, and from time to time thereafter shall reapportion the members of the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory." In the changes in population since 1900 the urban population has increased faster than the rural population. The rapid growth of the city of Honolulu has brought the population of the island of Oahu up to a clear majority of the entire population. The issue has become the old battle of the country districts against the power of the metropolitan district. Efforts to reapportion in accordance with the organic act have been consistently opposed by country representatives, whose justification has been that at no time since 1900 has the census enumeration tabulated the required figures of the number "who are citizens of the Territory."

To comply with the present requirements of the organic act would give Oahu, comprising two representative districts and one senatorial district, a majority in both houses. Several members to each house are elected at large from the respective districts rather than from individual senatorial or representative districts. Under this arrangement reapportionment might well give the party carrying the island of Oahu, even if by a narrow majority, complete control of the legislature. In effect, this would disenfranchise the minority on Oahu and deliver the destinies of the Territory to a group or party representing a majority on only one island on the assumption that the members from the districts on the other islands would be of the same party affiliation as the Oahu minority. A more equitable plan would seem to be to redistrict the Territory throughout and provide for single senatorial and representative districts based on the number of votes cast for Delegate to Congress at any specified election. Particularly does this appear desirable since there is now as great a disproportion between the several districts as between Oahu and the other islands.

The first representative district, for instance, elects the same number of representatives to the legislature as the second district, but casts more than twice the number of votes as the latter district. Other disproportions exist between both the different senatorial and representative districts.

An alternative suggestion of some merit has been advanced—that the senate be left unchanged and only the house of representatives be reapportioned among the existing representative districts. In any case the local legislature should study this matter and propose adequate legislation to provide better proportionate representation in accordance with the spirit of the organic act.

The Legislature of Hawaii has just completed its twentieth biennial session. Among other suggestions contained in the report of the Joint Congressional Committee on Hawaii, the legislature considered the subject of reapportionment. There were wide differences of opinion as to the best means of obtaining an equitable reapportionment between the various counties and districts of the Territory, and the legislature adjourned without having given complete approval to any one plan. However, the Senate of Hawaii unanimously adopted a resolution embodying a memorial to Congress requesting amendments to the organic act that would provide reapportionment. This resolution has been presented to both Houses of Congress. In compliance with the request of our Territorial senate, I have introduced a bill to carry out its provisions. Individual members of the Territorial house of representatives have expressed their approval of this plan for reapportionment. Insofar as can be determined without formal action by the legislature itself, the proposed method for reapportioning expresses the will of the people of Hawaii. It carries out the spirit of the recommendations and suggestions of the Joint Congressional Committee on Hawaii. It gives effect to the pledges of both party platforms. For these reasons I shall request the Committee on the Territories to grant me a hearing on my bill and to report it out favorably in order to obtain congressional action on the proposed legislation at this session of Congress.

The Legislature of Hawaii at present consists of 15 senators elected from four senatorial districts. The first district elects 4 senators at large; the second district elects 3 senators at large; the third district, 6 senators at large; and the fourth district, 2 senators at large. Our Territorial senators serve for a term of 4 years, with half the number to be elected each 2 years.

The proposed amendments to the organic act would retain the present number of senators and preserve their allocation by counties. It would, however, subdivide the election districts so that each district would elect two senators, only one of whom would be elected at each biennial election. As one senatorial district is represented by only one senator, this district would be an exception to the rule.

The present house of representatives consists of 30 members, elected every 2 years from 6 representative districts. The first representative district elects 4 representatives at large; the second district also elects 4 representatives at large; the third elects 6 representatives at large; the fourth elects 6 representatives at large; the fifth elects 6 representatives at large; and the sixth elects 4 representatives at large.

The new plan would increase the membership of the house of representatives from 30 to 42. The additional 12 members would be allocated to the island of Oahu in order to provide that community with better proportionate representation in the Territorial house of representatives. The election districts would be subdivided so as to keep to a minimum the number of representatives running at large from each such district. The number of representative districts would be increased from 6 to 14. In some of these districts two members would run at large and in others, four. If this were not done, the increased membership of the house allocated to the present fourth and fifth districts would provide for 12 members running at large from each of those districts.

The system of representative government instituted by the Hawaiian Organic Act provided for several members of the legislature to be elected from one election district. I know of no other community where the voter is called upon to vote for so many candidates to office as he is in Hawaii. Perhaps in 1900, and for several years after that date, when Hawaii was a much smaller community than it is today, this method was satisfactory. The people of the islands were

generally acquainted with each other, and candidates for office were well known to the voters in their respective districts. With an almost threefold increase in population and an eightfold increase in the electorate, this condition no longer prevails to such an extent. It has seemed highly desirable that, together with reapportionment, the Territory be redistricted throughout. From the smaller election districts a smaller number of candidates for the legislature will appeal to the voters for their support. The probabilities of these candidates being known to their neighbors in the specific districts from which they are running will be greater. It is also believed that the resubdivision of the Territory into smaller election districts will provide a better cross section of the electorate than the present system. The true purpose of representative government would thus be better served.

If Congress does not adopt any amendments to the organic act to change the manner of reapportioning, the Legislature of Hawaii will, in 1941, be required by the existing provisions of the organic act to reallocate the present membership of the senate and the house of representatives between the existing election districts in accordance with the figures that the Bureau of the Census proposes to tabulate at the decennial census to be held in April of next year. Reapportionment thus accomplished would be greatly against the wishes of the citizens of the islands other than Oahu. The rapid growth of Honolulu would give the island of Oahu, on which it is located, a dominant representation in both the senate and the house. The population of Oahu is nearly 60 percent of the whole, and the present provisions of the organic act would give it approximately that proportion in both houses of the legislature. The amendments to the Hawaiian Organic Act embodied in my bill propose a compromise in recognition of the objections raised by the other counties of the Territory. Spokesmen for the electorate of Oahu have accepted the compromise as fair both to Oahu and the other islands.

Reapportionment has always been a controversial problem to work out to the satisfaction of all concerned. Congress has found it difficult to reapportion in accordance with the Constitution of the United States. Many States have faced the same dilemma. There has usually been considerable delay in obeying the provisions of existing law. Hawaii is no exception to the rule, but the issue has been more sharply raised in recent years. The Joint Congressional Committee on Hawaii has in effect suggested that Hawaii present to Congress amendments to the organic act to accomplish reapportionment or to proceed to carry out the existing law. The language used is:

> In any case, the local legislature should study this matter and propose adequate legislation to provide better proportionate representation in accordance with the spirit of the organic act.

This recommendation, I feel, has been carried out by the resolution of the Senate of Hawaii, and the program it asks Congress to authorize, incorporated in H. R. 6453, complies with the spirit of the organic act and with the wishes of the people of Hawaii.

Why America Should Keep Out of Foreign Wars

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, MAY 26, 1939

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD I include the following radio speech I delievered over the Mutual Broadcasting System on Friday evening, May 26:

Neutrality legislation in the House of Representatives has come to a sudden and startling stalemate. The Committee on Foreign Affairs, after holding hearings for 6 weeks, is unable to persuade Secretary of State Hull to appear before them in executive session and present his views on neutrality. For more than 2 weeks the committee has been trying in vain to obtain the cooperation of Secretary Hull and the benefit of his views in shaping neutrality legislation.

I have the highest personal regard for Mr. Hull, but doubt in the entire history of our country that a Secretary of State has deliberately refused the unanimous request of the Committee on Foreign Affairs to appear before them in executive session and present his views on such an important subject as neutrality, affecting the peace of America. I regard the refusal of Secretary Hull to comply with the request of the committee to be a reflection on the dignity and reputation of the committee and of the House of Representatives.

President Roosevelt, in his message to Congress, stated that the Neutrality Act was unsatisfactory and unworkable. It must be self-evident that the House Committee on Foreign Affairs has a right and a duty to ascertain from Secretary of State Hull what changes he proposes in the neutrality law to make it satisfactory and workable, as the spokesman of the President on international issues.

The extraordinary attitude assumed by Secretary Hull has made neutrality legislation more confused and confounded than ever. Unless the State Department is willing to cooperate, our committee, out of self-respect, should close the hearings and stop all further consideration of neutrality legislation at this session of Congress.

I have been informed that Secretary Hull held a secret and mysterious conclave with some members of the Foreign Affairs Committee at his apartment at the Carlton Hotel this morning. We have recently had far too much secret diplomacy in our foreign affairs, and if Secretary Hull has any suggestions to make, let him come before the entire committee in the orderly and accustomed manner. If not, let us have an end to the New Deal internationalism, collective security, punishing the aggressor nation, economic sanctions "short of war," quarantining the world with American blood and treasure, and beating the war drums of hate, propaganda, and hysteria.

President Roosevelt is always talking about his foreign policies and "my determination" and "my intentions." If the President would stop his efforts to involve us in foreign entanglements, sticking his nose into ancient European blood fueds and boundary disputes, there would be an immediate end to the war hysteria in America. He should remember that the Congress has the sole power to declare war and formulate the foreign policies of the United States. The President has no such constitutional power. He is merely the official organ to carry out the policies determined by the Congress.

The American people, through their representatives in Congress, in spite of any and all attempts by the President to quarantine the world or provoke war situations, can keep America out of war by notifying their Members of Congress that they are against any foreign entanglements or war commitments unless we are attacked or South America is invaded.

The result of Secretary Hull's cavalier treatment in ignoring the committees of Congress cannot help but have an unfortunate repercussion in this country and abroad. This undemocratic and un-American policy is typical of the procedure in dictatorial nations, where there are no free institutions and representative forms of government.

I know of no reason why the United States should participate in another world war unless attacked or unless the Monroe Doctrine is violated by an invasion of South or Central America by the armed forces of some European or Asiatic nation. The American people are unwilling to go to war over Danzig—59-percent German—which belongs as much to Germany as Calais does to France and Dover to England.

The American people do not propose to be hoodwinked, through propaganda and secret diplomacy, into going to war again to make the world safe for democracy or to end all wars. They are unwilling to fight over British and French colonies, power politics, or quarrels between imperialistic nations.

They refuse to sacrifice American lives over the control of the Mediterranean, which is none of our concern. They will not police and quarantine the world with American blood and treasure over ideologies and forms of government, and particularly in defense of Soviet Russia.

The American people know that 1 month of war would cost us more than our profits on European trade for 10 years. They also know that we would become a dictatorship in 24 hours if we joined in another world war, and would lose our own free institutions and come out a Communist or a Fascist state.

Without knowing even who the combatants will be, we are informed almost daily by the internationalists and interventionists in America that we must participate in the next world war. Strange as it may seem, President Roosevelt, members of his Cabinet, the New York Times, Baltimore Sun, and Washington Post are urging that our participation in the eternal wars of Europe is necessary and inevitable. They seem to have forgotten that the only alternative to belligerency is neutrality. However, our traditional foreign policies of neutrality, nonintervention, peace, and no entangling alliances are just some more "horse and buggy" delusions to those internationalists and devotees of the League of Nations.

The American people are beginning to wonder why we have no Ambassador in Germany to look after American interests and to use our moral influence for the promotion of peace. The peace of the world hangs in the balance, and yet we have no Ambassador

in Berlin, the nerve center of the entire war situation and the most important post in Europe. President Roosevelt recalled Ambassador Hugh Wilson to consult on German affairs 6 months ago; it would seem that he ought to have been able to ascertain the facts during that time.

Today fear and threats of war cover Europe. The British and French Ambassadors, who were withdrawn for about a month after the seizure of Czechoslovakia, have returned to Berlin. What right has the State Department to keep paying Ambassador Wilson his salary of $17,500 while he cools his heels in Washington, 4,000 miles from his accredited post? When will this childish and stupid type of diplomacy cease? It is none of our business what form of government exists in Nazi Germany any more than it is their business what form of government exists in America. I deplore the lack of statesmanship for peace by a continuation of such inane and inept policy of having no ambassadorial representation in Germany during these critical times. No wonder our trade with Germany is dwindling rapidly in spite of the fact that the Nazis want our surplus wheat, cotton, meat, and dairy products.

I urge all Americans to read the main editorial in last week's Saturday Evening Post, entitled "If We Don't Have War," and if anyone is unable to get a copy I have inserted it in the CONGRESSIONAL RECORD and will gladly furnish copies free upon request. This nonpartisan editorial presents the record of President Roosevelt and holds him accountable for stirring up hatred abroad and war propaganda and hysteria at home. If I were to make similar charges, I would be accused of being a bitter partisan and playing politics with foreign affairs.

An article in this week's Liberty, by General Hagood, is in the same tone and likewise places the blame for the war neurosis on the President.

I propose to take this opportunity to state what the National Committee to Keep America Out of Foreign Wars, of which I am chairman, is doing and to ask the radio audience to cooperate with us.

The committee, composed of Members and former Members of Congress, is nonpartisan, nonprofit, and nonsectarian, and invites the American people to join with them in voluntarily setting aside the week beginning Sunday, June 11, to Sunday, June 18, inclusive, for the purpose of conducting a Nation-wide campaign to keep America out of foreign wars.

The clergy of all creeds and denominations are urged to make special appeals from the pulpit to stop the war propaganda and hysteria that has been spreading like wildfire throughout our Nation, leading the American people into believing that if a war breaks out in Europe it is inevitable that our youth must again fight on foreign soil.

We appeal to all elements of our population to join with us in counteracting this vicious and false propaganda and in exposing the attempts to inflame the passions and hatreds of our people against foreign nations which have not the faintest intention or capacity of attacking us.

All religious, labor, farm, business, fraternal, civic, social, women's, veterans', educational, and other organizations are invited to hold meetings during the Keep America Out of Foreign Wars Week, to discuss and stress this vital issue. It is hoped that this program will be adopted as the theme for commencement exercises throughout the Nation.

The peace and safety of our country and our people are being threatened by foreign and Communist propaganda and by provocative acts by those in places of great authority in our midst. We believe in adequate national defense, upholding the Monroe Doctrine, and the maintenance of our traditional foreign policies of neutrality, nonintervention, no entangling alliances, and peace.

We call upon all those Americans who believe in these principles and established policies to participate in regular or special meetings in the Keep America Out of Foreign Wars Week, June 11–18, 1939, which includes Flag Day, June 14. All persons or organizations desiring information and data should communicate with the National Committee to Keep America Out of Foreign Wars, House Office Building, Washington, D. C.

In connection with our Keep Out of War Week, the committee is holding a Nation-wide contest, open to all American citizens regardless of age, race, color, creed, or politics, on the subject, Why America Should Keep Out of Foreign Wars. All compositions submitted in this contest must be clearly written (typewritten preferred) and must not exceed 200 words, and shall not include any quotation to exceed 10 words. They should be sent direct to the National Committee to Keep America Out of Foreign Wars, House Office Building, Washington, D. C., not later than Flag Day, June 14, 1939, when the contest closes.

The committee is offering as first award the sum of $100 in cash and a trip to Washington, D. C.; to be received by the committee; and a trip to the New York World's Fair, with all expenses paid. Second award will be $50 in cash; third, $25 in cash; fourth, $10 in cash; and three additional awards of $5 each for fifth, sixth, and seventh. A committee was appointed to have charge of the contest, composed of Hon. JOHN C. SCHAFER, of Wisconsin, chairman; Hon. DEWEY SHORT, of Missouri; and Hon. FRANCIS H. CASE, of South Dakota. It is expected that the essays submitted in this contest will be judged and awards made on or before July 4, 1939.

I appeal to all individuals, groups, and organizations to cooperate with the aims and purposes of the committee. Funds are needed to make them effective. The treasurer, Walter L. Reynolds, House Office Building, Washington, D. C., has been authorized to accept contributions to carry out the keep-out-of-war program.

If sufficient contributions are received, they will be used to put on a radio and press campaign, to send out speeches, and to provide for enlarging the office staff in order to efficiently handle the mail that has already reached huge proportions.

Plans are now under way to set up organizations in all the States. The extent and effectiveness of the activities of the National Committee to Keep America Out of Foreign Wars will depend largely on the support of the American people. From the support already received from all sections of the country, our committee is assured that the people are in sympathy with and want such an organization on a Nation-wide scale.

The main purpose of the committee is to present the facts to the people, to act as a medium for them to express their views and sentiments against being eased into war by the internationalists and interventionists at Washington without their consent.

Ambassador Joseph P. Kennedy

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

Mr. McCORMACK. Mr. Speaker, in a recent speech, a former Governor of a State, in the course of his remarks, made certain references to the Honorable Joseph P. Kennedy, United States Ambassador to London, England, which statements were uncalled for and which were without foundation. In the course of his remarks the former Governor said that "President Roosevelt should recall Ambassador Kennedy." Such a statement or demand is reckless in its character and is entirely unwarranted.

Ambassador Kennedy is one of the ablest, most courageous, and progressive men in the public life of today. His frankness is refreshing. In his present trying and responsible position he is carrying on and rendering the same kind of constructive service that he did when he was Chairman of the Securities and Exchange Commission and Chairman of the United States Maritime Commission. An unnecessary and unwarranted attack such as was recently directed to Ambassador Kennedy in no way injures his standing and reputation in the eyes of the people of America, but, to the contrary, enhances his standing and reputation. The overwhelming majority of our people are completely satisfied with the character of service that is being rendered by Ambassador Kennedy. They have confidence in him.

Recently in a speech before the Washington Chapter of the National Federation of Catholic Alumni of Washington, D. C., Rev. Dr. Joseph F. Thorning, Ph. D., Litt. D., professor of sociology and social history, Mount St. Mary's College, Emmitsburg, Md., in "a tribute to Ambassador Joseph P. Kennedy," and in challenging the suggestion that Ambassador Kennedy be "recalled by President Roosevelt," in part said:

> Any candid study of the record will establish Hon. Joseph P. Kennedy as one of the most fearless, outspoken, intelligent spokesmen for democracy in the world. His whole life has been a testimonial to the American Bill of Rights. Here is one of our fellow citizens who has risen from the ranks by sheer merit. He is still one of the people. He speaks the language of the people. His family life has been most attractive in the eyes of ordinary, home-loving folk. Those who have met him in the United States Embassy at London know that he is essentially democratic, approachable, and eager to promote the legitimate interest of America and Americans abroad.
>
> According to some critics "eloquent tributes to democracy here in America can be largely nullified if our representatives abroad by daily, public conduct support those forces in Europe least concerned about democracy."
>
> Everybody is aware that Ambassador Kennedy throughout the epidemic of European crises has worked in closest collaboration with President Roosevelt and Secretary of State Cordell Hull. The trans-Atlantic telephone has been the daily, if not the hourly, link between London and Washington.
>
> Joseph P. Kennedy has carried out the foreign policy of the United States Government. Anyone who denies that fact is either intolerant-minded or uninformed. Critics have an obligation to study the documentary history of American diplomacy and then to retract what is in effect an untruth as well as an injustice.
>
> This is also the explanation of some critics preoccupation with Nazi penetration of South America. It is most emphatically true that the American people "will not tolerate nazi-ism in any form in any part of this hemisphere." Why does not the critic make exactly the same declaration about communism? Why are they

silent about the menace of Marxism in Spanish America? Do they not know that the United States exports more paid Communist propagandists to our good neighbors than any other country? Why do the critics not denounce the use of American passports in the leftist campaign to preach the gospel of Karl Marx south of the Rio Grande? Why are these critics silent about atheistic, socialistic education in Mexico?

If the critics are dissatisfied with Ambassador Kennedy for attempting an interpretation of the mind of Prime Minister Neville Chamberlain to President Roosevelt, why do these critics fail to utter the same pungent criticism of Ambassador William Bullitt for explaining the policy of Premier Eduard Daladier to the President and to Secretary Hull and his staff? Everybody who knows anything about foreign affairs is aware that the role of the two Ambassadors has been very similar and that their counsel from London and Paris has been along parallel lines.

Why should our United States representative in London be criticized, and, if possible, as some would want, punished or penalized because his record has been consistently liberal, democratic, and American?

The record of the Honorable Joseph P. Kennedy is one of high-minded, patriotic service. Everything in his words and deeds exemplifies love of political and religious liberty and his country. He has always opposed nazi-ism, fascism, or Marxism. He has vigorously opposed all. He stands for the great ideals of democratic processes of government. His achievements as Chairman of the Securities and Exchange Commission, as Chairman of the United States Maritime Commission, and as United States Ambassador to the Court of St. James's stamp him as one of the most helpful architects of much that is sound, permanent, constructive in the New Deal.

There are millions of American citizens who want no traffic with Moscow or Berlin, nor with the spokesmen and agents of Moscow or Berlin. They are satisfied that Ambassador Joseph P. Kennedy is a good citizen, an able diplomat, and a consistent Democrat.

The New Deal Harvest

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE, ON MAY 20, 1939

Mr. OLIVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio broadcast made by me at Portland, Maine, on May 20, 1939:

Citizens of the First District, during these past 2 weeks the legislative accomplishments of Congress have been utterly devoid of any significance with reference to the basic and fundamental causes of the long-continuing depression with its devastating and demoralizing unemployment, and for this reason I shall limit myself to some general observations concerning our present economic and political status as a people.

On several occasions—during my talks to you—I have invited your attention to certain perilous conditions prevailing in our Nation, conditions which affect each and every one of you. As is my duty as your Representative in the Congress of the United States, I invited your attention to the state of the Nation, with its idle factories, its ever-growing army of unemployed, with 43,000,000 of its citizens being supported by the public purse, and its ever-mounting debt—National, State, and local—already in excess of $60,000,000,000.

In particular I invited your attention to the fact that because of these debts incurred by National, State, and local governments, every man, woman, and child of this Nation's 130,215,000 inhabitants is in debt to the tune of $460. You, each and every one of you, your wives, your children, down to the babe born this very hour, your every relative and neighbor and friend, your fellow Americans everywhere in this great land—130,215,000 of them—each and every one, aged and new born, idle and employed, rich and destitute alike, because of debts incurred by National, State, and local governments, you owe to the money lenders $460 and more.

Moreover, my friends, that debt forever grows greater, grows more insufferable, sinks each and every one of you deeper into perilous quicksands from which none may hope to escape, quicksands destined to engulf our very democracy unless reason be restored and intelligent direction speedily rescue our economic system from the chaos into which it has been cast, rescue it and remold it to fit the demands of today, the demands for work for all the willing and the end of a folly seeking to lift itself by its boot straps.

Do not delude yourselves, my friends, that this debt, this $460 each and every one of you owes, is but a figment of the imagination and need never be paid. Do not delude yourselves that you and your own loved ones are exempt from this indebtedness. Day in and day out you are paying, not the debt itself but the penalty, the interest, the pound of flesh of the money changers to whom your governments have put you and your children in hock. You pay in every tax, in every purchase of the very necessities of life, in every transaction involving money. You pay, not to escape from debt but because the Government of the United States, the only power in this Nation constitutionally permitted to create money, prefers, for some inexplicable reason, to borrow its life-blood from a few of its citizens and sell into economic bondage and eternal debt the many of its citizens.

Of course, it is an indefensible proposition. It is rank folly. But it is the course and the folly our present administration prefers to follow, wholly forgetful of a man who once falsely buoyed the hope of a poverty-stricken and desperate America by crying his determination to drive the money changers from the temple. Has he not, instead, surrendered the temple to the money changers, selling America and its people into a bondage from which there is no slightest hope of salvation short of outright repudiation of the public debt? How many among you, how many in all America could, if need be, now pay his share of this debt, his $460, and the shares of his dependents, each owing $460? Could you?

And why are we in this mess, my friends? Why should any intelligent human being believe it possible for any nation to long exist by following a system designed to load its citizens with debt they can never pay, to perpetuate an economic system which provides work for the few and none for the many, to attempt the impossible task of feeding its citizens from the public purse which it hopes forever to refill from the coffers of the money lenders, giving as security the I O U of the destitute it borrows to feed? Could anything be more fantastic, more irrational, more certain of inevitably leading to chaos? Can we wonder that the enemies of a stable America, the would-be destroyers of our form of government, wax gleeful as they watch the growth of our public debt, that they wax bold in their predictions of what must follow the inevitable day of reckoning, that they compare our status today to that of the German people in that day when a flimsy postage stamp cost millions of marks?

It amuses the new dealers to claim that once upon a time one of President Hoover's committees recommended the placing of special garbage cans where restaurants might deposit others' leftovers for distribution to the unemployed. It is their pleasure to remark that this was a "feed 'em garbage" idea and to claim it wholly in keeping with the prevailing philosophy of the Hoover administration. With the new dealers this is quite a jest. But, my friends, shocking and utterly indefensible as any such feeding of garbage to the jobless would be, has the new dealers' system of feeding the unfortunate from the palms of politicians proven any less repugnant to right-thinking Americans? Are there not today a great many decent folk wondering if, after all, the garbage cans would not have been preferable, easier to keep free of adhering accumulations and wholly disinterested in the vote value of their contents?

Upon the pretext of a never-ending emergency the present administration has increased the national debt from twenty to more than forty billions of dollars. By the close of this calendar year—possibly long before—that national debt may be expected to reach the limit of forty-five billions set by the Congress. Today, after more than 6 years of trial and error, of blind guess and hopeful experiment and the spending of twenty-odd billions of dollars, there are many, many more millions of Americans utterly dependent upon public funds for existence—many, many more millions than so depended in 1929, or, for that matter, in 1938. Undoubtedly there are, likewise, many more politicians who are richer and more influential and vastly more relieved of worriment concerning their own personal security than they were in 1929 or in 1933. But for the hapless millions exist neither riches nor personal influence nor the slightest assurance of emerging ever from the slough of poverty nor the status of puppets dancing at the tug of strings jerked by whimsical bureaucrats and political opportunists. For these unfortunate millions tomorrow's bread depends not, as we so like to pretend upon the generosity of us, the people, but upon the outcome of the conflict of opinions, of personal and political animosities, of whims and fancies of us mortals blown by the winds of chance into the role of lawmakers upon the stage of Congress.

Today no living man knows how many millions are being fed from the public purse. Today no living man knows how many more millions must be so fed, nor how many more billions of dollars must be borrowed from the money changers for the feeding if we go on blindly following the Pied Pipers of the New Deal. Today no living man knows when—knows if ever—the millions of the hapless will decrease. But any man possessed of a modicum of common sense knows we cannot go on forever deluding ourselves that the salve of so-called "relief" some day, some-

how is going to cure the cancer of work for the few and none for the many. Any intelligent American knows, sooner or later, we must face the truth and either steel ourselves to brave whatever operation is necessary to remove that cancer or resign ourselves and our economic system to being devoured by it.

What percentage of the American people is living off the public purse? Let me repeat that no man knows. So many and so diversified the devices employed to pump public moneys into the bloodstream of the Nation—so many and so diversified the channels these infusions follow through the economic maze—so chaotically overlapping the payments and gratuities, no statistician, no magician, may hope ever to catch up with the truth nor accurately record the numbers of the taxation-supported. He may but approximate, which is to say guess. And we in turn must accept such guess as the only available base from which to pursue our quest. Here then are such facts as we may unearth.

According to the latest official estimates, of the 130,215,000 men, women, and children in the United States, the net total number receiving relief and employment on Federal work and construction programs during March 1939 was 22,582,000, or about 17.5 percent of the entire population.

But this 17.5 percent, my friends, is but a fraction of the total of the feeders-off-the-public-purse; but the victims of destitution, the aged, the blind, dependent children, the relief workers, and those they support in such fashion as permits an existence wage, deemed sufficient to maintain life until something better comes along. Sad as is this picture of nearly 23,000,000 of the citizens of the richest Nation on the face of the earth dependent upon existence wages drawn from the Public Treasury, of 17½ percent of the population of America condemned to the national poorhouse—it is but part of a far sadder whole.

These 22,582,000 public charges are but the poorest paid—the cheapest kept—the gatherers of crumbs at the public board. But what of the thousands upon thousands of highly paid administrative employees engaged in dispensing relief—of whom the W. P. A. alone employed 29,648 during December 1938? What of the recipients of unemployment benefits—numbering more than 1,000,000—of recipients of institutional care, of surplus commodities, of rehabilitation loans? What of the recipients or purely local and State relief? What of the recipients of loans and assistance from the F. H. A. or the R. F. C. or the Home Owners' Loan Corporation? What of the comparatively royally paid administrative thousands guiding the C. C. C.? What of the hundreds of thousands in the armed services? What of some 2,000,000 State, county, and local employees and their dependents—6,000,000 or so strong? What of the 861,914 civil employees of the executive branch of the Federal Government and their dependents—all no less dependent upon the public purse than is the lowliest W. P. A. ditch digger or writer, leaf raker or actress?

What of the relatives and retainers of politicians feeding at the public trough? Is the burden less to the taxpayer when his tax dollar goes into the lotion-softened hand of the public-pay-roll-adorning wife of a United States Senator or that of some Governor's wife briefly basking in the wan glory of momentary possession of a senatorial toga—is that dollar any less publicly paid than the one clutched by the toil-gnarled hand of a W. P. A. seamstress? In the final analysis, then, be their duties what they may, are not all of these livers-off-the-public-purse no less the wards of the public—no less on "relief" than the W. P. A. laborer toiling his required hours for his existence wage? Are they any less hazardous to a dangerously tilted balance between supported and supporting, any less a menace to an imperiled economic structure or to the very foundations of our present form of government?

How many of these are there estimated to be? No less than 20,000,000, swelling our total of the publicly supported to 43,000,000. Forty-three millions out of a population of 130,000,000. One-third of all! One of every three!

This then is the harvest—the still growing harvest—of the sale into bondage; the folly of turning the temple over to the money changers; the salve of a relief policy that has relieved nothing, that has let the cancer eat on until today, you, and each and every one of you, are governmentally in debt to the tune of $460 and more and are constantly being sunk deeper and deeper into debt.

For relief? Relief of what? Not relief of unemployment constantly increasing. Not relief of the inability of employers to employ help they do not need. Not relief of the financial burden of States and local governments compelled to make work and to go into debt to do things unneeded. Certainly not relief of the distress of a nation one-third of whose people must be fed from the public purse.

Isn't it time, my friends, to admit it isn't relief at all, that it's nothing more than floundering, craven evasion? Isn't it time to drop the salve tin and reach for the scalpel?

Sometime, again, I shall bring to your attention more facts and figures concerning this vital matter of Government debt and relief. For this, ladies and gentlemen, affects every one of you—every one of your dependents. You have the right to know where your tax dollars are going, what debt is being run up for you to pay. And it is my duty to serve you and to bring you these facts.

Until 2 weeks from tonight, when I sincerely hope you will be listening, good wishes, friends, and good night.

Administration of the Wage-Hour Law

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

STATEMENT AND RESOLUTION BY THE SOUTHERN GOVERNORS' CONFERENCE

Mr. COX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement and resolution by the Southern Governors Conference, Peabody Hotel, Memphis, Tenn., May 20, 1939:

The Conference of Southern Governors calls attention to the following facts:

The National Tariff Commission was born out of a conception that tariffs would protect and encourage the development of infant American industry. The Interstate Commerce Commission was born out of an equally high conception of public duty for the purpose of guaranteeing that railroad investments would receive a fair return, while at the same time the shipper was to be protected against the payment of more than a fair freight rate. Monopolistic interests have succeeded in defeating the high purpose of both of these measures to the economic disadvantage of all the vast population of our Nation west of the Mississippi and south of the Ohio River, while at the same time the consuming public within the territory east of the Mississippi and north of the Ohio pay penalties that augment concentrated wealth.

By virtue of the maladministration of these measures the per capita wealth of the citizens in the vast expanses of the southern and western parts of the United States is substantially below the national average. This condition is such that correction, if not impossible, can be accomplished only after most strenuous and expensive effort.

However, as progress is becoming apparent in the effort to correct this maladministration, particularly of the Interstate Commerce Commission Act, we find ourselves confronted with the impending, if not presently accomplished, maladministration of another measure born of equally worthy motives. The wage and hour law is recognized by the Southern Governors Conference as a measure intended to accomplish social justice. Its fine purpose to put a floor under wages and a ceiling over hours was approved by this conference on January 7, 1938, prior to the enactment of the law.

The legislation had as its main objective the escape from a combination of intolerable hours and wages. There is no question but that benefits have been derived from the passage of this legislation. These benefits have accrued because of the law, however, and in spite of inefficient and incompetent administration of the act, which maladministration, unless corrected, will cause the present gains to be lost and will indeed finally destroy the very objective of the act itself.

An analysis of the background of training, experience, viewpoint, and present conduct and attitude of the personnel charged with the administration of this act brings the Southern Governors' Conference to the inescapable conclusion that it is the purpose of the present personnel to pervert the purposes of this act from the accomplishment of social justice to the nullification of gains recently made in efforts to modify discriminatory freight differentials It is therefore the conclusion of the Southern Governors' Conference that the merest sense of duty and responsibility to national welfare demands of the Congress that it make an investigation of the personnel charged with administration of the wage and hour law for the purpose of guaranteeing that the legislative intent will be the motivating force in the administration of the law; that following such investigation proper steps be taken to compel the selection of such personnel as can and will properly carry out the intent and purposes of the act.

The wage and hour law specifically contemplates that the actual basic facts surrounding a given enterprise, its location, and its handicaps, be reckoned with in effecting differentials to the enterprise so that the actual source of employment of labor will not be destroyed. We point as an illustration of the maladministration of this law, that no such factors have been taken into consideration, and that as a result of that maladministration workers in various sections of the country are facing unemployment and may have actually become unemployed and placed on relief rolls because of the forced shutting down of small business enterprises. While not expressing approval or disapproval, we point to the significant fact that when these workers are thrown out of employment as a result of such maladministration and are forced upon work projects of the Federal Government, they immediately encounter a wage differential despite the fact that such

differential is not recognized in the present administration of the wage and hour law.

We again affirm that we want to get as high wages for the workers in all sections of the country, including our own, as can possibly be paid, but a failure to recognize the existing discriminatory differentials will inevitably destroy the source of employment.

In view of the above facts the conference resolves:

(1) That we urge upon the Members of Congress an immediate public congressional investigation of the personnel and policies of those administering the wage and hour law. That such investigation disclose the name; home address; place of birth and voting residence; organizations with which affiliated, past and present, other than religious; and the background of training, experience, viewpoint, conduct, and attitude of each.

(2) That following the completion of such investigation such reorganization of the personnel and policies of the administration of the wage and hour law be effected as will guarantee a proper administration of the wage and hour law in terms of the legislative intent and the true objective of the act.

(3) That the secretary of the conference is hereby instructed to forward a copy of this action of the conference to the President of the United States, the Wages and Hours Administrator, the President of the United States Senate, and the Speaker of the United States House of Representatives, with the request that the President of the Senate and the Speaker of the House cause same to be read in open session of their respective Houses of Congress, and that it be placed in the CONGRESSIONAL RECORD. That a copy be mailed to each Member of Congress and each Senator from the States within this conference; that copies be released to the press.

SOUTHERN GOVERNORS CONFERENCE,
E. D. RIVERS, *Chairman.*
CARL E. BAILEY, *Vice Chairman.*
L. THOS. GILLEN,
Secretary to Conference.

Senator Arthur H. Vandenberg and the Presidency

EXTENSION OF REMARKS
OF
HON. CARL E. MAPES
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement addressed to the Republicans of the United States, signed by the Governor and other elective Republican State officials of Michigan and the Republican members of the Senate and House of Representatives of the State of Michigan, a letter to the senior Senator from Michigan, Hon. ARTHUR H. VANDENBERG, from the Republican Members of Congress from the State, and his reply thereto, all relating to drafting Senator ARTHUR H. VANDENBERG as the Republican candidate for the Presidency in the next campaign, which follow:

To the Republicans of the United States:

We, the undersigned, representing official Republicanism in Michigan, present our greetings to Republicans in other States and commend to their 1940 attention our united and unanimous belief that Michigan's senior Senator, ARTHUR H. VANDENBERG, should be drafted for the next Republican Presidential nomination.

With great regard for other available Republican leaders, we submit that the next Republican Presidential nominee should combine long and effective national experience with a proven capacity for effective political leadership. The outstanding Republican statesman in Washington during the last 6 years—so recognized from coast to coast—has been the senior Senator from Michigan. He manned the trenches when there were few others on the firing line. He has been the focus of opposition to the present administration. Yet he has constructively cooperated in the development of progressive legislation. He knows national problems as do few others. He has the substantial confidence of his colleagues and the country. He is comparatively young in years yet old in wisdom and experience. He is a rugged constitutionalist who believes in the American system of government and economics. He is known throughout the land as a rational Republican liberal. He personifies in his long record and his attitudes the fundamental issue which the Republican Party must present to the American people in the next campaign.

The senior Senator from Michigan has declined to be a candidate for the 1940 Presidential nomination. We who are his neighbors know that he means what he says. We shall not ask him to change his high-minded attitude, which rates this next Presidential nomination above all ordinary political pursuit. But we also know that he puts his country ahead of every other consideration—whether political or personal—and that he would never decline any assignment to patriotic service.

Therefore, without his knowledge or consent we assert our faith in him. We express our belief that Michigan will ask his nomination. We take this means of commending him to the good opinions of our fellow Republicans throughout the Nation.

L. D. Dickinson, Harry F. Kelly, Thomas Read, Miller Dunckel, Vernon J. Brown, Eugene B. Elliott, Felix H. H. Flynn, Howard Nugent.

Michigan State senators (Republican): Earl W. Munshaw, sixteenth district; D. Hale Brake, twenty-fifth district; Miles M. Callaghan, twenty-eighth district; Chester M. Howell, twenty-second district; Otto W. Bishop, twenty-ninth district; Leonard J. Paterson, twentieth district; Clyde V. Fenner, eighteenth district; Don Vanderwerp, twenty-sixth district; George P. McCallum, twelfth district; C. Jay Town, tenth district; Joseph A. Baldwin, ninth district; Earl L. Burhans, eighth district; Allen G. Ludington, fourth district; Carl F. DeLano, sixth district; John Vander Werp, twenty-third district; M. Harold Saur, seventeenth district; J. T. Hammond, seventh district; Elmer R. Porter, nineteenth district; Harry F. Hittle, fourteenth district; Felix H. Flynn, twenty-seventh district; Jerry T. Logie, twenty-fourth district.

Michigan State representatives (Republican): Audley Rawson, Cass City, Mich.; John P. Espie, Eagle, Mich.; Floyd E. Town, Route 1, Jackson, Mich.; Victor A. Knox, Sault Ste. Marie, Mich.; Mark Jenema, Falmouth, Mich.; Charles H. Nixon, Cadillac, Mich.; Paul Begick, Bay City, Mich.; Lewis W. Zimmerman, Traverse City, Mich.; William J. McIntosh, Port Huron, Mich.; Charles R. Feenstra, Grand Rapids, Mich.; Bernie F. Hampton, Osceola, Mich.; Wilbur J. Harris, Bay City, Mich.; William C. Bird, Hesperia, Mich.; Worgen Jesperson, Petoskey, Mich.; Oscar E. Kilstrom, Grand Rapids, Mich.; Dewey W. Loomis, Wellston, Mich.; L. K. Preston, St. Joseph, Mich.; F. Jack Neller, Battle Creek, Mich.; James B. Stanley, Kalamazoo, Mich.; Edson V. Root, Sr., Pawpaw, Mich.; Alexander M. MacKay, West Branch, Mich.; John W. Thomson, Midland, Mich.; Nelson A. Miles, Holland, Mich.; H. L. Allard, Sturgis, Mich.; Arthur U. Odell, Allegan, Mich.; Ruth Thompson, Muskegon, Mich.; Robert N. Sawyer, Monroe, Mich.; Arthur H. Wickman, Carney, Mich.; Bert J. Storey, Belding, Mich.; Harry Hermann, Laurium, Mich.; Maurice E. Post, Rockford, Mich.; Ural S. Acker, Kalamazoo, Mich.; James Goulette, Iron Mountain, Mich.; John C. Guggisberg, Gaylord, Mich.; George N. Higgins, Ferndale, Mich.; Fred L. Kircher, Lansing, Mich.; Fred Rodesiler, Riga, Mich.; James Swain, Coldwater, Mich.; Rupert Stephens, Scottville, Mich.; Andrew Bolt, Grand Rapids, Mich.; Sherman L. Loupee, Dowagiac, Mich.; Richard H. Deadman, Alpena, Mich.; Ate Dykstra, Grand Rapids, Mich.; Alpheus P. Decker, Deckerville, Mich.; Byron Courter, Imlay City, Mich.; William Green, Hillman, Mich.; James I. Post, Hillsdale, Mich.; Charles P. Adams, Howell, Mich.; Elton R. Eaton, Plymouth, Mich.; James Graham, Freeland, Mich.; Palmer Landon, Mount Pleasant, Mich.; Walter J. James, Flint, Mich.; Charles B. Cumings, Flint, Mich.; Joseph E. Warner, Ypsilanti, Mich.; Henry J. P. Graebner, Saginaw, Mich.; Roy T. Gilbert, Algonac, Mich.; Warren G. Hooper, Albion, Mich.; Walter G. Herrick, Hubbardston, Mich.; Ellis E. Faulkner, Delton, Mich.

MAY 25, 1939.

Hon. ARTHUR H. VANDENBERG,
Senior Senator From Michigan,
Washington, D. C.

DEAR SENATOR VANDENBERG: The Governor and other Republican State administrative officials of Michigan and the Republican members of the State legislature, senate and house, as representative of official Republicanism in Michigan, in statements addressed "to the Republicans of the United States," declare that it is their "united and unanimous belief" that you "should be drafted for the next Republican Presidential nomination."

In this belief the members of the Michigan Republican delegation in Congress heartily concur.

Our knowledge of you and of your work in the Senate convinces us that you are preeminently qualified, by character, ability, experience, industry, knowledge of public affairs, and sound and constructive leadership to meet the exacting duties of the Presidency in these critical times.

We are satisfied that the position taken and the sentiments expressed by the Republican State officials of Michigan represent the views not only of the Republicans of our State but of a constantly increasing number of Republicans throughout the country as well.

We are transmitting herewith the statements of the Michigan State officials referred to.

Sincerely yours,

Carl E. Mapes, Roy O. Woodruff, Jesse P. Wolcott, Earl C. Michener, George A. Dondero, Fred L. Crawford, Albert J. Engel, Clare E. Hoffman, Paul W. Shafer, Clarence J. McLeod, William W. Blackney, Fred Bradley.

MAY 26, 1939.

Hon. CARL E. MAPES,
Chairman, Michigan Congressional Delegation,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MAPES: This will formally acknowledge the generous communication which you have handed me in behalf

of the Michigan Republican delegation in the House, also transmitting the original statement regarding the 1940 Presidential situation signed by Governor Dickinson, all of the Republican State officials, and by Republican members of the Michigan House and Senate.

Words fail to express my gratitude for this expression of confidence. I shall hope to proceed with whatever responsibilities lie ahead in a manner that may justify these generous opinions. At the moment, these responsibilities require me to announce that I shall be a candidate to succeed myself in the United States Senate. If there are subsequent responsibilities of a broader nature, I shall meet them to the best of my ability.

You are good enough to credit me with sincerity in asserting that the next Republican Presidential nomination transcends all ordinary quest. The next Republican National Convention must first set down clean-cut, constructive, courageous principles which dependably promise to save the American system of free enterprise under the renewed spirit of constitutional democracy, and to recapture prosperity for our whole people under a Government restored to solvency. Then it should fit its nominations to its principles.

In my view, it must strive to create common ground upon which all like thinkers may unite to produce an administration for all Americans in which a prepledged, one-term President is manifestly free of all incentive but the one job of saving America. In my view, the nominations should flow from the deliberative judgment of a convention wholly free to search out the wisest, surest answers to these critical problems.

Holding this deep conviction, it would be wholly out of character for me personally to pursue the nomination for myself. It is for the people themselves to speak. No man understanding its difficulties and responsibilities could covet the Presidency; and no American could decline it if chosen.

I conclude as I began, with the assurance to you of my deepest gratitude for this utterly generous attitude and action upon the part of my Michigan Republican colleagues in Congress.

With warm personal regards and best wishes,

Cordially and faithfully,

A. H. VANDENBERG.

Philosophies for Elevating and Uniting Democratic Nations

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

COMMENTS BY IVAN G. McDANIEL, A. B., J. D., AND OTHERS

Mr. SHEPPARD. Mr. Speaker and Members of the House, due to the philosophy of national conduct that is being evidenced by many editors of the press and periodicals, I wish to bring to the attention of the Congress the philosophy as evidenced in the following theories as expressed by Mr. Ivan G. McDaniel, of Los Angeles, Calif., which I found highly interesting:

There has just been accomplished a uniting into a confederation of several of the oldest authentic schools of Arcane knowledge in the world. An appraisal of the value, scope, and purpose of these arcane schools can best be had by viewing their great work. What they teach, the scope of their learning, the soundness of their doctrines, and what they seek to accomplish speaks for itself.

There is a certain fundamental design, plan, or purpose which furnishes the pattern for, and as first principles, govern the universe, nature, man, and society. These principles are all powerful and coextensive with all activity no matter how stupendous or how minute. The existence of such principles is demonstrated by the regular course of the stars and planets and by the orderly processes of the manifestations of nature. While conditions may vary from day to day, these principles underlie and control the ultimate condition of man and society. With an understanding of these principles, the innate cosmic purpose and ultimate destiny of man is disclosed. These principles are known to and are the fundamental basis for the work of the arcane schools. These esoteric orders have for their intent and purpose the making of a human being into a complete man, qualified to express his godly powers in all departments of his being.

Some of these underlying principles which will be referred to herein are:

(1) The primary purpose of man is to unfold and develop, through his own efforts, all his potentialities, including his soulal qualities or be ultimately eliminated. The nature of man is such that he can do this only through experience. This process may be referred to as one of involution and evolution, although these terms are here used in a somewhat different sense than ordinarily understood. Man's progress in this direction today is almost at a standstill.

(2) The means given man by which he may thus advance or retrograde if he so desires, may be called the law of cause and effect; of action and reaction; of natural justice. Under this law he may set into operation causes which bring about growth, strength of character, and unfoldment of constructive results, or he may inaugurate causes which result in weakness, lack of character, or other destructive tendencies. Each moment man lives he is formulating some cause the effect of which will be reaped in some future event. Under this law reaction is exact, certain, and of the same nature as the cause. Man may not avoid either the necessity for manifesting nor the results of his thoughts, desires, and actions. The manner and method of this unfoldment through the use of the law of cause and effect gives a well-defined, definite, scientific scope of action and when properly understood acts as a guide to show the extent to which the individual should be allowed to depend upon group action. It furnishes a guide post for the type and scope of laws man needs for his help. Advancement can be made only by educating men in the use of the law; in showing what a certain action will produce by its reaction, but the individual must be left free to choose for himself.

These principles are impersonal, just, and apply to all alike. They reward or punish with certainty, and no man may escape the reaction following their breach. The present almost universal chaos and lack of balance in man and society is the direct result of man's failure to manifest in accordance with his cosmic purpose and to assume individual responsibility for his actions and unfoldment. Underneath this chaos, however, is the orderly processes of these principles in operation.

This lack of balance exists in the United States, for example, not only with reference to material wants, where with an abundance of natural available wealth great numbers of our population have not developed sufficiently to rise above industrial serfdom, but it is also true of our intellectual and emotional life as evidenced by the ever-increasing numbers of persons filling to overflowing our prisons and asylums and by the spectacle of egomaniacs running amuck at the head of emotionally sick nations.

Civilizations as we now find them are a conglomeration of negative, weak, and destructive forces vying with stronger, positive, and constructive good. This is due to the universal acceptance of a negative philosophy—the easiest way rather than a striving for, a dependence upon, and a realization of those potentialities giving strength, courage, tolerance, and understanding which come with the unfoldment of the inner power or soul. Unless the construction forces predominate, the negative forces are apt to reach their culmination and, as they spend themselves, carry to ruin the civilization founded upon them. Clear evidence of this process is seen in the actions of certain nations today. Mankind is more dissatisfied, discontented, and fearful of oncoming events now than at any other time in many a generation. And he has reason to be.

Theoretically it is not difficult to conceive of a plan which would offer ample opportunity for mental and spiritual unfoldment and bring about proper economic opportunity. The problem comes in devising a society which fits into the limitations and emotional reactions of humans in their relation to one another and permits, encourages, and forces, if necessary, individual advancement. Men have applied themselves to the production of material needs and have, through concentrated effort and in the application of the laws of material advancement, produced an abundance of material things (demonstrating the existence of such laws), yet this has not created happiness, social stability, or even security for the man who has achieved. There is lacking something that will put a foundation under this achievement and give lasting strength.

Society, like man, is fourfold—material, mental, emotional, and spiritual. If man reaches a peak in one department of his being without a corresponding advance in all departments, the lack of balance leads to suffering and eventual failure. The same thing is true of society. Today our civilizations are suffering from a lack of balanced development—particularly along effective soulual or spiritual lines, in which aspect of being only is character permanently developed.

No matter what form of government, economic, or social system is superimposed upon the human, it will not survive unless the character of the people is raised to a state capable of governing and being governed. In the final test, the state of society but reflects the state of the mass of its people. We have an unbalanced society, because we have unbalanced beings making up the mass of our people. We must therefore look for that thing which will raise man into a fully developed state capable of laying hold of and constructively using those things which he has devised for his use.

History has shown that material intellectual progress alone will not accomplish such balance, because such progress is cold, lacks adhesive power, and tends toward divergence rather than unity. When we drive the intellect, as presently circumscribed in man, to its utmost capabilities, we cannot find an answer to our questions, because human nature escapes the grasp of intellection. Man wants to believe that he is a rational being controlled by logic and by reason. Actually there is something much stronger than ratiocination as evidenced in the expressions of men in the time of crises. What man desires to express, his intellect will find logic for. The greed, hate, lust, fear, or other nonconstructive tendencies so prevalent in man today are rationalized by the intellect.

A moment's thought on this subject will show, therefore, that some means must be found to change these inward tendencies

which underly thinking. Mere rationalizing will not do it. The nonconstructive tendencies are heavy and sluggish and when the intellect is caught in the mesh of such desires, it prevents the lighter, finer, constructive thoughts from coming through into expression. This means that the outer shells of being must be purified so that the innermost inherent good may manifest. The change in character must go to such an extent that there can be no return to the old. That which caused the old nonconstructive tendencies must be entirely burned out. The roots must be dug up and destroyed. When this is accomplished one is able to see into one's own essential nature. Then is the truth known.

Theological dogmas have demonstrated their inability to cope with our problems. They must depend for their power upon fear, superstition, or belief. Our mental enlightenment has demonstrated the folly of fear and superstition, and the subversive forces in operation appear much stronger than mere belief. We must lay hold of and neutralize these forces if we are to master them. The arcane schools know this can be done, only by developing leaders who will, through proper training, become sufficiently strong and qualified to master, control, and neutralize these forces; leaders, who will by example, inspire the average man through his own efforts to advance from darkness to light.

The adoption of new economic policies, or even the change in the form of government, have not and cannot remedy the fundamental lack of balance. When, through greed, hatred, or other nonconstructive action, such lack of balance reaches an acute stage, as it has at the present time, the masses of men, instead of looking within themselves to find the fault, try to solve it in new forms of government, and in taking by mass power, through taxation, regulation, pensions, or more direct means, that which they desire, whether or not they have earned it, only to destroy, in the end, that which has been achieved. The coming into power of the masses may result in social progress only if the individuals therein can be made to see the need for their further development; otherwise the whole structure will be reduced to a common level of animal existence. This problem must be squarely met in America today.

We are now in the beginning of a new cycle in which changes occurring will be of wide scope and when reactions in the lives of men and society will occur with great rapidity. Actually, it is a period when the effect of mass causes set into motion by former civilization are beginning to reassert themselves and disrupt the present systems in conflict with them or conversely intensify movements in harmony with their trend. These cyclic recurrences must be understood in order to meet and control the results of former mistakes and not repeat them.

The problems incident to the present lack of balance will not be met by passing laws which interfere with the operation of these natural laws or principles. This interference may postpone temporarily the consequences of previous negative causes set into operation by individuals or by society as a whole, but such interference only dams up the effects, to have them break out in increased volume eventually. It is not being met by passing laws which take from the individual the necessity for and the incentive to develop himself, nor that take from him his freedom of action, so long as that action does not unnecessarily interfere with the rights of others. It is not met by passing laws that take from man the necessity for determining for himself his proper course of action and assuming full responsibility therefor. Strength of character or a realization of the need for individual unfoldment cannot be inculcated by legislation. These things are acquired only by experience—perhaps only through hardship which brings suffering.

With the realization of responsibility for personal unfoldment as the basis for man's progress, it is evident that any laws which substitute group responsibility therefor are weakening to the individual, particularly when others are forced by law to pay for any such program.

A few examples of the operation of these principles demonstrates their scope and effectiveness. Space will not permit a complete analysis in these illustrations.

It is not a violation of these fundamental principles to defend self, family, or nation; in fact it is man's duty so to do in order to maintain his individual freedom. It does, however, violate the principles to wage war for profit, for subjugation of a race, or to gain territory. War is a violation of all fundamental principles except for self-protection. As human nature is manifesting today, nations must maintain adequate facilities for defense, otherwise they will be attacked. A nation, like an individual, can protect itself only by its own strength, and that strength lies in its people. No nation can maintain the weak indefinitely without becoming weak. The reactions against and the weakening effect upon a nation which wages a war of aggression are so varied and well-known as to need no repeating here; it is pointed out, however, that a law to prevent a war of aggression would be ineffectual, for once a population is convinced of the need of war, and that must be done to get them to fight, the law is valueless, and a law to prevent war altogether would be to invite attack. So-called international laws to prevent war are valueless, as there is no sovereign power to enforce them. War will be prevented only when men realize the terrible consequences thereof to themselves and their own nation.

It is not contrary to these fundamental principles for men to organize for their mutual aid, advancement, or protection, and to prevent abuses. But such organization is violating such principles when it attempts to create a monopoly of available work and compel others to become members before they may work. The organization of men into a group gives them no greater rights than they possessed as individuals to prevent others from working. The reaction to practices within such a group inimical to the class of persons they purport to represent, brings about the organization of opposition labor groups with the attendant conflict between the groups; these conflicts, together with the reaction of the public and of the workingmen themselves against the injustices arising in trying to maintain monopolistic control will in the end disrupt the organizations; particularly when the fundamental purposes are lost sight of through the ambitions of leaders for personal power and when such power is abused.

The reaction to demands of such groups for unreasonable wage levels is to dry up the source of the wages. If labor by its mass power compels the passage of laws which help to accomplish a violation of these fundamental principles, the attendant reaction will be the enactment of stringent laws against labor, or a change in governmental structure through which labor will lose many of its gains as is illustrated in certain countries today. This is particularly true where such laws in their fundamental concept or administration are biased or unfair. To contend that natural justice can be administered by placing the power to investigate, prosecute, and set in judgment, in the same persons shows either an entire lack of understanding or an insatiable desire to control at any cost.

It is not a violation of these principles to acquire, accumulate, and use capital or wealth. In fact only those nations throughout history which permitted men with inventive, organization, or business creative ability to develop, protect, and operate concerns for this purpose, have advanced. The reaction, however, to the improper use of capital to degrade men, corrupt justice, improperly influence governments, enslave labor, or engage in other destructive practices, is to develop and arouse the opposition of labor groups, to lose the respect of courts, and raise public resentment to such a pitch as to strip those in control of capital of their effective power. As in all cases where power is acquired either through wealth or mass organization, the abuse of the power brings with it a reaction which develops factors that force the correction of or destroys such evils.

Laws or regulations which prevent or hinder these reactions in economic affairs promptly taking place are in themselves errors. Regulation cannot be substituted for these reactions for three reasons: First, regulation is a negative and not a positive method of handling the problem. It seeks to suppress by force the error involved, but provides no factor which remedies or removes the evil, and at the same time builds up a structure which provides a foundation for further progress. Second, the suppression of business practices by force does not result in proper education of the individual, and the nonconstructive tendency will find expression in some other form of abuse. Third, the interplay of forces and the ramifications of factors involved in our modern complex society are so extensive that no man or group of men can comprehend their consequences in time to effectively regulate them. On the other hand, the operation of these principles encompasses the complete scope of human activity and the remedy arises through the interplay of natural vibrating forces which find lodgment in the minds of men attuned thereto, much as the radio picks up the vibrating message from the ether.

An example of the interference with the working of these underlying principles and an attempt of men to avoid responsibility for their actions is seen in our present economic situation. Prior to about 1923 there was, generally speaking, a scarcity of labor and goods in America. The increased production just prior to 1923 and the loss of many world markets, together with technological displacement of labor, soon produced a condition of abundant supplies in both goods and labor, and these growing surpluses became acute just prior to 1929 and thereafter.

The economic theories and practices which fitted into the previous period of scarcity did not fit into a period of the surplus conditions accompanied by artificial restraints which prevented wage and commodity levels seeking their optimum relationship to one another. It therefore became necessary for each to assume the responsibility for adjustment in accordance with the existing conditions. Instead of capital, labor, and agriculture assuming this responsibility, they sought to artificially hold up these prices and wage levels above that justified by conditions, considering the interplay of factors both here and abroad.

To do this they shifted responsibility to the Government, which necessitated numerous and sundry regulations, bureaucracies, and interferences, and time has clearly shown that agriculture involves so many factors beyond man's power to control, such as weather conditions, that effective regulation is impossible. The attempt to maintain these artificial levels has further increased the disparity between agriculture and the other major economic factors and has and will continue to prevent the proper flow of capital and freedom of individual effort, with a result that the surplus problems are not solved. Government burdens have been greatly increased, and still the process of adjustment will have to be gone through with. This present artificial status will reach its climax when it is realized that taxes have been raised to a point of diminishing returns and the Government is unable to further extend its credit.

Perhaps an effort will be made to meet this situation by monetary inflation which will but hasten the process. Then will the individual responsibility have to be assumed and prices and wages placed at their optimum relationship in view of the conditions. The attempt to remove surpluses artificially is unsuccessful because human nature under present conditions is such that any such effort in one direction is overcome by counter moves in another

direction. By paying farmers to control production, for example, the Government defeated its purpose by making it worth while for unregulated persons to increase their production. Also by increasing the fertility of the soil the persons who received payments to reduce production on one part of the farm were able to increase it on another. Had individuals been required to assume the responsibility for their actions in overstimulus of production and proper steps taken to protect the citizens caught in the liquidation process, through use of the surpluses in kind, the surpluses could have been eliminated, the individuals made to see the necessity for careful conduct and saving and a fundamentally sound economic condition brought about. Thereafter, through lessons thus learned, the dissemination of proper information, without extensive regulation, would have been all that was needed to keep a proper balance. With this attempt to maintain artificial price and wage levels has come a series of laws all designed to substitute group responsibility for that of individual liability, which always weaken and stultify the individual.

We have about prescribed and circumscribed the sustaining power from a commercial, industrial, economic, or social viewpoint of the present economic possibilities, and this has demonstrated this sustaining power, with human nature as it now is manifested, is not sufficiently broad to take in much more than a majority of our population under the present standards of living or to cover the relief load that arises through failure of individuals to strive to support themselves.

While we have great material wealth it cannot be mathematically dealt with, as certain theorists and economists advocate. The greatest of all factors to be dealt with is human nature as it is presently manifesting, and this circumscribes and limits the availability of this wealth for use. Those qualified for further unfoldment must so develop themselves as to bring out and make available new forces, new materials, and new ideas which will permit further expansion along new lines and turn the labor involved in carrying out the present mechanical operations over to those in such stage of development that such work is an incentive to progress.

The full significance of the teachings, practices, and requirements of the arcane schools, cannot be grasped and carried out by those who are weak willed, fearful, or indifferent. The great work in its fullness must be accomplished by the strong, the courageous, the just—by men who have earned the right to further growth. Therefore, the man who has, through perseverance, concentration, study, and application of sound underlying principles, honestly earned success in any aspect of his being, whether that success be manifested in business, in art, in music, in the professions, or in other lines of endeavor, is the person upon whom now rests the responsibility of himself developing a balanced life so as to help create a balanced state in which he may further continue his growth, and in which the masses of people may enjoy that freedom and opportunity permitting them to achieve and unfold. Part of the trouble today is occasioned by those who have the ability to express themselves in the fourfold aspect of being, limiting their manifestations to only a part of their capabilities.

The penalty for the failure of the qualified men and women to fully unfold and express themselves is likely to be the ultimate disintegration of the forces which are holding society up to its present standards and its consequent reduction to the level of the inertia of mass mind. What little advancement man has made has been achieved by those who through development and service have arisen above the average. It is blind folly to tear them and their constructive achievements down. Such action creates further disturbance and unbalance.

Literally thousands of books have been written attempting to explain esoteric subjects. The field of religion, psychology and kindred subjects is filled with imitators, counterfeiters, and downright frauds. Perhaps more so in these fields than in others, because it is less easy to distinguish the spurious from the genuine. The best of such books, unless they teach the fundamental philosophy of genuine esoteric schools, are mostly intellectual treatises covering speculative philosophies. The thoughts expressed in them are merely intellectual eggs that can't hatch. Whatever truth they contain is exhausted with its stating and fails to take root in the reader. They do not cause the reader to create thoughts which get down inside of him and cause him to unfold with them. They don't open him up and expose his weaknesses, inhibitions, cross-currents, limitations, nonconstructive tendencies, or release his strength and will. Most thinking of this type is superficial and touches only the fringe of his being. What we read or think is "about" truth when we unfold by inner perception we become truth. Until a man has himself achieved unfoldment, it is like the blind leading the blind, for him to attempt to instruct someone else. The difficulty with most men today is that they are existing only in the fringe of being, and are not living from the profound wisdom of the soul. One may read of God, brotherly love, cosmic purpose, or one may speculate on the character of the Divine for a thousand years, but unless one experiences and feels that love, unless he unfolds his own soul, unless he reaches the divine essence within, he accomplishes no lasting effects.

What is written here is ineffective unless the reader develops and experiences his own unfolding. However extensively the question of food may be discussed, eating of it by someone else will not satisfy the reader's hunger. What each one experiences is his own and can never be another's. Unless it grows out of himself, no knowledge is of any lasting value. "A borrowed plumage never grows."

There is one basic thing which distinguishes the teachings of these schools from ethical, philosophical, religious, moral, mental, or psychological teachings. It is the raison d'être, the heart of their teachings. It is the thing that will lend balance to man and to society. It is known as illumination of enlightenment—the coming into the light of the wisdom of the soul. It was described by Moses as the burning bush and is known to the initiates as the ineffable light.

It is found as the basic principle in the primary wisdom of all races which have reached any degree of development. All else is built around that principle, and without it any teaching, however profound, is incomplete. It is not something which can be acquired by intellection, conceptualism, epistemological analysis, logic, or reasoning, although when once experienced, its logic and reason are self-evident. It becomes the foundation of reason. It gives a new meaning to logic. Being the highest truth, it is unfathomably deep. It is emancipation and freedom. It is beyond the realm of letters, talk, discrimination, inquiry, and speculative reflection. It is an inner perception which takes place in the most interior part of conscienceness. It is the direct grasping through experience of the true facts of essential being. It is achieved only by determined, persistent, and constructive efforts properly directed. The science of this unfoldment has largely been lost, but it is preserved in the archives of certain of these arcane schools to be made available to the worthy.

It has many similacrum but the real thing once experienced is beyond doubt. It gives a new perspective from which events can be viewed; a new vista to the whole of existence. It gives a new meaning of life in its smallest and largest aspects. It creates a state of knowing in comparison with which our present consciousness assumes most limited proportions. It fills the innermost part of one's being to overflowing and opens a new life stream, limitless and all powerful. It provides an infinite core around which may be arranged a purposeful, balanced, constructive, peaceful, and joyous existence. It sounds the fundamental creative tone with which the lesser chords may be harmonized. It reaches the source of profoundest wisdom. By it is man's fundamental nature unfolded and is not something foreign to his being which is superimposed upon him. It unloosens and burns out the destructive desires and attachments, and transmits them into pure essence. It intensifies, extends, enlarges, and makes more efficient the previous mental and emotional powers. It brings an intuitive or noetic method of looking into nature in contradistinction to the analytical and logical method, although it furnishes the foundation for analysis and logic. It is a revolutionary change which takes place in the center of being; it may be referred to as an explosion, a cataclysm, the bursting of the mind gates; it is the fulfillment of man's innate essential purpose as the blooming of the rose fulfills its natural cycle.

The essence of being which is thus reached may be described objectively as a cosmic divine flame or fire. When considered as power, it is divine will; when thought of from its inherent plan, it is cosmic law; when considered from its blending capacity, it is love; when probed for knowledge, it unfolds absolute truth and wisdom: when realized in its relation to the whole, it gives unity and oneness; when united with it, the knower and the known become one and the underlying unity of existence is realized. From this unity flows full compassion for all beings.

Since this essence touches and affects all aspects of one's being from the innermost core to the outermost body, its influence is felt in all planes of existence. It cuts through the physical, the emotional, the mental to the center of being which to most persons, in their present state, is unreasonable. It changes the center of his being from the intellectual-emotional conscienceness with its birth-death cycle to the fundamental unchanging cosmic wisdom.

Present conscienceness is a product of opposing forces separated through intellection. Comprehension under these conditions is possible only by setting apart the thing known from the knower. Such conscienceness cannot transcend its own limitations. To achieve freedom the innermost center of being which is a part of the cosmic whole must be laid hold of, for by doing this another means of knowing is made possible.

By this process things are seen as they really are. It is essentially practical and normal. It is as natural as the breaking through of the sun's rays with the passing of the clouds. It is not a hypnotic or self-induced state. It is not an indulgence in emotional excitement. It is not acquired by the repeating of statements until by their repetition one believes them. It is not a predetermined forming of a picture in the mind which is made to materialize, for it transcends the mind. As self-reflection grows deeper and deeper, the moment will come when the spiritual flower will surely bloom, illuminating the entire universe. To establish a brotherhood of man before a larger degree of illumination has taken place among mankind is impossible. To expect to have peace when men's hearts are filled with greed and hatred is absurd; to expect to permanently remedy the situation by laws, economic changes, or new social systems is sheerest folly. Man, his government, and society are fooling themselves. To see man and conditions as they are now manifested, the hatred, greed, jealousy, lust, ignorance, credulity, discord, hypocrisy, lack of stability, and the misuse being made of the forces and properties entrusted to man and the reactions which follow such conduct is absolutely essential to an understanding of the problem. But

to stop here leaves man in complete bewilderment. He must also comprehend the new power and wisdom and the relation between this power and wisdom and present conditions. He must realize the futility of idealizing and relying upon conditions that are bound to change; he must return to the center of his own being from which will flow a new vision, a new wisdom, and a new life, which can be relied upon and which will in time permit the establishment of proper conditions under which man can live and move and have his being in mutual help, trust, and confidence and make him realize that he must govern himself rather than others.

The teachings of these schools are sometimes spoken of as arcane, secret, esoteric, or mystic. They are a mystery in that until illumination is experienced it cannot be known, but after once being experienced it is the most prosaic of all experiences, for it presents a wisdom which shows the working of its principles in the most trivial of everyday things. These teachings are kept secret because: (1) They deal with the strongest forces in the universe, and which if improperly handled may result in untold anguish, and (2) when the constructive forces are aroused, they may be directly opposed by the nonconstructive forces. Experience has taught that unnecessary trouble may be experienced unless secrecy is maintained. They are esoteric because they are understandable only by the inner nature.

Man must work to achieve this unfoldment because there has been a split in his being. For reasons which cannot be here explained, conscienceness is posited in only a minor portion of man's total capabilities. This fringe conscienceness leads man into activities not in harmony with the fundamental purpose of existence. This principle, being all powerful, controlling the cosmos in all its activities, slowly but surely causes a readjustment in line with those cosmic principles, and the continually pulling of man away from the cosmic pattern and the consequent readjustment results in the oft-repeated belief that the only thing that is certain is change.

Unless one's study is based upon a comprehension of the total scope of what must be accomplished, the results are not likely to be complete. Such a person is like an architect who starts to build a house with only the idea of the basement in mind. In these schools are taught the fundamental laws relating to material success and the full and balanced development of physical, emotional, mental, and soulal aspects of being. There is only one law—that of cause and effect—but its aspects are multitudinous. Here one is taught to see the causes which produce the desired effect and to put into effect causes to avoid undesirable results. Past causes previously put into operation by man or with which he was connected may not be set aside, but man may live above the results, so they will not now control him. When posited in the true center of being, he may live so fundamentally and be so sheltered by the inner power that the results will pass over or around him. Ultimately all men must learn this law.

During the course of his training he will be shown the means and methods of achieving illumination. The training is practical, efficient, and can be carried on as a part of his every-day activity. It will not interfere with any honest, constructive, duty, pleasure, practice, business or other normal relationship; on the contrary, it will revivify every department of man's nature and bring into manifestation his every faculty for his own advancement and edification. Until it is achieved, he must believe the witnesses who testify to its possibilities and live in the faith that it can be done. He will, however, ultimately know it for himself. The degree of his unfoldment will be in direct ratio to the intensity of his efforts and desire to achieve. If the desire be great and all-controlling the unfoldment will be equally as powerful. A period of study, unfoldment, purification, and preparing the instrumentality for the experience is gradual, but the illumination is abrupt, instantaneous—a breaking through from one strata of being to another.

The teachings of these arcane schools have not been, will not, and cannot be widely publicized or commercialized. The esoteric teachings cannot be grasped by the multitudes. Their ethical aspects furnish rules of conduct for those who do not have the courage or will to seek the ultimate, but what is needed now is recreated powerful human batteries through which positive forces may be released and blended together. While these schools have individually existed for centuries a universal confederation has been formed, reaching through the United States, France, Belgium, Switzerland, Holland, England, Poland, Mexico, and as far as Madagascar, for that purpose. It is believed that the work already being done by such schools will be strengthened by this unity and there will be established a much stronger current of constructive force which will outflow in sufficient volume to offset the tremendous nonconstructive tendencies being released throughout many parts of earth. It will be the quiet acceptation and studied practice of these principles and the releasing of the fires from the center of being that will save this civilization from the destruction that has befallen those preceding us.

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A UNIVERSAL CONFEDERATION

La Federation Universelle des Ordres, Societes et Fraternites des Inities, or Universal Federation of Orders, Societies, and Fraternities of Initiates of Esoteric and Arcane Science, is essentially and fundamentally Rosicrucian in its nature.

Esoteric and arcane schools or fraternities have existed in one form or another since time immemorial, and their influence has been a powerful factor in the many great reforms of past ages. However, an international or universal confederation of these organizations was never attempted until early in the present century and was brought to a successful issue in 1934 through the help of C. Chevillon, of the European Fraternitas Rosae Crusis and the cooperation of the various other esoteric and arcane organizations of Europe, Central and South America, the articles of the final draft of the confederation being signed in Paris, France, on the 20th of March 1939.

The august fraternities with the esoteric and arcane schools have always had as their incentive the alleviation of the miseries to which humanity has thus far been subject to; the righting of the wrong so rampant throughout the world, and the inculcation of wisdom so that through understanding and spiritual enlightenment the correction of all evils might become an accomplished fact, and the individual man come into his inherent birthright, and nations and individuals be at peace one with another, so that humankind might attain that goal set for man by his Creator, and which is the fundamental doctrine of all sacred literature: Provided, of course, man believes in, accepts, and puts into practice the precepts inculcated.

In the past it has been the specific purpose of the individual schools, as it is now of the confederation of these schools, to encourage, aid, direct, guide, and instruct men in the development of their spiritual nature and higher faculties; to initiate their adherents into a broader state of conscious understanding; to help raise them to more exalted planes of being, and to help them gain the light of wisdom, all to the end that they may become advanced agents in the elimination of individual, national, and international misunderstanding and bring about peace, economic stability, and lastly, spiritual enlightenment.

We maintain that through the means of spiritual, or soul culture, the higher self of man is developed, that through such development of the higher self, and the inner faculties of individuals, we advance and promote the general well-being and uplifting of all mankind, which is the true and lofty aim of the confederation, looking forward to the eventual spiritualization and highest development of all races, and the ultimate universal brotherhood of man and the fatherhood of God, with peace and good will to all men.

We know, full well, that the races of men can be no better than the common denominator or the average of the individuals that compose them; that the evolution and progress of the human race is mirrored in the evolution and development of the individuals that compose it; that human progress is deterred and held in check by the backward and the ignorant; that governments are tyrannical, unjust, and imperfect because men are credulous, weak willed, selfish, and ignorant; and that civilization can advance upward to the mountain top of progress and toward the pinnacle of perfection only as fast as the average man advances from darkness to light, from ignorance to truth and from truth to freedom. It has been declared by that great Teacher, that Initiate of wisdom, "that man shall know the truth and that the truth shall make him free." Indeed, knowing the truth does make men free, but no man may be wholly free until all men shall know the truth and become free. Therefore, the advancement of society as a whole, the perfection of government, the peace of the world, and the progress of civilization depends upon the enlightenment and development of the individual; hence, the regeneration and redemption of man can be and is the only salvation or deliverance of the world.

Now, inasmuch as men and women can develop their higher selves and inner faculties through conscious efforts only when they are free moral agents, therefore, we declare that there should be given to every man and woman the greatest personal freedom and individual liberty consistent with the rights of others and their duties to their fellow men, organized society, and the State. The freedom and liberty so essential to the proper development of the complete man, as a condition, environment, and development agent, which we advocate, is not the license to abuse or misuse, but liberty with full responsibility for the right and proper use thereof.

In order that this great work may be carried on and advanced among all the people of the earth, we would eliminate the cause of war and heal the nations by removing, through enlightenment, selfishness, hatred, jealousy, and misunderstanding between men and through the harmonizing of religious concepts, political ideals, economic theories, personal rights, and social views with greater liberty and a new-born love for humanity, with a broader tolerance that teaches charity and due respect for all with ill-will and malice for none, and the demand that justice be granted all men.

Therefore, to the end that our purpose may be faithfully carried out and in no way hindered by discord among ourselves created by the jealousy of creed, the distinction of color, racial pride, or hatred, or political dissension, we proclaim our work to be strictly nonsectarian, nonpolitical, and without distinction of creed or color.

All the members of this organization are practical men and women who believe in progress, law and order, self-control and self-improvement—the improvement and development of the whole man—body, mind and soul. Our guiding star is the one word try. Our discipline is temperance, fortitude and perseverance.

We teach the charity that is broad and practical; that is considerate, sympathetic, encouraging and helpful, with an intellectual hospitality that is understanding, consistent, steadfast, and tolerant; we extend the helping hand of courteous patience to every human and spiritual need, help men to help themselves, to find themselves and save themselves.

We advocate freedom—physical, social, economical and intellectual and spiritual, for all mankind and individual liberty—not license—with full personal responsibility.

We maintain that all created things and attributes of Nature were made for man's enjoyment, attainment and advancement. All is good that is properly used and in nowise abused. We hold that the only sin that man commits is the act which injures himself, another or others.

We prescribe the highest standards of manhood and womanhood with profound respect for the noble estate of motherhood. We promote a culture of the physical, mental, and spiritual man that inspires and creates the highest respect for woman and a lasting and unfailing respect for the rights, privileges, and prerogatives of others. We demand honor, sterling nobility, personal integrity and fair dealing among men and believe this to be a universal panacea that will eliminate war and present day economic problems and establish a reign of good will, advancement, and economic recovery, with resultant human happiness.

We insist on individual responsibility in all affairs of life on the physical, spiritual, and moral plane; that salvation is individual and that man is his brother's keeper insofar only as he can aid, assist, and guide him along the path and show him the way. In the end each human creature must himself be his own savior by living the life as he has been taught by the Great Exemplar.

We seek to live without hate, suspicion, whim, jealousy, envy, or fear; to be simple, honest, honorable, frank, natural, courteous, and unaffected; to meet all men on an absolute equality; to have the strength of character and the force of will to face any and every obstacle and to meet every difficulty unabashed and unafraid; to radiate joy, cheer, happiness, and good will, and to live our lives as we deem best, always up to the highest, fullest, and best and without any infringements upon the rights and privileges of others.

To the end that others may live as they deem best or desire, we shall not meddle, interfere, suggest, dictate, or give advice that is unwanted, nor assist when our service is neither requested or needed. If it be our good fortune to help, uplift, or inspire others let it be by example, precept, inference, or suggestion rather than by injunction or dictation.

The salvation of man by compulsion is not possible; the Kingdom of Heaven cannot be taken by storm and peace on earth is not possible by legislative exactments, therefore the peace, happiness, and economic freedom of man must be won by him through the building of character, strength, and the fearlessness which prevents encroachment upon his individual rights and liberties.

The destiny of man is the progress of just men made perfect and the advancement of the race through the individual effort and achievement of each worker under the guidance and protection of the law which all honest men recognize as just—the law of action and reaction. It has been well said that he who sows wheat shall eat bread, but that he who sows tares shall starve. According to our actions so must be the reaction. Ill-will and hatred must of necessity return loss and misfortune, while kindliness and generosity will bring good will and the strength to achieve.

The great open field of humanity was never more ready and prepared for the sowing of those seeds which will bring harmony to the needs of humanity; therefore, to widen the effective range of our efforts, to bring the munificent and ineffable benefits to a greater number of grateful and happier men and women of all races, and to help improve the common lot of all humanity, we offer our experience and help in the solution of their problems, basing our efforts on the history of mankind, and the experience of ages.

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R. SWINBURNE CLYMER.
C. CHEVILLON.

Statement of the Secretary of the Treasury

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 29, 1939

STATEMENT OF SECRETARY MORGENTHAU BEFORE THE WAYS AND MEANS COMMITTEE

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Secretary Morgenthau before the Ways and Means Committee of the House of Representatives, May 27, 1939:

I appreciate this opportunity to appear before your committee to discuss with you certain broad fiscal problems and certain specific tax questions.

Tax proposals cannot be discussed comprehensively except in relationship to our whole national and fiscal position. We are now in the midst of a world situation which imposes on this Government a special responsibility. We must demonstrate that a democratic government has the power and the flexibility to survive a prolonged crisis and chaotic world conditions with the strength of its free institutions unimpaired. Preservation of our democratic form of government over a long period of years requires, in my opinion, a fiscal program which has a fourfold objective: (1) promotion of free enterprise and private investment; (2) attainment of full business recovery; (3) maintenance of our public finances in a sound and unassailable position; and (4) a just distribution of tax burdens and a more equitable distribution of national income.

Successful operation of democracy demands that all four objectives be solidly linked together. When we consider any specific change in our fiscal program we must satisfy ourselves that the change makes for a better and not a worse distribution of tax burdens and of national income, that the change promotes and does not retard business recovery, and that the change makes easier and not more difficult progress toward the establishment of a balanced relationship between revenues and expenditures.

Full attainment of these objectives is difficult at best. It is made more difficult by a new and ominous development in world affairs—the armament race now gripping the important nations of the world. Great Britain in the present fiscal year is spending $3,000,000,000 on military expenditures, or almost 50 percent of its national budget; France is devoting over 40 percent of its national governmental expenditures to the same purpose; Italy, 50 percent; Germany, probably 60 percent; Japan, over 70 percent; and it is reported that Russia has just authorized an increase of about 50 percent in budget allowances for armament. These huge expenditures are being financed largely by borrowing. The race is becoming more intense, and there is no end in sight.

In this connection it is interesting to note that in our Budget for this fiscal year expenditures for national defense are about 12 percent of total expenditures. For us these developments present the danger that they may involve us in increased cost for national defense here and that they may result in monetary instability abroad and disruption of our commerce, the consequences of which we cannot fully predict.

No proper solution of any major problem facing this Government today can be achieved without full consideration of the impact on our country of the present international crisis. The unmistakable implication of the international situation is that we should give serious attention to our future fiscal position and redouble our efforts to attain full recovery. High national income and a sound fiscal position are essential to adequate national defense. It is against this background that we reexamine our fiscal program.

A fundamental objective of sound finance clearly is a balanced budget. There is, of course, no good reason reason why taxes must exactly balance expenditures in each specific year any more than in each month, each week, or each day. There are periods during which sound fiscal policy calls for an excess of outgo over income, and others when it calls for an excess of income over outgo. In a depression it is inevitable that there will be deficits. Revenues decline at the same time that the Federal Government is called upon to assume inescapable social and economic burdens.

If, however, deficits are too long continued, the depressive effects of uncertainty tend to make recovery more difficult. The sequel to deficits in emergencies should be surpluses during years of prosperity. That was and is one of the broad purposes of seeking to raise the national income to a high level, thus assuring revenue great enough not only to end the deficits which began in 1931 but also to reduce the public debt.

In carrying out our fiscal policy it would be helpful to have machinery which would more fully coordinate our efforts. It is not the prerogative of any administrative department to make suggestions to the legislative branch of the Government for the conduct of its work, but I am sure that you would wish me to be frank in suggesting ways of surmounting difficulties which I believe now attend the joint efforts of the Ways and Means and Finance Committees and the Treasury Department.

If, for instance, the Ways and Means and Appropriations Committees of this House and the Finance and Appropriations Committees of the Senate could meet each session as one joint committee on fiscal policy, to consider the over-all aspects of the expenditure and revenue programs, simplification and greater effectiveness would result. The Budget Act of 1921 set up a procedure for the orderly formulation by the Executive of fiscal proposals and for their submission to the Congress as a unified budget. No comparable procedure has been set up in Congress for considering revenues and expenditures together as two interrelated aspects of a single problem. I hope this committee will agree with me that some such innovation would improve the efficiency of the Government. By providing for a preliminary legislative consideration of the over-all picture of appropriation and revenue measures, it would give Congress a broad perspective of the state of the Government's finances and permit a better ordered coordination between the executive and the legislative branches in this field. This joint committee would in effect be a lens through which all appropriation and revenue measures could be viewed in relationship both to what the Nation needs and to what the Nation can afford.

This committee should have continuous life for the purpose of actively studying fiscal problems between as well as during sessions of Congress. The Treasury Department would, of course, cooperate in this work to the full extent that the committee desired.

Thus far I have dealt with the financial problems of the Federal Government alone. We must remember, however, that with the

best conceivable Federal fiscal plan in operation, we still would have touched less than half of the tax problem which confronts the Nation. Almost 60 percent of the total tax revenues of the country are collected by State and local governments.

In the last 5 years we have given serious study to the problems created by Federal-State tax conflicts. The same problems had been recognized by our predecessors. It is my belief that we should take steps without delay to make these studies effective. I suggest that Congress create a small temporary national commission to report to Congress as soon as feasible on the various aspects of intergovernmental fiscal policy and propose a plan for the solution of the problems involved. Such a commisison should be made up of men of ability who command the highest possible public confidence, who are familiar with fiscal problems, but who will represent the public at large rather than particular governmental units.

Overlapping and competing taxes have grown in number and size as both Federal and State Governments have sought new revenue. Grants-in-aid are being demanded of the Federal Government in increasing amounts. The results of this fiscal situation are increasingly unsatisfactory to both State and municipal governments and to the Federal Government, and more and more burdensome to taxpayers. The recommendations of such a commission should assist us in achieving a more orderly relationship between the Federal, State, and local fiscal systems.

Thus far I have talked about two fiscal matters of great importance. Let me turn now to more specific questions of Federal taxation.

I desire first to reiterate two tax recommendations which the President has already made and a suggestion which the Treasury has presented:

1. In his Budget message of January 3, 1939, the President recommended that Congress extend the miscellaneous internal revenue taxes which under existing law will expire in June and July, and maintain the current rates of those taxes which otherwise would be reduced in June.

2. In his message of January 19, 1939, the President recommended legislation making all Government salaries hereafter earned and interest on all Government securities hereafter issued subject to Federal and State income-tax laws. That part of this recommendation dealing with Government salaries, I am pleased to note, has already been incorporated into law.

3. In my statement of March 24, 1939, I presented for your consideration four alternative rate plans for old-age insurance contributions during the next 3 years.

Even though a comprehensive revision of the tax structure probably will not be feasible at this time that fact, in my opinion, should not restrain your committee from giving serious attention to removing from the tax laws any manifest inequities or other defects.

Before specifying the tax provisions which I believe deserve your special attention at this time I wish to emphasize the importance of maintaining the present revenue in any tax revisions which may be made. We must not forget that one of the important objectives of our fiscal program is to approach a balance between revenues and expenditures. For this reason any tax reductions must be offset by tax increases. If tax revision were confined to tax reductions the resulting uncertainty as to our future fiscal position would injure and not help business. We should take no step which the public may interpret as moving away from the objective of a balanced Budget.

In discussing the elements or features of the tax system which you may wish to reexamine, I should like to classify them roughly into three groups.

The first group includes features which may have been characterized as likely to hinder business expansion and investment.

One such feature is the absence of provision in our income-tax laws for carrying over net business losses to be deducted from business profits of future years. The profits or losses of each year are considered without reference to those of any other year. In consequence a business with alternating profit and loss now pays higher taxes over a period of years than does a business with stable profits although the average income of the two firms may be equal. New enterprises and the capital goods industries are especially subject to wide fluctuations in earnings.

As a second example, I should also like to mention the questions of tax-exempt securities and surtax rates in the higher brackets. These two questions should be considered together. Tax exemption of securities is highly inequitable and tends to nullify our progressive surtax rates. Most persons subject to the high surtaxes have sizable holdings of governmental securities which yield them an income free from Federal income taxation, while other persons entirely escape the high surtaxes in this manner. Tax exemption also operates as a magnet which pulls persons subject to high income taxes away from investments in private business. We should by all means pass legislation to make it impossible in the future to issue any more tax-exempt securities.

This having been accomplished first, it would then be fair and logical to reexamine the question of whether the present surtax rates on very large incomes may not be so high that they discourage the limited number of individuals subject to them from taking normal business risks.

In a second group are features of our tax system which have been referred to as "tax irritants." As an example I would mention the undistributed profits tax. In its present form this tax is unimportant and does not accomplish the objectives of the original proposal. The tax produces little revenue and has little effect on business. It has acquired prominence as a psychological irritant largely because of the widespread and emotional criticism which has been directed against it. One of the objectives which the law sought to attain was to prevent the avoidance of the personal income tax through the retention and accumulation of earnings by corporations. This is still an important and, to my mind, a sound objective. The law in its present form does not attain it. Since the income tax on corporations, of which the undistributed profits tax is a minor segment, expires by its own terms at the end of this year, your committee should deal with this problem. The Treasury, of course, stands ready to work with you on it.

Another example is found in the capital-stock tax and the related excess-profits tax. Under the present law the capital stock tax is based upon a declared capital-stock value which the taxpayer may revise every 3 years. The declared value may be any figure that the taxpayer desires to submit regardless of the actual value of the stock. The excess-profits tax applies to profits in excess of 10 percent of such a declared value. The taxes are thus not really taxes on the value of capital stock or on excessive profits. Their major defect is that they operate very erratically. The tax liability they impose depends on the taxpayer's ability to forecast profits for the next 3 years as well as upon the amount of profits actually realized during each of the 3 years. Forecasts of earnings are particularly difficult to make in the case of new businesses and those with unstable incomes such as the capital-goods industries, with the result that taxes imposed on such businesses are at times inordinately high.

There is a third category of tax problems now being widely discussed which raises questions of tax equity. The Treasury has already worked on these problems and, if your committee desires, our staff could continue these studies in collaboration with the committee, possibly with a view to action at a later session.

An example is the limitation now placed on the deduction of corporation capital losses. Under the present law an excess of corporate capital losses over capital gains can be deducted from ordinary income only to the extent of $2,000.

In the consideration of possible changes in the parts of the tax structure just mentioned, it is essential to bear in mind that most of them would result in reductions in the revenue-producing capacity of the tax system. I have already emphasized the importance of not permitting the revenue-producing power of the tax system to be reduced at this time. Accordingly, with the adoption of any such changes involving loss of revenue there should be associated revenue-producing revisions. Although this problem is difficult, it is one that must be faced. The taxes resorted to for replacing any lost revenues should have the least harmful effects on business and should contribute to greater equity. They should not change the relative distribution of the tax burden between broad groups of taxpayers and especially should not place additional burdens upon consumers.

The subjects I have discussed are for the most part confined to a limited segment of the tax system. I do not consider them as constituting an adequate program of tax revision. Such a program can be developed only through long continued study, and it cannot be static but must be adapted to changing conditions. But the general lines along which Federal taxation should develop in the future appear to be quite clear. We ought to increase the part played by direct taxes that can be made to take account of differences in the abilities of individuals to support Government. This means that we should endeavor to minimize the use of manufacturers' exercises and other commodity taxes which tend to be shifted directly to consumers, putting the emphasis on taxes based on capacity to pay. Such revision would facilitate coordination of Federal with State and local taxation.

In conclusion, permit me to say that one of the major tasks we have before us is to do everything we can to promote lasting business recovery. With this still uppermost in my mind, I would like to repeat now with the same deep conviction what I said in November 1937: "The basic need today is to foster the full application of the driving force of private capital. We want to see capital go into the productive channels of private industry. We want to see private business expand."

Robert Low Bacon

MEMORIAL ADDRESS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. ANDREWS. Mr. Speaker, with the untimely death of ROBERT LOW BACON the House lost one of its best liked and most useful Members. Few men of his position in life gave so generously to the service of their country, and in so doing few have been rewarded in the friendships of all types of persons

such as those extended to BOB BACON; for thus he was known and thus will he be remembered.

Following an example set by his distinguished father, he volunteered early for service in the 1915 military training camps and served in 1916 on the Mexican border with the New York National Guard, subsequently in various assignments until the end of the war in the Artillery, receiving the Distinguished Service Medal, thereafter continuing his interest in the Reserve Corps until the time of his death.

Soon thereafter he was elected to the House of Representatives where his record of service was an outstanding one. With the ability to perform arduous tasks BOB BACON possessed a remarkable disposition for friendship, a charming manner, a generous heart, and a genial soul, all of which greatly endeared him to his colleagues, and his record of service for his district, his State, and his country in the House of Representatives was one of force and character, challenging the respect of his fellow Members.

Figuratively he died in the saddle at the end of eight terms of painstaking and conscientious public service for the citizens of the great First District of New York State, and we mourn his loss. In his going there passed from among us a soldier, a fine legislator, a gentleman, and a friend.

Stephen Warfield Gambrill

MEMORIAL ADDRESS
OF
HON. WILLIAM P. COLE, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. STEPHEN WARFIELD GAMBRILL, late a Representative from the State of Maryland

Mr. COLE of Maryland. Mr. Speaker, 10 years of service with a colleague in the House of Representatives affords the best available opportunity to really know a man. This is especially true in the case of Members of Congress from the same State.

As a young man, before entering public life, I knew, by reputation, our late colleague, Hon. STEPHEN WARFIELD GAMBRILL. His life and public service in the Legislature of Maryland was synonymous with all we like to identify with true statesmanship. A thorough student, a real gentleman, a strong and forceful debater, a fair and courteous gentleman were all attributes belonging to him.

With a foundation derived from attendance, as a young man, at the Maryland Agricultural College, from which he graduated and later from the law school of Columbian University in Washington, which is now known as George Washington University, he was admitted to the bar in 1897 and became a practicing attorney in the city of Baltimore, specializing in surety and insurance law. For years Mr. GAMBRILL was associated in a prominent way with the legal department of the Fidelity & Deposit Company of Baltimore. It was during his service as a member of the Maryland Legislature in 1920–22 and the Maryland Senate in 1924 that he became a State-wide figure. It was not surprising that his talents were called into service in a larger field when he was chosen Representative in Congress from the Fifth District of Maryland in November 1924, and thereafter to each succeeding Congress, to the time of his death on December 19, 1938.

As a member of the powerful and important Committee on Naval Affairs, Mr. GAMBRILL found his most interesting work. The zealousness he displayed caused many to feel at times that he looked upon the United States Naval Academy, situated in Annapolis, in the heart of the great district he represented, as peculiarly his individual problem. His devotion to this important activity of the Federal Government in his district was appreciated by all, especially the people of Annapolis where, as a candidate so often, he received ever increasing majorities.

My fondest recollections of STEVE GAMBRILL carry me into the many meetings of the Maryland delegation, held during the long term of service we enjoyed together. He was looked upon by our group as one possessing peculiar qualities of analysis and judgment which was helpful to us, especially during the trying depression period from 1929 to date. Representing, as he did, one of the most trying districts in the entire country, because of its close proximity to the Capitol, he became a virtual slave to his constituents. During the last few years of his life, when he could well have afforded, like many others, to preserve his energies and yet attend the sessions of the House and vote his convictions, he would, from early morning through the day, and often late into the night, continue the practice of seeing many people in order to solve the ever recurring problems of distress and need so prevalent in the office of a Congressman during the recent depression period.

STEVE GAMBRILL left a host of friends in the House and thousands of devoted admirers in the State. I have missed him greatly and shall not only never forget his jovial, happy personality but the counsel and advice he was able to give, and shall recall my association with him many, many times.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. TABER. Mr. Speaker, JOHN J. BOYLAN was a member of the Committee on Appropriations for a long time. He gave his best to service on that committee and for many years took great interest in the fiscal affairs of the Government. He will be best known, however, for his interest in the unfortunate, for the work that he did on the Special Committee on Prisons (where he participated in the effort that that committee made successfully to modernize the system of Federal Government prisons), and for his work for the hospitals for the care of drug addicts.

JOHN BOYLAN probably did more than any other Member of Congress in his day to promote legislation designed to limit drug addiction and to provide some kind of cure for the unfortunates who were afflicted with it. That was his special interest in Congress and he performed a real service in that connection.

I served with him on both the Special Prison Committee and upon the Appropriations Committee and for a great many years on the same subcommittees on appropriations.

I shall miss his cheery greeting and his sincere approach to the problems of government.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. CLARENCE E. HANCOCK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. HANCOCK. Mr. Speaker, when I sat at my desk to perform this last sad act of friendship for our late beloved colleague, ROBERT LOW BACON, I opened a volume of Emerson's Essays and glanced hurriedly through some of them for a new quotation, or rather an unhackneyed one, from that

greatest of American philosophers, to express my appreciation of him in language more clear and forceful than I can command. I looked at the Essays entitled "Self-Reliance", "Friendship", "Heroism", "Character", Manners", and "Politics." These titles suggested BOB BACON and his career to me. I found many appropriate paragraphs but this one describes him as I shall always remember him:

> The gentleman is a man of truth, lord of his own actions, and expressing that lordship in his behaviour, not in any manner dependent and servile either on persons, or opinions, or possessions. Beyond this fact of truth and real force, the word denotes good nature or benevolence: manhood first and then gentleness.

His circumstances were such that he could probably have settled down to a tranquil life of effortless ease, but BOB BACON was a strong man, and endowed with that New England conscience at which cynics scoff but which I believe has been the most valuable possession our ancestors brought from the Old World and the most precious inheritance handed down to us in preserving a sense of individual responsibility for public and private rectitude, misdirected though it may sometimes be.

He dedicated his life to public service. When war became imminent he was one of the first to volunteer for training at the Plattsburg camps; when the National Guard was ordered to the Mexican border he volunteered; when we entered the World War he was ready and was in the service within 3 weeks. He served throughout the war with great distinction and when it was over he accepted a commission in the Reserve Corps and was a colonel in the Field Artillery Reserve at the time of his death.

He entered actively into politics after the war. He was elected to Congress and had completed eight terms of useful and conscientious service when, at the age of 54, we were shocked to learn of his sudden death.

It was my privilege to know him in the days of his Mexican border service and to enjoy a relationship with him that became a warm friendship as I knew him better in the years to come.

The first time I ever entered the Chamber of the House of Representatives was when I was sworn in at the opening of the Seventieth Congress. I was a stranger in a strange land. It was characteristic of BOB BACON that he sought me out and did me innumerable kindnesses in the unostentatious manner that marks a gentleman. Kindliness and generosity were a part of his nature, as everyone who knew him, of high or low degree, can testify.

In this brief tribute I will not attempt to recount the many contributions he made to the legislative accomplishments of this body. Others will do that. From the many discussions I had with him on pending bills, I know the question in his mind was always, What is right? and never, What is selfishly expedient?

BOB BACON was an able and sincere Representative in Congress, he exemplified the thoughts and ideals of Americans who love their country, he honored his distinguished name and family. It should be comforting to his courageous widow and daughters to know in how great affection and esteem he was held by those of us who knew him best and how deeply we mourn his passing.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. MICHAEL J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I humbly participate in this memorial out of debt to my great friendship with the late lamented Representative JOHN J. BOYLAN, my distinguished predecessor in this body from the Fifteenth Congressional District. Our friendship arose out of his friendship with my late father, which extended over a period of 40 years and continued to the day of his death; and so it was no ordinary one, bound as it was with ties of family affection and mutual understanding. While it was not my pleasure to have the privilege of serving with him in this great body, I cannot let this occasion pass without adding my tribute to JOHN BOYLAN, as I knew him. Others have defined his great contribution to the welfare of his State and country, but I can give myself the privilege of testifying to his great helpfulness to the people whom he represented and his generosity in all his human attitudes.

His was a distinguished career and he came to the Congress of the United States well equipped to serve the people of his district and his country. Prior to his 16 years of service here, he served in the Assembly of the State of New York from 1909 to 1913, subsequently in the State senate until 1922, at which time he was sent to the Halls of Congress. As a Member of this body he fought for betterment of Federal prisons, for executive intervention in coal strikes, and for aid to the Catholics in Mexico. He was first a member of the Committee on Military Affairs and later of the Committee on Appropriations; he also served as chairman of the Thomas Jefferson Memorial Committee. His aid and assistance to committee chairmen were valuable to a high degree.

I have had the honor of representing here in the House of Representatives the congressional district in which JOHN BOYLAN was born and died. His splendid career of public service has been a beckoning inspiration to me, as I have undertaken to perform my duties in public office. The good which JOHN BOYLAN did and tried to do will never die, whether it be recognized or unrecognized as such, for it lives and will live, since no truth or goodness attributable to man ever dies or can die. Loyal to his party, faithful to whatever cause he espoused, candor and a proper appreciation of his real worth and of the loss those of us who knew him sustained, leads me willingly to pay my humble tribute of appreciation and respect to his memory. And so today, those of us who were his friends and who are still standing on the "narrow isthmus betwixt two boundless seas"—the past, the future; two eternities—are living again those happy days of friendship, association, and fellowship in the land of the yesterday of memory, a paradise out of which fate cannot drive us.

I know of no epitaph, Mr. Speaker, to be applied to my departed colleague more appropriate than the words of Mark Antony as he looked down upon another who lay still in death—

> His life was gentle and the elements
> So mixed in him that Nature might stand up
> And say to all the world
> "This was a man!"

The guidance and example of JOHN BOYLAN live on for "death is but a rusty scabbard from which emerges a shining sword."

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. TABER. Mr. Speaker, ROBERT LOW BACON came to Congress in 1923 at the same time that I came. I had known him for several years before that and had been very closely associated with him in political conventions. Here, we had our offices near together and were accustomed to frequently consult with each other and to go over the mutual problems that come to new Members. For the last 10 years he had served with me on the Appropriations Committee.

He was a man of broad vision, of great force, and strong character. Service to the United States and the preservation of the best ideals of our people were close to his heart. He recognized keenly the very serious danger in which unlimited spending would result and was one of those who could uniformly be relied on to take a courageous, patriotic stand. The country can ill afford to lose men of his type in the prime of their strength and usefulness.

Our fullest sympathy goes out to his family.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. FRED J. DOUGLAS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. DOUGLAS. Mr. Speaker, I wish to pay humble tribute to the memory of one of my dearest and best friends, ROBERT LOW BACON, who was taken from us on September 12, 1938.

It was my good fortune to enjoy his friendship for many years before I became a Member of this honorable body, where he served with distinction for some 15 years. As I knew him, he was a polished gentleman, open, frank, and direct at all times in all things. As a friend and associate, he was thoughtful, kind, and indulgent. He served on several important committees and made it his business to study every bill and to arrive at an intelligent conclusion supported by definite reasons as to its merits and demerits. No task was so large as to dismay him and none so small as to incur his neglect.

During these trying times when we are confronted with so many "isms," I cannot help but remember ROBERT LOW BACON by the fact he was first, last, and at all times an American. His every effort was devoted to the preservation of American ideals and institutions.

ROBERT LOW BACON looked after every interest in the district he represented, and his faithfulness and his fidelity to all of his constituents so impressed themselves upon the people that, notwithstanding the huge Democratic pluralities of the New Deal, he was reelected each succeeding term by increased majorities. When a man has continued to hold the confidence and support of such a constituency as ROBERT LOW BACON had, and if I had no other standard by which to test his life, I would know this was sterling worth in his character and substantial value in his services.

I cannot help but believe that because of such a life the world is better, and that our work here will be better performed by the inspiration of the memory of his virtues and his splendid services to his constituency, his State, and our great Nation.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. MARTIN J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of JOHN J. BOYLAN, late a Representative from the State of New York.

Mr. MARTIN J. KENNEDY. Mr. Speaker, as we gather today to pay our respects to the memory of our former colleagues who have passed away during the past year, my heart is particularly heavy. I miss our beloved JOHN J. BOYLAN who passed on to a greater world last October 5.

No greater character ever occupied a seat in this House of distinguished characters. No greater friend ever lived; no keener wit nor a greater heart ever pulsed in the breast of a Member of this body than in that noble person.

He was born in New York City and the Fifteenth Congressional District sent him here to the Sixty-eighth Congress. Before that time, he had distinguished himself in the New York Assembly and in the Senate of the State of New York. His public service was continuous from 1910 until he died.

JOHN BOYLAN was a friend of the underprivileged. He was sympathetic to his very core. He was a true Jeffersonian Democrat, Mr. Speaker, and Thomas Jefferson was his model, his hero of all Americans of history.

Not only am I sad today because of his passing. I see scores of Members in the Chamber today who are also grieved, for they knew and loved him as I did.

Looking through the CONGRESSIONAL RECORD of a year ago—April 21, 1938—I find one of the last speeches that Mr. BOYLAN prepared. It was about Thomas Jefferson, and in that address he emphasized statements of the author of our Declaration of Independence that forcibly revealed his own personal religious and political philosophy. Mr. Speaker, I quote from that address by Mr. BOYLAN:

> Jefferson's birthday this year should be a day upon which we rededicate ourselves to the many great causes and the single great principle—human liberty—for which he fought over a period of 40 years. It may seem trite to recall his services to liberty, his struggling for the doctrine of universal emancipation, but it was not so in his day. His enemies at home and abroad sneered at his demands for the fullest form of freedom. They pointed at the excesses of the French Revolution and shuddered at the resulting wars which drenched Europe with blood from the North to the Red Sea. "This," they retorted, "is what liberty would give us in America."

Like Jefferson, Mr. Speaker, JOHN BOYLAN was rabid on the subject of religious freedom. He was also a sincere friend of the common people. And, like Jefferson, he was of the conviction that democracy was safe in the hands of Americans, because he knew his countrymen. No greater faith had any man.

Had JOHN BOYLAN lived in those trying Revolutionary days when the foundation of these United States was built, it is my honest belief that his name, like that of Jefferson, would be indelibly written in our history. As it is, only death will erase his memory of those who were privileged to have known him. He was a friend of man, he was a friend of all living creatures, and his aid was extended, spiritually and financially to all those who came for assistance.

Mr. Speaker, I believe that the greatest memorial to him is the universal respect and love held for him by those gentlemen of the press who sit in the little gallery above you. They are quick to detect sincerity and to spot the demagogue. They loved and respected that frail old fellow with the big eyes and keen wit and the heart of a lion.

Down in one of the larger hotels here in Washington there was a bus boy. He was a young Hercules. He attended a local high school, yet he worked until maybe 2 o'clock each morning in order to help support his family.

This lad wanted to finish his education, and through a mutual friend, Mr. BOYLAN had hoped to appoint him to the United States Military Academy. He would have had the boy change his residence to New York, and he was certain that a youngster of such indomitable courage was deserving of help. But Mr. BOYLAN died before he could appoint the boy.

That is the way JOHN BOYLAN lived. Helping those who deserved help.

May he now be enjoying the rewards that he so richly deserved.

Royal S. Copeland

MEMORIAL ADDRESS
OF
HON. MARTIN J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of ROYAL S. COPELAND, late a Senator from the State of New York

Mr. MARTIN J. KENNEDY. Mr. Speaker, as the Seventy-sixth Congress meets today to pay tribute to those former colleagues who have passed on to greater rewards during the past year, it is with deep sorrow that I take this opportunity to pay my own respects to the memory of one of the most able and unselfish men who ever served in the Chamber at the other end of the Capitol. I refer to the late ROYAL S. COPELAND of my own State, who died last June 17, after 20 years as a zealous guardian of public health and as a statesman.

Time dims the pangs of sorrow, of pain, and soothes the bereaved mind and heart. Nearly a year has passed and we of New York—and countless friends throughout the Nation—have come to accept the fact that Senator COPELAND has passed on; that the inevitable red carnation that symbolized his thoughts and his profession is buried near the township of Nyack with his mortal self. Yet he is missed and that fact is the measuring rod by which men are judged.

Doctor of medicine, doctor of laws, master of arts, a fellow of the American College of Surgeons, ROYAL COPELAND devoted his knowledge and skill to the improvement of the body. It is futile to reveal his entire career as a statesman, for above every other thing, he will be remembered as an adviser to the sick, a counselor for the prevention of human ailments.

In time other great personalities may adorn themselves with the familiar red flower that he made famous in the Senate Chamber; they may become great statesmen; but no more determined and devoted health advocate could ever replace the departed Dr. COPELAND.

He first came to national attention as health commissioner of New York City, and he continued his activities in that direction when he first came to the Senate in 1922. As arduous as his duties on the floor and in the committee and in his office, he daily sent health advice to millions of readers throughout the Nation through his daily health chats in the columns of a huge newspaper chain. He found time occasionally to broadcast additional facts to prevent disease and guard the health of his listeners.

All over the country today are persons who owe their life to him, some because of laws to guard foodstuffs, thousands of women because he fostered legislation to protect them against poisonous cosmetics and so-called "patent medicines."

Not only the State of New York, but the entire Nation lost a friend when Senator and Dr. COPELAND died. I think that he would like better to have been called "Doctor" instead of "Senator." That is my opinion and that is how he lives in my memory.

Mr. Speaker, his favorite hymn bears out that assertion. It was C. Austin Miles' In the Garden, a perfect companion piece, so to say, to his other constant companion, that red carnation.

It was with these beautiful words sung by my friend, Gerald E. Griffin, he went to his lasting resting place; God rest his soul:

I come to the garden alone, while the dew is still on the roses;
And the voice I hear, falling on my ear, The Song of God discloses.
He speaks, and the sound of His voice is so sweet that the birds hush their singing
And the melody that He gave to me, within my heart is ringing.
I'd stay in the garden with Him, tho' the night around me be falling,
But He bids me go; thru the voice of woe, His voice to me is calling.

Chorus

And He walks with me, and He talks with me, and He tells me I am his own,
And the joy we share as we tarry there, none other has ever known.

John Burrwood Daly

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN BURRWOOD DALY, late a Representative from the State of Pennsylvania

Mr. TABER. Mr. Speaker, J. BURRWOOD DALY represented the Fourth District of Pennsylvania. He served upon the Appropriations Committee and upon the subcommittees on which I have been privileged to serve.

He was a man whose sincerity, industry, and character grew upon me until I came to have a very high regard for him.

I shall miss my connection with him very much.

Memorial Day Address

EXTENSION OF REMARKS
OF
HON. JOSH LEE
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Wednesday, May 31, 1939

ADDRESS BY HON. ELMER THOMAS, OF OKLAHOMA

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the RECORD an able and eloquent address delivered yesterday by my colleague [Mr. THOMAS of Oklahoma] before the Second Division Association of the American Expeditionary Forces, at the Second Division Memorial on the Mall, Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Today is Decoration Day.

Decoration Day is an American institution and a national holiday.

This institution, as we observe it, originated during the War between the States; hence, Decoration Day is the result of the development of some 75 years of patriotic American life.

May 30 is set aside for the special purpose of decorating the graves and recalling the deeds of our fallen soldiers.

At this very hour, throughout the length and breadth of the land, millions of patriotic people are paying living tribute to our heroic dead.

Today, in this and foreign lands, in cemeteries great and small, the tombs of our soldiers have been or will be covered with flags and flowers—eloquent evidences of the love and gratitude which a grateful people lavish upon the memory of those who have fought our country's battles.

The thousands of assemblies such as this, dotting the country today, constitute positive and visible testimonials that our people and our Government are not devoid of gratitude to those who have defended our people, our property, and our Government.

I thank God that our people have not—and I pray God that our people shall never forget—the part played in the development of our Nation by the soldier heroes of our country.

By heroes I mean citizens who leave their homes and loved ones; citizens who don their country's uniform and go forth to suffer and to die, if need be, in defense of the rights of man, the safety of society, and the honor of their country's flag.

It has been said that "the history of civilization is the history of the slow and painful enfranchisement of the human race." In every fight to make men free soldiers have played a major part.

This day, by custom and by law, is sacred to our heroic dead.

Today the United States, the richest, the strongest, and the mightiest nation of all time, pauses to pay tribute to the incom-

parable patriots who founded, preserved, and have defended this Republic.

Today we remember, praise, and honor the heroes of the Revolution. Had it not been for them we might be governed by a foreign power and we might be living under a different flag.

Today we remember, praise, and honor the heroes of 1812 and of 1845.

Today we remember, praise, and honor the heroes of North and South of the sixties. Through them a fundamental issue was settled and a nation was reunited.

Today we remember, praise, and honor the heroes of 1898. Through them downtrodden and depressed peoples were made free.

Today we remember, praise, and honor the heroes of 1917 and 1918. Through them the peoples of the world were given a chance to work out their own economic and political salvation. Only time will tell whether or not they will measure up to the opportunity afforded.

The World War is still fresh in the minds of most of those here assembled. In the main those here present took an important part in that war.

These services in the Nation's Capital, in the very shadow of the Flaming Sword, a part of this beautiful memorial, are under the auspices of the organized representatives of the survivors of the Second Division of that war.

The heroes, dead and living, of the Second Division of the American Army in the World War are justly entitled to and you and they have the gratitude of the Republic for the part you and they played in that contest.

The Second Division, organized in France in September 1917 had an historic background. It was made up of famous units—units of ancient lineage and units which had seen service throughout the world.

The history of the Second Division is, to a large degree, the history of America's part in that war.

From the States to France, thence to Toul, to Chaumont, to Chateau-Thierry, to Belleau Wood, to Vaux, to Soissons, to Marbache, to St. Mihiel, to Meuse, to the Argonne, and then the Rhine, your organization, because of feats performed and services rendered, was regarded by all as "second to none."

The activities of your famous organization, in its triumphal march from Toul to the Rhine, were attended by many casualties. The record is as follows:

Killed and died of wounds	5,077
Severely wounded	3,678
Slightly wounded	14,174
Gassed	2,732
Missing	328

Making a total casualty list of 25,989 officers and men.

In passing I should recount that your list of prisoners captured totaled more than 12,000 officers and men.

Today on every hand we see countless flags. American soldiers made possible our flag. American soldiers have defended and protected our flag until today it has the proud and glorious record of never having suffered defeat.

I hope we may never have another war, but if war shall come again, our boys will be converted into soldiers, and as soldiers they must take the risk of suffering sudden or lingering death.

I hold that the Nation's best insurance is the proper care of those who have fought our country's battles. A nation that cannot take care of its defenders is already bankrupt, and a nation that is able to take care of its soldiers and refuses to do so does not deserve to live, and such nation will not long survive.

We rejoice today that our Nation is amply able to protect our protectors and to take care of our defenders. Disregarding protests here and there, we are gradually developing a policy of fairness and justice toward our soldiers and their dependents. This policy is not yet fully developed, but our efforts must neither be stopped nor retarded.

In the future, as in the past, this Nation will be just what our soldiers make it. Young men defend the Nation and then in later life they own and rule the country.

On this patriotic day it is entirely proper that in addition to honoring our soldier dead, in addition to the consideration of the status of the veterans with us still, we should pause to view and consider developments at home and abroad.

The past, at least, is secure, but what about the future?

During recent months war clouds, real or threatening, have appeared upon the horizon, yet our 130,000,000 people rejoice today that we are at peace with all the world.

What are the clouds which might thicken into a storm?

In some parts of the world we see nations prepared for war, and in other parts we see nations preparing for war.

In recent years we observe that the rules and practices of war have changed. In former times nations prepared and promulgated formal declarations of war. Not so today. We have seen Italy conquer Ethiopia without a declaration of war. We have seen Japan absorb a part of China without a declaration of war. We have seen Germany conquer small defenseless nations without declarations of war.

This new policy of warfare makes mandatory upon nations a policy of constant preparedness.

If, in the future, international issues are to be settled by the sword without conferences, without notice and without warning, then in order to protect our interests and our rights we must not only procure the sword but we must keep it sharp and ready for instant use.

The United States as a nation, because of our natural resources and our wealth, is the prize of prizes.

Preparedness, as protection and insurance, should and must be the American policy.

Developments relative to domestic policies governing the Nation's attitude toward lives and property are taking place.

Today we see our nationals assembling their funds, abdicating our country, going abroad, establishing factories and going into business under foreign flags for the sole purpose of making profits.

This development makes necessary a new national policy, and, as a consequence, a new rule is crystallizing into definite form. This new rule is that when an American citizen takes his money, goes abroad, and makes investments for private profit he at the same time must assume the risks surrounding such a venture.

As a nation our best wishes may be with the citizen residing on foreign soil and under a foreign flag, but if disaster such as war should come to such foreign land, then such abdicating national must not expect his fatherland to go to war to protect either his property or even his life.

In the distance we see the shadow of another cloud. The nations are dividing into two major groups or forms of government. One form might be called the dictator state and the other might be called the democracy.

In the dictator state one man, or a few men, assume to rule, while in a democracy "the will of the majority is the supreme law of the land."

Should another armed contest come, it will be one group or form of government against the other—it will be dictator against democracy.

In such a contest no nation will be immune, and when the contest is over one group will dominate, if not rule, the world.

For reasons known to all America must be properly and constantly prepared.

The American policy should be plain, definite, and positive, and that policy should be that our preparedness is for defense and not for aggression.

We neither wish to rule alien peoples nor do we covet foreign lands. Yet we want the world to know that we propose to protect and defend the dignity and the honor of the Stars and Stripes upon land and sea. To do less would be treason to the memory of our countless dead who died that Americans might be free.

The Democratic Party

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, May 31, 1939

ADDRESS BY GOV. CLYDE R. HOEY, OF NORTH CAROLINA, BEFORE THE REGIONAL CONFERENCE OF DEMOCRATIC WOMEN

Mr. HARRISON. Mr. President, at the Regional Conference of Democratic Women of the Southeastern States, held in Winston-Salem, N. C., on May 23, 1939, an address was delivered by Governor Hoey, of North Carolina. It is a very splendid address, and I ask unanimous consent to insert it in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mme. President and members of the conference, I welcome you to North Carolina and to this conference. North Carolina is a Democratic State. We have no factional classifications—we are just plain Democrats—with absolute freedom of thought and expression. We have our party fights, but after the battle is over we bind up our wounds and go forward a united party. Our different views are welded into governmental policy in harmony with the best thought of the State, and we thus preserve an even keel between the extremes, which guarantees a sane approach to all public questions.

I love the Democratic Party, its glorious history and high tradition, and I am proud of its century of service. It represents the principles of equality before the law and equity in the administration of government. It stands for the right of every individual to think his own thoughts, express his own mind, and register his own will touching governmental policies and practices, and dares to defend the weak and the strong alike and to preserve the rights of the humble and the mighty. The Democratic Party neither fawns before wealth nor patronizes poverty. Through the years it has been the mouthpiece of the average man whose cause would have gone unheard in the forum of public thought but for its championship of men and measures representing the ideals of justice and righteousness in government. But it is not a class party. It must be just to every interest, great and small, and fair

to all people, offering full protection to every citizen and safeguarding both his rights of person and property, corporate and individual.

I am happy to greet you as representatives of this great historic party. You have a right to be proud of its high tradition of service over the years and its achievements in every period of national crisis. The party has had many outstanding leaders of many minds—Jefferson and Jackson of the pre-War between the States period, and Grover Cleveland, Woodrow Wilson, and Franklin Roosevelt of this generation. They differed widely in views, policies, and conduct, but they were all Democrats, and each made a rich contribution to the sum total of governmental service. It is well to remember that no one of them either made or preserved the Democratic Party. The party made them and the party is greater than any one or all of them combined. No one of them would ever have been President but for the Democratic Party and this great party of ours will continue to serve the Nation when all of our generation has passed from the stage of action.

The Democratic Party embraces within its membership persons of all shades of thought. It is a great tolerant party. It welcomes within its ranks all devotees of popular government who believe in the fundamentals of democratic principles and invites them to abide in its fold and share the responsibility of its service and leadership. Its members are not all of one mind—they never have been. Some are progressive, while others are conservative, but they are all Democrats and equally entitled to give utterance to their views and have respectful consideration from party authorities. These differences make for the strength of the party and insure wisdom and sanity in its policies and program. If all were progressives there would be a governmental runaway, whereas if all were conservatives progress would fall behind. There is room in the Democratic Party for all honest differences of opinion. We can never build a great party by magnifying our differences and seeking to construct a wall of partition between the different schools of thought in the party.

As the pivotal year of 1940 approaches the Democratic Party should be united. The responsible leadership of the party should seek harmonious action. Mutual respect and consideration should be manifest for the views of all Democrats and there should be no dissension or strife in the political household of our fathers. The party belongs to all of us. We have fought for it in sunshine and shadow, in victory and defeat, and it is still the great national party in sentiment, thought, ideals, and concept. In the coming contest we shall need the votes of all Democrats, without regard to any specific classifications. There should be but one test of political faith for a Democrat—the acceptance of the Democratic platform; and one test for his political conduct—support of all Democratic nominees. All other differences in views or prejudices should be submerged in the interest of party harmony.

The Democratic Party is the natural political home of women. It is the party of ideals, of courageous action, of forward-looking accomplishments and continuing public service. It was under a Democratic administration that the full rights of suffrage were conferred upon women and they came into their own with the blessings of Woodrow Wilson and the democracy in 1920. They have fully justified the faith of those who believed that women would make a real contribution to the political life of the Nation. Some supposed that they would be enamored with the thought of independentism in politics, but the women wisely realized that government in this country is administered by and through political parties and the independent is a lone wolf. The women have demonstrated their appreciation of the practical value of making their influence felt in the councils of the party in the selection of its candidates and the formation of its policies.

I am hopeful of another splendid victory for the Democratic Party next year. I covet for the party the privilege of continuing to serve all classes of our people in the complete restoration of prosperity and the peaceful relationships. You cannot build a great nation upon strife and disorder, jealousies or hatreds, class prejudice or punitive policies. The Democratic Party is broad enough to encompass all classes within the scope of its service and the range of its helpful ministrations. I commend the President and the Democratic Congress upon the outstanding accomplishments of the administration during the past 6 years, and I would have this party continue and remain the property of all Democrats, and the political home of all those who seek justice and equity for the whole Nation with malice toward none.

The Public Service Commission of Wisconsin

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, May 31, 1939

EDITORIAL FROM THE MILWAUKEE JOURNAL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that there be printed in the RECORD an editorial appearing in the Milwaukee Journal on April 29, 1939, under the title "To Kill the Public Service Commission."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal of April 29, 1939]

TO KILL THE PUBLIC SERVICE COMMISSION

What reason, other than the creation of jobs through a change in the law, can there be for abolishing the public service commission and creating instead a department of public service with a director at its head? Let's examine the possible arguments.

That the commission has failed? But it has not. In the last 8 years it has functioned better than at any other time in its history. By building up an adequate staff it really got down to effective regulation of utilities.

Everywhere it is recognized as one of the three best commissions in the United States, the other two being in New York and California. In the last 4 years important reductions in power rates have been effected through the commission's quiet way of gathering the facts. This commission has the confidence of the State.

That a better type of set-up has been discovered? Any such claim needs analysis. Bill 381–S, which embodies the new plan, would substitute a one-man directorship for the present three-man commission. In other words, duties that at times have proved almost too onerous for three men would then be performed by one. He would have to administer 10 chapters, or parts of chapters, of State law. The bill says so.

This one man would have to know all about railroads, truck companies, and utilities—the three important divisions of the present commission's work. He would have to be an administrator, an executive, and a judge, for the present commission has all three types of work. He would have to spend months of each year in hearings or else read thousands of pages of testimony. Otherwise he would be signing orders based on testimony he had not examined, and the courts will not stand for that.

It is true that the bill makes a stab at getting around these difficulties. It provides for the appointment of three deputy directors, who are to exercise "such authority of the director as he may delegate." In dealing with specific hearings he would no doubt delegate all the authority he had in order to make the case stand up in court.

Then what would we have? A commission just as we have now, except that it would be four members instead of three. This lends color, when we consider it in connection with all the division heads that are to be appointed, to the belief that the primary aim is to shake the plum tree.

Certainly there would be no money saved. The director would get $10,000 a year, or two-thirds as much as the three commissioners now get, they being $5,000 a year men. The three deputies would surely get half as much as the director, or $5,000 each. So the cost for the new set-up, so far as heads are concerned, would be $25,000 instead of the present $15,000. Is this an example of Heil economy?

Besides, the division heads and divisions would be limited only by what the new director thought there should be. The bill gives him carte blanche authority.

But the worst defect of all in the new plan lies in the fact that no adequate provision appears to take care of the judicial functions exercised by the present commission. These functions loom large in utility regulation.

A director could manage the administrative and executive work. He could supervise the investigations necessary. But for him to spend weeks or months on a hearing, another long period reviewing testimony, and finally reaching a decision on a complicated matter, is time consuming.

Again, we should come down to a delegation of this work to the deputies, or else the result would be merely perfunctory orders, based on fiat rather than the judicial process.

After which some other body, the board of review proposed in another bill, or the courts—certainly the courts, finally—would have to do the real work. What gain would there be in that?

If all this failed to function, or if it proved too cumbersome to work well, a body blow would be dealt utility regulation. Or is this one of the aims?

Plans for Future Highway Improvement

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

RADIO ADDRESS BY HON. WILBURN CARTWRIGHT, OF OKLAHOMA, MAY 29, 1939

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address which I made during the National Radio Forum arranged by the Washington Star and broadcast over a National Broadcasting Co. network Monday night, May 29, 1939, at 8:30 p. m. eastern standard time.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I appreciate this opportunity to talk to the National Radio Forum audience about our highway problems and plans for future road improvement.

On April 27 President Roosevelt transmitted to Congress and recommended for its consideration, a report entitled "Toll Roads and Free Roads." This report is the most complete assembly of facts on highway use and the most comprehensive discussion of the highway problems of the entire country that has ever been made available. Both rural and city problems are discussed.

The Hayden-Cartwright Act of 1938 directed the Chief of the Bureau of Public Roads to investigate and report "with respect to the feasibility of building, and cost of superhighways not exceeding three running east and west and three running north and south across the United States, including the feasibility of a toll system on such roads."

The Bureau, under the direction of its Chief, Thomas H. MacDonald, has made a thorough investigation of a system of toll roads as required. It finds that such a system would not be self-supporting through tolls and would not meet the most important highway needs of the country. It has prepared traffic maps and other data, showing for the first time, traffic conditions over the country as a whole, and based on these, it has prepared what may be called a master plan for future highway improvement. These plans and data the President has recommended for the consideration of Congress as a basis for needed action to solve our highway problems. And since Congress had requested this special report, it is sure to be given serious consideration as pointing the way to America's primary-road system of the future.

For several years there had been an increasing number of visionary proposals by advocates of elaborate coast-to-coast superhighway networks, with more and more agitation for congressional action, but there had been no thorough analysis of the actual and potential volume of transcontinental travel, and not much factual information was available by which to judge the feasibility of tolls and other factors. We now have the facts.

In studying the feasibility of a toll system the Bureau selected six routes, located in accordance with the terms of the Hayden-Cartwright Act, which amounted to 14,000 miles. The routes were placed closely paralleling the existing routes of heaviest travel. State highway departments cooperated in fixing the locations and in estimating costs. Four-lane, divided highways were planned where the traffic was estimated to average as much as 1,500 vehicles per day by 1960. On 77 percent of the system only two lanes were required.

The cost of constructing such a system would be about $3,000,000,000, which is about $200,000 per mile. The annual cost of financing and construction and of maintaining and operating the toll highways would be about $13,000 per mile.

A number of facts led to the conclusion that only a small portion of present traffic could be attracted to the toll system. Long-distance travel constitutes only a small fraction of the total travel. Counts made on east-west highways at stations established on a line extending from Canada to Mexico showed only 300 passenger cars crossing the line daily in transcontinental travel. The system could be expected to serve adequately only that portion of the traffic having origin and destination close to one of the six routes.

It is estimated that the total travel on the system by all vehicles would average 12,750,000 miles per day during the period 1945–60. Assuming toll charges of 1 cent per car-mile for passenger vehicles and an average of 3½ cents per vehicle-mile for trucks and busses, this travel would produce an average annual revenue of $72,000,000. This is not half the estimated average annual cost and leads the Bureau to conclude that the system studied could not be supported by toll collections.

The portion of the proposed system estimated to be most nearly self-supporting is the 172 miles from Philadelphia, Pa., to New Haven, Conn. With the increase in traffic expected by 1960, this portion of the system would earn slightly more than the estimated cost for that year.

The report states that if Congress wants an actual test of the feasibility of the construction of a highway of which there is any prospect of the recovery of the costs through tolls it recommends one extending from Washington, D. C., to Boston, Mass.

The data presented in the report, however, are conclusive that a toll system of the scope investigated will not be self-supporting and will not be a solution of our major traffic problems.

POLICIES AND ACTION RECOMMENDED

However, it must not be thought that the entire report is negative in character. Those who have examined it in detail find the greatest interest in the clear presentation of facts concerning the nature of our present traffic difficulties and the proposals for their solution. Surprising facts concerning traffic volumes on our highways, the places to and from which people travel, length of trip, and other information having important bearing on the kinds of improvements to be built are presented.

After discussing the most important highway problems confronting both the Federal and State Governments and their subdivisions, the Bureau recommended the following as joint undertakings of the Federal and State Governments:

(1) The construction of a special system of direct interregional highways, with all necessary connections through and around cities, designed to meet the requirements of national defense in time of war and the needs of a growing peacetime traffic of longer range.

(2) The modernization of the Federal-aid highway system.

(3) The elimination of hazards at railroad grade crossings.

(4) An improvement of secondary and feeder roads, properly integrated with land-use programs.

(5) The creation of a Federal land authority empowered to acquire, hold, sell, and lease lands needed for public purposes and to acquire and sell excess lands for the purpose of recoupment.

INTERREGIONAL HIGHWAYS

It is estimated that a system of interregional highways providing reasonably direct connection between the larger cities would include not more than 30,000 miles. This is about twice the mileage of the proposed toll system, but a lesser mileage would not include all routes that are of primary importance. Traffic-flow maps would be the most important guide in fixing the location of these routes. In large part the system could be created by modernizing existing highways.

If the Bureau plan is adopted, the interregional routes would enter and traverse all large cities by means of facilities adequately designed to promote free movement of traffic to and through the center of the city. Aiming these routes at the center of large cities may be a surprise to many people, but that is where most of the approaching traffic is bound. Limited-access belt routes would be provided wherever it is found that enough people wanted to pass around the city rather than go through.

NEEDS FOR NATIONAL DEFENSE

The proposed plan is in accord with the general needs for national defense, and the Secretary of War has concurred in recommending the report for the consideration of Congress. During the World War all transportation facilities between centers of population and between industrial areas were overburdened and congested with traffic. An interregional system of highways would be a necessity in turning our peacetime facilities to production of the materials for war and in moving men and materials to any front whenever and wherever needed. Our Army is now motorized, and any army without roads would be like a submarine without an ocean.

LOCATION NOT DETERMINED

Many people get all excited and write to Washington concerning the exact location of the proposed system. I want to emphasize that a location has not yet been fixed. The report merely shows in diagrammatic form the existing routes that carry the greatest volume of traffic. This is a guide of the greatest importance, since the system should be designed to accommodate the greatest possible number of users.

I wish also to emphasize that Congress has never yet determined the exact route of any highway, and probably never will.

MODERNIZATION OF FEDERAL-AID SYSTEM

The second major recommendation of the report is that the modernization of the Federal-aid highway system be continued.

Many of these roads were built for conditions as they existed 10, 15, and 20 years ago. Then the speed of cars was slower, funds for highways were limited, and there was insistent demand to get the traffic out of the mud and dust.

There is little need to linger upon the romance of the rise of the automobile, for many of you can remember when man's wealth and position was judged by his carriage horses. Out where I live in Oklahoma the strength of a man's mules was even more important in establishing his place in the community.

Today I get letters saying: "We read in the papers about proposed coast-to-coast superhighways. What about the 'soupy' highways? We want to get out of the mud—we want our regular roads built first."

No one foresaw conditions as they now exist. As a consequence we are now using many sections of road that are restricted in right-of-way and have narrow surfaces, sharp curves, steep grades, and in many places bad locations. Every one of you, at one time or another, has had reason to curse the lack of foresight which has forced you to drive a modern car over a road which would pain a self-respecting mule to travel. But, after all, we grew up pretty fast. We wanted to get out of the mud before it had time to dry.

RAILROAD GRADE CROSSINGS

The recommendation that the Federal policy provided in the Hayden-Cartwright legislation of eliminating hazardous grade crossings be continued is one with which few people will disagree. It has been an undertaking of outstanding success.

SECONDARY AND FEEDER ROADS

Another program provided in the Hayden-Cartwright legislation that has only recently gotten under way and is recommended to be continued as a part of the regular Federal-aid road program is the improvement of secondary, feeder, or farm-to-market roads. I hate traffic jams along with the other fellow. Superhighways would be swell, but we cannot allow ourselves to be blinded by the glitter of what we would like to have.

We must not, for instance, spend all of our available highway money on monumental roads, and forget the farmer who always will have to move his produce to the nearest market on the ground. The farm-to-market road will always be the life line of the farmer.

PROPOSED FEDERAL LAND AUTHORITY

The final recommendation made in the report is the most outstanding one. It relates to the serious problem of how to obtain the land that must be obtained if our highway problems are to be solved. A proper solution can be had only by widening many old rights-of-way and purchasing new ones through both urban and rural areas.

The most influential causes of the delay in effecting the needed changes in our highways have been the inadequacy of funds and

the overpowering legal obstacles and inhibitions that stand in the way of obtaining essential rights-of-way. These will continue to retard action and eventually build up a formidable burden of deferred expenditure unless early provision is made to deal adequately with this problem.

Heretofore the Federal Government has had no part in acquiring land for highway use. The laws of practically all States pertaining to such rights-of-way are archaic. They are based in almost all cases on provisions that were written into the statutes before the days of the automobile. Widths that may be acquired by condemnation are those prescribed in "horse and buggy" days. In most States the price demanded by the property owner must be paid or construction delayed by long litigation.

Data such as are presented in the Bureau's report and are being compiled in the highway planning surveys make it possible to foresee our road needs 10 and 20 years hence. We can tell now what roads will need to be widened, where they must be built on entirely new locations, and where broad and costly strips must be acquired if traffic is to flow smoothly through the center of cities.

Every year of delay in acquiring land greatly increases the cost. Growth is rapid along the sides of surfaced roads, particularly near cities, where improvements will be most needed. As homes, business houses, service stations, and industries are located, the way in which the highway may be improved becomes more restricted and rights-of-way more and more costly.

The Federal Bureau recommends definite remedies for these conditions. It urges a revision of existing right-of-way laws by the several States in the light of present-day conditions. The obtainment of right-of-way for needed facilities will involve a heavy present investment, but a virtually permanent one, and one that will pay large dividends in the avoidance of future expenditures in larger amounts. There is proposed the creation of a Federal Land Authority, having corporate status, with adequate capitalization and authority to issue obligations within prescribed limits, which would be empowered to acquire, hold, sell, and lease lands for stated purposes.

The land authority would acquire land with Federal funds at the request of a State highway department, hold it as Federal property, subject to later lease by the State on terms that would amortize the initial cost in 50 years.

With proper restrictions, it would be possible for the authority to acquire land at certain locations in excess of that needed for highways and, after the highway improvement has been made, sell it at a profit, as has been done in England and other countries. There is no thought of acquiring for such purpose broad strips of land over great distances. Acquirement of land in excess of highway needs should be limited to those locations where good business judgment indicates that new highway facilities will produce a substantial increase in value.

CONCLUSION

The report of the Bureau, and the message from the President transmitting it to Congress, are being printed as a House document and will soon be available for distribution.

The job of the Bureau, with respect to the "master plan," was simply to define the need for highways, and a fine job it has done. But it is simply a plan and no more.

I wish I had time to call the names of the faithful, loyal, and hard-working members of the House Roads Committee, of which I have the honor to be chairman. This committee has begun a careful study of the information and recommendations contained in the report. It is not contemplated, however, that there will be any hasty action by the Congress.

My friends, in the earliest days man's efforts to build trails and promote communication were important. Such developments have become increasingly important in modern times with complex living. People live in peace and plenty when they are permitted to exchange and communicate freely and roads and bridges eliminate barriers of misunderstanding.

In these days when modern Caesars are building new empires and carrying out great road-building programs in the older nations of the world, I think the course our Nation should take is fittingly expressed by a poem entitled "That's What old Caesar Did."

"When Caesar took a westward ride
And grabbed the Gauls for Rome,
What was the first thing he did
To make them feel at home?
Did he increase the people's loans,
No! he dug in and built good roads—
That's what old Caesar did.

He built good roads from hill to hill,
Good roads from vale to vale;
He ran a good-roads movement
Till Rome got all the kale.
He told the folks to buy a home,
Built roads their ruts to rid,
Until all the roads led to Rome.
That's what old Caesar did.

And, if our Nation wants to be
The center of the map,
Where folks will want to settle down
And live in plenty's lap;
If this broad land its own abodes
Of poverty would rid,
Then let us plan and build good roads,
Just like old Caesar did!"

New York's Portion of the National Debt by Counties

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. REED of New York. Mr. Speaker, the following statement shows what New York's share of the national debt and of New Deal debt will be on June 30, 1940, broken down by counties, according to Budget for which we are now appropriating—1930 United States Census figures were used; New Deal debt is that part of national debt incurred from March 4, 1933, to June 30, 1940:

	Population	1938 assessed valuation, taxable real property	Share of national debt on per capita basis	Percent of assessed valuation	Share of New Deal debt on per capita basis	Percent of assessed valuation
New York	12,588,066	$25,623,867,926	$4,556,879,892	17.4	$2,416,908,672	9.4
Counties						
Albany	211,953	320,227,464	76,626,986	24.0	40,694,976	12.7
Allegany	38,025	63,811,903	13,765,050	21.6	7,300,900	11.4
Bronx	1,265,258	1,938,546,942	458,023,396	23.6	242,929,536	12.5
Broome	147,022	179,937,066	53,221,964	29.0	28,228,224	15.6
Cattaraugus	72,398	67,281,267	26,208,076	39.1	13,900,416	20.7
Cayuga	64,751	82,083,474	23,429,862	28.6	12,432,192	15.1
Chautauqua	126,457	139,313,182	45,777,434	33.0	24,279,744	17.4
Chemung	74,680	67,563,639	27,034,160	40.0	14,338,560	21.1
Chenango	34,665	29,678,521	12,548,730	42.3	6,655,680	22.4
Clinton	46,687	17,355,909	16,900,694	98.2	8,963,904	52.0
Columbia	41,617	38,375,571	15,065,354	39.2	7,990,464	20.8
Cortland	31,709	27,563,162	11,478,658	41.6	6,088,128	22.1
Delaware	41,163	38,560,113	14,901,906	38.6	7,903,296	20.5
Dutchess	105,462	119,410,747	38,177,244	32.0	20,248,704	16.9
Erie	762,408	1,301,634,423	275,991,696	21.2	146,382,336	11.9
Essex	33,959	27,349,329	12,293,158	45.0	6,520,128	23.9
Franklin	45,694	37,713,167	16,541,228	43.9	8,775,248	23.2
Fulton	46,560	51,040,580	16,854,720	33.0	8,939,520	17.5
Genesee	44,468	54,070,203	16,097,416	30.0	8,537,856	15.8
Greene	25,808	19,490,161	8,442,496	43.3	4,955,136	25.8
Hamilton	3,929	12,568,140	1,422,298	11.3	754,368	5.8
Herkimer	64,006	74,004,886	23,170,172	31.3	12,289,152	16.6
Jefferson	83,574	97,727,625	30,253,788	31.0	16,046,208	16.4
Kings	2,560,401	3,953,668,426	926,865,162	23.4	491,596,912	12.4
Lewis	23,447	21,281,677	8,487,814	40.0	4,501,824	21.2
Livingston	37,560	49,803,723	13,596,720	38.5	7,211,520	20.4
Madison	39,790	35,277,319	14,403,980	40.8	7,639,680	21.6
Monroe	423,881	767,224,667	153,444,922	20.0	81,385,152	10.6
Montgomery	60,076	49,272,951	21,747,512	44.3	11,534,592	23.5
Nassau	303,053	854,112,676	109,705,186	12.9	58,186,176	6.8
New York	1,867,312	8,194,482,439	675,966,944	8.2	358,523,904	4.4
Niagara	149,329	259,847,428	54,057,098	20.8	28,671,168	11.0
Oneida	198,763	215,269,785	71,952,206	33.5	38,162,496	17.3
Onondaga	291,606	452,759,685	105,561,372	23.3	55,988,352	12.3
Ontario	54,276	72,432,107	19,647,912	27.1	10,420,992	14.4
Orange	130,383	179,128,597	47,198,646	26.3	25,033,536	14.0
Orleans	28,795	33,574,575	10,423,790	31.0	5,528,640	16.4
Oswego	69,645	56,099,598	25,211,490	45.0	13,371,840	23.9
Otsego	46,710	51,490,545	16,909,020	32.8	8,968,320	17.4
Putnam	13,744	32,371,087	4,975,328	15.3	2,638,848	8.1
Queens	1,079,129	2,263,879,714	390,644,698	17.3	207,192,768	9.1
Rensselaer	119,781	122,269,016	43,360,722	35.5	22,998,952	19.0
Richmond	158,346	299,720,273	56,321,252	18.2	30,402,432	10.1
Rockland	59,599	59,419,911	21,574,838	36.1	11,443,108	19.2
St. Lawrence	90,960	74,117,695	32,927,520	44.5	17,464,320	23.5
Saratoga	63,314	70,502,293	22,919,668	32.5	12,156,288	17.2
Schenectady	125,021	192,115,399	45,257,602	23.0	24,004,032	12.5
Schoharie	19,667	18,612,924	7,119,454	38.1	3,776,064	20.3
Schuyler	12,909	13,053,544	4,673,058	35.8	2,478,528	19.0
Seneca	24,983	23,414,027	9,043,846	38.6	4,796,736	20.5
Steuben	82,671	60,757,685	29,926,962	49.2	15,872,832	26.1
Suffolk	161,055	288,015,947	58,301,910	20.2	30,922,560	10.7
Sullivan	35,272	29,553,681	12,768,464	43.2	6,772,224	22.9
Tioga	25,480	28,679,632	9,223,760	32.1	4,892,160	17.0
Tompkins	41,490	63,027,677	15,019,380	23.8	7,966,080	12.6
Ulster	80,155	62,940,557	29,016,110	46.1	15,389,760	24.5
Warren	34,174	61,273,203	12,380,988	20.0	6,571,408	10.7
Washington	46,482	30,259,650	16,826,484	55.3	8,924,544	29.5
Wayne	49,995	50,854,183	18,098,190	35.6	9,598,540	18.9
Westchester	520,947	1,676,409,345	188,582,814	11.6	99,021,824	6.0
Wyoming	28,764	33,641,731	10,412,568	31.0	5,522,688	16.4
Yates	16,848	18,029,081	6,088,976	33.8	3,224,816	18.0

A. Average rate of equalization for State, 85.1 plus.
B. Full valuation of taxable real property at rate of assessment for State is $30,107,418,526.
C. Assessed valuation taken from p. 118, table 10, of Annual Report of the New York State Tax Commission, Legislative Doc. No. 11, 1938.

Transaction Taxes

EXTENSION OF REMARKS
OF
HON. A. WILLIS ROBERTSON
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

Mr ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from the testimony given before the Ways and Means Committee:

DR. HAROLD G. MOULTON, PRESIDENT, BROOKINGS INSTITUTION, WASHINGTON, D. C.

Two percent on transactions sounds like an innocent enough tax rate, but, if applied as intended, it would really mean a tax that would absorb from 25 to 30 percent of the total national income. * * *

I think the point I want to emphasize most in connection with this is the magnitude of the expectations held forth to old people. Even though the figure of $2,400 is not a provision of the act, that is the figure that is in the minds of the people. That is the way it has been sold to the country. The point is this: That $2,400 a year for each person, for 10,000,000 people, roughly speaking, means $24,000,000,000 of additional taxes.

Of course, that is absolutely fantastic on the face of it. The total revenues, with all of the tax machinery that we have—Federal, State, and local—is $12,000,000,000. This is double that total. It is an impossibility. * * * It would wreck the economic system if you undertook to collect such a tax.

PROF. PAUL HAENSEL, NORTHWESTERN UNIVERSITY, EVANSTON, ILL.

As a tax measure, the transactions tax is not based on any reasonable or sound principle of taxation. It is all-embracing, without discrimination, even more so than the gross-income tax. From the standpoint of the technique of collection it is simply a mockery and an insult to the average American citizen who is expected to file sworn-to returns every month, even when he has to pay $1.01 only each time. This is the best way to make the country a nation of wholesale perjurors and chiselers and to create tremendous opposition.

* * * * * * *

It is levied automatically, whereas collection by means of returns hardly pays the Treasury unless the tax is some twenty-five to thirty or more dollars each time; the overwhelming number of returns makes their supervision and audit impossible, and mass evasion and cheating become unavoidable, with great profit to the chiselers.

* * * * * * *

The chief danger of the transactions tax is, to my mind, that its promoters hope to collect by this means a revenue of some $10,000,000,000 a year. This is a serious threat, since no universal tax of such an enormous size can be collected without creating great inequalities, enormous evasion, and serious dislocation of national economy.

The tax must be shifted somehow on the consumers, or else it will deter from investment and cripple many industries. The prices may not always rise to effect full shifting, but this may often mean that losses will be incurred for a long time, or that other overhead costs will be affected adversely (lower rentals for shop premises, lower wages, etc.), or that stagnation will ensue (securities market). A ten-billion yearly levy on all economic transactions will require a tremendous redistribution of national income, particularly since the proceeds from it will go to a comparatively small group of citizens (old pensioners). Through this tax, which will be paid by the large body of all consumers, the consumption of some people (producers and earners) will be reduced very considerably.

MATTHEW WOLL, VICE PRESIDENT, AMERICAN FEDERATION OF LABOR

Mr. DUNCAN. I wonder whether you would care to give us an opinion about H. R. 2 and H. R. 11—the Townsend plan and the general-welfare plan?

Mr. WOLL. I thought I had made that very clear in my original presentation, where we said, of course, we do not believe in any system that would give benefits to all people regardless of need; and the Townsend bill, of course, is predicated entirely upon right and not on the matter of need. There is no question about it; we are opposed to the Townsend bill and the principles underlying it. * * *

Mr. DUNCAN. And any economic system that would take purchasing power from one group, which is spending all the money it earns, and give it to another group, would not likely increase the purchasing power of the public generally, would it?

Mr. WOLL. Nor would it be a sound economic system.

Mr. DUNCAN. And the transactions tax of 2 percent upon each transaction, as a commodity moves in commerce, would likely fall more heavily upon the group that you represent than upon any other group in the Nation?

Mr. WOLL. We realize that the wage-earning group, representing the great mass of our consumers, is the one ultimately to bear the burden of taxation, no matter what form it takes.

Mr. DUNCAN. And that is the group that, in the main, spends practically all it earns for the necessities of life?

Mr. WOLL. Yes. Oftentimes they spend more than they earn.

Mr. DUNCAN. And to take it away from them and give it to another group, particularly to give to that other group far in excess of amounts they have probably earned during the productive period of their lives, would not be fair to the people from whom it was taken?

Mr. WOLL. I mentioned that in the paper I presented to you; that we do not believe there should be a general grant of relief to all our citizens, because in many instances it would grant in old-age pensions more than they would have earned in their younger lives.

PROF. PAUL STUDENSKI, PROFESSOR OF ECONOMICS, NEW YORK UNIVERSITY, NEW YORK, N. Y.

Contrary to the impression given by the authors of these plans, their operation will not result in the creation of any new purchasing power. The plans would involve, in the main, merely a transfer of purchasing power from the producer groups to the aged nonproducing population. The transfer, involving, as it does, between seven and nine billion dollars of purchasing power during the first year, or approximately 13 percent of our total national income, is colossal in character. It is difficult to gage the full extent of the repercussions in our economic system which such a huge, immediate, and continuous transfer of income from one group of our population to another would produce.

The proposed taxes on transactions, or so-called gross income, despite their misleading low rate of 2 percent, if ever enacted, would prove to be the most burdensome taxes in the history of this country. The 2-percent tax under either plan, applicable, as it would be, to each successive turn-over in the production of goods, would make up a total burden of between 10 and 25 percent of the cost of the final product. It is obvious that industry will not be able to absorb such a burden and that the general level of prices would rise simultaneously with the imposition of the tax and commensurately with the rise in the cost of production. The rise in prices would be especially marked in the case of those goods which are the results of the efforts of many enterprises each of which handles the goods in a different stage of production, and where, consequently, the tax would be pyramided many times over.

* * * * * * *

The taxes would destroy thousands of small enterprises which handle a product only in a single stage of its production, while sparing large integrated undertakings producing a goods from the raw to the finished stage. The taxes would eliminate thousands of marginal enterprises. In some cases the taxes would be shifted to the employees in the form of reductions in wages and a speeding up of work, with the result that the wage earners affected would shoulder a double burden, since they would not only be receiving fewer dollars in their wages but each dollar would have a reduced purchasing power. The burdens on the poor, other than the aged themselves, would be crushing.

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In my opinion, it is doubtful whether our economic system could withstand the severe shock which the imposition of the proposed taxes and the disbursement of the proposed benefits would inflict upon it.

DR. ALBERT GAILORD HART, UNIVERSITY OF CHICAGO, CHICAGO, ILL.

It would give a tremendous advantage to chain stores; it would give a tremendous advantage to manufacturers with their own retail establishments against manufacturers who use other channels.

* * * * * * *

These taxes proposed are sales taxes, along with other taxes. Retail sales would be taxed; so would wholesale sales; so would sales by manufacturers, by mines, by farmers; so would personal incomes be taxed, security sales, real-estate sales, every sort of sale.

Somewhere or other that burden would have to fall. I don't think it is possible to say just where. What you can say definitely is that it would open up a gap between what buyers pay and what is left for the personal income of the people who depend on the business.

You can imagine the whole cumulative tax being added to prices. If you do assume it all added to prices, it implies so many billion dollars added to the cost of goods at retail. If you imagine it coming out of the incomes of the people who are now employed, you imagine so many billion a year out of their income; but in either case it would mean a reduction of the real income of people now employed for the benefit of the aged. That is, this money is not coming out of the air; it is coming out of tax revenue. And tax revenue means it either falls on somebody's money income or the price somebody pays, or a mixture of the two. There is no miracle involved.

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Mr. ROBERTSON. What will be the effect of this plan on agriculture?

Dr. HART. As I see it, it wouldn't hit farmers directly. The Indiana gross-income tax, for instance, is collected from such a small number of people that I think you can take it for granted that

farmers are not paying it. Farmers are liable in Indiana under the gross-income tax; but the number of taxpayers indicate they do not collect. I don't think such a tax on farmers can be administered.

There would be an indirect effect on agriculture through the tax on retail and wholesale trade; and it is my view that sales taxes on food are shifted back on to farm prices rather more than forward onto consumers' prices. The transactions tax would consequently have a depressing effect on farm products consumed within the country, which would work out at 5 or 6 percent, maybe more.

SAMUEL FRASER, REPRESENTING THE INTERNATIONAL APPLE ASSOCIATION

For the past 51 years I have worked on a farm or owned or operated one. I worked 6 years as a farm laborer, saved up $150 to go to an agricultural school. I had enough money to pay for a year; I taught and worked there the balance of the course.

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I taught 8 years, 3 years at Cornell University. I had charge of the farm at every institution I have attended.

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I am representing the Florida citrus industry, authorization being placed by Mr. Murle Page, of Orlando, Fla. The associations are the United Growers and Shippers' Association, at Orlando; the Florida Citrus Producers' Trade Association at Lakeland, which constitutes 80 percent of the citrus industry of Florida.

* * * * * * *

I also appear on behalf of the joint council, which is made up of the United Fresh Fruit and Vegetable Association, W. L. Wagner, secretary, 1425 South Racine Avenue, Chicago, Ill. This is a growers' and shippers' organization, and distributor, with membership chiefly west of the Mississippi Valley, heavily representing the California and Texas interests.

Also the National League of Wholesale Fresh Fruit Distributors, Horace H. Herr, secretary, 512 F Street, Washington, D. C.; the International Apple Association, R. G. Phillips, secretary, 1108 Mercantile Building, Rochester, N. Y., which is a membership organization, largely interested in fruits and vegetables, with almost every cooperative in apple production holding membership in it.

Mr. CULLEN. A membership corporation of how many?

Mr. FRASER. It is a nonprofit membership organization, and we represent some 20,000 apple growers in one part of the country and another, through the various cooperatives and others.

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Mr. MCCORMACK. * * * Now, if this pay-roll tax would have the effect on the farmer that you say it will, what would you think of a transaction tax? What effect would that have on the farmer?

Mr. FRASER. I think it would be ghastly.

Mr. MCCORMACK. Ghastly. Do you think any man who represents a farming district or any district would be voting for the best interests of the farmer if he voted for a transactions tax?

Mr. FRASER. No.

Mr. MCCORMACK. What effect would it have on the farmer? You used the word "ghastly." I would like to have you put your opinion in the record.

Mr. FRASER. To my mind, it is like a devastating funnel-shaped cyclone moving across the land, sucking up and destroying everything it touches and leaving ruin in its wake. It would pyramid all the costs on an industry which is in no condition to pay; say, 20 percent of the consumers' dollar goes for food. Take the case of apples; in one transaction they might go through five hands, and instead of 2 percent you would have 10-percent tax before it got into the consumer's hands; or they may move through more hands, but the effect is the same; the tax might reach 20 percent. * * * I cannot see anything but a ghastly fiasco if you start a transactions tax.

DR. DAVID R. CRAIG, PRESIDENT, AMERICAN RETAIL FEDERATION, WASHINGTON, D. C.

Mr. Chairman, the American Retail Federation wishes to go on record as unanimously opposing the principle of the multiple-sales tax as proposed by H. R. 2 and H. R. 11.

The American Retail Federation is a federation of State and national associations of retail merchants. It includes in its membership 25 State-wide associations of retailers and 7 national retail trade associations.

The State member associations are California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Missouri, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, and Virginia.

The national retail trade associations are: American National Retail Jewelers Association, Cooperative Food Distributors of America, Mail Order Association of America, National Association of Chain Drug Stores, National Retail Dry Goods Association, National Retail Furniture Association, and National Shoe Retailers Association.

* * * * * * *

H. R. 2 (Hendricks bill) would impose a tax of 2 percent on all but a few isolated financial transactions. H. R. 11 (Sheppard bill) would levy a monthly tax of 2 percent on gross income, with practically the same effect as the Hendricks plan, although it would allow some deductions, including a deduction of the first $100 of gross income each month. With only these exceptions, each bill would impose a tax on every purchase, sale, or payment made in business.

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The proponents of the bills claim that it would increase the velocity of the circulation of money and thus increase the rate of general business recovery, that it would increase purchasing power, and that it would increase employment. A realistic analysis, however, shows that none of the expected results can be hoped for, and, in addition, that the method of raising the pension money would produce exactly the opposite results.

Any scheme to speed up the circulation of money by taxation must take the money from those who spend it slowly, or not at all, and hand it to those who, by law or necessity, must spend it rapidly. In these plans, however, the multiple sales tax takes the money from those who already spend it as fast as they get it. The older people must spend it within the month, but the younger people from whom it would be taken would probably spend it within the week. * * * The Brookings Institution has estimated that even in 1929, almost three families out of four were unable to purchase food for an adequate diet. These groups are the ones on which the multiple sales tax would fall most heavily. They cannot be accused of hoarding. The velocity of the circulation of money is not likely to be increased by this method.

The same conclusion comes from an analysis of the effect on purchasing power. To take money from those who have hardly enough and transfer it to the same kind of people simply because they are a little older is not a plan for increasing the sum total of purchasing power. Moreover, the impounding of tax receipts during the first 4 months under either the Hendricks or the Sheppard plan would deal an initial blow at purchasing power by taking a substantial portion of it out of circulation immediately. * * *

The proposed multiple sales tax would be levied on every transaction in the field of production and distribution and on most financial transactions. Two percent would be collected at the time of the purchase of raw materials, and 2 percent more every time the goods changed hands and every time some service was performed on them. Sales to the wholesalers, sales to the jobber, sales to the retailer, sales to the consumer, as well as each item of transportation, warehousing, or other handling charge—each of these would be subject in turn to a fresh 2-percent tax.

Channels of distribution which contain relatively large numbers of transactions would accumulate a higher tax burden. Thus smaller retailers, who buy through wholesalers and jobbers rather than direct from manufacturers, would be placed at a disadvantage with their larger competitors. The accounting practices of both large and small retailers would necessarily result in pyramiding the taxes on the various transactions, so that the retailer would not only have to pay the tax at the time of buying from the wholesaler, but also the tax which the wholesaler paid to the manufacturer, the tax the manufacturer paid to the producer plus their mark-ups on those taxes which are included in the price of the goods.

So many taxes, each pyramided on its predecessor, could not help increasing the cost of goods to the ultimate consumer.

There are three sources from which the increased cost of goods could come: the sellers, the producers, and the ultimate consumer.

It is not likely to come from the sellers. Hardly any of them can absorb a 2-percent gross income tax and remain in business.

Possibly it can come from the producers. If sellers cannot raise their prices enough to pay the tax, and if they cannot pay the tax from profit, they must put pressure on their suppliers to reduce their charges in turn. Suppliers who cannot resist must reduce their own costs and may resort to wage reductions for that purpose. Suppliers who succeed in resisting may have to restrict the supply of their goods by various methods, but whatever method they use will be likely to reduce employment and purchasing power. If the suppliers are farmers, a still further decline in agricultural purchasing power is likely to result.

The most probable source is the ultimate consumer. All along the line each agent will try to pass the additional cost along to the consumer. As these efforts are successful the substantial increase in prices will have the effect of reducing the consumer's purchasing power by the amount of the tax and cannot help being reflected in a reduction of the consumer's purchase from retailers, retailers' purchases from wholesalers, wholesaler's purchases from manufacturers, and so on. At the end of the line is a general decline in production and employment. * * *

Mr. MCCORMACK. Dr. Craig, what effect upon our national economy would the imposition of such a tax have?

Dr. CRAIG. As I have said, sir, I think it would have the effect of slowing up recovery and increasing unemployment by increasing prices, and, to the extent of the tax, reducing purchasing power. * * *

Mr. MCCORMACK. Do you think the average businessman could compete against large corporations by being a part of such a plan?

Dr. CRAIG. Not for very long.

Mr. MCCORMACK. In other words, the man at the corner store, when he gets his goods, may find that they have been subject sometimes to as many as 15 transactions taxes?

Dr. CRAIG. Undoubtedly his goods would be subject to many transactions taxes. * * *

Mr. MCCORMACK. Of course, that has to be passed on to the consumer, in the main.

Dr. CRAIG. That will be the ultimate tendency or result.

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Mr. McCORMACK. The ultimate result would be, so far as business is concerned, to squeeze out the small-business man and the middleman and many of the independent businesses; is that right?

Dr. CRAIG. That is right.

Mr. McCORMACK. They employ millions of help throughout the country.

Dr. CRAIG. That is right.

Mr. McCORMACK. What would become of this help?

Dr. CRAIG. They would swell the unemployment ranks, and many would undoubtedly seek Government relief.

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Mr. WOODRUFF. Don't you think, Doctor, as a matter of fact, that all taxes, regardless of where they are applied, must necessarily come from the production and consumption of goods?

Dr. CRAIG. Yes, sir.

Mr. WOODRUFF. Because that is where all wealth comes from.

Dr. CRAIG. Yes, sir.

Mr. WOODRUFF. And inasmuch as it must come from those sources, isn't it necessary, and isn't it essentially true, that all the taxes are finally dumped into the laps of the ultimate consumer?

Dr. CRAIG. That is right.

Mr. WOODRUFF. And the attempt to apply taxes in the amount that is contemplated in H. R. 2 would crucify economically all the people of this country, including the old people themselves?

Dr. CRAIG. It seems so to me.

Mr. WOODRUFF. Well, in my opinion, it is utterly impossible, as I see it, and I have given it much thought. It occurs to me that if there is any one thing in the way of proposed legislation that would put this country into the economic junk heap without delay it is H. R. 2, because of the taxes it would impose on the poorer people, who are already taxed beyond reason.

Dr. CRAIG. I agree with you.

DR. JOHN LEE COULTER, WASHINGTON, D. C.

I have particularly before me H. R. 2., which deals especially with the so-called transactions tax, and I should like first, at least, to develop one or two phases in connection therewith. * * *

I might say at this point that I did spend some 15 years or more working in agricultural fields, especially supplementary to my farm operations; that is to say, as president of agricultural colleges and various other positions which brought me constantly in contact with agriculture and agricultural situations. And my special interests continue to be related to the relative prosperity of agriculture and the rest of the general society.

My feeling is that the methods proposed in H. R. 2 to raise revenue necessary to put such a program into effect would be a tremendous burden upon agriculture, far out of proportion to the burden on the rest of society; and that the benefits coming to agriculture, if any, would be disproportionately small.

I would like to develop that point just a little. Unless agriculture is able to secure for the products of the soil prices which are reasonably in harmony with other prices, farmers in turn are unable to purchase from the market and their position is disadvantageous.

The reason for that, fundamentally, is that farmers sell their labor in the form of prices received for goods rather than in the form of wages or salaries. * * * And the wages or salaries do not fluctuate daily or seasonally in the same way that prices for commodities do. * * *

This transactions tax begins at the very start to bear down on the prices of commodities. * * *

Now, the first effect of the transactions taxes, such as those provided for here, would seem to be to add to the cost at each transaction.

* * * * * * *

To raise $25,000,000,000 by a series of relatively small percentage transactions taxes amounting, before all goods and services come from the producer to the consumer, to $25,000,000,000, or one-third of the national income produced, would seem to mean that the accumulation of these little 2 percents must amount before it finally gets to the ultimate consumer to about one-third of the national income, or 33⅓ percent.

To absorb that merely because it comes in small amounts does not seem likely to take place. In fact, no student of this subject that I know of would acknowledge that any such thing were possible. * * *

Not only would it add the 2 percent at each point where imposed, but it would become part of the cost at that point, and then the new 2 percent would be imposed on that in turn, so that it would be cumulative and pyramided.

This would apparently gradually increase costs, and in turn prices, of commodities. But it would not add to the value or the price of farm products. The prices which the farmers would receive would not be directly affected and certainly not improved in level, but indirectly would be forced constantly lower and lower. * * * Whereas, on the other side, the commodities which farmers must buy would cumulatively be priced higher and higher. So that the disadvantage to the agricultural population would become cumulatively greater and greater. * * *

I said a moment ago that undoubtedly, in my judgment, the prices for farm products would become lower and lower rather than gain at any point. The reason for that is this: As rapidly as prices for the processed commodities advanced—let us take a concrete illustration. We will say that the cotton and the gin and the compressor and the spinner and the weaver and the designer and the dyer and the finisher and the clothing maker, the wholesaler, the jobber, and the retailer—as rapidly as the prices became higher and higher the American manufacturer and distributor would find himself exposed to new-found competitions, two or three in number. As his price advanced, imports from Canada or England or other countries would quickly pass over the tariff wall and be offered at lower prices. Thus the American manufacturer would constantly be forced to offer the farmer a lower and a lower price for the beginning raw material.

The same we will say with hogs. The farmer, the buyer, the packer, the wholesaler, the retailer, and so on, as the price of meat in any moving toward market, adding in price and cost because of transportation, refrigeration, processing, etc., by the time it reached, we will say, the ultimate consumer in New York, it would meet in competition meat which had been packed without a transactions tax in Poland or in the Argentine or some other place. So the imported product, passing over the present tariff structure, would take the market, leaving our farmers' products on the shelf and forcing our processors constantly to offer the farmers a lower and a lower price for the raw material. And, indeed, since the imported material would displace our own, the farmer, finding his own material accumulating in surplus, would be compelled to take lower and lower prices.

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Now, then, this transactions tax, accumulated and compounded, would have the same effect; and without any question whatever, one of the very first results we would find would be the cumulative costs and prices, the inflow of equivalent or substitute goods and piling up of our own reserves, the unemployment of our own labor, the lowering of prices to our own farm population, so that our farm population would be hit both ways—by higher prices for that which they had to buy and lower prices for that which they had to sell.

DR. FRANK D. GRAHAM, PRINCETON UNIVERSITY, PRINCETON, N. J.

Obviously a tax on transactions is an unlikely method for increasing production and trade. The theory of the proponents of the bill must therefore be that the expenditure by the recipient of pensions, paid out of the proceeds of the tax, will stimulate production and trade more than the tax will retard them. This could be true only if the payers of the tax would have hoarded; that is, failed to spend either for consumption or investment, some part of the funds out of which the pensions are to be paid to persons under contract to disburse them in short order. * * * The payers of the tax are deprived of exactly the same amount of purchasing power as will accrue to the recipients of the pensions and the taxpayers will typically be the generality of citizens who are in the habit of spending their incomes as they receive them. The only exception will be certain wealthy citizens who may refrain from spending or investing their resources for more or less lengthy periods. These, however, are the very people who would find it easy to evade the tax, since they do not have to spend on consumption more than a small percentage of their income and can either refuse entirely to disburse the rest or may invest it but once, and thus reduce the rate of turn-over of their investments to zero.

The upshot is likely to be a reduction rather than an increase in the velocity of circulation of money and a consequent decline in production and trade. The tax would in any case be highly regressive in that it would fall with the greatest proportionate weight on people without property or savings, rather than on those who have resources under no necessity of being turned over, and therefore incapable of being brought within the scope of a transactions tax.

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No one would deny the duty of supporting aged indigent, but to impose quite unnecessarily heavy burdens on the young in order to maintain in idleness many folk who are capable of taking care of themselves and most of the rest in a manner to which they have never been accustomed, can scarcely be thought of as wisdom. It would certainly take us a long way on the road to paternalistic stagnation and would remove all incentive to work hard when young to provide for an old age, since the lazy or profligate will, in most cases, fare just as well as the industrious and frugal.

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The administration of the act would present extreme, if not insuperable, difficulties. If actual transactions only were taxed, it would be almost impossible to prevent a rapid vertical integration of industry, with monopolistic implications. That matter has been proven to you. It seems to me there would be a strong tendency for the big business to grow bigger and the small business to be eliminated.

DR. SUMNER H SLICHTER, HARVARD UNIVERSITY

I address myself now to H. R. 2, which I think would have a dangerously deflationary effect, particularly for the first 3 months, unless the bill were amended to avoid that. Why? Well, the taxes begin, under the bill, at the beginning of the third month, and the payments begin, as I recall, after the twentieth of the fifth month. You would have, roughly, 3 months when the Federal Government was acting as a hoarder of the receipts from this particular tax * * *.

That plainly would be deflationary and would, in and of itself, be a shock to business of at least appreciable proportions * * *.

But have you considered the curiosity, the oddity of the proposal that transactions will be stimulated by taxing? That is the essential argument behind the bill—people will spend money faster. Why? Because you tax them when they spend it. Does it make

sense? Why should people rush into spending money faster if every time they do it they meet a tax?

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This bill is going to be particularly tough if the agricultural regions are taxed; and I think the farmer, next to the unemployed, will be the worst sufferer from it, because, as you know and everyone knows, the farmer is not in a position to restrict or curtail his production when he finds it necessary to take a lower price, and so if he continues to produce in the same quantities and the people who buy from him have got to pay a tax for the privilege of finding an ultimate consumer for his goods, and the demand of the ultimate consumers is not raised, the only alternative is for the farmer to accept less or produce less; and I don't think he will produce less.

So you will see, at least so far as food products are concerned, this tax pyramiding back upon the farmers * * *.

So I think the second group which would suffer from the proposed legislation is the unemployed, because their opportunity of being absorbed in business will encounter the obstacle imposed by the tax upon the businessman who is looking around constantly, searching for ventures on which he is willing to take a chance, and, of course, as you know better than I do, you have got to put dollars to work before you put men to work.

Somebody has got to be willing to foot the pay roll before anyone can be hired.

J. FREDERIC DEWHURST, ECONOMIST, THE TWENTIETH CENTURY FUND

Irrespective of the economic effects and questions of equity involved in paying pensions to aged persons as compensation for their giving up gainful work and agreeing to spend their money as rapidly as received, there can be no doubt that the effect of the taxes proposed in these bills would be definitely harmful to the general welfare, which these bills purport to promote.

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To the extent that the gross income or transactions tax is actually paid by the seller, the effect will be to reduce or eliminate profits or increase losses, and thus to cause widespread bankruptcies and increased unemployment. The burden of the transactions tax would fall much more heavily on the small firms than the large, with the ultimate result that concentration of ownership and control would be greatly increased.

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It is easy to see how the transactions or gross-income tax would destroy the business of the smallest corporations, to the advantage of the largest. The immediate result would undoubtedly be to add greatly to the already serious difficulties of the small establishments and their employees.

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To the extent that business firms would be able to include this additional charge in their cost of production, the transactions tax pyramided many times would be passed on to the consumer in the form of higher prices, increased cost of living, and a decrease in real incomes. The effect of the tax would be different for different commodities, and on the average prices of consumers' goods would be increased from 5 to 10 percent or more.

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In addition to the effect of the tax in causing the widespread failure of small establishments, the imposition of a tax on every transaction would promote the integration of industries supplying each other with semifinished products. This would have a further effect of concentrating ownership in large concerns and eliminating thousands of small, independently owned units.

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INEQUITY OF TAX ON DIFFERENT INDUSTRIES

A transactions tax would fall in an arbitrary and inequitable way upon every business organization that could not escape its effects. Every business, whether operating on a small or on a large margin of profit, would pay a tax on gross volume.

A great many businesses, of course, operate on a very small margin of profit on total sales. * * * The result would be a drastic and arbitrary dislocation of the present industrial structure.

EFFECT ON WHOLESALE AND INTERMEDIARY TRADE

A very large proportion of the sales of goods by primary producers and manufacturers goes through the hands of wholesalers and intermediaries in reaching the consumers. To a large extent this trade involves a change of ownership, and therefore taxable transactions or gross income as defined in these bills. Most of this trade is carried on at a very small margin of profit. The imposition of a 2-percent tax would lead producers either to eliminate the wholesaler and sell direct to the retailer or to employ the wholesale dealer as a broker, paying him on a commission basis. The combined effect of these two tendencies would be to cause bankruptcies in wholesale trade with resultant unemployment, and would of course, reduce the taxable base from which revenues would be derived.

EFFECT ON SECURITY MARKETS

One of the most serious effects of a 2-percent transactions tax would be on trading in organized and over-the-counter security markets. A large proportion of security transactions are based on a very small margin of profit, often as little as half or a quarter of a point. A 2-percent tax would either drive this business to London or Montreal or eliminate most of it. The result, again, would be failures and unemployment and a grave disruption of security trading in the United States. In this connection it is important to recognize that active security markets are necessary to facilitate the floating of new securities and the establishment of new enterprises. A free flow of investment funds is essential if organized business is to thrive and prosper.

COST AND DIFFICULTY OF ADMINISTRATION

* * * this certainly is a field in which I do not pretend to any expertness, but it seems to me that the complexity of the problems of effective administration of either of these taxes almost baffles the imagination. With approximately 10,000,000 enterprises and self-employed persons in the United States about 10,000,000 monthly tax returns or about 120,000,000 annually would be required in addition to about the same number of pension checks which would have to be sent out each month. It seems probable that an army of investigators, possibly as many as 200,000 or 300,000, would have to be added to the Federal pay roll in order to check up on the payment of taxes by a multitude of small concerns, and under H. R. 2 on the expenditure of pensions by recipients.

Incidentally H. R. 2 also has this provision for a tax on the raw materials and semifinished goods, as well as actual dollar transactions, which would mean another army of technologists, I should think, who would have to determine just when a transaction took place and see that the tax was paid.

A few years ago I attempted to obtain from certain tax experts estimates of what the administration of the Townsend plan, so-called, or Townsend bill, in its form at that time, would cost, and the best estimate I could get was that it would be something between $500,000,000 and a billion dollars a year really to enforce the bill as it was drawn up at that time.

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Even with relative efficient enforcement, however, it seems to me altogether probable that there would be widespread evasion of these taxes.

DAVID CUSHMAN COYLE, WRITER ON ECONOMICS AND A CONSULTING ENGINEER

In view of the fact that my name has been brought into these hearings, I respectfully request the privilege of submitting the following statement:

First. I am unalterably opposed to both the Townsend and the general welfare plans, because of the kind of taxation proposed in those plans. I believe that these tax plans, being of the nature of sales taxes, would depress business, lower the national income, and overcome any good effects that might flow from the old-age pension itself.

MARION B. FOLSOM, TREASURER, EASTMAN KODAK CO., ROCHESTER, N. Y.

If we consider any other method of taxation, such as the transactions tax or the gross-income tax, you get into an entirely different situation. In my opinion either one of these taxes would be disastrous to business, particularly in certain types of business, such as the milling industry, real estate, some retail businesses where the turn-over is high and the profit quite low, the securities business, meat packing. I could list a long number of industries that would be practically put out of business if a tax of that type were enacted, because it is not related in any way to ability to pay. Also it would eventually lead to barter. It is apt to lead to consolidations and mergers to avoid sales, which would also increase prices by pyramiding, and in my opinion any plan that would try to transfer purchasing power from one group of the community to another group of the community will not help business and will not increase prosperity. You simply cannot make wealth by that method.

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Mr. TREADWAY. The argument that has been made before the committee for both those plans is that it will increase the circulation of money and therefore bring about prosperity. I would like to get a comment from you on that.

Mr. FOLSOM. I don't agree with that. I don't think you can really get prosperity by simply taking money from one group and giving it to another. The only way to get prosperity is by increased production. You have to increase production; you have to purchase more, distribute more, and have the consumer build up your production. I don't think this velocity itself is an answer to business recovery.

Mr. TREADWAY. In other words, perpetual motion would not produce increased prosperity, and that is, in a sense, the idea of this constant change, is it not?

Mr. FOLSOM. Of course, in the meantime it will destroy so many business concerns and so many industries that it will just have a terrific effect on business generally.

Mr. TREADWAY. Among the middle-sized ones, the moderate-sized businesses.

Mr. FOLSOM. It will depend on the nature of the business. If you have a business where you have a very large volume and a low rate of profit per dollar of sales, if you tack on a transactions tax or a gross-income tax they would have to increase their price per sale.

Mr. TREADWAY. And that would tend to increase the cost of living, in your opinion?

Mr. FOLSOM. And it would also have that effect on the great mass of people who did not happen to be over 60 years old, as the people in the low-income group will have to pay these prices, and the wages may not go up as fast as the price. They would be squeezed out.

FRANCIS D. TYSON, PROFESSOR OF ECONOMICS, UNIVERSITY OF PITTSBURGH

Mr. ROBERTSON. Now, to shift to some of the pending proposals, such as H. R. 2 and H. R. 11. I want to read you a statement by a British economist, and ask your opinion as to its soundness. Dr. Paul Studenski, of New York University, states that Lord Stamp, in a lecture delivered at Oxford University, said:

"Will you suppose that all the goods and services that are produced by us as a community in a year are all piled in the center of this room in a great miscellaneous heap. Everyone of you, in the work that you do, is putting that heap there. It includes the boots and the clothes that are made, the loaves that are baked * * * the songs that are sung, the physician's advice * * * the banker's knowledge, the businessman's services of organization * * * indeed, everything that can be given by us whereby we have a claim upon the work of our fellow men who are contributing to the heap, including the services of those who have helped to make the heap larger than it would or could be if we started afresh without the assistance of piled-up capital goods saved from the heaps of former years. Let it be supposed that we have no such thing as money, but that for each contribution we have made to the heap there is given to us a 'labor or services ticket' with a claim to draw something out of the heap in return—if you like, for the moment, equivalent in its labor or equivalent in its skill, or its sacrifice, to what we have put in. The people who have refrained from an earlier consumption on the faith of their title to later consumption somewhat larger in extent also have their title to the heap. Now, the total of tickets giving titles to the heap will exactly equal the mass in the heap, and when we have all drawn out what we want of other people's products and handed in our tickets, the heap will have vanished."

Is that a sound philosophy?

Mr. TYSON. Yes. I regard Sir Josiah Stamp as a very competent British economist, and my objections to the plans of the Townsendites are that they are distinctly unsound. I went so far once as to call them moonshine and silly from the standpoint of the economist, because they deal with tickets, with counters, and do not relate the use of money in this pyramided supersales tax they advocate to an enhanced or increased production of goods and services, which is the real life of our society and which we increase by exchanging effective goods and services and getting from the heap certain claims to property, which we then invest in expanding industries to increase the wealth of industry. * * *

Mr. ROBERTSON. Dr. Paul Haensel, of Northwestern University, formerly in Russia, in Austria, in England, and other nations as an economist, states Sir Josiah Stamp's philosophy in these words:

"What does it mean when pensioners receive $200 a month? It is asserted that this money will go to the support of somebody else. This is a fundmental mistake. The pensioners will buy food, clothing, shoes, toys for their grandchildren, etc., and this will almost immediately disappear in their consumption. After that is over, to pay the $200 pensions next month the Government must again take away the necessary funds from the younger working population. If I were the happy pensioner I would wear a new overcoat every year, but others who contributed to my pension will have to reduce all their purchases to the same amount. Imagine that all pensions would have been paid in goods (at the choice of the pensioners). They would at first have been taken away from the producers, and there would have been that much less left to them, and simply a redistribution of the national produce would have taken place. Money exchange does not alter the situation in the least degree; money that the Treasury will pay to the support of old people must be extracted from the rest of the population, and nothing is added to the total amount of national income on which only the whole population is living. There is no revolving fund. What old people will spend on buying commodities will be consumed in the form of raw materials, transportation, factory expenses, labor, etc., which constitute only the aggregate parts of the national income; nothing is added by buying and consuming by the pensioners themselves."

Now, is that sound?

Mr. TYSON. Yes, sir; I think that implements and supports Sir Josiah Stamp's statement.

Mr. ROBERTSON. Suppose you were a workingman and wanted and needed a new overcoat, costing $30. Would it make any material difference to you whether the Government took that $30 away from you to pay a 2-percent sales tax before you bought the overcoat or took the overcoat away from you after you bought it?

Mr. TYSON. Either would be immoral, dishonest, and rotten politics, in my opinion.

Mr. ROBERTSON. Suppose there are 4,000,000 workingmen like you who need new overcoats, and 4,000,000 old men, not working, who wanted and needed new overcoats. Do you produce any new overcoats by taking them away from the young workingman and giving them to the old nonproducers?

Mr. TYSON. You do not.

Foreign Policy and Neutrality

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, May 31, 1939

RADIO ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, APRIL 9, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of Foreign Policy and Neutrality, delivered in the American Forum of the Air program on April 9, 1939, by the junior Senator from Florida [Mr. PEPPER].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a great pleasure to discuss with you the matter of American peace. The people of America hate war. Peace, justice, and fair play, not only for ourselves but for others, have always been characteristic of American foreign policy. Preeminently has that been so under Secretary of State Hull.

Yet the world totters on the brink of war. For months we have felt the stark fear of horrible war gripping the hearts of the people of the world. International law and order have broken down. Respect for the integrity of sovereign nations has turned to scorn in many places. Sacred treaties are by great nations disdained as scraps of paper.

Many of us are afraid that this may be the turning period of civilization. Former Secretary of State Stimson last week before a Senate committee said civilization now faces the greatest crisis it has faced in four centuries.

In this chaotic world, in this pitiable, almost hopeless state of affairs, what is the proper course for the Government and the people of the United States who want peace, and peace only, to take?

There are many people who upon first thought allow themselves to say, "Let us have nothing to do with a war in Europe, that is none of our business. Let Europe fight out its differences while we attend to our own affairs." Who is willing to say that a way in Europe will not adversely affect the United States? In the last few days American securities have shrunken hundreds of millions of dollars from the mere threat of war in Europe, and such a war would probably close every exchange in the Nation. This Congress has been, by troubled European affairs, forced to appropriate more hundreds of millions for our own safety and defense. Who doubts that a protracted war in Europe will not interrupt and disorganize our international trade which has a great bearing upon our prosperity and well-being, will not arouse our people to sharp differences of opinion and partisanship with the warring nations and may contain serious hazard of involving us directly? Indeed, the geography of no nation is now beyond the perimeter of the maelstrom of war and immune from being sucked into destruction in such open-mouthed destroyer.

Many think that if we had an adequate neutrality law that alone would safeguard us against involvement. We are just now having hearings before the Senate Foreign Relations Committee holding hearings on pending neutrality proposals.

These bills propose either a cash-and-carry plan by which we sell anything to those who will come and pay cash for and carry away our goods, or that we sell only to those who are neither aggressors nor treaty violators, or that we have no neutrality legislation at all.

Mr. Stimson prefers that we exercise discretion as to whom we shall sell our goods, while Mr. Bernard Baruch favors the "come and get it" plan. Mr. Baruch points out, however, that there is no such thing as absolute neutrality for any trade; any contact with a belligerent has some influence for good or bad upon one side or the other. Such legislation merely limits our otherwise free action. It neither prevents nor stops war. Such legislation is surely not the answer to the riddle of how to keep out of war. I do not favor so-called neutrality legislation which destroys all flexibility in our foreign policy, which makes us aid and abet the aggressor and the wrongdoer, no matter how foul his offense, and keeps our hospitable doors open to him who has inaugurated international brigandage and repudiated before us and the nations of the world his solemnly pledged word.

After all, the world is simply an enlarged community such as the one in which you live. If your community were infested with such violence that your residence there became dangerous or undesirable, as a last resort you can move out of that community and physically isolate yourself from those dangers. But a nation cannot move out of the world. We have to live in it where we are. Suppose violence existed in your community and you, being a good citizen, believed

in and tried to support and sustain lawfulness and order and decency in that community. What would you do? There were many instances when this country was growing up, and particularly in the West, when there were certain individuals in communities who had a contempt for all order and law and decency and followed a course that terrorized the whole community, making both life and property insecure. What would a good, conscientious citizen do in such a community, faced with such a situation? It seems to me that the usual choice was either to join the vigilantes and enforce law and decent respect for the rights of others by extra-legal methods, or if time permitted, see to it that there were established in the community agencies which represented law and order. There were many times, I am sure, when fathers didn't want to get into conflict with men of violence, yet who felt so strongly that violence could not forever be tolerated in a community that they associated themselves with their neighbors who were of the same determination, even at some risk to themselves. There were other instances, I am sure, when heads of families helped morally and physically to bring about the establishment of tribunals and agencies of law and order which would give every man his due and every home its just protection.

It seems to me, therefore, that we have come to a similar situation in world affairs. We as a Nation are a part of the world community. Violence, lawlessness, international brigandage, and piracy cannot go on forever in that world community without our being adversely affected, without our own security being jeopardized. We cannot, therefore, shirk, I venture to say, the responsibility that every responsible citizen bears to his own community, at least by moral suasion and by all reasonable means, to make the world community a lawful community. I wonder, therefore, if it is not a fact that we occupy a position in world affairs that makes it possible for us to be almost a judge in the determination of the justice of world causes. No nation can really afford to antagonize the United States so as to make even the vast economic strength of the United States available to its enemy in time of war. If the people of the United States can so search their own hearts and souls, can so disengage themselves from selfish interests that they can sit, as it were, in righteous judgment, there are many things that the United States can do in the world community, just as many things that an honorable citizen can do in a private community to bring about more wholesome conditions, less violence, more certain peace.

I am sure that the President saw this clearly when he intimated in his address in January to the Congress that there were many ways short of war by which a nation could make its mere purpose felt in the affairs of the world.

This month of April brings back to our minds the April of 1917, when this Nation, in spite of all that cynic and critic may say, cast its lot behind a moral principle and for a permanent peace among the peoples of the world. We took a position against aggression, against the domination of the world by any nation through force, against a doctrine of government which warred with the very essence of democracy. The American people are a moral people. No nation in the world I believe is so actuated by a sense of right and wrong, justice and fair play, as the people of the United States. We have not lost that moral sense. Whenever moral issues arise in the world as certain as the night follows the day that moral sense awakens and asserts itself just as it is now doing with regard to the situation in Europe.

I wonder if the memory of that war does not revive our recollection of the spirit of Woodrow Wilson and the vision of Woodrow Wilson who foresaw a world order, a world law, a world tribunal in which claims might be presented, heard, adjudged. I wonder if he did not see further than we have seen, that though it must come slowly just as law and order and security have come slowly in the communities of the world, yet eventually in the very nature of things out of the growing contraction of the world's size, the increase in the intimacy of its people, there must come about a world society, a world consciousness, a world forum, and a world judgment.

In the days preceding the adoption of the Federal Constitution and following the close of the Revolutionary War, for 6 long years the newly won independence of America seemed in jeopardy. The numerous colonies for one reason or another were falling apart and the Nation with such bright hope for the future was about to disintegrate into innumerable warring states. George Washington, more clearly than any other, saw there must be a United States of America, a united country. Such great patriots as Patrick Henry saw this new government looming upon the horizon like a monster ready to devour the liberties which he had proclaimed as better even than life itself. Many others shared Henry's fears. There was an element of freedom to be given up by each participating state, but in the crucible of many honest, conscious minds and hearts a way was found whereby there could be peace and unity without the destruction of the states. This is but a poor analogy, but I believe it has the germ of the idea that must eventually permeate the consciousness of the world. In the crucible of more honest minds and hearts there must be found a way whereby nations aggrieved will be able to present their claims at a bar which will respect justice and right. A nation will not have to resort to self-help as men in civil society once had to do before an adequate system of law was established to gain the recognition of their just rights.

This happy state I know is too far beyond the horizon to be expected with tomorrow's dawn. Meanwhile, we as citizens of the world community, by being devoted to peace, hating war, loving justice, supporting right, condemning wrong, setting always a good example, sharing always in the promotion of the lofty aspirations of the better men and nations of the world, can make no mean contribution to world sanity, world reasonableness, and world peace.

The Strait of Panama

EXTENSION OF REMARKS

OF

HON. HENRY CABOT LODGE, JR.

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, May 31, 1939

ARTICLE BY PHILIPPE BUNAU-VARILLA

Mr. LODGE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article by Col. Philippe Bunau-Varilla, who was the French engineer on the original Panama Canal project, which throws great light on the feasibility of a sea-level canal at Panama.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Europe for May 1938]

THE STRAIT OF PANAMA

(By Philippe Bunau-Varilla, former general director and chief engineer of the Panama Interoceanic Canal Co.; former Minister Plenipotentiary of the Republic of Panama)

In 1879 M. de Lesseps organized an international congress in Paris to determine which was the best method of joining the Caribbean Sea with the Pacific between North America and South America. A sea-level canal at Panama, with the Pacific end closed by a tidal lock, was the solution chosen by the congress and which M de Lesseps preferred because it made Panama a replica of his triumph of Suez. (Contrary to the general and erroneous belief there is no difference between the average mean level of the Pacific at Panama and the Atlantic at Colon. But at Colon there are small tides of 1 foot and at Panama large tides of 10 feet above and below the average level.)

Another solution was proposed: a lock canal with a lake 80 feet above sea level on each side of the central mountain range. It was proposed by a French engineer, M. Godin de Lépinay. It was discarded, for it seemed preposterous for this invaluable waterway controlling the trade between the Pacific and the Atlantic to be perpetually in danger of being destroyed, either by an explosion in a lock, an earthquake, or any other accident to the locks or dams.

Nobody then imagined the possibility of a lock canal being gradually modified into a canal at sea level without even a 5-minute interruption to traffic. Neither was it conceivable that rock could be excavated under water for a cost price inferior to 10 or 15 times that of rock excavation in the dry. Thus the construction of a temporary lock canal later to be transformed into a canal without locks was not even suggested. The Congress therefore favored the most perfect solution, not foreseeing the superhuman obstacle constituted by the huge and slippery cut across the central chain of mountains.

I joined the Panama Co. in 1884 as chief engineer of one of the three divisions of the Canal. I was determined to devote every effort in order to make a reality of the plan that had been adopted. In less than 1 year I had become the general director of the entire undertaking. I had become gradually convinced that it was physically impossible to carry out the project of the tide-locked, sea-level Canal then in course of construction. The enormous difficulties which could not be conquered were: First, the sliding nature of the Culebra soil, through which the deepest cut in the world was to be opened by excavation in the dry; second, the inevitably limited supply of labor (consisting of 40,000 Negroes, producing some 15,000 effective workers daily); and, third, the ravages of yellow fever among the white staff.

In order not to see this great enterprise of French genius condemned to the obloquy of a technical failure I sought fresh solutions. It seemed to me that, although the erection of a permanent lock canal was unjustifiable in view of the enormity of the American military and civilian interests it had to satisfy, the risk involved might be taken temporarily. But this was conceivable only if a system was discovered to transform a lock canal with an elevated central section into a canal entirely at sea level, without any interruption to traffic. It was furthermore indispensable to find how to excavate rock under water at a cost no greater than that of the same work in open air, instead of the cost then admitted which was 10 or 15 times higher.

As is always the case, the solution comes naturally when the problem is clearly formulated.

The method of gradually lowering the level of the summit section of a channel without any interruption to traffic soon took shape in my mind. I solved the problem by slightly modifying the usual

type of locks, and this by making the upper one of the two gates equal to the lower one instead of establishing it on the abutment wall ending the bottom of the summit channel as was the rule. Thus the lock became independent of the bottom of this channel It became possible to excavate the soil of the canal between the two upper locks of the summit without touching the locks themselves. The excavation of the bottom was naturally to be followed by an equivalent reduction of the water level without any change in the operation of the locks.

It was the complete elimination of one of the two difficulties which made people think it was impossible to transform a lock canal into a canal at sea level without interrupting navigation.

Let us now turn to the problem of excavating rock under water economically. I devised a method of dredging rock by breaking it up through a system of blasting which would leave no fragments of over 20 inches. I believed that the rock so broken could be easily dredged. To achieve this result I had dynamite distributed over a distance of 300 yards in holes drilled 30 inches apart into a horizontal ledge of rock covered by 10 feet of water existing between Colon and Gatun. After the explosion a dredge was brought up the next day which excavated the rock as though it were mere sand.

The two problems involved by the transformation were thus solved. I then tried to persuade MM. Ferdinand and Charles de Lesseps that they should change their program and build a temporary lock canal that could later be changed to a sea-level canal, with all the requisities of dimension observed, as time for prompt completion would not any more urge the constructors. Finally, after a fight that lasted over a year and a half, my ideas were adopted and on January 1, 1888, the execution of a temporary lock canal was begun. The plan, perfectly adapted to circumstances, was to be completed within 4 years, and the temporary lock canal opened to traffic by the beginning of 1892, or perhaps even before that date.

Then an abominable plot blocked the last stock subscription, which was otherwise assured of success. A detestable political clique undertook to annihilate the project. Calumny and libel stopped the completion of the Canal at a moment when, for the first time, success was actually assured.

In my recent book From Panama to Verdun, I have described my battles in America to dispel the unjustified confidence in the plan for a Nicaragua canal and told how I led to victory the Panama Canal which won out on June 29, 1902, when President Roosevelt approved the Spooner law. I have also explained how, when everything seemed settled with Colombia, a political storm arose in that country against its granting the concession of the Canal strip to the United States.

As is known, in order to break up the opposition of Colombia, I had to organize the creation of a new republic (on November 3, 1903). The Republic of Panama named me as its Minister Plenipotentiary in Washington, and on February 26, 1904, I exchanged with Secretary of State Hay the ratifications of the treaty that we had both signed on November 18, 1903, and which had since been ratified without any alteration, by our respective Governments.

So the Panama Canal was going to become a reality. But what plan was to be adopted? A committee including prominent American engineers: General Davis, Professor Burr, and Mr. William Barclay Parsons, concluded on February 14, 1905, in favor of the execution of the Canal at sea-level at M. de Lesseps had done. I foresaw the moral defeat that threatened the United States and resolved to persuade President Theodore Roosevelt not to follow the advice of these engineers.

I went to America and, after two visits to President Roosevelt, he invited me to lunch at the White House on March 29, 1905, to discuss the project with my opponents, Messrs. Burr and Parsons, who were also my friends. I explained the grave risk to which their plan exposed the American Government.

"Mr. Bunau-Varilla," said Mr. Parsons, "is still under the impression of the terrible difficulties which he encountered in the higher parts of the Culebra. The level was then at 100 meters above the sea, while it is now only 45. The ground is much better and the sides of the cut will hold on a slope of 2 in 3 and in many places on much steeper slopes."

The well-deserved reputation of Mr. Parsons, chief engineer of the New York subway, then in the process of construction, as well as the apparent logic of his reasoning, seemed to make a deep impression on the President. I felt the success of the battle was becoming jeopardized. In order to clarify the situation, I said to Mr. Parsons: "Will you allow me to ask you a couple of questions?" "Certainly," he courteously replied.

I resumed: "Here is my first question: With a canal at sea level, will the Culebra cut not be the deepest in the world?" "Yes, by far," replied Mr. Parsons. "Do you know," I added, "any soil more treacherous and slippery than the hardened clay that constitutes the major part of this cut? That is my second question." To which Mr. Parsons loyally replied: "No; it is the worst possible soil."

I then retorted: "Now, then, dear Mr. Parsons, how can you have confidence in the stability of the deepest cut in the world, opened in the most dangerous of all soils, when a few days ago, in the very center of New York, buildings in Park Avenue began to slide toward the small cut of about 20 feet in depth that you are making for the subway in the New York rock, which is the hardest trap in the world?" To this Mr. Parsons could find no reply. But the President's opinion was henceforth established on a solid basis. At that moment, the sea-level canal to be dug in the dry was condemned.

The President then decided to convoke an international commission that was called the "consulting board," asking Germany, Great Britain, and France each to send a technical representative in order to give their opinion, with eminent American colleagues, on the plan to be adopted for building the Panama Canal.

The French Government, instead of choosing the most competent engineer, for this particular question appointed one of the heads of the Department of the Roads and Bridges, who had reached his position through length of distinguished service. However, he was far from being qualified for this particular mission. He knew nothing of the new methods that I had used to dredge the rock at Colon, nor of the more recent and still more economical method of breaking up the rock by vertical battering rams.

I wrote to President Roosevelt, explaining my regrets at this selection, and informing him that the engineer most qualified in the matter was M. Kellennec, chief engineer of the Suez Canal. By return of mail I received the appointment of M. Kellennec, and at the same time, in order that there should not be two French engineers with only one German and one British, the President of the United States asked the Netherlands also to send a technical delegate.

The consulting board met in the fall of 1905. Neither my own efforts nor those of M. Kellennec could convince its members that the rock dredging problem had been solved by me 20 years before, and that my new rock-dredging process thus tested was utilized at the Suez Canal itself to enlarge and deepen the channel, where the breaking of the rock by concussion to make it dredgible cost 25 cents per cubic yard.

Deepening a lock canal by dredging, which was the solution I had defended for Panama, was declared impossible by the almost unanimous commission, except for a sand or earth bottom that did not exist at Panama. To illustrate this, the consulting board agreed to a price for dredging rock which was equivalent, for the preliminary operation of breaking it, to $2.35 per cubic yard, i. e., almost 10 times the cost at Suez. Such in 1905 was the degree of technical knowledge of the official German, American, British, Dutch, and French experts, with the exception of M. Kellennec and myself.

The amusing part of it all is that the Culebra cut, even as established for a canal 85 feet above the sea, could only be finished by under-water dredging. The cut was flooded with the waters of the lake formed by the Gatun dam across the Chagres, near Colon. After having attempted the impossible by trying to excavate the Culebra cut in the dry, in spite of landslides and crumbling rock, Colonel Goethals acknowledged his defeat. In the issue of the Canal Records dated May 10, 1911, he announced that excavation work would be pursued by means of dredges, "enabling the work to proceed much more expeditiously and economically."

In this fight against the revelations of the experience that I had achieved in 1885 and that I brought 20 years later to the consulting board—revelations that had been rejected as impossible—Colonel Gaillard, chief engineer of the Culebra cut, to be opened with steam shovels on rails, lost his life.

Thus may be seen what dangers the United States were spared in the realization of the Canal through the marvelous intelligence of President Roosevelt, who thought my advice was sounder than that of the unanimous (with the exception of Kellennec) international "consulting board."

With the Canal at sea level, it would have been necessary to go some hundred feet lower than the present Culebra cut. And we have just seen that the present cut could only be finished thanks to the Gatun Dam and to the lake thus formed. Naturally this lake would never have existed with the plan of a canal at sea level. This shows what a disaster would have been caused by the execution of the scheme previously adopted by M. de Lesseps on the recommendation of the International Congress of 1879, which was again selected as the best 27 years later by the majority of the consulting board. It was the second time that committees or technical assemblies erroneously approved it. The first one had the excuse of lack of experience, but the second had none. The minority of the consulting board adopted the "Godin de Lépinay" idea and proposed the lock-canal with a summit level at 85 feet above sea level.

No mention was made of a possible transformation, because the members of the minority (as well as those of the majority) did not believe in rock dredging. The result was that the small modifications were not made in the type of locks adopted, which would have immediately permitted the necessary work of transformation. The minority's report was satisfied to leave the door open for the realization of my ideas, by stating that if later on this transformation was required the necessary steps would be taken. The minority evidently thought in 1906 that a century would elapse before such a transformation would be necessary. Events have disproved this opinion, and, as will be seen below, the hour has recently struck.

After seemingly endless discussions, the project of the minority finally won out over that of the majority, and was adopted in 1906. Senator Knox, acting as the champion of my proposals and supported by the authority of the President, carried the vote of the Senate, stating: "The lock type of the Canal can, if the necessary ever arises, be transformed into a true sea-level canal, one of 500 to 600 feet in width and of 50 or more in depth."

These were precisely the dimensions I had assigned to what I then called the Strait of Panama.

The Senate, by adopting the proposal of Senator Knox, on behalf of the Government, in reality adopted the plans of a lock canal

on condition that it be ultimately transformed into a wide sea-level canal without tidal locks into a "strait." This was the final triumph of the plan which already in 1887 had convinced M. de Lesseps to abandon the direct construction in the dry of a sea-level canal.

The lock canal was inaugurated August 3, 1914, on the day that Germany declared war on France. The magnificent development of traffic rapidly made it necessary to consider the transformation of the canal to free it from its dependence on the water supply of the Chagres River flowing into Lake Gatun. In 1924, in a lecture which I gave in Cincinnati, I developed the whole plan of transformation, estimating the total excavation to be made at 1,600,000,000 cubic yards for the strait and the derivations of the rivers on both sides, the total expense involved at a billion dollars, and the time required for the completion of the works at almost 20 years. The execution had to start with the construction of a third set of locks, built to permit the transformation without interruption of the traffic, and later on the necessary modification of the two sets of locks existing. The channel was to be about a thousand feet wide at the bottom and 50 feet deep at the lowest tide.

In two memoirs presented on my behalf to the Academy of Sciences on May 3 and June 27, 1909, by that eminent mathematician and statesman Paul Painlevé, I had established the perfect practicability of a strait across the Isthmus of Panama, entirely open at both ends. The mathematical laws that I had established showed that the currents in the strait would rarely exceed 3 knots and in exceptional astronomical circumstances could not exceed 3.32 knots, and this only at the Panama end, for the Colon end always will have weaker tidal currents.

We have now reached a point when the need for such a transformation in the Canal is being felt. The fact that the locks are insufficient in width and in length for the large battleships to be constructed by the United States has caused the decision to undertake considerable alterations. According to a dispatch from Washington under date of April 6, a credit of $200,000,000 has been established to enable the erection of a third chain of locks and for works in the Canal. The same dispatch announces the rejection of the plan of a canal at Nicaragua.

It is of the utmost importance that the new chain of locks differ from the former two not only in the width and length of the chambers; they must have the required characteristics to allow progressive lowering of the bottom and water level of the upper channel without interrupting traffic for even 5 minutes. Once this third set of locks has been established, each of the other two sets must be similarly modified. Then the Canal can be altered to assure a definite immunity from dangers of destruction by accidental causes, enemy acts, or seismic commotions.

Marshal Franchet d'Espérey, who visited the Canal in 1932 as a guest of Gen. Preston Brown, commander of the American forces, whom he knew during the war, tells the following anecdote:

Returning by airplane with Gen. Preston Brown and several other guests of the General, from Balboa to Colon, the conversation touched on the traffic question as the plane passed over the Culebra cut. One of the members of Gen. Preston Brown's party then said aloud: "If the Canal must be enlarged, we will follow Bunau-Varilla's plan."

It may be stated today that this final stage will shortly begin, and that the United States will at last inaugurate the supreme period of this heroic undertaking, an achievement worthy of its own greatness. The opening of the Strait of Panama, is now obligatory with the unlimited increase of the dimensions of battleships, for which 57,000 tons is now a minimum, instead of the 35,000 tons maximum of 1922; when guns of 457 mm. diameter must replace the former 305 mm., in order to fire shells weighing 3,000 pounds.

The connection between the two sea fronts of the United States must not be subjected to any limit of draft for warships or merchant vessels, nor to the hindrance of any more dams and locks which human ingenuity or seismic revolutions may destroy, thus instantaneously crippling traffic for years.

The honor of the United States requires an indestructible Canal. "The Strait of Panama" alone can give it to the American empire, thus safeguarding the constant communication between the oceans whatever happens in peace or war and making forever e duobus unum the Atlantic and Pacific fleets.

The Cotton Problem Is a National Problem

EXTENSION OF REMARKS

OF

HON. DAVID D. TERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

ADDRESS BY HON. HENRY WALLACE, MAY 26, 1939

Mr. TERRY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered at Little Rock, Ark., by Hon. Henry Wallace, Secretary of Agriculture, on Friday, May 26, 1939:

May I say in the beginning that I am awfully happy to be in Arkansas again. All of us in Washington have the highest regard for this State. Few men of the stature of Joe Robinson will ever work among us. You are admirably represented now by Senator CARAWAY, Senator MILLER for the State, and by Representative TERRY from this district. They are extremely valuable in the Federal scene. Here in the State you have Governor Bailey, whom we all know and esteem. I have just come from a most pleasant visit with him. Yes; we hold high regard for Arkansas. We are always happy to come here.

I am talking today not only to this splendid audience of cotton farmers, but also to that great unseen audience, the Farm and Home Hour listeners. I propose, therefore, to talk about the importance of cotton to the whole Nation as well as to the cotton farmers. Before the World War cotton farmers received 3 percent of the national income. Last year, even with benefit payments added in, they received only 1.4 percent. There are a million more people living on the cotton farmers of the South today than before the war. They have to buy more in the way of fertilizers, farm machinery, and spray material, and they have less left over at the end of the year after they have paid for their furnishings. High tariffs on manufactured products, discriminatory freight rates, and the price-determining powers of the great corporations have combined to put cotton into a more difficult situation than any other major farm product except, possibly, wheat.

In 1931 and 1932, when cotton farmers received less than 1 percent of the national income, the situation seemed hopeless. Hundreds of thousands of unwanted people had come back to the cotton farms when the factories shut down in the great cities. The soil was washing away. Misery was everywhere.

Then it was that the cotton farmers began to realize more clearly than ever before their kinship with the wheat and corn farmers. In May of 1933 for the first time the President of the United States signed a bill recognizing the unity of agriculture. Henceforth it will be impossible to think about the problem of any one of the great export crops by itself. Wheat and corn farmers are genuinely interested in the cotton problem because they know if vested interests destroy the cotton program, it will not be long until corn and wheat also are in the most serious trouble. The great export crops tend to go up and down together. Moreover, the great export crops set the pace for prosperity and depression in the industrial centers.

The world agricultural situation was exceedingly bad after 1930. Since that time every nation in the world has found it necessary to take special action to help its farmers. American farm income in 1932 had sunk to one-third as much as it should have been to put the American farmer on a basis of historical parity with his city brother. To meet the desperate situation prevailing in 1932 the farmers obtained Federal powers enabling them to raise their income to a fairer relationship with national income. They recognized that as long as we were a creditor nation with high tariffs, we could not sell such a large volume of surplus products abroad and expect to get a satisfactory price.

SIX OBJECTIVES OF FARM PROGRAM OUTLINED

To meet these changed world conditions we have built a unified program for agriculture which—

First. Accepts parity income for the farmer as the goal.

Second. Builds the soil.

Third. Adjusts production to help soil conservation on the one hand and to prevent burdensome supplies on the other.

Fourth. Works for increased consumption at home.

Fifth. Stands for American agriculture's fair share of the world markets.

Sixth. Sets up an ever-normal granary or warehouse to balance the years of good weather against the years of bad weather.

Cotton farmers, wheat farmers, dairy farmers, livestock farmers, and fruit farmers believe in these objectives. That is why the Senate voted 65 to 14 to appropriate $225,000,000 for parity payments and $113,000,000 for surplus-disposal payments. That is why the House last Tuesday in effect upheld the Senate. Yes; out of the experience of the last 6 years the farmers of this Nation have learned to work together. The beginning of wisdom in solving the cotton problem is to remember that it cannot be solved except in cooperation with agriculture as a whole.

COTTON HIT HARD BY ACTIONS IN EUROPEAN COUNTRIES

Without forgetting for a minute the ties which bind cotton to the rest of agriculture of the United States, we must remember that cotton has been hit to an unusual degree by actions taken in certain European countries. One of these countries is taking only one-sixth as much cotton as it did a few years ago. During the current year our cotton exports will be around three and one-half million bales, or the lowest in 60 years. Because of the low volume of exports, the carry-over of American cotton is building up day by day, with the probability that on next August 1 it will be 14,000,000 bales, or a record high.

Most of you know why this situation has come about.

In 1933, we set out to reduce our surplus of cotton. By 1936 the 13,000,000 bales on hand in 1932 were reduced by approximately one-half and to almost normal proportions. But something happened in 1936. The original Triple A program was killed. Up until that time the cotton program, financed by the processing tax, had just about paid its own way.

Without effective control, farmers planted more cotton. In 1937 an avalanche of cotton—19,000,000 bales—descended upon us, and, so far as our supply was concerned, it carried us back to 1932. The rest of the world grew another record crop. Had it not been for that 1937 harvest, the cotton loans of 1937 and 1938 would not have been price-pegging loans. We would not have 11,400,000 bales of cotton in the loan and our cotton would be flowing freely into export trade.

Obviously, there was but one thing to do after that 19,000,000-bale crop—begin the task of adjusting supplies all over again. Congress gave us a new Surplus Control Act in 1938. If we use this act in the right way, we can, within a few years, make an ordinary hill out of our great cotton mountain.

Cotton is an export crop. If a cotton loan is above the competitive world market price, it is almost certain to interfere with exports. Indian cotton, from the price standpoint, has been a better buy this season than American cotton. So has Brazilian cotton and so has other cotton.

MAJOR PROBLEMS OF COTTON PROBLEM EXPLAINED

We face, then, a situation at present which shows great gains in the income of cotton growers, from the benefit payments and the loan; but a large surplus carry-over is built up and our loan rate is higher than the world price, so that our cotton does not flow freely into the world trade. The carrying charge on the Government-loan cotton is $45,000,000 a year. The existence of the loan stock causes uncertainty and holds down the world price. We must reduce the loan stock if we are to adjust our supplies and have order in the industry.

We should add to that no considerable further reduction in cotton acreage can be recommended. Taking more acres out of production might keep the surplus down, but only at a cost of misery for many of the people now dependent on cotton for a living. Farmers on the land, workers in gins, shippers, and all the other interests concerned with this complex empire of cotton would feel a pinch if acres now given to cotton were used for growing the crops that mean so much to the other sections. I am not convinced that this fear is well founded, but I do know that it is a genuine fear. No, I think we must plan for a normal annual crop of around 12,000,000 bales. I should not like to ask our cotton farmers to plant less than 27,000,000 acres. Of course, it may be that eventually either European chaos or the world-wide use of substitute fibers will make it necessary to plant less than 20,000,000 acres of cotton annually in the South, but I do not see now and I hope we shall never see the necessity of such a drastic reduction in cotton acreage.

CONTINUATION OF COTTON LOAN AND BENEFIT PAYMENTS URGED

What shall we do about the cotton problem as we find it today?

First, let us continue the cotton loan. The real reason for a loan on cotton is to protect the growers of cotton. There is no doubt that our cotton loans have done just that. Loans on cotton—as on other commodities—have under existing conditions a definite place in this program. If we did away with the loan program the price of all our cotton, both that sold at home and that sold abroad, would immediately go down. It might go down 2 or 3 cents a pound. Assuming a 12,000,000-bale crop in 1939, this would mean a loss of from $120,000,000 to $180,000,000 in cotton farmers' income.

Southern cotton farmers are not getting nearly enough for their crop as it is. In justice to them I do not believe anyone should try to do away with the loan program for cotton. I am certain we should keep that program unless Congress is prepared to compensate producers for the drop in price that would follow abolition of the loan. Without a processing tax or some other practical way to raise more money, there is no chance to give them that compensation.

Second, let us continue benefit payments for production adjustment and soil conservation. I have already told you that the average annual cotton income under the agricultural-adjustment program is much greater than it was in 1932. I believe that the adjustment program should be continued to preserve our soil and to reach and maintain parity of income for farmers.

STRESSES NEED FOR EXPANDING DOMESTIC CONSUMPTION

Third, let us continue vigorously and thoughtfully to expand the domestic consumption of cotton. The consumption of cotton goods in our own country is far lower than it ought to be because the families who need these goods most can't afford to buy them. A study covering 300,000 families was recently made of this subject, and preliminary figures are now available.

They indicate that families with incomes of $5,000 and over spend nearly eight times as much for cotton goods as nonrelief families with incomes of less than $500 are able to spend.

If the 20,000,000 families getting less than $2,000 a year spent as much for cotton goods as those getting between $2,000 and $3,000 a year, the cotton farmer would have a home outlet for an additional 2,000,000 bales of cotton. Such a situation would add over half a billion dollars a year to the income of the cotton South, of which part would go to the cotton farmer and part would go to employ people in our cotton mills, on our railroads, and in our wholesale and retail dry goods stores throughout the country.

People having the lowest incomes buy the heavier kinds of cotton goods first. This is because they need mattresses, comforters, blankets, sheets, towels, overalls, piece goods from which they can make clothes for all their children. If they bought such items as these, approximately 20 cents out of every dollar spent would go directly to the cotton farmer; roughly, 50 cents out of every dollar would cover the cost of manufacturing, most of which would go to employ labor in our cotton mills, and about 30 cents out of every dollar would cover the cost of transportation and merchandising in our wholesale and retail dry goods stores.

This is not a complete solution for the cotton problem, of course, but I feel as strongly as I did at Fort Worth last fall that the Nation ought to find ways and means of turning its abundance of raw cotton into a greater abundance of cotton goods for our own people.

If the stamp plan for surplus foods proves successful, we may try a slight variation of this plan to move cotton goods to our low-income families. Satisfactory arrangements undoubtedly can be worked out with our retail dry goods people. An experiment conducted along these lines in a few cities for a year would teach us a great deal about what we could expect on this front. We want to know from actual experience just how effective such a program would be. Meanwhile, however, we are under an obligation to protect cotton markets and cotton income.

SAYS UNITED STATES MUST REGAIN WORLD COTTON MARKETS

As the fourth point in this cotton program, let us regain and hold our fair share of the world exports of cotton. As I have said over and over in talks on the subject of cotton—at Memphis in September 1937, at Fort Worth in September 1938, and at Macon in November 1938—we must look to volume as well as price if we are to have a good income. We must keep not only our domestic market but also our foreign market.

The foreign market for cotton normally has meant about one-half billion dollars a year to the American farmer, to say nothing of the business and employment it has given the gins, the cotton trade, the banks, the merchants, the railroads, the exporters, and the steamship lines. In the past, more than half the American cotton producer's crop had gone to other countries. I do not believe you want to give up that foreign market without fighting to keep it any more than any commercial firm would want to let its competitors take half its business.

The South simply cannot afford to lose its export market for cotton.

Neither can the rest of the country afford such a loss. Destruction of the South's buying power means idle factories, unemployment, and destitution in the industrial areas. Every part of our country will lose if we lose our export markets for cotton—every part will gain if we keep that market.

The problem of maintaining exports is both a long-term and an immediate problem.

FAVORABLE RESPONSE TO PROPOSED WORLD CONFERENCE

I think that the long-run solution must include an agreement among the cotton-producing nations of the world on sharing the world market. Great gains have been made through the reciprocal-trade program toward reaching international understanding in the exchange of many commodities. American farmers have been helped by the reciprocal-trade program. The American farmer needs more than the American market. Agriculture is largely on an export basis; and cotton especially, with its large surplus production, has an immense stake in the restoration of our foreign trade. Despite innumerable handicaps, literally hundreds of destructive trade barriers have been lowered or removed through our reciprocal-trade program. When anyone tells you that Americans are losing income as a result of trade with other countries, you ask for proof. Also ask what cotton producers would do if half their normal market were sacrificed.

Great gains would result from an international agreement on cotton to assure each country its fair share of the export market and to support a reasonable level of world prices. With these ends in mind, we have proposed an international conference on cotton. It is indeed a pleasure to announce here for the first time that favorable responses have been received from all important and cotton-exporting countries.

Both an international agreement on cotton and the reciprocal-trade program are exceedingly important for the long run. Our immediate and imperative problem, however, is to maintain our fair share of cotton exports. With the world trade disorganized, as it now is, with some of the cotton-buying nations taking only one-sixth as much cotton from us as formerly, we must adjust our export price to a level that will be fully competitive in the world market at all times.

PRESIDENT'S EXPORT SUBSIDY PLAN HELD ONLY SOLUTION

President Roosevelt, on March 28, proposed the only practical, immediate solution for this emergency. Exporters would be paid the amount necessary to allow them to export cotton at the world price without a loss. The price of cotton at home would remain protected regardless of what happened to the prices on sales abroad.

This is the cheapest practical way for the Government to reduce the cotton surplus. One alternative which has been proposed would be to pay farmers to keep their cotton out of the loan. To do so would probably result in a drop of at least 2 cents a pound. With a crop of 12,000,000 bales, an extra $120,000,000 over and above the $200,000,000 already appropriated for the 1939 cotton program would have to be raised for cotton alone.

Let me repeat, the President's export subsidy plan would offset the loan by payment on our exports sufficient to make American cotton as competitive with foreign cotton as our present supplies warrant. It would mean that we are going to do everything in our

power, with regard for the total national economy, to maintain our fair share of the world cotton market.

Last fall I did not feel that export subsidy payments would be necessary in the case of cotton. I stated my views in this connection in a talk at Fort Worth. Since that time conditions have changed. There was no clear evidence last fall that the 8.3-cent loan would interfere with the flow of cotton into export channels. At that time there were only about 7,000,000 bales of cotton in the loan and exports were moving at a rate near normal. So much cotton is in the loan there is very little cotton that is free to move into export channels. Exports are at a very low level and have been for several months. It appears now that if we are to keep the loan, action must be taken to offset its effect on our export market.

Our experience with wheat leads us to believe that an export plan will work for cotton. In the absence of the wheat export plan we probably would have exported less than 35,000,000 bushels of wheat this year. As it is those export sales of wheat from July 1, 1938, to May 16, 1939, totaled 109,000,000 bushels. Of this amount 86,500,000 bushels were subsidized at an average cost of 25 cents a bushel, or a total of about $22,000,000.

The combined effect of the wheat loan and export program has been to keep the Chicago price of wheat from 15 to 30 cents a bushel above its normal relationship with the Liverpool price. In other words this program has increased the income of the American wheat farmers at least $70,000,000 for the crop year just coming to an end.

Every dollar taken out of the Federal Treasury for running the export and loan program has meant at least $3 extra in the pockets of the men who raise wheat. Furthermore, the wheat-export program has kept unmanageable supplies of wheat from piling up under the wheat loan.

EXPORT SUBSIDY PROPOSAL EXAMINED IN DETAIL

Let's examine this cotton-export subsidy proposal in some detail. Is it dumping? No. It would not result in our having a higher percent of the world market than we had in the decade of the twenties or in the period before the World War. Our cotton would not be sold at a price under the world market price. It would not mean that we put more bales on the world market than we did in the decade of the twenties. No foreign nation can justly claim that a plan designed to enable us to get and keep from 70 to 100 percent of our former share of the world market is dumping.

Domestic orators, whose hearts bleed for foreign cotton producers, cannot expect the United States to subsidize foreign cotton growers by turning our own program into an umbrella to hold over them. We are going to get under that umbrella ourselves. And if our foreign competitors are not willing to come with us under the shelter of an international agreement, all of us are soon likely to find ourselves out in the rain.

Would the plan mean that cotton goods made abroad with cheaper cotton would flow back into the United States in competition with our own manufacturers? No. There is already in the law, provision that when such a backflow of cotton goods is discovered a restriction can be applied. Furthermore, there is possible, under the President's plan, a subsidy on exports of manufactured cotton goods as well as a subsidy on exports of raw cotton. The plan will not let textile manufacturers suffer from imports of cheaper cotton goods nor from disadvantages in the foreign market.

Does the plan mean that our own consumers would be deprived of cotton? No. I have already said emphatically that we are doing, and will continue to do, everything possible to increase domestic consumption of cotton. There is plenty of cotton. The export plan and increased domestic consumption are not opposed to each other, but are both needed in a unified solution of the cotton problem.

There is an argument against the export plan that few of you have heard. Some people representing the cotton-textile industry contend that if the President's plan were adopted, the domestic price of cotton would not be cheap enough, even though it's only about half of parity now. One of their spokesmen recently came right out and put it baldly when he told a Senate committee that "we have got to keep cotton cheap, because cotton has got to be consumed."

This statement was made in the face of the fact that the best years for the textile industry and the years when domestic cotton consumption was highest have been years when the price of cotton was comparatively good.

REAL ISSUE OF STRUGGLE HELD CHEAP COTTON

The real issue in this struggle is cheap cotton. Judging from their arguments, some opponents of this subsidy want cheap cotton for the trade, cheap cotton for the domestic mills, cheap cotton for the foreigners, cheap cotton for everybody.

Ask those opposing the export subsidy if the plans they propose would not result in a lower price for all the cotton crop.

The President would like to keep a floor under the price of cotton in this country.

The opposition wants the price to go on down to rock bottom.

Farmers have had some experience with cheap cotton. There is no question what their choice will be.

None of us believes that the solution of the cotton problem is still cheaper cotton.

If the men, women, and children who work in the cotton fields must reduce themselves to a state of poverty to keep the mills supplied with cheap cotton, their future and the future of the cotton-growing South is very dark indeed. What the textile spokesman is proposing is the greatest subsidy of all—the gift of the South's labor, soil fertility, and prosperity.

The cotton industry cannot be preserved by making serfs out of the men, women, and children who grow the crop.

The textile industry is protected by a high tariff. This spokesman proposes to withdraw protection from the cotton farmers, but I hear no proposal to reduce the tariff on textiles. He asked for cheaper cotton, but he said nothing about lowering the price of shirts, or dresses, or overalls, or the other things the farmers have to buy.

I refuse to believe that a majority in the textile industry wants cheap cotton at the expense of the men, women, and children who bend under a hot sun to produce the crop.

Some of those who oppose the President's plan seem to believe that if only they can prevent any constructive action from being taken in the present situation the entire cotton program will break down and then they will be rid of it. They have been trying to destroy this program since it began, but they have failed and will fail so long as it deserves and has farmer support.

Ever since the cotton program began in 1933 members of the cotton trade have been stressing the importance of the export market. They have laid the responsibility for the increase in foreign acreage to the higher prices brought about by the program. Over and over again they have expressed concern about keeping our traditional place in the markets of the world.

Now these same members of the cotton trade show that what they want most is for cotton prices, both in this country and abroad, to be less than 8 cents a pound.

Their congressional spokesmen, who have stood steadily for smaller Government expenditures, have now proposed the most expensive plan of all those being seriously considered. These spokesmen have proposed appropriations for cotton which would be so much in excess of current expenditures that when other commodities made their corresponding demands, the total would be so large as to become impossible.

Apparently the real objective of many of these gentlemen is destruction of the entire agricultural program.

As long as we have more than seven or eight million bales in the loan and there is no world cotton agreement, we need the subsidy plan.

REENACTMENT OF COTTON PROCESSING TAX FAVORED

Another thing is needed for this same purpose and for the total national farm program. In almost every statement I have made on cotton since 1933 I have stressed the importance of a continuing source of revenue for the cotton program. Last fall, once more, I suggested the reenactment of the cotton processing tax, which proved so useful and practical for the first 2½ years of the Crop Adjustment Act. We need such a source of revenue as badly now as we ever did. Those who propose to pay farmers to keep their cotton out of the loan should be fighting vigorously for a continuing source of revenue to support the program they propose.

Recently a variation of the processing-tax plan has been suggested. It is now being widely discussed. I refer to the so-called certificate plan, under which production certificates would be issued to growers. Manufacturers of cotton and importers of cotton products would be required to buy these certificates in order to sell their goods. The certificates would be equal in value to a certain number of cents a pound and the grower could sell them to the manufacturer, either directly or through a pool. This plan would not require funds from the Treasury.

But either the processing tax or the certificate plan will require new legislation. The authority for a cotton-export program already exists. It was given by amendments to the Agricultural Adjustment Act, approved in 1935, and also by the Agricultural Adjustment Act of 1938.

Funds which would permit the financing of the cotton-export plan have been voted by the United States Senate and final action by both Houses of Congress is pending.

Recently the Senate refused to suspend its rules to consider Senator BANKHEAD's proposal for limitations upon the existing authority for an export subsidy. In some quarters this vote was erroneously hailed as a defeat for the cotton-export plan, and as a repudiation of it by the South. But I wish to call your attention to three significant facts in connection with that vote: First, the vote was not on Senator BANKHEAD's plan itself; second, 21 out of the 32 voting Senators from cotton-growing States voted to suspend the rules; and third, in the debate which preceded the vote, Senator BANKHEAD pointed out that the authority to subsidize exports of cotton already existed, and the only question was whether limitations should be put on that commodity. In a speech in Birmingham on May 13 he reaffirmed that view. Whatever may happen in the future, the export subsidy plan is very much alive today.

UNIFIED PROGRAM TO ATTACK COTTON PROBLEM OUTLINED

Let us resolve to attack the cotton problem with this unified program:

First, by continuing the loan as a protection for the farmer's price of cotton.

Second, continuation of benefit payments to build and protect both incomes and soil resources.

Third, increased efforts to expand domestic consumption.

Fourth, maintenance of our fair share of the world market—now, by the necessary export-subsidy program; as soon as possible,

and for the long run, by an international agreement on cotton and by the reciprocal trade-agreements program.

Fifth, attainment of a more nearly fair and equitable division of the national income with farmers through a processing tax, or its equivalent, to serve as a continuing source of revenue.

If anyone should entertain the least doubt that farmers greatly need and overwhelmingly deserve an increase in their income, let him consider these national figures: Agriculture today has approximately 24 percent of the total population and 30 percent of all children, but only about 11 percent of the national income.

I challenge all those who criticize our unified program, which is based on the past 6 years of experience, to produce a plan that will do the job as well and at less cost. This unified program will no doubt be adjusted from time to time. When the surplus is whittled down again to 7,000,000 bales, when we have had an international conference to share the market, when other nations have begun to live and trade in peace, we shall have changes in our program. We may not then need an export subsidy. But as Secretary of Agriculture, I would be derelict in my duty if I let a year of such low cotton exports pass without doing everything possible to raise exports to a minimum of 6,000,000 bales or without striving to protect and increase the income of farmers at a minimum cost to the Treasury. That means an export-subsidy program for cotton, just as soon as such a program can be placed in effect.

This program is in conformity with the total national farm program for a unified American agriculture. The cotton problem is a national problem. Only by solving it can we make sure that the South, which has too long taken the short end, gains its proper share of our national income. Only by solving it can we keep American agriculture as a whole on the road to its well-deserved gains.

I believe we can solve it if the farmers have their way, and they will have their way if the facts are known.

Memorial Day—Its Historical Origin

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

STATEMENT BY MRS. JOHN A. LOGAN RELATING TO THE HISTORICAL ORIGIN OF MEMORIAL DAY

Mr. SMITH of Washington. Mr. Speaker, in an address delivered by me yesterday, May 30, 1939, at the Memorial Day services held at the National Cemetery, located at the United States Soldiers' Home, Washington, D. C., under the auspices of the United Spanish War Veterans, Department of the District of Columbia, I included a statement furnished by Mrs. Mary Logan Tucker and written by her mother, Mrs. John A. Logan, which sets forth the facts in relation to the historical origin and founding of Memorial Day. This is a matter of such interest and importance that I deem this statement to be worthy of preservation in our proceedings, for the information of all our citizens and specially the school children.

Said statement of Mrs. John A. Logan, wife of Gen. John A. Logan, commander in chief of the Grand Army of the Republic, is as follows:

General Logan had made an engagement for both himself and me to accompany Col. Charles L. Wilson, of Chicago, editor of the Journal of that city, to visit the battlefields of Virginia and the city of Richmond in March 1868. Colonel Wilson came on, accompanied by his niece, Miss Anna Wilson, and the young lady to whom he was engaged, a Miss Farrar, of Boston. However, it so happened that there were such important matters before Congress that General Logan could not go. The colonel, however, insisted I, with my two children, one daughter Dollie (now Mrs. Mary Logan Tucker) and baby son, John A. Logan Jr. (now deceased), should carry out the plan of our visit. We arrived in Richmond on a cold, bleak day in March to find the hotel in a very wretched condition. As it was so soon after the war, we were prepared to find evidences of the rebellion everywhere. The colonel had great difficulty in finding an equipage to drive over the battlefields around Richmond. He particularly wanted to go to Libby Prison and to inspect the fortifications that had afforded defense for the capital of the Confederacy for so many long months. I shall never forget the poor horses, the well-worn carriage, and the miserable-looking white man, accompanied by a boy about 13 years of age, who sat on the box. We had, fortunately, brought lap robes, cloaks, and warm robes, expecting the weather to be disagreeable. Driving about over the battlefield, we saw the colored people picking up the bullets and pieces of shell, which afforded them quite a livelihood immediately after the war. Foundrymen had established agencies around these fortified cities to buy up exploded shrapnel, shells, broken cannon, Minié balls, and every species of old iron that was so abundant on these battlefields. Driving about from place to place, we were greatly interested and realized more than we ever could have, had we not visited the city immediately after the war, the horrors through which the people of the Confederacy had passed. I remember hearing the poor little boy, who was so thinly clad that he had little to protect him from the inclemency of the weather, call out to the driver, "Well, it isn't so miserably hot today, is it?" At the same time his teeth were chattering in his head with the cold from which he was suffering. We were not long in finding that we could do without one of the lap robes, which we insisted that the poor child should wrap around his shivering body.

During the trip we visited churchyards and cemeteries at Richmond, Petersburg, and other points made historic by the struggle which had taken place in and around these cities. In the churchyard near Petersburg we saw hundreds of the graves of Confederate soldiers. These graves had upon them small bleached Confederate flags and faded flowers and wreaths that had been laid upon them by loving hands on the occasion of their Decoration Day.

Upon our return General Logan was much interested in our account of what we had seen, and I remarked to him that I had never been so touched as I was by seeing those little flags and the withered flowers that had laid on the graves. At this General Logan said that it was a beautiful revival of the custom of the ancients in thus preserving the memory of the dead, and that he, as commander in chief of the Grand Army of the Republic, would issue an order for the decoration of the graves of Union soldiers. Colonel Wilson, heartily approving the plan, said that he would be glad to exploit it in his paper in Chicago. General Logan sent for General Chipman, then adjutant general of the Grand Army of the Republic, and dictated Order No. 11 for the first decoration of the graves of Union soldiers that ever took place in the United States, as follows:

HEADQUARTERS GRAND ARMY OF THE REPUBLIC,
Washington, D. C., May 5, 1868.

GENERAL ORDERS NO. 11

I. The 30th day of May 1868 is designated for the purpose of strewing with flowers or otherwise decorating the graves of comrades who died in defense of their country during the late rebellion and whose bodies now lie in almost every city, village, and hamlet churchyard in the land. In this observance no form or ceremony is prescribed, but posts and comrades will in their own way arrange such fitting services and testimonials of respect as circumstances may permit.

We are organized, comrades, as our regulations tell us, for the purpose among other things, "of preserving and strengthening those kind and fraternal feelings which have bound together the soldiers, sailors, and marines, who united to suppress the late rebellion." What can aid more to assure this result than by cherishing tenderly the memory of our heroic dead who made their breasts a barricade between our country and its foes? Their soldier lives were the reveille of freedom to a race in chains, and their death tattoo of rebellious tyranny in arms. We should guard their graves with sacred vigilance. All that the consecrated wealth and taste of the Nation can add to their adornment and security is but a fitting tribute to the memory of her slain defenders. Let no wanton foot tread rudely on such hallowed grounds. Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no vandalism of avarice or neglect, no ravages of time, testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided Republic.

If other eyes grow dull and other hands slack, and other hearts cold in the solemn trust, ours shall keep it well as long as the light and warmth of life remain in us.

Let us, then, at the time appointed, gather around their sacred remains, and garland the passionless mounds above them with choicest flowers of springtime; let us raise above them the dear old flag they saved from dishonor; let us in this solemn presence renew our pledges to aid and assist those whom they have left among us a sacred charge upon the Nation's gratitude—the soldier's and sailor's widow and orphan.

II. It is the purpose of the commander in chief to inaugurate this observance with the hope that it will be kept up from year to year, while a survivor of the war remains to honor the memory of his departed comrades. He earnestly desires the public press to call attention to this order and lend its friendly aid in bringing it to the notice of comrades in all parts of the country in time for simultaneous compliance therewith.

III. Department commanders will use every effort to make this order effective.

By command of:

JOHN A. LOGAN, *Commander in Chief.*

N. P. CHIPMAN, *Adjutant General.*

After much discussion and investigation as to the time of the year when flowers would be in their greatest perfection in the different sections of the country, it was decided that May 30 would probably be the most appropriate time when this ceremony should take place. General Logan's anticipations were fully realized by the universal observance of the day in every State in the Union.

The Townsend Bill

EXTENSION OF REMARKS
OF
HON. OSCAR YOUNGDAHL
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

TELEGRAM FROM TOWNSEND CLUBS OF HENNEPIN COUNTY, MINN.

Mr. YOUNGDAHL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram received by me this morning:

MAY 30, 1939.

HON. OSCAR YOUNGDAHL,
House of Representatives, Washington, D. C.:

The affiliated Townsend clubs of Hennepin County, representing 10,000 members, request that this telegram be read on the floor of the House on Wednesday. We urgently request that every Representative of Minnesota vote favorably on H. R. 6466, the new Townsend bill, when it comes on the floor of the House.

Alfred J. Barnett, president, Club 119; Ira H. Ross, president, Club 120; J. C. Dorchester, president, Club 53; C. A. Broberg, president, Club 124; Frank A. Carlson, president, Club 118; F. Johnson, president, Club 127; M. E. Drake, president, Club 99; William Baumgartner, president, Club 121; Barnard Wyrzykowski, president, Club 125; A. B. Cuffel, president, Club 1, Robbinsdale.

Memorial Day Address

EXTENSION OF REMARKS
OF
HON. WILLIAM B. BARRY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

ADDRESS BY LOUIS ORGELFINGER

Mr. BARRY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by former Chief Deputy Register Louis Orgelfinger at the Memorial Day exercises of the Queens County Memorial Day Association, United Organizations of Queens County, at Baisley Park, Jamaica, N. Y., and at the Memorial Day exercises of the S. F. Du Pont Camp, No. 168, Sons of the Union Veterans of the Civil War, Department of New York, at their post plot in Lutheran Cemetery, Middle Village, Queens County, N. Y.:

Today our thoughts go back through the space of time to another day in the year 1861, when, on April 12, South Carolina opened the Civil War by firing on Fort Sumter. That marked the beginning of a war that lasted 4 years to decide whether a nation could live half slave and half free.

It is unnecessary to recount at this time the details of that bloody conflict, when fathers fought against their sons and brothers against their brothers.

That was 78 years ago, and there still lives among us the last vestige of that thinning line of veterans who wore either the blue or the gray, who fought for a cause they thought was right.

To them the Battle of Bull Run, the capture of Fort Donelson, the Battle of Shiloh, the capture of New Orleans, Antietam, the Battle of Fredericksburg, the Battle of Chancellorsville, the Battle of Gettysburg, which marked the high-water mark of the Confederacy, the siege of Vicksburg, the Battle of Chickamauga, the Battle of the Wilderness, Sheridan's ride from Winchester, the fall of Richmond, and finally Appomattox Court House, which brought to a close the Civil War, is no legend—these memories are still a stark reality, which, although mellowed by time, shall remain a living memory as long as life shall last.

The war took its toll in lives and money, for history tells us there were 2,666,999 Federal troops engaged, with casualties numbering 359,528.

One hundred ten thousand and seventy men were killed in action or died of wounds and 249,458 died from disease, accident, or other causes. Enrolled in the Confederate Armies were about 500,000 men. Their entire loss in killed and wounded was less than 100,000.

Today we again commemorate, not celebrate, Decoration Day.

This beautiful and reverent custom was first expressed by some southern women in Columbus, Miss., soon after the beginning of the Civil War.

On an April morning in 1863, having finished decorating the graves of her two sons, an elderly lady walked down a path in a southern cemetery, her arms filled with lilacs and roses, white and red, to place her offering upon two unmarked graves. She was told by those of her companions that these are "Yankee graves." "Hush," said the mother, "you are wrong; they are nameless graves where two soldiers lie buried. But somewhere in the North, in some city or little village, or perhaps in some lonely farm house, a mother or young wife holds them as dear as you and I loved our boys whose graves we have just decorated."

She turned back to the unmarked graves, stooped down, and gently placed her flowers, with a prayer upon her lips, for those Union soldiers whose final resting place was an unmarked grave far from home and the ones they loved. Thus, tenderly, she spread her flowers for the two heroes.

With tears in her eyes, but with her head held high, she proudly faced her companions who had silently gathered about her.

She pointed to the graves of the two Union soldiers and then to the graves of her two sons and said, "Let us express our love and devotion for them all. They are dead, our heroes of the South. They are dead, these two Union soldiers of the North, lying here in our churchyard in nameless graves. So here are our lilacs and roses, white and red, for both alike."

As nature covers over the scars of battle and decorates the fields with her living green, so the strewing of flowers on the graves of our soldiers has been an affectionate tribute for the men of the Civil War.

But, today, we remember not only the soldiers of the Civil War, for in 1899 the veterans of the Spanish War began decorating the graves of their comrades.

In May 1919 the men who died on the fields of Flanders, were paid the tribute of the soldier dead. Peasant women and children of France, living near the battlefields, gathered flowers to lay on the graves of American soldiers who died overseas.

"We do this," they explained simply, "not as strangers, but for the mothers who are far away."

Likewise, roses, red and white, and poppies that grew in Flanders fields, served to carry on the beautiful tradition started by those southern women in the little churchyard in Columbus, Miss.

In doing this we exalt our patriotism and rededicate ourselves anew to the Nation for which they gave their last great measure of devotion.

In the years that have passed since this first became the custom many changes have come about not only in our own country but all over the world.

In reverent attitude, then, we approach the task of honoring America's war dead with the same feeling of love and pride that actuated those women in Columbus, Miss., on that spring morning more than 76 years ago. Our hearts still beat with the same feeling of patrotism for those who gave their all that you and I might be privileged to live in the greatest free nation on the face of the earth.

It seems that in other days, prior to August 1, 1914, that day which tore asunder the civilization of 2,000 years, people laid greater stress upon their obligations to their country and their duties as good citizens.

With so many problems pressing for solution—economic, social, and spiritual—this day will be used to press the claims and personal ambitions of men.

Little will be said in many instances about the true significance of the day; a fleeting reference will be made to the soldiers and sailors who died upon the altar of war. But this is neither the time nor the place for such discussion.

Primarily this day was set apart to commemorate and decorate the graves of our war dead. Let us then approach our part in this memorial program, devoid of all extraneous philosophies, and rededicate ourselves to the cause of liberty and patriotic service, linking the present with the past, setting aside this day to honor our departed comrades not only of the Civil War but all who wore the uniform of our country from the days of Valley Forge to the Argonne.

Gen. John A. Logan, commander of the Grand Army of the Republic, in May 1868 issued the now immortal order setting aside May 30 of each year for the purpose of decorating the graves of the soldiers of the Civil War. In this order he expressed the hope that "no vandalism of avarice or neglect, no ravages of time, testify to the present or to the coming generations that we have forgotten as a people the cost of a free and individual Republic."

The passing of time has broadened the original concept of this ceremony until today we include within the scope of our reverence all men who have served under the colors of our country.

Our liberty was not bought in the market place; it was purchased with the blood of patriots.

Let us draw back the curtain of time and for a brief moment live again in memory with General Washington and his Continental soldiers. Let us march with those brave men and live again with them through the harrowing months at Valley Forge. With an abiding faith in their God, and a supreme confidence in their leader, they trudged through the snows of that bleak and desolate

winter when their bleeding feet left footprints in the snows as a decoy for the British whom they opposed in their fight for American independence.

Less courageous men would have given up the struggle; only hearts of steel and the vision of an American independence sustained these Continental soldiers in their fight, with starvation stalking its grim spectre among the ranks of a sorely harassed Army, many of whom were without sufficient clothing to keep them warm.

Undaunted, determined to carry on, these brave Continentals left behind them their homes, their families, and their friends, without thought of glory or reward save the reward of serving their country in the hour of need.

God, in His infinite mercy, placed the laurel wreath of victory upon their banners and blessed their cause with victory out of which was born a free and independent America.

Soldiers of the Continental Army, we salute you.

Again, in 1812, this Nation found itself facing Great Britain in another war upon the high seas. Again men of America rallied to the call, leaving all behind them to serve their country. They consolidated the perpetuation of our freedom as a Nation won only 36 years before. Men of the War of 1812, we salute you, too.

In 1847 our men went to Mexico to uphold our freedom and carried the Stars and Stripes into a foreign field. As in other wars many of these men never came back and for their contribution to a growing America we pay them homage on this Decoration Day.

Then came the terrible struggle from 1861 to 1865—when this Nation was torn asunder in the throes of a great civil war.

After 4 years of this momentous struggle, when the very foundations of our liberties were at stake and all but disappeared, there came peace and the Union was preserved—bound together with the inseparable ties of sacrifice made upon the battlefields of that great war. Out of this came the dawn of the first Decoration Day.

General Grant said, "Let us have peace," and this sentiment was echoed throughout the North and the South and a war-weary people prayed that it might be so.

But in 1898 this country again found itself embroiled in the Spanish-American War. Cuba and the Philippines were the theaters of war, and again on foreign soil our soldiers and sailors were fighting to lift the yoke of an oppressor from the backs of a weaker people. Soldiers of America wallowed through the fever-infested swamps and died a thousand deaths without complaint and without recompense save the melancholy glory of a hero's grave. Soldiers of the Spanish-American War, we salute you.

Upon the brow of Arlington's hills, just across from the great Memorial Bridge, in the shadow of our Nation's Capitol, stands a shaft of granite as white as the driven snow. Inscribed on this monument are the immortal words, "Here lies in honored glory an American soldier known but to God."

Here, too, lies buried all that remains mortal of America's unknown soldier who typifies the hero dead of the World War who sailed from these shores in 1917–18 amid the acclaim of a cheering multitude moved by the emotions of war. Today, in Flanders fields where poppies grow, between the crosses row on row, lie America's war dead, far from home and the ones they loved. Theirs, too, is the doubtful glory that comes of war and its devastating influence.

There, too, lies buried the hopes and aspirations of every mother in America who flew a service flag adorned by a star of gold, and there is no mother or wife living in America today who gave her loved one to her country who has not the right to believe that it is her hero who sleeps on the brow of Arlington's hills in honored glory and immortal slumber.

Let us fervently pray that never again will the mothers of America be called upon to bury their unknown soldier.

Peace is the theme of this Decoration Day echoed and reechoed throughout America. North, South, East, and West, Americans all, mindful of the terrible sacrifices paid upon the altar of war, are resolved that this must be the abiding desire of all our people.

The futility of war has been demonstrated again and again. Much of the map of the world has been changed since the signing of the armistice in November 1918. Kingdoms have crumbled, proud dynasties have vanished, dictatorships and totalitarian states have been set up, whole nations have been relegated into the bonds of vassals, religion has been banished from countries that once boasted of their grand cathedrals which reared their majestic spires into the skies.

Forty million men are under arms in Europe at this present moment waiting for the command to war again; is it any wonder that the people of America cry out, "Let us have peace"?

Our entrance into the World War was a costly experience in the lives of young Americans which can never be compensated for. In money the cost was about $13,000,000,000, in heartaches and misery to an extent beyond calculation.

To those who have died for our country we pledge ourselves on this Decoration Day to rededicate ourselves to the principles of peace; should we do less, then those who died have died in vain.

God in His infinite goodness has not forgotten the grave of a single American soldier wherever he may be buried; forgotten thought he may be by men, far from home and loved ones, the bountiful hand of nature in the beauty of springtime redecorates that grave with grass and wild flowers and perhaps a forget-me-not seed, blown by the gentle breezes of spring, found lodgment upon the grave of this hero and grew to a flowering blossom as a token of divine love.

In the eventide when the sun spreads its last rays in the western sky, and the first stars of night appear in the heavens, the nightingale will sing its song of requiem, and they shall sleep undisturbed under the blue canopy of heaven in immortal slumber, our soldier dead.

The snows of winter shall make a covering of white for their earthly beds and each recurring springtime will spread its benign verdure over their graves—such is the challenge of nature—can we do less?

No sorrow then, no funeral dirge,
To guide them on their way,
When they answer that last bugle call
On Resurrection Day.

All then shall be forgot,
All tears then wiped away,
When they answer that last bugle call
On Resurrection Day.

Battleground National Cemetery Memorial Day Address, Fort Stevens, Washington, D. C., May 30, 1939

EXTENSION OF REMARKS

OF

HON. GEORGE A. DONDERO

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

ADDRESS BY HON. GEORGE A. DONDERO, OF MICHIGAN, MAY 30, 1939

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein a copy of my memorial address delivered at Battleground National Cemetery, Fort Stevens, District of Columbia, on yesterday.

The address is as follows:

It is springtime. The fragrance and beauty of flowers fill the land. The flag is at half mast. The loom is hushed and the wheels of industry stand still. It is Memorial Day; a day on which to rekindle the fires of patriotism and love for the land we call home. It is a day of memories.

With heads bowed reverently and respectfully, Americans gather today on the hillsides, in the valleys, and on the plains to honor the Nation's dead. A grateful people pause to perpetuate the memory and recall the unselfish devotion and sacrifice of those who died that the Nation might live.

These dead, in memory of whom we are gathered, are sacred to us. They will remain sacred as long as each succeeding generation honors the supreme virtue of manhood.

These honored dead were patriots; and we today are inspired and ennobled by the memory of their deeds. Their dust remains an inspiration to their countrymen. Yonder on the inspiring dome of the Nation's Capitol, kissed by the sun of day and watched by the stars at night, floats the unconquered flag of the country they preserved for us.

The place whereon we stand is sacred ground. It has been well said that as Gettysburg was the crucial point of the Confederate penetration in to the Federal section, Fort Stevens was the crucial point of defense against the Confederate threat of the capture of the seat of the Federal Government. Its significance is not surpassed by any struggle during the entire war, for, had the Confederates captured Washington they would undoubtedly have been recognized by foreign powers desirous of seeing the Nation divided.

At the outbreak of the Civil War, Washington was well-nigh defenseless. There had seemed little need for fortification. Was not the Capital surrounded by patriots who would shed their last drop of blood in her defense? It was not foreseen that those on both sides possessed the same indomitable courage, the same sterling qualities—they were both Americans.

As the threat to Washington grew, however, the need of defense was realized. In 1861 a fort was built on the Seventh Street Pike—Brightwood Avenue—at a point 5 miles north of the Capital, and named Fort Massachusetts by the troops who built it. Discovered to be inadequate for its vital purpose, it was enlarged in 1862 and 1863, and its name changed to Fort Stevens in honor of Brig. Gen. Isaac Ingalls Stevens, who had just lost his life in the Battle of Chantilly, Va. When his men faltered under the fire of the enemy, General Stevens had rushed forward, seized the colors from the wounded bearer, and, calling on his troops to follow him, led them in the charge which forced the enemy to retreat. The victory won, he fell, his brain pierced by a bullet, the flag of his country still grasped in his dying hand. It was an heroic act to which was dedicated the new fort, an act to which this fort added fame.

The early days of July 1864 witnessed a race for the Capital. General Early, having defeated Gen. Lew Wallace, at the Battle of Monocacy, continued his march on Washington. General Grant, whose troops were concentrated at Petersburg and preparing for a siege of Richmond, sent the Sixth Army Corps, under Gen. Horatio Wright, back to the defense of the Capital.

"What a picture!" exclaims William V. Cox in writing of that dramatic moment. "Early, with his fighting legion, advancing on the Capital from the north while fleets bearing the veterans of the Sixth and Nineteenth Army Corps were on their way from the James and the Gulf of Mexico to save the Capital they loved so well. North and South looked on with bated breath and wondered which, in this race of armies, would reach Washington first."

However, as Early and the Confederates advanced upon Fort Stevens, beyond which loomed the majestic dome of the Capitol, they found that the Sixth Army Corps was there before them.

President Lincoln himself stood on a parapet, oblivious to his own safety and despite entreaties that he come down, as the valiant struggle ensued. An Army surgeon fell by his side, the victim of a sharpshooter's deadly aim. Finally General Wright is said to have exclaimed in despair:

"Mr. President, I know you are Commander in Chief of the Armies of the United States, but I am in command here and you are not safe where you are standing. As I am responsible for your personal safety, I order you to come down."

Lincoln, it is said, smiled indulgently and came down; but even then he persisted in standing up, and he loomed above the parapet.

Fort Stevens stands today, a mute but eloquent reminder of the heroic struggle which saved the Nation's Capital, and of the undaunted and inspiring courage of the President who spared himself no danger that the Nation might endure.

Historians pay little heed to this campaign and the battle here at Fort Stevens. It is but briefly mentioned in the mighty maneuvers of 1864, but it held the Nation breathless and the fate of the Nation was at stake in its outcome. Out of it came two events which are unique in the history of our country. First, Abraham Lincoln, a President of the United States in office, was under fire of the enemy. Second, it is the only engagement ever fought in the District of Columbia. Lee deemed the failure of General Early to capture Washington of such magnitude that he urged information of it be kept from the southern people lest their morale be weakened. Here occurred the last aggressive attempt on a large scale by General Lee to break the ring of steel that Grant was forging about the Confederate Army near Richmond. It was the last stroke of a master.

In the years since that time, we have healed the wounds of that war, "with malice toward none, with charity for all." We have sought that strength which comes with unity, that peace which comes with justice, that the American people might go forward together under one flag, inspired by one great tradition, united in one great mission, seeking one destiny for all.

The American ideal of freedom, justice, and liberty for all was bought by blood. It has been preserved by devotion. The true significance of Memorial Day is to remind us of the ideals for which these honored dead gave their lives, for the living to rededicate themselves to these ideals so dearly purchased and preserved, and to renew their determination that those who made the supreme sacrifice for those ideals shall not have died in vain.

The first official Memorial Day was May 30, 1868. According to John Clagett Proctor, the historian, Gen. John A. Logan, who issued the order for the commemoration ceremony, gained his inspiration from a trip through the South with his daughter. There he saw that upon "hundreds of graves of Confederate soldiers * * * small, bleached, Confederate flags, faded flowers and wreaths * * * had been laid * * * by loving hands on the occasion of their Memorial Day."

"If other eyes grow dull and other hands slack and other hearts cold in the solemn trust," declared General Logan in his order, "ours shall keep it well as long as the light and warmth of life remain in us."

What was once performed by military decree has become a national rite, a symbol of the rededication of the living to the sacred ideals passed on to them by the dead.

To every generation of Americans is given the task of carrying forward the torch, of passing on to each succeeding generation the undefiled heritage of the American tradition, a tradition based upon the highest conception of mankind that the world has ever known.

When Jefferson penned the Declaration of Independence, he included in that sacred document the principle that men are endowed with certain inalienable rights—life, liberty, and the pursuit of happiness. These rights are not granted by man. We are endowed with them at birth by the Great Creator. In order to guarantee the freedom to exercise these rights for themselves and their posterity, our ancestors wove this conception into the fabric of our Government.

Our fathers, in offering all they could give in the great War between the States, were ready to yield life freely that those principles might be preserved. We who live in this day and generation, we who have inherited the country which our ancestors by their sacrifice so nobly won, do not, perhaps, fully appreciate the sacred heritage we have received. There is today all too much of a tendency on the part of some to forget that which was so nobly achieved and preserved for us, and to take up the false, alien philosophies, the rampant "isms," the mistaken benefits which are being urged upon us. Foreign notions of government, utterly opposed to every principle and every ideal for which our fathers fought and bled and died, are being propagated among us.

Let us pray that this Republic will never forget the sacrifice and devotion of those who offered their last great measure of devotion to preserve intact every principle and ideal of right and justice embodied in the Declaration of Independence and the Constitution of the United States. If that time should ever come in this land when we no longer remember what the men who have followed the flag have done for us, in that day the Republic will no longer deserve preservation. Our form of government, with whatever faults it may have, stands out as the last and best hope of man—freedom to rule himself.

The Government, through Congress, makes laws to rule the people, but the people made the Constitution of the United States to govern their Government. Therefore, any assault on the fundamental law of the land is a direct attack on the rights of the people themselves. Rights which have been baptized in the blood of the Nation's soldiers.

The fathers who founded this Government understood so clearly the full meaning of our great triumph of independence, and knew so well the long struggle of those who had fought for liberty that they were unwilling to commit the full measure of their blood-bought rights into the keeping of any man. So when they formed the Union, before they entrusted any power to any man, they first set down in a written Constitution, beyond the profane touch of any official hand, those fundamental rights which neither Congress nor the President could alter or abridge; and for further assurance they established the judicial power to lay the restraining hand upon Congress and to make of no effect any act which ran counter to the Constitution. Thus was the light of liberty set upon a hill and so far its blessed rays have spread over the earth since that day that the oppressed of all the world have sought our shores.

Under our form of government every citizen is a sovereign and no one cares to wear a crown. We have accomplished what we have because we are what we are. Without these honored dead, it would not be so. America is not a creed, not a dream, but a breathing actuality with a magnificent past and, we hope, with a great future.

Who is an American? He who looks with pride upon the history which his fathers have written by their heroic deeds, who accepts with gratitude the inheritance which they have bequeathed to him, and who highly resolves to preserve that inheritance unimpaired and pass it on to his descendents enlarged and enriched, is a true American, be his birth or parentage what it may.

We must not fail to be true to those who died that they might pass this heritage on to future ages. We must not fail to defend to the last the ideals for which they gave their last full measure of devotion.

But we must remember that war means destruction. We know that the next war will be incalculably more ghastly, more horrible, more devastating than the last; that man has created new instruments for his own destruction by which death will stalk, not only on the battlefields, but will be hurled down from the skies upon thousands of innocent men, women, and children; upon the helpless young, crippled, and aged.

We know that another war will shake the very foundations of civilization itself. It will leave us exhausted and destitute morally, physically, and financially; and in the havoc that will ensue when it is over, so desperate will be the plight of the people that no democracy, no liberties will survive.

In the face of all this, the civilized peoples of the world shudder at the threat of another war. As the rumblings in Europe threaten to break out into armed conflict at any moment, as Europe arms to the teeth, as alarmists in this country tell us that we could not hope to keep out of a foreign war, and attempt to stir up the emotions of our people in the embroilments of Europe, American hearts unite in a prayer for peace.

If these noble dead could speak to us this day, their message would be one of peace and good will among men as taught by the Man of Galilee 2,000 years ago.

There is no peace under oppression. There is no progress under injustice. There is no way to the realization of man's aspirations to become "a little lower than the angels" along the pathway of fear and compulsion.

From the hour when our forefathers fell at Lexington to the hour when their posterity fell in the fields of France, none of our noble dead have fallen because they loved war. They have fallen because they were ready to give their last measure of devotion to the cause of peace and progress for the human family. They fought and fell, not for us alone. They shed their blood and gave up their lives on earth that this Nation might stand as a beacon light of hope to the oppressed, the downtrodden, the war-ridden, and poverty-stricken of all the world. It was, I say, to attain peace—a peace through justice and good will, a peace to be achieved through the exercise of the inherent rights of man—that our dead so nobly sacrificed themselves. Therefore, war is not the maintenance of the principles and the ideals for which they died. War is a betrayal of those principles and those ideals, and is a betrayal of those noble dead.

The American people do not want to become involved in another war should a general conflict break out in Europe. They do not want to send their loved ones overseas in another tragic

attempt to make the world safe for democracy, for they have learned that they cannot dictate the governments of other peoples without undertaking to police the world. And they are not willing to do so, for they know that this would lead to war.

In this country, more than any country on the globe, do we know that the path of peace is the only path to progress and prosperity. Although we have not yet banned the heinous crime of war, we have learned that war settles nothing, that it is not the solution to our problems. More and more we are becoming determined to seek their solution in the way of peace, mutual tolerance, and good will among men.

America, blessed among the nations of the earth, rich in material resources and in spiritual heritage, can and must take the lead in the promotion of world peace. But we must first seek the preservation of peace and the American ideals at home. A government like ours is the best example in the world as a force for peace and justice. We have no greater security against war than the Constitution of the United States, and we will act wisely in this country if we remember this before we malign the magna carta of our liberties. The underlying idea of our Government does not need change, for the truth is always unchanging and eternal. This was so when the morning stars sang together, and will be so when time shall be no more. Ours is the task of preserving these truths in a changing world.

We must seek no less to promote these truths in the family of nations. But we cannot promote world peace and understanding by hurling harsh words, by arousing the passions of hatred and intolerance against the peoples of other nations. Rather we must seek the solution of world problems by the instruments of peace, by the promotion of cooperation and good will among men.

Only thus can we hasten the arrival of the time—

"When the war drums throb no longer,
And the battle flags are furled,
In the Parliament of man,
The Federation of the world."

Only thus can we achieve the victory of peace, which is the realization of the destiny of mankind.

In the struggle to preserve for posterity the constitutional system under which we have so long prospered, may the historian of the future who records the part we play in that contest be able to set down opposite our names, "They also kept the faith."

"God of our fathers, known of old,
Lord of our far-flung battle line,
Beneath whose awful hand we hold
Dominion over palm and pine—
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!"

A Would-Be Czar

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

STATEMENT BY HON. SAMUEL B. PETTENGILL

Mr. HOFFMAN. Mr. Speaker, many times on the floor of this House and elsewhere attention has been called by me to the purpose and the methods of John L. Lewis. On this occasion I will not again repeat what I have so often said, but will give to you the same idea, the same thought, expressed in the language of a man who served capably and patriotically in Congress, who retired voluntarily, and who has in this news release so clearly and concisely described the condition which now confronts us on the labor front, that this statement of the Honorable Samuel B. Pettengill should be preserved in the RECORD:

A PLAGUE ON BOTH YOUR HOUSES

There is a big story behind those soft-coal negotiations. It will cast a long shadow into the 1940 campaign.

It is a sheer, naked struggle for power. Wage scales were not involved, nor hours, nor working conditions. It was an effort by John L. Lewis, of the United Mine Workers and the C. I. O., to acquire almost absolute control over a great natural resource. In so doing he would acquire a secondary, but scarcely less important, control over all industries dependent upon coal.

Mr. Lewis, as head of the United Mine Workers, wants to become the sole bargaining agent for the entire soft-coal industry in the country. He wants every coal miner to be compelled to pay dues to the U. M. W. In a word, he wants to crush any mine workers' opposition to him.

It is therefore a struggle for power between him, on the one hand, and the Progressive Mine Workers and all unions allied with the American Federation of Labor, on the other.

This opposition began years ago in Illinois where Lewis started his rise in the coal world. It is now spreading to West Virginia, Alabama, and Pennsylvania. Mr. Lewis wants to be dictator of coal. If he were to win, it would, of course, freeze out the Progressive Mine Workers and all other unions unwilling to place their fate in Mr. Lewis' hands.

The present struggle is also a challenge by Mr. Lewis against the principles of the National Labor Relations Act, which is recognized as his child. He does not want any other mine workers' organization as the negotiator for its own members.

Mr. Lewis is not anxious for a free election, at least in many mine fields, to determine the free choice of the workers in those fields. He has the unhappy premonition that if such elections were held, rival unions would obtain a majority of the votes. These unions have petitions pending for elections to test their strength. The Labor Board has been sidestepping these election petitions. If Lewis can force his agreement on the industry, good-bye, elections, and farewell, rivals.

Mr. Lewis is therefore fighting perhaps the most important battle of his long career. It is a fight for life. A closed-shop agreement with the operators means that he will be able to freeze out the rival unions because only members of the U. M. W. will be able to find employment in organized coal fields.

This has presented Mr. Roosevelt with one of the hottest potatoes he has ever had to handle. Mr. Lewis and the U. M. W. contributed or lent to the Democratic national campaign in 1932 some $600,000; more of the sinews of political war than was contributed by any other group.

There are insistent rumors in Washington that Mr. Roosevelt has practically abandoned his business-appeasement program, if ever seriously entertained, and is again contemplating a further determined movement to the left. If so, he can scarcely afford to offend Mr. Lewis, who is important not only in coal but in the automobile and many other important industries.

On the other hand, to put administration pressure upon the operators to force them to yield to Mr. Lewis will mean a definite breach not only with the Progressive Mine Workers but with William Green and the American Federation of Labor. That will put the fat in the fire!

Could Mr. Roosevelt, as candidate for reelection to a third term either on the Democratic or third-party ticket, hope to win without the united support of labor which he substantially had in his two previous campaigns?

Moreover, it presents the administration with the question whether it wants to give its backing to a practical abandonment of a basic principle of the National Labor Relations Act, which is, that workers have the right, by majority vote, to choose their own bargaining agents. In this case, there are scores of thousands of mine workers who do not want Mr. Lewis as their bargaining agent. It is like an Illinois constituency being represented in Congress by a Pennsylvania Congressman.

This controversy, which heretofore has been widely accepted by the public as "just another strike" has the makings of big politics. It will require all of the finesse Mr. Roosevelt has, and perhaps more, to solve this riddle. No doubt Mr. Roosevelt has said to himself many times in the last few days, "a plague on both your houses." If he does not support Lewis there is open warfare with one of his largest blocs of support. On the other hand, Mr. Roosevelt knows his politics. He no doubt read the election returns last November and realizes that the mine workers, the C. I. O., and Mr. Lewis together could not elect even a Senator or Governor in the single State of Pennsylvania. If ever American politics gave birth to a thorny porcupine, this is it!

But beyond politics is emerging the big issue of whether men shall be forced to join a union against their will in order to have the right to work. It is labor democracy or labor autocracy.

Shipbuilding Facilities on the Pacific Coast

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

JOINT RESOLUTION OF THE SENATE OF THE STATE OF CALIFORNIA

Mr. WELCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Joint Resolution No. 5 of the Senate of the State of California:

Senate Joint Resolution 5, relative to shipbuilding facilities on the Pacific Coast

Whereas the development of a merchant marine is requisite to the furtherance of the commercial prosperity of the Nation; and

Whereas provision for an adequate marchant-marine fleet is an indispensable part of a program for the national defense; and

Whereas the immediate development of a merchant-marine fleet commensurate with the defensive and commercial needs of the Nation is a matter of great concern to the people of California; and

Whereas the development of a merchant-marine fleet capable of serving the needs of the coast area is dependent upon the existence on the Pacific coast of adequate shipbuilding facilities; and

Whereas the Maritime Commission has recently recognized the exigent need for adequate shipbuilding facilities on the Pacific coast and has awarded to a Pacific coast firm a contract for the building of two freighters: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the President of the United States be memorialized to include in the Federal Budget for the ensuing year provision for additional and increased development of shipbuilding facilities on the Pacific coast; and be it further

Resolved, That the Governor of the State of California is hereby requested to transmit a copy of this resolution to the President of the United States and to each Senator and Representative from California in the Congress of the United States.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 21, 1939

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the Honorable James A. Farley, Postmaster General of the United States, for Postal Day, Plaza of Nations, at the Golden Gate International Exposition, Treasure Island, San Francisco, Calif., on the 21st of May 1939.

The address is as follows:

Today, as we came across the magnificent San Francisco-Oakland Bay Bridge and had our first glimpse of Treasure Island, my eyes were attracted by the great Tower of the Sun, about which this magnificent exposition has been built. As we came closer and I was given a more intimate view of the tower, I saw gleaming at its top the phoenix, emblem of San Francisco, rising majestically from its bed of flames. How appropriate that thought and that theme for an exposition sponsored by the city of San Francisco and the surrounding communities of San Francisco Bay and northern California. It is unbelievable that 33 years ago San Francisco, the city which now rises so impressively above the bay and this delightful island, lay in ruins and in ashes. For the second time in its colorful existence it had met what seemed a disaster complete and overwhelming. But inspired by the hardy spirit of the pioneers, the men and women who trekked across the plains, over the Isthmus or around Cape Horn, to reach this land, and to whom disaster was but an invitation to greater, braver effort, the city, like the phoenix, rose again from its ashes more beautiful, more powerful, more enterprising than ever before.

In this exposition the Federal Government has played an intimate and important part. The funds which were necessary to create this man-made island from the depths of San Francisco Bay were, in the main, supplied by the Federal Government. The work itself was under the supervision of the Engineering Corps of the United States Army. Among the magnificent group of buildings which make up this exposition, the Federal building is one of the outstanding structures, giving added evidence of the interest of the United States Government in this glamorous project. In its mission of good will, its educational purposes, its interest, entertainment, and opportunities for intellectual advancement, the Federal Government is in profound sympathy and cooperation.

A little more than a month ago another magnificent exposition was dedicated on the eastern coast—the New York World's Fair. It was my good fortune to be present at that dedication. I said then—and it can do no harm to repeat it now—"It is my fervent hope that events like these will play a part in bringing about lasting peace and permanent good will." After leaving the New York fair, crossing the continent, and gazing upon this, the Golden Gate International Exposition, I can but repeat that thought more earnestly, more sincerely, and with greater confidence of its fulfillment.

No man should attempt to draw comparisons between these two great undertakings. They are not in any way competitive. Furthermore, it is a mistake to compare two things, each of which is perfect. Our two great American expositions are in sequence. In this Western Pageant of the Pacific is the story of the development of the "world of today." In the eastern exposition, reflected in the trylon and perisphere, is the story of the "world of tomorrow." In expression and design, they differ as widely as the distance between them; they express the vast range of American intellect and ingenuity, but in purpose they are one.

It is a little optimistic to expect that every American will be able to see both expositions, but I do hope that every American will see at least one, and will follow closely, through the radio, the press, and personal associations the features and attractions of the other. Standing on the two ocean frontiers of the United States, these two great expositions add one more strand to the tie that binds the East and the West. And not only do they tell the story of our own great country, but also, of all North and South America, of the countries of the Orient, of the islands of the Pacific, and of foreign countries throughout the world. They stand as monuments to the march of democracy.

As our democracy advances, despite criticism and complaints and the thunderous clash of war lords in other lands, our Government's interest in its people must continue to advance. It must become an even more important and intimate influence in our daily lives, if for no other reason than to preserve and perpetuate the welfare, freedom, and happiness of our people, who are the foundation of our democracy.

I speak as the head of the organization which is the most intimate governmental influence in our daily lives—the United States Post Office Department. Everybody transacts his own postal business. If a citizen goes to court, he must have a lawyer; if he has dealings with the customhouse he hires a broker, if he has business with the Internal Revenue Service, he gets someone to assist and to advise him. But if he has any postal troubles, he puts on his hat and goes to see his postmaster, and he transacts the business himself, or he gets on the telephone and does it that way. The Postal Service is everybody's friend. It is always welcome. It serves no writs; it collects no taxes; it imposes no burdens. Every door is open to its agents, and the messages of joy and sadness, good or ill, of happiness or despair, sway the lives of the Nation.

This intimate fellowship is typical of all this Government's relations with its public—an attitude sympathetic, helpful, and understanding; its people's welfare, protection, and contentment, its sole unwavering purpose.

In time of peace and prosperity it functions quietly and inconspicuously. But in times of trouble or catastrophe the people instinctively turn to their Government for comfort and assistance, and never has it failed them. In flood, in storm, in earthquake and fire, in the dire distress of the Dust Bowl, and in the midst of the terrific storms that sometimes sweep over us, the Government is the first refuge and most powerful aid.

In the rehabilitation of San Francisco after the disaster of 1906 the Government, particularly the Post Office, played a large part. Mail service was resumed in the stricken city after the second day, and from then on it was the most important element of rehabilitation. It brought together families widely separated; it brought money and food and clothing; it brought messages from the people of the city to friends and relatives elsewhere and put them again in communication with the outside world when all other means of communication had been disrupted.

It seems that when the postal service was first reestablished—to be exact, on April 20, 1906—the San Francisco post office accepted some of the most peculiar mail that has ever been carried. It was imperative that the people communicate with their frends outside the city. They had no stamps, no envelopes, no writing paper, and so they wrote messages on cloth, pieces of newspaper torn from margins and blank spaces, bits of wood, collars, cuffs, or anything else that would bear an address and carry a message. There were no stamps on these queer communications—none were to be had—but the record shows that these messages speedily reached their destinations and caused a flood of messages to return bearing words of good cheer and of hope. These returning messages found their way to ultimate delivery, although the greater part of the population had moved into refugee camps or into the homes of friends in outlying parts of the city or had migrated to other towns.

Until he has actually crossed from ocean to ocean and from Canada to the Gulf, no man can possibly realize the expansive distances that exist in this vast country, and the need for swift and efficient communication that these distances make imperative.

In the mail service, you have the highest development of that speed and efficiency.

As history reckons time, it was not long ago that a journey from the Atlantic to the Pacific coast was an adventure to be undertaken only by the most daring. Three thousand miles of wilderness lay between the East and the West, and the journey was one of many months and full of hardships. Now, one can step into a luxurious airplane leaving San Francisco tonight and be in Washington tomorrow. Regardless of the miles of distance, a place is no farther than it takes to get there, and modern transportation has brought San Francisco within hand clasp of the eastern shore.

This annihilation or elimination of distance is due to the startling development in transportation that the inventive genius of the United States has made possible; but behind this inventive genius has been the urge and inspiration of the United States mail, and to this urge and inspiration more than to any other

thing, is due the efficiency of our communication service today. The spirit of the early frontiersman was essentially one of adventure, but coupled with that spirit was the strange complex of the home instinct. He penetrated deep into the wilderness for adventure or for gold, but in his soul was always the urge to maintain the home ties and his hope of ultimate reunion. With this in mind, he took advantage of all opportunities and all means to keep in touch with his people and bring them to him at the first opportunity.

In supplying this demand for communication, the post office has pressed into its service all manner of devices, from the tin can thrown overboard in the South Seas to the latest flight of the China Clipper. Horses, dogs, runners, stagecoaches, railroads, ships, airplanes, all have contributed to this demand to advance the mail, and in turn, have been propelled to greater speed and efficiency because of this responsibility. No system of transportation is so small nor so distant that its service cannot be made available to the post office, nor is any service as alert as the post office in taking advantage of these opportunities. So it has come to pass that the Post Office Department, with its tradition of swift, safe, and dependable service has been the most powerful influence in developing and holding together the vast areas of the United States and in supplying a system of transportation, in all elements, the greatest in the world.

Here in California, a State of magnificent distances of its own, you are particularly blessed with all that transportation and communication have done for you. Besides serving the needs of your people, they have enabled you to unfold to the world the natural wonders of your wonderful State. You have thrills for every lover of the new and strange and beautiful in Nature. Does he seek mountains? You have them in the rugged snow-capped Sierras and the rolling contours of the Coast Range. Does he seek plains? You have them in the long reaches of the fertile valleys of the Sacramento and the San Joaquin. You have the highest and the lowest points of altitude in all the country. You have even a volcano. On your mountain peaks you have the cold of the Arctic. And the hottest place in all this land is in the blistering deserts of Death Valley, lying 400 feet below the level of the sea. You have the friendly waters of the Pacific singing its surf song along a thousand miles of coast line. You have a place in your climate and your altitudes for practically everything that grows. In vigor and productiveness you are young; yet your soil harbors the oldest of living things, the giant redwoods of the Sierras. And in contrast, we have here the newest thing of all—Treasure Island—the latest possession of the United States.

This exposition is not the only important reason for this man-made Treasure Island. From this spot, giant airplanes leave on their flights to the westward over the Pacific on a mission of trade and fellowship, and carrying the United States mail, which makes their flights possible. Just now, supplementing these flights from the western frontier, planes are flying to the eastward over the Atlantic from the eastern frontier. Soon they will bind Europe and the United States by a regular service, and this service will have as its greatest reliance, for revenue and support and public confidence, the transportation of the mail.

This exposition has been made possible by the energy, industry, and enthusiasm of the people of San Francisco, the bay area and the Western States. I compliment them upon their enterprise. To those whose personal efforts have brought this exposition into being, men who have given unsparingly of their time and energy and supervision, I extend my sincerest congratulations upon the magnificent success of their efforts. I compliment also the countries of South America, of the Orient, of the Pacific Isles, and elsewhere that have so generously contributed to the beauty, the interest, and the educational influence of this pageant of the Pacific.

I compliment the inspiring leadership so representative of San Francisco, which again exemplifies itself here, and I compliment and thank the United Postal Service organizations of San Francisco and the San Francisco Bay counties which, by their attendance and sponsorship of this day, have indicated their interest in the success of the exposition. Particularly do I thank them for their courtesy and consideration in inviting me as the speaker of this occasion and for permitting me to see and express to the best of my ability the glories and the delightful attractiveness of this great exposition on Treasure Island in San Francisco Bay.

Lloyd B. Maness

EXTENSION OF REMARKS
OF
HON. CARL T. DURHAM
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

Mr. DURHAM. Mr. Speaker, I am very grateful for the privilege and honor to pay brief tribute to Lloyd B. Maness for his heroic deed in the recent submarine disaster. This boy comes from the district of North Carolina which I represent here in this body. We mourn the dead, and let us not forget to honor those who gave their lives. There will be tears by father, mother, and friends for those who went down courageously and in line of duty. To father, mother, and friends may we extend our deepest and thoughtful sympathy. We here and elsewhere may dwell on this heroic deed as one true to discipline, true to loyalty, and one that will glorify a lifetime record coming from that sturdy pioneer stock which North Carolina is built of. This boy, Lloyd B. Maness, performed his duty as he saw it. No one ever responded to the inherent characteristics of courage and loyalty better than did he when it appeared that closing the door meant the end of life for his dearest friend. This longing for life is predicated on hope which will fulfill wishes, but what a firm conviction he had with reason when he stood on a moment's notice between life and death. His beloved comrades would say that no finer demonstration of duty could be offered could they speak. He was entirely honest with himself and with others without fear of reproach. Lloyd B. Maness has won for himself a place in the hearts of his countrymen by courageously meeting every responsibility of trust imposed upon him. He has left an indelible impression to loyalty and duty. The fact that he separated life and death with his heroic deed will speak for itself, but may we as Americans properly appreciate the performance and endeavor to emulate those qualities of American manhood so fully and completely exemplified by this boy in our service.

The Land of Make-Believe

EXTENSION OF REMARKS
OF
HON. J. WILLIAM DITTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

RADIO ADDRESS BY HON. J. WILLIAM DITTER, OF PENNSYLVANIA, MAY 27, 1939

Mr. DITTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address which I delivered over the Columbia Broadcasting System from station WCAU, Philadelphia, Pa., Saturday, May 27, 1939:

Daydreaming in a land of make-believe is the favorite pastime of childhood. A fairy prince waves a magic wand—stately castles are built of cloud and vapor, fantastic wealth is woven from sunbeams—and everyone lives happily ever after in a land of make-believe. These daydreams mean much to children. But with most of us they vanish like the mists of the morning when childhood days are gone and the real, rather than the artificial things of life make their sterner demands upon us.

For the last 6 years America has been a land of make-believe. Magic wands have been waved—stately castles have been built, fantastic wealth has been woven—and a more abundant life has been painted for everyone but the Republicans and the tweedledums.

We have had make-believe work, and make-believe money, and make-believe security, and almost a make-believe democracy. That might have gotten through, too, but the Court couldn't be packed and the Democrats wouldn't be purged. All in all, we have had the greatest daydream, to some of us the wildest nightmare, that America has had since Ponce de Leon developed the idea of a fountain of youth as a New Deal measure in Florida.

Looking back on the past 6 years it seems almost incredible that a daydream could last so long, seem so enticing, and prove so fantastic as the New Deal has been. But every daydream ends. Fantasy yields to reality. Pigs give up birth control. Tugwell's planned economy turns to molasses. Eleven million unemployed recall the story of the forgotten man. Business hangs on the ropes between breathing spells and appeasements. Corn is 35 cents a bushel, with few buyers. Henry Ford declines to let John L. Lewis run his plant. And the Democratic platform of 1932 continues to be a noble but an untried experiment.

One thing in this make-believe performance that is real is the money that it has cost us. That's one of the tragedies of it all.

It cost real money to the tune of billions of I O U's for this visit to the land of make-believe. For 6 long years we have lived so far beyond our means that the national debt has just about reached its legal limit with no prospects whatever of any let-down in the spending spree that has carried us closer and closer to financial disaster. Yes, one thing that has come out of our dream days that is real and not artificial is a national debt of $20,937,350,964.

We have dealt so loosely in billions, spending and squandering has become such a matter-of-fact thing, the Nation's debt—that means your debt—has soared to such dizzy heights that an old-fashioned account book belongs to the "horse and buggy" days, and the rules of simple arithmetic have become a lost art. Well, the fact of the matter is they are still with us—accounts and arithmetic. The account book stands as is, and no amount of figure juggling will change it one bit. Putting on blinders fools no one. We owe—you and I, and the rest of the American people—a debt of $40,234,816,549 that must be paid unless we try to run out on our obligations. That fact is painfully plain to everyone of us who is willing to come out of dream days and face the facts. After all, the public purse isn't a bit different than your family pocketbook and mine, only that it's larger. What you pay out you have to take in. We either pay our bills or we live beyond our income. We may get by on credit for awhile but, sooner or later, we have to put our house in order. And that's just what we should have done with our national house before it got so topsy-turvy—put it in order. It may be pretty late to start to do this now, but the longer we wait the harder the job will be and the greater the damage.

There are those who try to excuse the fast and loose way that the Federal Government has played with the taxpayers' money and with the Nation's credit, on the grounds that the only way to keep the American people contented was to coddle them, that human relationships were ignored prior to March 4, 1933, and that our well-being depends upon bigger and better hand-outs from Washington. That's just absurd. We all admit that some of the things that were done by the New Deal should have been done, but it's high time for all of us to realize that no one in Washington has an Aladdin's lamp which can be rubbed either for wealth or happiness.

Much the same rules apply to this national spending as apply in your home and mine. All of us see many things we'd like to have. Mother tells us of a new dress in the shop window. The children tell us of new games and toys. Our own suit looks a bit seedy. My, how we'd like to get those things. But we're faced with facts as we figure the costs—rent to pay, food to buy—so the old dress is made over, the old games and toys are brought out, and we sponge and press the old suit and make it do. I want to tell you very, very simply, that's the way most of us were taught in the old-fashioned homes that made America.

All of us admit that there are many things, goods and services, that the Federal Government has been buying which would be pleasant to have if we only had the money to pay for them. Again, all of us know that a lot of things that the Federal Government has been buying have cost a great deal more than they should have cost—the prices have been outrageously high and the goods and services have been of a pretty poor quality.

I was interested last Monday night to hear the President tell the American retailers that he had "no bargain basement." That may be so, but the New Deal has conducted the largest rummage sale in the history of storekeeping. Every exploded economic theory, every wild-goose experiment, every crack-pot notion, and every discredited financial fallacy that the mind of man ever conceived have been bundled together like so many patched pants and threadbare coats and peddled to the American people as new goods. They have not been bargains, either in the basement or on the top floor. They have been the most expensive and highest priced pieces of merchandise ever pushed across the counter.

All of us know there were some things that the Federal Government was called upon to do that could not be avoided, and that a part of our debt was just as necessary as a doctor's bill. Every penny that was honestly and wisely spent for the relief of the needy and the unemployed was money well spent. But millions poured into political rat holes are neither honestly nor wisely spent.

From time to time the President has suggested that he is eager to bring the national outgo in line with the income, but that when businessmen urge him to do so he asks them where cuts should be made. It seems to me the thing is deeper than that. That's not the way to start. It's not a matter of procedure. It's a matter of policy. It's a matter of getting down to bedrock and deciding whether anyone ever spent himself into prosperity—whether the policies of the spending specialists in Washington have worked. They haven't and they won't.

In spite of the sound advice of many of his party leaders, the President continues to look with favor upon those in his confidence who claim that the only way to recovery is to spend ourselves into it. That lies at the foundation of the financial mess in which we find ourselves. You and I know that neither time nor money has been spared to give the spending specialists a chance to prove that their theory would work. Every one of the 11,000,000 men and women looking for a job today is the best proof that it won't work. It never did and it never will.

It's just as reasonable to suppose that we can bring about national recovery by edging closer and closer to national bankruptcy as it is for you and me to think that we can become prosperous by moving closer and closer to the poorhouse. And remember this, the President himself said in 1932, we were on the road to bankruptcy, when our national debt was less than half of what it is today. The approach to this problem is not to pose questions to businessmen as to which of the regular functions of Government should be curtailed so as to bring order out of chaos. The thing to do is not to ask questions but to stop spending.

I believe, and I think you believe, there are some things that could be done which would bring about two very desirable and vitally necessary results—that is, start us on the road to real recovery and call a halt on this habit of living beyond our means. These things have at least one justification, and that is they have not been tried since March 4, 1933. We might give business—I mean the private industrial life of the country that wants to work—whether its big or little—the shop and the store and the factory in your town—a chance to get going. Let's be frank about it. We could stop hindering. We could start helping. We can stop the warfare between employers and employees. We can stop competition of Government with private industry. We can bring within reasonable limits the rules and regulations of bureaus and commissions. We can stop taxing the life out of business. We can give confidence to those who are anxious to invest in American enterprise by assuring them that the future has some hope. We can stop hating those who try to succeed. We can offer some premium to ambition, industry, and thrift. We can give something more than lip service to free enterprise. We can discard the philosophy of scarcity and let American genius produce a greater abundance at a lower cost to a larger number of our people. We can try fewer experiments and depend more on the value of our past experiences. We can remove the obstacles that dam up the flow of private investments. We can admit the mistakes of the last 6 years by giving practical men instead of star-gazing theorists a chance to do something.

In short, we can stop day dreaming in a land of make believe. We can come down to earth and go to work.

The Little T. V. A. in Richland Center

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

ARTICLE FROM THE REPUBLICAN OBSERVER, RICHLAND CENTER, WIS.

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article entitled, "The Little T. V. A. in Richland Center," reprinted from the Republican Observer, Richland Center, Wis., January 19, 1939:

[From the Republican Observer, Richland Center, Wis.]

THE LITTLE T. V. A. IN RICHLAND CENTER

It may be surprising to some to realize that at least the principle of the T. V. A. was demonstrated in Richland Center years ago.

There was a local preacher who had quite a family while he drew somewhat of a small salary.

He conceived the idea that if he possessed a milk cow one of the heavy expenses of family maintenance might be reduced.

He discussed the proposition with some of his parishioners. One member of his congregation said he would give him a cow; another volunteered to furnish hay; another, straw for bedding. A neighbor gave the minister the use of a barn in which to keep the cow and store the feed.

Finding that the cow gave more milk than the family required, the minister sold the surplus to neighbors. Inasmuch as he had not a dollar invested in the cow, that the feed, bedding, and barn were furnished free, he readily saw that there was big profit derived from the milk he sold. In fact he was soon able to lay up enough milk money to enable him to buy another cow. Forgetting to tell the members of the church that he had the second cow he was able to get other friends to furnish additional hay, straw, and feed, and the fellow who allowed him the use of the barn also permitted him to keep the other cow there.

At this point the preacher committed the error of arriving at the conclusion that the milkmen of the town were robbers. When he saw them charging the prices they were getting he offered to sell milk at a slightly less price. He even preached a sermon on the crime of profiteering.

One of the milkmen was a member of that church. When he learned that his preacher was canvassing his customers to take milk from him and was also telling his brethren how their milkman was robbing them, he became angry.

He sat down and figured out that he couldn't afford to buy cows, build barns, furnish hay, and make delivery at the same price as could a competitor who didn't have a cent invested, got

his feed and barn room for nothing, and had customers come after their milk.

The milkman went to the mat on the proposition. It didn't take him long to convince other members of the congregation that the practice wasn't fair, especially when he backed his arguments by letting them know that if it continued he would cease making his large yearly contribution to the church.

Brother churchmen quit hauling hay to the preacher's cows and the neighbor asked for barn rent. When that came about the preacher discovered that to buy everything made his expenses run so high that it didn't even pay to keep a cow to furnish milk for his own family.

There was a perfect little T. V. A. set-up. With the Federal Government furnishing everything, even to writing off a loss of $1,000,000 in a single year, no private company can compete with it any more than the regular milkman could compete with the preacher.

William Ben Cravens

MEMORIAL ADDRESS
OF
HON. W. F. NORRELL
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from the State of Arkansas

Mr. NORRELL. Mr. Speaker, ladies and gentlemen of the House, it is not easy to find words adequate for expressing the profound sense of sorrow and loss occasioned by the death of Hon. WILLIAM BEN CRAVENS, Arkansas' senior Member of Congress, on January 13 of this year. BEN CRAVENS was not only the dean of the Arkansas delegation in the House of Representatives: he was in a real sense a strong and courageous leader, a wise counselor, and a true friend. As one of the four new Members from Arkansas, now serving my apprenticeship as a Member of this body, I share with my colleagues the conviction that we have lost much in the kindly and wise guidance that would have been ours except for his untimely passing, for while he was never one to burden others with his own problems he was ever willing and eager to extend the helping hand to those with less experience and less wisdom in the procedures and traditions of this body.

Quiet, earnest, always a gentleman in the true sense, Hon. BEN CRAVENS won his way to esteem and high honor, not through spectacular gestures and vain display of his powers, but through tireless, purposeful effort and perseverance. No headline hunter, no boisterous seeker of publicity, he went about his business quietly, endowed with a Lincoln-like quality of simplicity and gentleness which endeared him to all men, of every rank and station—

> The color of the ground was in him, the red earth;
> The smell and smack of elemental things:
> The rectitude and patience of the cliff;
> The goodwill of the rain that loves all leaves;
> The friendly welcome of the wayside well;
> The courage of the bird that dares the sea;
> The gladness of the wind that shakes the corn;
> The pity of the snow that hides all scars. * * *

BEN CRAVENS first came to the House of Representatives as a Member from the Fourth District, Arkansas, in 1907, and served three consecutive terms. He did not seek the office again until 1933. All men with experience and knowledge of public life know how difficult it is to backtrack the political trail, and yet this quiet, earnest man, after 19 years of voluntary retirement from public service, accomplished this feat without difficulty. He relinquished office as a young man and returned after years of distinguished service at the bar, campaigning against four younger men, all experienced in politics, and won.

This was in a year when the tide of public favor ran strong toward placing younger men in office; but this man, while he was no longer young in years, had kept his essential youth, which is a matter less of years than of spiritual growth and adaptability to change. At the time of his death he was again serving his third consecutive term, a signal accomplishment, and eloquent of the esteem of his home people, who had not forgotten his splendid record of service after the 19 years of his retirement from public office. Of such was his public record, unvarying success against a background of quiet, earnest, and unremitting effort in the service of his people and his country. In later months he had suffered constant ill health, and it is characteristic of his whole life that it was not until death was near that the grave nature of his illness became generally known even to those who were closely associated with him.

For this able and modest gentleman we today bear witness of our sorrow and our loss at his passing in halting but honest words, knowing that he would crave gradiloquence and rhetorical pomp no more in his dying than he did in his living. Our heartfelt sympathy goes out to the surviving members of his family, to whom he was ever devoted. For ourselves, while attesting our loss we at the same time keep and treasure the inspiration of his life and deeds.

> He held his place—
> Held the long purpose like a growing tree—
> Held on through blame and faltered not at praise.
> And when he fell . . . he went down
> As when a lordly cedar, green with boughs,
> Goes down with a great shout upon the hills,
> And leaves a lonesome place against the sky.

Embargoing Arms Shipments and War Materials Exports to Japan

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

RADIO ADDRESS BY HON. JOHN M. COFFEE OF WASHINGTON, MAY 19, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following address delivered by me over the radio on May 19, 1939:

We Americans are a peaceful people. Like other people in the world, we don't want war. We want to be secure in our own jobs and our own homes and our own lives. We belong to that 90 percent of the men and women of that world that President Roosevelt described as peace loving, as haters of war and all the world misery that war brings.

We want peace. We want peace based on justice and reason and on respect for international law and order, because we realize that only this way can peace be preserved. Peace cannot be secured in the way the military dictators would secure their kind of peace—by enslaving the world with armed might. We Americans realize this, that peace in the world cannot be imposed by military aggression, or won by yielding to aggression.

We know that the world can only be kept from war as long as war is made impossible, as long as no nation or group of rulers in control of a nation is permitted or encouraged to attack another nation for purposes of aggression.

As sensible people, we know that peace is constantly being broken throughout the world. A major war is raging in Asia. Formerly free and democratic nations in Europe have become the victims of invasion by foreign military powers. These acts of aggression, and other aggressions in preparation, threaten not only the peace and liberty of the victim nations, but keep the entire world in constant turmoil and fear.

We know that the world today is threatened with a new, universal conflict whose horrors will far surpass those of any previous world outbreak. These wars and alarms of world war make us afraid not only for the future of Europe and Asia but for our own future, for the safety and security of our own Nation, and our own families.

We cannot, and we do not, remain indifferent to the fact that peace is being violated all around us, that war is spreading in almost every part of the civilized world of which we are a part. It is our concern as much as it is the concern of every other civilized person in the world, because it is forced upon us. We are just as much alarmed and concerned at what is happening in Europe and Asia as we would be alarmed and concerned by a fire or

a homicidal maniac in our neighbor's house, because the danger to us is just as acute.

The peace and security of the world, and consequently of America, is threatened and violated in a score of danger spots. What is the source of this world threat that is alarming and menacing 90 percent of the world's population?

It is precisely those nations and the groups that govern them that constantly violate all international order, that break treaties, that carry on lawless acts of aggression against peaceful, democratic peoples that are the source of this present world fear and insecurity.

In every case of aggression by those nations, they have earned the condemnation of the overwhelming majority of free and thoughtful people in this country. The evidence of every poll of public opinion has shown this time and again. Americans reject the way of aggression, condemn the Fascist aggressor that makes war on a peaceful people for purposes of conquest and enslavement.

And in almost every case, these same aggressor nations have received the aid and comfort of the United States. This is a strong statement, but it is a true one. Our arms, our raw materials, our supplies have helped the aggressor countries to carry out their acts of invasion. In Japan in particular, our materials have made and are making invasion possible.

How are we doing this, in spite of the fact that our people and our Government have repeatedly condemned these unprovoked attacks on other countries? We are doing this by allowing aggressor countries to arm and equip themselves for war—a war that threatens our peace and well-being as it menaces the immediate victim—with munitions and supplies produced in the United States.

We have a rich country, wonderfully endowed with natural and industrial resources. The aggressor nations need these supplies to carry on their wars of aggression. And they are getting them from the United States, in quantities sufficient to carry out invasions and to keep the world in an unending state of fear and apprehension.

These natural and industrial riches, when sent to war-making nations, do us and the world no benefit, rather they do us and the world harm. Is America any happier, any more secure, because Japan relies upon American supplies for its war against China? Do we receive any benefit because our supplies and our munitions made possible the invasion of China? Any sordid profit from this shoddy business is offset by our loss of Chinese markets as Japan closes the door to American trade in China.

On the contrary, our own security is threatened precisely because we send these supplies to the Fascist, war-making nations. It is threatened just as our own homes would be threatened if we supplied a gun to a neighborhood burglar, or gave matches to a local firebug. Proof of this statement is shown by the fact that our Government must spend added billions to protect our shores against the danger of Japanese attack.

This is what we are doing by our present policy of supplying arms and materials of war to the war-making aggressor nations. This policy, in existence today, makes it possible for these Fascist madmen to run over the world destroying freedom and civilization wherever they attack, and getting closer to us with each act of aggression our policy enables them to carry out.

Some people call this policy of ours "neutrality." It is anything but neutrality. It is an unneutral policy that has only one result—in helping aggression and harming the victim of aggression. It no more protects our peace and security than Chamberlain's umbrella protected the security of Czechoslovakia.

Why is this so-called "neutrality" policy such a danger to the peace of this country? It is a danger to us, and to the world we live in, because it allows the aggressors to arm themselves from the richest source of supply in the world, from the resources of the United States.

Look at the war Japan is carrying on now against the people of China. Japanese airplanes, tanks, and military trucks run on American gasoline. Its fleet burns American oil. We furnish over 60 percent of all oil used in Japan. Its guns throw American steel into the bodies of Chinese men and women; its planes drop American bombs on Chinese children. More than 90 percent of copper, automobiles, and parts is purchased by Japan from the United States.

Without these munitions and supplies, Japan could not carry on its war in China even 1 more month. It could not bring death to millions of Chinese families, destroy Chinese cities, burn and annihilate Chinese homes. Without our supplies, Japan's war-mad Fascist leaders would have to behave as civilized beings—and the Japanese people would be liberated from a military dictatorship that has plunged them into misery as well as the Chinese people.

The war against peaceful China is our concern and our doing because we make it possible. We are responsible, because of our policy of selling war materials to aggressor nations, for a war of conquest that threatens Asia and the world and the United States of America that is part of that world.

What can we do to end this fearful responsibility, this reckless support of aggression that comes from our own Nation, and that threatens our own national security?

We can and we must drastically change our present unneutral "neutrality" law. We must change it so that we can differentiate between the aggressor and the victim of aggression. We must see to it that our own safety is not menaced any longer by the sale of the materials of death to the war-making nations of the world.

A bill which I have introduced in the House of Representatives will accomplish this purpose as far as Japan is concerned. This measure, H. R. 5432, would put an embargo on the sale of arms, ammunition, and implements and materials of war to Japan, and would prohibit their transportation by vessels of the United States for the use of Japan. It would forbid loans and credits to the Japanese war makers, and otherwise prevent private persons and corporations subject to the jurisdiction of the United States from rendering aid or support to the Japanese invasion of China and its future war against the United States and the world impossible.

Many Americans and also people of other countries have expressed their personal antagonism to Japan's aggression by boycotting silk and other Japanese products, and this has reduced the amount of money Japan has had in foreign countries for purchase of war materials. Our Secretary of State, Mr. Cordell Hull, has intervened in our sale of airplanes to Japan, but Japan has now built up her own factories and can still buy our materials with which to manufacture planes. It is essential for us to go much further, and at once to place on Japan an embargo such as the one I have just described as embodied in the Coffee Japanese embargo bill now pending in the United States Congress.

It is important to stimulate discussion and action on this matter. American citizens aroused to the need for a reversal of policy of aid to the aggressor have the right and the duty to express themselves to their congressional representatives in Washington, D. C.

Our own peace and security as Americans are menaced by the wars and threats of wars sweeping over the world today. For our own sake, as for the sake of the peace of the world, we must stop American aid to the aggressor nations that are bringing terror to the peaceful human beings who inhabit the world.

America's Our Father

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

POEM BY WILLIAM A. CHAPPELL

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a poem written by William A. Chappell of Milwaukee, entitled "America's Our Father."

AMERICA'S OUR FATHER

(By William A. Chappell)

Our Father who art above,
Instill in our hearts a greater love
For the glorious liberties we have today,
Before it's too late and they're taken away.

Continue to give us our daily bread,
And grant us the power to keep our head
When the radicals rave of their favorite ism,
With which they'd displace our Americanism.

Forgive us for meddling in foreign affairs,
Teach us to mind our business—not theirs;
To tend to our problems, and ours alone,
To better conditions right here at home.

Lead us not into war with the modern-day Neroes
That would cost the lives of American heroes,
And wipe out democracy, or worse still,
Subject us all to a dictator's will.

Deliver us, our Father who art above,
From the loss of those rights we cherish and love,
So that each night when we kneel and pray
We can say "Thank God for the U. S. A."

Robert Low Bacon

MEMORIAL ADDRESS

OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. RICH. Mr. Speaker, I know of no ceremonial more beautiful or appropriate than the one which we this day are observing. For the moment we set aside the busy activities of

official life to contemplate the character of our departed friends and colleagues and to record our estimate of the virtues which he exemplified. ROBERT LOW BACON was a Member of this House when I was first elected to Congress, and from 1932 until his sudden and untimely death I knew him more than casually. Our acquaintance ripened into a mutual friendship. I admired ROBERT LOW BACON for the exceptional qualities of his intellect. Daily association afforded opportunity for accurate judgment, and I became more and more impressed with the abilities he possessed. He had abundant capacity for the most important public service. His equipment for the duties which devolved upon him was ample. He was a gentleman of the highest type and in every sense of the word. He died in the midst of his labors and in his death the country lost a valuable legislator.

He was a man of fine literary instincts and tastes, a scholar in politics. He represented a great State, and that State can ill afford to lose men of his exceptional quality. ROBERT LOW BACON was a patriot and served his country well. Citizen, businessman, statesman, father, husband, friend, the record is well written, and on memory's altar will ever glow a wealth of love and affection for one who through life was loyal to home and country and measured up to the full stature of man.

Secretary of State Hull and Neutrality Legislation

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

Mr. FISH. Mr. Speaker, the secret apartment-house diplomacy of Secretary Hull has labored and brought forth a mouse. Even Secretary Hull will probably decline to defend his own week-end neutrality program before the House Committee on Foreign Affairs.

Stripped of a mass of camouflage, what Secretary Hull actually proposes to do is to scrap the mandatory embargo against the sale and shipment of arms, ammunition, and implements of war to belligerent nations, which was adopted and readopted by a unanimous vote of Congress and has been the law for the last 4 or 5 years. Secretary Hull's proposals undo the work of the Congress for the past 5 years in behalf of neutrality.

The actual result of Secretary Hull's program, if carried into effect, would be to make the United States the slaughterhouse and arsenal for arms, ammunition, and implements of war for all nations, and particularly for Great Britain, which controls the seas. Either we are a Christian nation or we are not; if we are, we should not, for sake of blood money and war profits, be dragged into every war by supplying the world with lethal weapons to kill people with whom we are at peace and have no quarrel.

The sentiment of the American people is in favor of keeping out of foreign wars, and I do not believe that Members of Congress will vote to do away with this prohibition against the sale and shipment of arms, which has for its main purpose the security and peace of the United States.

I am confident that if Mr. Hull's proposals are pressed the Congress will not adjourn before the fall, as the Senate would insist on discussing any such war-provoking measure until the snow flies.

If Acting Chairman BLOOM calls the Committee on Foreign Affairs together and urges action on the administration's new neutrality bill, repealing the embargo on the shipment of arms to warring nations, I will renew my demand that Secretary Hull come before the committee and father his own brain child.

William Ben Cravens

MEMORIAL ADDRESS
OF
HON. WILBUR D. MILLS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from the State of Arkansas

Mr. MILLS of Arkansas. Mr. Speaker, the unexpected and untimely passing of Congressman WILLIAM BEN CRAVENS on January 14, 1939, came as a shock to his many friends in Congress who had learned to respect and admire him with an abiding affection because of his fine character and because of the remarkable service that he had rendered the people of his district, State, and Nation.

His death has caused his friends to realize just what he has meant to them. They will forever miss his kindly efforts in their behalf, his untiring devotion to their cause, and his unexcelled honor of purpose and principle. The poorest individual had no better friend. The richest person felt this man was his friend. The laborer could always count on Ben. The farmer will long remember the efforts of this friend in his behalf. Words alone fail to express my own feeling of sorrow over the loss of this colleague whom I had known for only a short time but will never forget.

Many words have been spoken and written concerning this distinguished citizen of Arkansas, whose record of service is so closely interwoven with the pattern of our State's history. It is sufficient here to say that, since 1897 when he first held public office, his constituents have always reelected him each time he has run for office, clearly showing their trust in our deceased colleague and the type of man he was. He will long be remembered for the personal traits he possessed, a friendly disposition, even temperament, cool and collected manner, and love of home, life, and family.

What Reward?

EXTENSION OF REMARKS
OF
HON. WESLEY E. DISNEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

EDITORIAL FROM THE DAILY OKLAHOMAN OF MAY 27, 1939

Mr. DISNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Daily Oklahoman of May 27, 1939:

[From the Daily Oklahoman of May 27, 1939]

WHAT REWARD?

Political courage is manifested so rarely that Congressman PHIL FERGUSON deserves superlative praise for telling the Townsend Club of Enid that he is opposed to the pending bill, whose enactment would make the Townsend delusion the law of the land. He is both courageous and humane when he tells his pension-seeking constituents that the bill cannot by any possibility be passed and that nothing but its defeat can protect the pension-club members from the dues collectors who have misled them into believing that the Townsend scheme is about to win approval.

There are numerous other Representatives in Congress who feel exactly as PHIL FERGUSON does with reference to the Townsend mirage. But many of them will vote for it while conceding privately that its effects would be disastrous. Some will dodge a vote on the issue, lacking the courage to support it or oppose it. Forthright courage never was one of the preeminent virtues of politicians.

For a long, long time the general public has lamented the lack of honest courage among public officials. Now, the Eighth District Congressman gives them a rare exhibition of what the public has long demanded, and we wonder if FERGUSON'S courage will be its own reward. Will the voters of the Eighth District reward their Congressman by renominating and reelecting him, or will they sit idly by and permit the pension mongers to defeat him when he asks for another term? There will be far more involved in next year's congressional race in the Eighth District than the political fortunes of PHIL FERGUSON. His continued success at the polls would encourage many another timid Congressman to be a man instead of a mouse, while his defeat would convince many of his colleagues that it is hopeless to hold out against the pressure groups.

Seventy-six Years After Gettysburg

EXTENSION OF REMARKS

OF

HON. CHARLES O. ANDREWS

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Thursday, June 1 (legislative day of Wednesday, May 31), 1939

ADDRESSES BY HON. HARRY FLOOD BYRD, OF VIRGINIA, AND JOHN D. KEITH

Mr. ANDREWS. Mr. President, an incident of historical importance took place on the Battlefield of Gettysburg last Tuesday. The Gettysburg Memorial Association, for the first time since its organization, chose a southern Senator to make the memorial address, to which I was an interested listener. United States Senator HARRY FLOOD BYRD, a son of the Old Dominion—the mother of Presidents—as their chosen speaker, delivered over a Nation-wide radio hook-up a very able and patriotic address, which was received by the many thousands present with patriotic interest and enthusiasm.

I ask unanimous consent to have printed in the RECORD a copy of the very able and eloquent address of the Senator from Virginia, together with the remarks of Hon. John D. Keith, president of the Gettysburg Memorial Association, in presenting the Senator from Virginia.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY JOHN D. KEITH, PRESIDENT OF THE GETTYSBURG MEMORIAL ASSOCIATION

Upon this slope and the surrounding hills was fought, 76 years ago, the battle which largely determined that a nation founded by a union of self-governing communities should not be dissolved.

Upon this spot an American now revered by all, Abraham Lincoln, gave utterance to the hope that this Nation might not perish.

It survived. The passions of that struggle have been outlived, as is shown by the fact that today the tribute to the memory of those who have found in the circles before us their last resting place is brought by a citizen of one of the foremost of the then Southern States; a descendant of men prominent in its affairs from colonial days; one who served that State with distinction as its Governor, and now serves as its representative in the Senate of that same Nation: a man admired and respected in the South and in the North alike for his able, fearless, and honest efforts to assure the continued preservation of that Nation—the Honorable HARRY FLOOD BYRD, of Virginia.

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA, AT GETTYSBURG, PA., MAY 30, 1939

Only a few short weeks before President Lincoln's tragic death, there spoke from his heart this message of sectional reconciliation:

"With malace toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the Nation's wounds; to care for him who shall have borne the battle, and for his widow and his orphan—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations."

It is in the fine spirit of this moving declaration that you permit me to be the first southern Senator to speak on this day of national memorial—on this field enriched by the blood of the brave from both the North and the South. My sincere appreciation of the compliment that your invitation implies does not blind me to the fact that it is my State of Virginia rather than her junior Senator that you desire to honor.

Virginians may be pardoned if they recall again and again that Virginia's Patrick Henry phrased in the flame of his eloquence the determination of the colonists to be free; that her Thomas Jefferson declared the right of every American to life, liberty, and the pursuit of happiness; that her Madison was the father of the Constitution; that her Marshall made that Constitution effective as the supreme law of the land; and that out of her soil issued the immortal Washington who reigns first in war, first in peace, and first in the hearts of his countrymen.

Certainly no other State contributed more than Virginia to the foundation of this American Union. Many of the States were her children and from her territory were carved even some of the States that cried to her for help when the tragic proposal to secede pressed upon them. Virginia believed they had the right to secede, as she herself did; she knew that her soil would be the battleground if she left the Union, but she did not hesitate to go the way of sacrifice and suffering when she was called upon to fight her southern sisters back into the Union.

In eloquent phrase Dr. Edwin Alderman, a president of the University of Virginia, declared:

"The War between the States was a brothers' war, brought on, as our human nature is constituted, by the operation of economic forces, the clashing of inherited feelings, the impact of differing notions about the meaning of liberty, woven by no will of either section into the very fabric of the people's life. No war in human history was a sincerer conflict than this war. It was not a war for conquest or glory. * * * It was a war of ideals, principles, political conceptions, and of loyalty to an ancient ideal of English freedom."

Virginia has lived long enough as a readmitted member of our Union of States to behold Charles Francis Adams, sometime an officer in the Union Army and a member of that brilliant family that has reflected so much distinction upon his native Massachusetts, stand at the tomb of Robert E. Lee, pay tribute to the nobility of his character, and declare that had he been in Lee's place when Lee decided to leave the United States Army and offer his sword to his native Virginia, he would have done precisely as Lee himself did.

And we recall again today the declaration of Theodore Roosevelt, an intense nationalist and Union man, that "the world has never seen better soldiers than those who followed Lee, and their leader will undoubtedly rank as, without any exception, the very greatest of all the great captains that the English-speaking peoples have brought forth, even though the last and chief of his antagonists may himself claim to stand as the full equal of Marlborough and Wellington."

Here again at Gettysburg I rejoice to quote the tribute paid by Theodore Roosevelt to the soldiers of both sections alike. Said this former President of the United States:

A UNITED PEOPLE

"We are now a united people; the wounds left by the great Civil War have healed and its memories are now priceless heritages of honor, alike to the North and to the South. The devotion, the self-sacrifice, the steadfast resolution and lofty daring, the high devotion to the right as each man saw it, whether northerner or southerner—all these qualities of the men and women of the early sixties now shine luminous and brilliant before your eyes, while the mists of age and hatred that once dimmed them have passed away forever. All of us, northerners and southerners, can glory alike in the valor of the men who wore the blue and the men who wore the gray."

A great northern jurist, Francis M. Finch, of New York, many years ago clothed with these words of golden verse the beauty of our reconciliation:

"No more shall the war cry sever,
Or the winding rivers be red;
They banish our anger forever
When they laurel the graves of our dead!
Under the sod and the dew,
Waiting the Judgment Day;—
Love and tears for the blue,
Tears and love for the gray."

Here on this famous field our hearts feel without words that we stand on hallowed ground—hallowed by the human sacrifices of brave men on both sides who gave their last full measure of devotion to the right as God in His mysterious way gave to each the way to see the right; hallowed, too, by the oration delivered here 76 years ago by Abraham Lincoln, simple, yet in 272 vivid words was packed the eloquence of the ages.

Rather would I draw from the inspiration of this occasion spiritual force and resolution to fortify our determination as Americans to make good the high resolve here uttered by Mr. Lincoln "that this Nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people shall not perish from the earth."

Only 20 years ago today another martyred President in another great crisis spoke on Memorial Day on foreign soil. Woodrow Wilson, at the Suresnes Cemetery in France, declared in his solemn eloquence:

"There is something better, if possible, that a man can give than his life. That is his living spirit to a service that is not easy,

to resist counsels that are hard to resist, to stand against purposes that are difficult to stand against, and to say: 'Here stand I consecrated in the spirit of the men who were once my comrades and who are now gone and who left me under eternal bonds of fidelity."

The lengthened shadow of Gettysburg once cast its sorrow over those who loved the men who died here, but today the mellow sunlight of the years has warmed us to a common devotion to our constitutional government of laws not of men. Loyalty to American ideals knows no line between the North and the South. Neither section has any apologies to make. The Unknown Soldier who sleeps at Arlington on Virginia soil may be the son of one who fought here with Meade or one who fought here with Lee. In either case he inherited the blood of an American who fought for what he believed to be right. The old sectional hatreds between the States are healed, but the unity of America is now threatened by new class animosities—racial and religious prejudice, and envy, hatred, and jealousy between those who have accumulated property and those who have not. Even congressional investigations tell us that men and women, untrue to our constitutional democracy, are exerting efforts in their secret way to incite disunion; to foment bad feeling between labor and capital, and to weaken the unity of our American economic life.

On March 21, 1864, Abraham Lincoln wrote a reply to a committee of the Working Men's Association of New York. The wisdom of that letter applies today. The truth of it is timeless for all who would be free. He accepted an invitation to membership in their association and said:

"Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

IT CAN BE DONE NOW

We have here at home a battle that will require real moral courage to wage. We must open our minds to the spirit of cooperation, of good will, of good fellowship. If it could be done after Gettysburg, surely it can be done now.

What will it accomplish us to achieve sectional unity only to be divided by economic dissension? What will it profit us to rejoice that the unity of States is strong if sappers are permitted to work underground to weaken the very foundation of our system of constitutional democracy?

It is not important that I should talk more of the battle that was fought here; it is important that all of us should draw from the men who died here a new devotion to American ideals.

What is the most priceless possession that our forefathers won for us in the establishment of our democracy? Is it not the freedom of each individual; the right of each of us "to life, to liberty, and the pursuit of happiness"? We can worship God according to the dictates of our conscience. Jew or gentile, Christian or non-Christian, may bow his head, each to his own God in his own way, without fear of the persecution he may suffer in both Fascist and Bolshevist countries today. Here we are protected against arbitrary arrest and imprisonment; we are guaranteed a fair and open trial, and guilt or innocence is determined by a jury of our peers; we do not fear that we may disappear into a concentration camp without benefit of counsel and witnesses to appear in our defense. The written law protects our life and liberty. The Constitution also guarantees us the right to accumulate and hold private property. This property may not be taken even by the Government for a public purpose without just compensation.

These individual rights make life worth living, and our forefathers died to achieve them. Alien despotisms may threaten their safety, but class hatred from within alone can destroy them. It will not suffice to preserve here the outward forms of government if the time comes when the American citizen no longer has the right to work his own way within the Constitution from poor station to prosperity. Out of America's free economic life have come inventors and executives who have made prosperity for millions; there has been established here the highest standard of living of any nation, and every man has been taught that this is a free land in which the door of opportunity is forever open to intelligence, industry, and ability. Do not let us close that door. Lincoln could not have developed to make the Gettysburg Address in any country where the door is closed.

Thomas Jefferson declared in his simpler day that the best government is the least government. While this statement must be modified today as applied to our immensely complicated economic organization, yet it is true that the most government is certainly not the best government. If the most government be the best government, then bolshevism in Russia and fascism in Germany and Italy are better governments than those supported by the democracies. In Germany and Italy we observe the most government accumulating tremendous military strength, but the liberty of the citizen is subdued to a state that would make Americans miserable. In both fascism and Bolshevist ideologies the state stands supreme over the individual. There the individual exists only for the state. Any totalitarian government is repugnant to American ideals and destructive of American progress.

OUR BUSINESS

Here we need not more Federal Government but better local government. Our system was soundly based on the principle of strong local self-government. The individual and the local and State political units should assume their own responsibilities. But it is equally clear that they in turn must meet their obligations. We cannot bring all-important business under the control of national agencies. America is physically too big and diverse to be managed from one central point. We must resist the trend of Federal centralization. It is the business of the people in these countries across the seas to have the kind of government they prefer, but Americans, like Patrick Henry, cry, "Give me liberty or give me death."

It is our business to make secure our own democracy and to attend to our own affairs. We are strong; our resources are great, but remember that the "power to tax is the power to destroy"; that government interference with individual life and individual business grows by what it feeds on, and that "eternal vigilance is the price of liberty."

Every form of social and industrial injustice—racial and class hatred, religious prejudice, monopolistic combinations that unfairly enhance the cost of living—all are enemies of democracy.

A liberal and a democratic government does not mean being liberal with other people's money. Among other things, true liberalism in America means preserving and protecting from attack from any source whatsoever the immortal principle that our Government was established in three branches—the judicial, the legislative, the executive—free of coercion or control, one from the other. Whenever one branch gains ascendancy over one or both of the other two, our Nation has forsaken a fundamental safeguard of our democracy founded upon checks and balances, the wisdom of which has been proved after 160 years of test and trial. Only a government financially solvent is a government founded upon the liberalism of democracy. The preservation of fiscal solvency capable and strong to meet any great national crisis is an obligation inherent upon those who wish the generations to come to enjoy the same freedom we have today. The maintenance of law and order under all conditions, the preservation of the principle of the sanctity of private property from mob possession are the basis of every form of liberal democracy; in fact, of any form of constitutional government.

Had the new lawlessness of sit-down strikes continued uncurbed by just punishment, the faith of the people in the duty of the Government to protect private property would have been impaired and democracy injured. Law and order must be maintained without consideration of the political power of the law violators. The same determination for impartial law enforcement should apply to the transgressions of the rich as well as the poor. And in this free country there is nothing more un-American than the effort to coerce and control the sacred privilege of suffrage by command of those who dispense relief to the destitute who are compelled to accept charity from their Government.

One of the wisest of Virginians was George Mason. He was the author of the Bill of Rights, which is now a part of the constitution of nearly every State in the Union. In this document for the preservation of human liberty, George Mason declared "that no government or the blessings of liberty can be preserved to any people but by firm adherence to justice, moderation, temperance, frugality, and virtue, and by frequent recurrence to fundamental principles."

NO MAGIC WAND

No magic wand of legislative panaceas will sweep away all our ills. There is no substitute for those time-old virtues of thrift, frugality, self-reliance, and industry. These virtues have made our country great. The character of the average American citizen is our most valuable national possession, a character builded upon American traditions and American achievements. Character comes from self-help and industry, not from idleness and shiftlessness. Above all, it rests on the firm support of Christian ideals—the common brotherhood of man and the common fatherhood of God.

Private enterprise, and not the Government, must provide employment for our citizens. It is a foundation stone upon which our democracy is built. When private enterprise fails, then representative democracy fails. Here it will not fail unless taxation becomes confiscatory, unless Government regulation becomes too oppressive, unless Government competition with private business becomes too destructive.

In this place of distinction and dignity, upon this soil made sacred by the blood of Americans from the North and the South, I hear again the solemn voice of Abraham Lincoln calling every American to guard a "Nation conceived in liberty and dedicated to the proposition that all men are created equal."

As we observe the destruction of democracies in other lands and the increasing subordination of the individual to strong, centralized government, we may repeat the apprehension that Lincoln expressed here whether this Nation or any nation conceived in liberty and dedicated to preserve the equality of all men can long endure. The fathers won for us this liberty, and it is for us, the living, here to dedicate ourselves to preserve and finish the work the fathers did.

As we see in imagination the sentiment spirits of all the thousands of Americans who fought to make this "the land of the free and the home of the brave," "let us here highly resolve that these dead shall not have died in vain; that this Nation, under God, shall have a new birth of freedom; that government of the people, by the people, for the people, shall not perish from the earth."

Comrades All!

EXTENSION OF REMARKS
OF
HON. GEORGE L. RADCLIFFE
OF MARYLAND
IN THE SENATE OF THE UNITED STATES
Thursday, June 1 (legislative day of Wednesday, May 31), 1939

ADDRESS BY DR. JOSEPH F. THORNING, PH. D., LITT. D.

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered at the United States Naval Academy, Annapolis, Md., on April 30, 1939, by Dr. Joseph F. Thorning, professor of social science at Mount St. Mary's College, Emmitsburg, Md.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The most important lesson of the Spanish War was the exposure of Leftist press tactics which followed immediately upon the fall of Barcelona. The capture of the capital of Catalonia took place on January 26, 1939. Ten days later (February 5, 1939) the Associated Press released the revelations of Mr. Joseph M. Escuder, outlining how thoroughly the Leftist regime in Spain had manipulated the news by an adroit use of press privileges. Motorcar transportation, gasoline, food-ration cards, and military passes to visit the front lines had been awarded only to those "who deserved rewards." In other words, the price of news coverage was journalistic surrender.

Why did we have to wait to learn these facts until the war came to an abrupt conclusion? Why did it take the news syndicates 2½ years to report the whole truth?

The revelations of Mr. Joseph M. Escuder, former propaganda chief of the Leftist Government in Catalonia, have been strikingly confirmed by Gen. W. G. Krivitsky, former trusted officer of the Soviet Russian secret police, in a sensational series of pieces in the Saturday Evening Post (April 15, 22, 29, 1939). Why have the metropolitan newspapers maintained editorial silence on the quality of service afforded them during the past 2½ years? Is it not their plain duty to institute a scientific analysis of the dispatches which reached their offices during the war and make a serious effort to sift the true from the false? Would not fulfillment of this obligation furnish suggestions as to future policy?

Officers and men in the United States military and naval service have a right to authentic information. They have a right to learn the technique of leftist propagandists who, disappointed at the defeat of the Soviet Union in Spain, are turning their efforts toward the collectivization of the means of production, exchange, and distribution in the United States. The materialistic, atheistic philosophy of Karl Marx led to moral and material disintegration of the Spanish Republic. The soldiers and sailors of the United States, determined to safeguard their high standards of morals, discipline, and spiritual idealism, are entitled to know the unpatriotic, Marxist methods which would exploit the Army and Navy of the American Republic.

What happened to the United States passports that were taken by leftist recruiting agents from the Marxist members of the international brigades? Is it true, as Gen. W. G. Krivitsky has charged, that these passports have been handed over to Commissar Josef Stalin in Moscow? Why do not our American citizens demand an investigation of the whole filthy business which induced American boys to spend their blood in the service of a foreign, Marxist flag? Why are we content to allow our passports to be exploited by the minions of the Third International?

His excellency, the Most Reverend James Hugh Ryan, bishop of Omaha, and the Reverend Dr. Maurice S. Sheehy, head of the department of religion in the Catholic University of America, brought back from South America strong evidence in confirmation of the accusations stressed by General Krivitsky. Bishop Ryan and Dr. Sheehy reported that American passports were being utilized as the "open sesame" to favors among the nations of South America. Since South America is vital to our economic life as well as to our national defense, why do the Marxist influences in the United States keep us from putting a stop to this illegal exploitation of American documentation? Is it impossible to institute a system of check-up inspection and identification at the principal ports of entry in Central and South America? These are questions fraught with interest to the armed forces of the United States as well as to the general public.

Above all, it is important to observe that the chief beneficiary of Spain's gold reserve, originally $650,000,000, was Comissar Josef Stalin, of the Soviet Union. The estimate of Gen. W. G. Krivitsky is a fairly reliable figure for the amount of the precious metal shipped from Madrid to Moscow. The ex-Stalinist agent is on record to the effect that half a billion dollars was transferred from Spain to Russia when the leftist government felt itself toppling from power.

Is it imagined that this huge sum of money, the rightful property of the entire Spanish people, will be used for anything but totalitarian dictatorship? Where is there more cruel, vicious employment of threat, intimidation, and violence today than within the confines of the Soviet Union? Let us not forget that 170,000,000 people are writhing in agony under the tortures of leftist terror. No one can estimate exactly how many have been murdered, with or without the benefit of a judicial masquerade. The silence of self-styled American liberals on these horrors is a paradox. Some of them even talk openly of the alliance of the United States with the worst form of brutality and mass terror on earth.

One of the leading newspapers of this country spoke blandly about the new approach to the Marxist dictatorship as "a marriage of convenience, not the partnership of friends." Do Christian leaders admit this reasoning or this distortion of fact?

It is my conviction that a so-called "marriage of convenience" between the United States and the forces of Dictator No. 1, Commissar Josef Stalin, would produce nothing but evil for our American people as well as for the world. An alliance with the Soviet Union would not only be a crime; it would be a stupendous act of blindness and folly.

Government Spending and Deficits

EXTENSION OF REMARKS
OF
HON. CHARLES L. McNARY
OF OREGON
IN THE SENATE OF THE UNITED STATES
Thursday, June 1 (legislative day of Wednesday, May 31), 1939

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, MAY 22, 1939

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD a timely address delivered by the distinguished Senator from Ohio [Mr. TAFT] over the blue network of the National Broadcasting Co. on Monday, May 22, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Citizens and taxpayers of the United States, the future welfare of America is threatened today by one of the most dangerous fallacies ever adopted by any government—the fallacy that prosperity can be restored by increased Government spending and deficits. This is a brand new idea. There have been plenty of spendthrift governments, but no one of them has ever prided itself on its magnificent waste. Every President of the United States, whether Republican or Democrat, has recognized the moral obligation to hold Government spending within the limit of Government resources except in the case of extraordinary emergencies. Only the present administration has dared to advance deficit spending as a deliberate policy. Unsatisfied with a deficit at the rate of $4,000,000,000 a year, the Simon-pure New Dealers are shouting for bigger and better spending.

For politicians this theory is just what the doctor ordered. All their lives politicians have been trying to find a way to spend more money and levy less taxes; to get credit for spending on projects they think popular, and escape blame for taxes they know are unpopular. If the soundness of this new theory is admitted at all, there is no limit to what the Government should spend. And yet of all the utterly unsound and ridiculous economic theories, this is the most illogical. It is not only vain, it is utterly dangerous and completely immoral, and fortunately today the people know it to be so.

It is immoral because it deludes the people into thinking they can get something for nothing. Any nation which comes to believe in this theory is bound to give up working and turn to economic tricks for a living. It will not live long, because the unsoundness of the theory can only be equaled by the demoralization of the character of the nation. It leads, of course, to unlimited extravagance. If deficit spending is a good thing in itself, why should any Government department ever save any money? The more they can spend and the more they can waste the more they would be doing to help the people to that delightful heaven where no one will have to work. When any individual or business spends money, it must be subjected to the most careful criticism to be sure that he will not be likely to lose it and that some return will come from the investment. But Government activities are not subject to any such check. If the Government loses money, according to the spending theory, it contributes to prosperity. No man can have a pipe dream too fantastic for the Government to attempt. Florida ship canals, Passamaquoddy tide-harnessing projects, require nothing but a favorable report from some New Deal engineer who never had to meet a pay roll. The spending theory is supported by glib phrases. It is no longer "deficit spending" but "investment by the

Government." If it were investment, then definitely the Government ought to encourage private individuals to carry it through rather than pour in Government money. There are a few things which the Government has invested in which will pay themselves off, and some which are justified because private capital was not available in the emergency of the depression. But most of the things called investment, even money spent on T. V. A. dams, is not likely to earn any return, and yet it discourages many times that amount of private investment in the same industry, for no one wants to be in an industry where Government is a competitor. But, say the new dealers, they aren't balancing the Budget, but they are balancing the human budget. With due respect, this is merely a juggling with words and doesn't mean anything. A man who goes out and buys himself new automobiles and a new home when he hasn't any money to pay for them may just as well be said to be balancing his own human budget, but he goes bankrupt just the same.

Everyone knows that money must be spent today in great amount for relief and old-age pensions and subsidized housing for the poorer groups, but certainly it can't be spent even for these worthy purposes long unless the people are willing to pay the taxes to provide the money. In October 1932, Franklin Roosevelt set forth the dangers of spending and the virtues of a balanced Budget. This morning one of the New Deal columnists defends the President by pointing out that he made an exception if starvation and dire need made necessary additional relief spending. Of course, no one complains of a deficit for relief needs in an emergency. The complaint is that 6 years later spending is adopted as a virtue in itself, and extravagance characterizes every department of the Government, whether concerned with relief or not, and scores of new bureaus.

Fortunately the whole theory of spending is absolutely contrary to the genius of the American people. From the time the Pilgrims landed in New England, they have believed in thrift and hard work, and adequate rewards for saving and ability and industry. The spending program is offensive to the very people who receive its bounties. The other day Walter Lippmann attacked Senator BYRD, Senator VANDENBERG, and myself on the ground that we had consented to the farm parity payments because it was inexpedient to antagonize a group of voters as influential as the farmers. Mr. Lippmann was wrong twice. We opposed the parity payments. I voted against them in the committee, and went publicly on record against them, so that I could not have been afraid of a record vote as he alleged. But as a matter of fact, I am convinced that a vote against the parity payments would not have antagonized the farmers of the United States. They, more than anyone else, are opposed to wild Government spending. They know in their hearts that it is unsound and cannot continue without disaster. The individual farmer is glad to get a payment. He sees no reason why he should not have his share, if the money is being dished out, and he knows in fact that he deserves it under present economic conditions a good deal more than some who are getting it in the cities. But except for people in absolute need, there is not a group today which is not willing to sacrifice its own Government benefits if economy is favored by all the other groups, so that the situation may be brought into a normal condition where private enterprise again can restore employment and prosperity. The spending theory is immoral, and the people know it to be such.

The spending fallacy is dangerous. We have added $20,000,000,000 to the national debt in 6 years. In the year ending the 1st of next July we will have spent more than $9,000,000,000, with a deficit of nearly four billion. The year beginning July 1 is likely to be even worse. The President's Budget called for $9,000,000,000. Since then, under the outcry for more adequate national defense, we have added another three hundred million. The farm benefits are another three hundred million. We are asked to borrow another eight hundred million for slum-clearance projects. No doubt a drive will develop to add five hundred million for P. W. A., and it is doubtful whether the President's Budget for W. P. A. is going to be adequate. We will be lucky if we don't have a deficit of $5,000,000,000. And this is not the end. We are asked to prepare a bill providing Federal subsidies for schools, to cost two hundred million a year after 4 years; a bill to provide Federal aid for a great national health program, to cost five hundred million a year after 10 years. There is no limit to the public-works projects relating to water power, flood control, rivers and harbors. A Democratic Senator, neither New Deal nor conservative, said to me the other day that he saw no possibility of stopping spending until we reached a state of complete bankruptcy and repudiation. The thing feeds on itself. You can't spend money for one project or one group without making good arguments for other similar projects and other groups.

The end is perfectly clear. The interest bill today is already over a billion dollars and would be much higher except for abnormally low rates of interest due to the depression. It will become very burdensome, and the people will look around for ways of escaping that burden. Already we hear talk of paying off the debt with irredeemable paper money. No government ever has maintained a continued deficit without finally repudiating its debts. Government repudiation is carried through by paying debts in paper money, which comes to have little or no value.

In France and Germany and other countries inflation of the currency brought disaster to rich and poor alike, but particularly to the wage earner, and the man on low, fixed salary, and the man who had spent all his life saving money to take care of his old age and his family through savings deposits and life insurance. Prices would rise so rapidly, as they did in Germany, that money and life-insurance policies, and savings deposits payable in money, would soon have no value. If that ever happens, it is doubtful whether we can maintain our democratic form of government. It would have failed, not because of its own fault but because of the fault of its false New Deal prophets. But in the face of that failure we could not escape the experiment of a socialized state, contrary to every principle of American freedom. The spending theory spells the greatest danger that Americanism has ever faced.

And finally the theory is utterly vain. It cannot produce prosperity. If, after $20,000,000,000 of deficit spending from 1933 on, we only found ourselves plunged into another depression in 1937, surely the theory is unsound. If tremendous monthly deficits since the depression of 1937 have only left us today in the same unfortunate condition we were in a year ago, with more than 10,000,000 people unemployed, a national income well under seventy billion, ten billion less than it was 10 years ago—if the cry today is for spending and still more spending, what hope remains for any practical success?

Of course, Government spending temporarily increases business activity, but only mildly and only temporarily. It is said that the cessation of Government spending caused the 1937 depression. The argument proves too much. If Government spending can never stop without causing a new depression, then it can only lead to destruction. But, of course, that was not the cause of the 1937 depression because Government spending did not stop. The 1937 depression began in July of 1937. During the previous 12 months the Government spent more money than it had ever spent in peacetime before, if we exclude the bonus payment. True, the deficit was not so large because taxes had increased, and taxes do deter business, but Government spending has never ceased to increase.

The 1937 depression was caused by the tremendous interference of Government in business; by the too rapid increase of taxes and wages and commodity prices deliberately stimulated by the Government. This resulted in a complete collapse of the capital-goods industries, like steel, because no railroad or utility or manufacturer had any margin left to make permanent improvements or even keep up current maintenance. It was caused by the unwillingness of anyone to put money into permanent things, for fear that he could never get a return. It was caused by Government spending itself, which put the Government in so many business operations and regulatory fields that the ordinary individual is wholly unwilling to spend his time or money in any private enterprise that may be wiped out by Government action tomorrow. The present depression was a result only of New Deal policy, including spending. No similar depression exists in Europe, and in England they have balanced their budget for the last 5 years.

There are so many crack-brained economic theorists that we don't realize that there really are fundamental economic principles. Those principles do not change. We are not in a new era. Some of the Republicans tried to make us think we were in a new era in 1929, but it turned out we were subject to the same old economic penalties for speculation and inflation of private debt. Inflation of Government debt and inflation of Government currency lead to human misery and hardship and suffering, as they always have.

Sound Government finance is the basis of prosperity today, as it always has been. We can balance the Budget, and keep alive the important humanitarian enterprises which the people have determined upon and are willing to pay for, like relief and old-age pensions and subsidized housing. We can reduce our expenses if we have a Government that really wishes to reduce expenses, and proposes a plan for reducing them in every field at the same time, with the cooperation and assistance of the very groups who benefit temporarily from Government funds. Until the Government quits spending, we can't get individuals to resume those thousands of private enterprises which put men to work.

This is no matter of coddling big business. As the executives of big business testified last week, they have money enough to make improvements in their companies. It is the little business man who can't find anyone willing to put money in his business. It is the man who isn't in business at all who must be encouraged to put his time and money into thousands of little enterprises which put other men to work. New Deal spending and regulation and taxation are killing little business, not big business. It is the average workman and the average investor, and the average small-town American who is utterly choked and discouraged by Government activity. In a return to sound fiscal policy and a balanced Budget, the Republican Party appeals to the average man and woman. Unless that appeal is successful, we face bankruptcy, inflation, and the end of the American way of life as we have known it.

H. R. 6466

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. LUDLOW. Mr. Speaker, I have the deepest sympathy for those in distress and no one is more keenly anxious than I am to see that our worthy aged who are poor through no

fault of their own are generously provided with the blessings of peace and security in the evening of their lives. I know that our existing laws are pathetically inadequate to care for our aged people as they should be cared for, and I shall continue to do everything I can to assist in strengthening and liberalizing those laws along sound and constructive lines so that our old people will reap some tangible benefits and not be misled by the fantastic promise of $200 a month, which can never be realized. On the opening day of the present Congress I introduced a bill to amend the social-security laws by increasing the pension to be paid through Federal and State cooperation and by lowering the age limit, and I shall continue to do all I can to assist in working out a sound solution of this very important problem.

During the last few days I have received 58 letters and telegrams threatening me with political extinction unless I voted for the Townsend bill. I have tried so hard and so sincerely to do my duty as a Member of Congress and to serve all of our people of the Twelfth District lovingly and faithfully that such threats fill me with sadness, but they do not move me a hair's breadth from the path of right, as I see the right. I hope that sometime those who are threatening me will learn that I would not do a thing which I believe to be wrong and against the best interests of my constituents for all of the offices in the world.

The new Townsend bill, on which we were obliged to vote, made its appearance in the House no later than May 23. I doubt whether any one of its congressional advocates fully understands it. It was hastily thrown together and contains many provisions that appear absolutely absurd and meaningless, such as the following:

> Throughout the act the present tense includes the past and future tenses, and the future the present. The masculine gender includes the feminine and neuter. The singular number includes the plural, and the plural the singular. Shall means must and is mandatory.

Just what this means no one seems to know and yet it is no more amazing than other jig-saw provisions of the bill, which defy the closest analysis and scrutiny. The bill holds out the alluring promise of a pension of $200 a month and thus deceives our old people as it does not provide the finances for a pension of more than a small fraction of that amount. I will never be a party to such deception. I could not be honest with myself and vote for a bill that might wreck and ruin the country unless it were clarified and improved by amendments. The House leaders had carefully seen to it that no opportunity was to be afforded to offer amendments.

The Ways and Means Committee might have worked out a constructive piece of legislation, but it declined to do so and the Rules Committee reported a closed rule, which meant that amendments were barred. I think the Townsend advocates have been treated very unfairly by being denied the usual privilege of perfecting their measure by amendments. The whole purpose seemed to be to make the proposition as obnoxious as possible when it came to a vote.

I voted to recommit the bill so that it might be overhauled and improved and resubmitted to the House in a more acceptable form. I thought that was only fair to the advocates of the measure. When the motion to recommit failed, I voted against passage of the bill because I could not conscientiously support a bill which I believe, in its present form, would be highly injurious to the Nation as a whole, including the old people who would ostensibly benefit by it.

The bill is the most gigantic tax bill in the history of this or any other country. Under it every worker, however poor he may be, would have to pay 2 percent on his gross income. If he earned only $300 a year and had a dozen children to support, he would have to contribute $6 toward helping to pay pensions to persons over 60. The very poorest workers, struggling to live on a mere pittance, would be taxed on their starvation incomes to pay pensions to other persons. Of course, this should have been amended to exempt the very low paid workers from the gross-income tax. The sales tax also provided in the bill would fall most heavily on the poor and would encounter determined opposition from members of organized labor and others who are uncompromising in their attitude against consumption taxes. It would rapidly increase prices, because businessmen, following the history of all such taxes, would pass it on to the consumer. The very best economists believe that under this tax prices would pyramid until a dollar would soon buy only 50 cents' worth of goods. Under the bill, national banks are exempted but State banks are taxed. Chambers of commerce are exempted but labor organizations are taxed. The bill is full of such contradictions, injustices, and incongruities, and nearly every section of it needs amendment and clarification to become workable without risk of harm.

We were not permitted to alter the measure by amendment, even to the extent of changing a comma, and since in its present form it is an impossible measure, I followed my convictions and voted against it. I hope that before the present Congress ends we may have real practical legislation for the benefit of the aged.

Not the Cross of Christ

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF MAY 31, 1939

Mr. MARTIN J. KENNEDY. Mr. Speaker, ladies and gentlemen of the House, of all the indignities suffered by religious groups at the hands of the madman, Adolph Hitler, none is more dastardly than the one which occurred during the present week at Salzburg, when German troops seized the palace of Archbishop Waitz, Catholic Primate of Germany. As in the past, outrages against religious groups by this man have again been excused by "legal" justification.

Catholic and Protestant and Jew worshipers throughout the world have been tormented by the activities of Hitler and his cohorts—and men of intelligence without religious beliefs have openly expressed scorn at the antireligious depredations of the German dictator. The following editorial from the Washington Star explains lucidly the small, contemptuous character of Hitler much better than anything else I have read:

[From the Washington Evening Star of May 31, 1939]

NOT THE CROSS OF CHRIST

Nazi Germany did not disguise its displeasure over the election of former Cardinal Pacelli as Pope a few weeks ago, as the policies of Pius XII, while papal secretary of state, left no doubt of Vatican City's hostility to the practices and principles of the Hitlerian cult.

It was during the present pontiff's direction of the Holy See's foreign affairs that Chancellor Hitler on May 4, 1938, paid a state visit to Italy. The flaunting of the swastika all over Rome on "the day of the holy cross" provoked from the reigning Pope, Pius XI, a public protest against the display in the eternal city at such an hour of a flag bearing the emblem of a cross—the swastika—"which is not the cross of Christ."

It would seem as if events this week at Salzburg, the famed scene of music and dramatic festivals in former Austria, are Hitler's rejoinder to the action of the College of Cardinals in elevating to the papacy a prelate who was not of German choosing. Nazi authorities have seized the palace of Archbishop Waitz, Catholic primate of Germany, at Salzburg, stripped it of all its furniture, compelled its priestly tenant to take refuge in a seminary, and turned over the historic building to the S. S. (the Fuehrer's black-shirt elite private guard troops). Quibbling legal reasons are assigned as justification for the eviction, but Nazi spokesmen insist that in any event the building is needed by the S. S.

The Catholic Church has experienced a succession of Nazi indignities, of which the incident at Salzburg is only the latest, though one of the most flagrant. Cardinals, bishops, and humble priests, even nuns, and their official premises, including churches, schools, and convents, have at one time and another come under totalitarian persecution and oppressions in pursuance of the Nazi doctrine that worship of the state, with its concomitant tenets of

race and force, is the only true form of conscience and creed tolerable in the new Germany.

The Holy See is not likely to accept without protest the harsh treatment meted out to Archbishop Waitz. The Nazi offense is not mitigated by the circumstance that he appealed directly to Chancellor Hitler to rescind the order of confiscation and that his plea was wholly ignored. The contention that the archbishop's palace is, as state property, now needed for state purposes, naturally confronts the church with the possibility that wholesale expropriation of its real holdings in Germany may be signaled by the Salzburg seizure.

Old-Age Benefits

EXTENSION OF REMARKS
OF
HON. WILLIAM H. LARRABEE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 1, 1939

STATEMENT OF HON. WILLIAM H. LARRABEE, OF INDIANA

Mr. LARRABEE. Mr. Speaker, under leave to extend my remarks in the RECORD I wish to include a statement of my views concerning old-age pension legislation now pending in Congress.

In reply to a number of letters and other communications urging my support of the National Recovery Act, generally designated as H. R. 2, the Townsend plan, which was introduced by Representative HENDRICKS at the insistence of Dr. Townsend, on January 3, 1939, I have made the following reply:

Under date of May 7, 1939, at the request of Dr. Townsend, the bill, H. R. 2, was withdrawn and in its place a bill, H. R. 6378, was introduced by Representative HENDRICKS, which bill contained several changes from the provisions of H. R. 2. One of these changes was the elimination of the provision that the pension benefit to be paid annuitants must be spent within the month following its receipt.

While the Ways and Means Committee of the House of Representatives was considering the bill, H. R. 6378, and, I am officially advised, preparing to report it to the floor of the House for action, the sponsors of this bill advised the committee that it was being withdrawn in favor of a new bill, H. R. 6466, also introduced by Representative HENDRICKS.

During consideration of the bill, H. R. 6378, the committee read into the record of the hearings, the following statement of Dr. Townsend concerning his views with reference to the elimination of the enforced spending clause of his original bill: "Dr. Townsend: The reason I advocate that is just this: There will be less difficulty with the law than if you attempted to have supervision over everybody's expenditures. Somebody is going to have to do the supervising; and it may lead to a lot of political corruption; where if it were a blanket retirement annuity there would be no investigation necessary anywhere as to the spending."

Before the committee could report the second Townsend bill, eliminating the enforced spending clause, as suggested by Dr. Townsend, he had changed his mind and was again insisting on the enforced spending feature as restored by his third bill of this year, H. R. 6466.

During hearings on this bill, H. R. 6466, records of the Ways and Means Committee show, Dr. Townsend and his tax adviser, Mr. Silva, engaged in a discussion of the probable amount of pension that would accrue to the 8,000,000 aged folks under provisions of H. R. 6466. Silva stated that he thought the amount would be about $60 per month. Dr. Townsend said, "No; I think it will be about $50 a month."

Accordingly those advocates of the Townsend plan who have been told that they could expect $200 a month pension from the enactment of the plan should understand that not even the sponsor, Dr. Townsend, believes that such a sum will be possible. The bill, however, sets a maximum of $200 which might be paid, but sets no minimum which must be paid at all.

Many tax experts and students of taxation and old-age benefits report that under the tax plan provided in the latest Townsend bill, H. R. 6466, not more than $15 a month could be paid to each of the 8,000,000 aged persons, due in part to the heavy cost of administering the provisions of H. R. 6466, if it should become law, and in part to the grave uncertainty of the amount of revenue that would be raised by a tax of this nature.

I have consistently supported reasonable old-age benefits legislation, both as a member of the Indiana State Legislature and as a Member of Congress. I have repeatedly stated that I am not satisfied with the amount of benefits available under provisions of the Federal-State cooperative social-security plan now in operation, and that I would support sound, reasonable legislation to provide a reasonable annuity, direct from the Federal Treasury.

To that pledge I again subscribe.

There is now pending in Congress a bill—H. R. 5620, formerly H. R. 11—sponsored by the General Welfare Federation of America, which provides an immediate minimum benefit of $30 per month and a maximum of $60 per month, which would be paid when revenues accrued permitting such increase. This bill proposes a different type of tax, which I feel is more certain of producing sufficient revenue to pay a decent annuity than is the tax proposed in H. R. 6466, and with less burden to the taxpayers, by reason of being more fairly spread among the whole of the taxpaying body.

Since there is considerable evidence to support the reports of tax experts that the tax plan of H. R. 6466—the latest Townsend plan—would raise only enough revenue to pay about $15 a month to the annuitants, and since the tax would not be as fairly spread and would be much more difficult and expensive to collect, I am convinced that applicants for old-age benefits may reasonably hope for greater aid under the provisions of the bill H. R. 5620.

For these reasons I remain of the often-expressed opinion that I cannot support the Townsend plan. However, in keeping with my views and my desire that a beneficial old-age pension law be enacted, I am supporting the bill H. R. 5620, and it is my hope that this bill will soon be enacted into law.

However, I have no objection to the Townsend plan's being given careful consideration on the floor of the House, and I have done all within my power to aid in bringing it out for discussion and for a vote.

Where Are We Going?

EXTENSION OF REMARKS
OF
HON. ALBERT L. VREELAND
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 1, 1939

Mr. VREELAND. Mr. Speaker, it is most interesting in studying the present debt and the public debt as it will be on June 30, 1940, based on the present appropriations and comparing it with the figures of the 1930 census and the 1938 assessed valuations, to find the share of the national debt of my State of New Jersey and also the pro rata share of the counties of the State of New Jersey, which is set forth in the following table.

It is again interesting to note the relationship between the entire national debt and the debt incurred by the New Deal from March 4, 1933, to June 30, 1940, and in breaking down the figures we find that every man, woman, and child in this country owes as part of the national debt $362, of which $192 has been incurred by our New Deal.

"Where are we going?"

	Population	Assessed valuation of real and personal property, 1938	Share of national debt on per capita basis	Percent of assessed valuation	Share of New Deal debt on per capita basis	Percent of assessed valuation
New Jersey	4,041,334	$5,534,400,072	$1,462,962,908	26.8	$775,936,128	14.0
Counties:						
Atlantic	124,823	148,107,842	45,195,926	30.5	24,116,016	16.3
Bergen	364,977	472,013,721	132,121,974	28.0	70,075,584	14.9
Burlington	93,541	58,899,718	33,861,842	57.4	17,959,872	30.4
Camden	252,312	249,843,311	91,336,944	36.5	48,443,904	19.3
Cape May	29,486	52,439,351	10,673,932	20.5	5,661,312	10.8
Cumberland	69,895	50,379,627	25,299,990	50.0	13,519,840	27.0
Essex	833,513	1,595,215,832	301,731,706	18.8	159,934,496	10.0
Gloucester	70,802	54,726,932	25,630,324	47.2	13,593,984	24.9
Hudson	690,730	973,041,155	250,044,260	25.7	132,629,160	13.6
Hunterdon	34,728	73,927,775	12,571,536	17.0	6,667,776	9.2
Mercer	187,143	246,114,321	69,745,766	28.3	35,931,456	14.7
Middlesex	212,208	192,616,600	76,819,296	39.2	40,743,936	21.1
Monmouth	147,209	190,775,373	53,289,658	27.7	28,264,128	14.6
Morris	110,445	114,400,971	39,981,090	35.8	21,205,440	18.8
Ocean	33,069	43,486,736	11,970,978	28.0	6,349,248	14.6
Passaic	302,129	363,637,231	109,370,698	30.3	58,008,768	15.9
Salem	36,834	41,306,860	13,333,908	32.4	7,072,128	17.0
Somerset	65,132	63,779,109	23,577,784	37.0	12,505,344	19.6
Sussex	27,830	31,584,411	10,074,460	32.0	5,343,360	16.9
Union	305,209	476,423,083	110,485,658	23.2	58,600,128	12.3
Warren	49,319	41,681,113	17,853,478	42.8	9,469,248	22.7

Good Strategy

EXTENSION OF REMARKS
OF
HON. ROY O. WOODRUFF
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 1, 1939

EDITORIAL FROM THE WASHINGTON POST

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post:

[From the Washington Post]

GOOD STRATEGY

Senator VANDENBERG's statement of principles that should guide the Republican Party in its selection of a Presidential candidate next year has made a good impression. The Senator has not announced himself as a contender for the nomination. His letter to the Michigan delegation in Congress leaves no doubt that he is in a receptive mood. But it is convincing in its emphasis that the national welfare should be placed above personal political ambition.

The first task of the 1940 Republican National Convention, says Mr. VANDENBERG, will be to "set down clean-cut, constructive, courageous principles which dependably promise to save the American system of free enterprise under the renewed spirit of constitutional democracy." When the platform has been outlined, he adds, candidates in harmony with its principles can be selected. There is a clear suggestion that if the platform is not straightforward and constructive the Senator would prefer to have the G. O. P. look elsewhere for a candidate.

Mr. VANDENBERG's second point is that the Republican candidate should be "prepledged" to a single term. In practice such a pledge might prove to be unwise, as it did in the case of President Wilson. The Democratic Party elected Wilson in 1912 on a platform favoring a single Presidential term, little realizing that circumstances would make his renomination seem imperative in 1916. The nomination of popular Presidents for a second term is almost as deeply ingrained in the American system as is hostility to third-term candidacies.

It must be admitted, however, that the stand taken by Mr. VANDENBERG has an unusual appeal at this time. Whoever the next President, he will be confronted by stupendous problems, not the least of which will be sharp retrenchment in Government spending. No doubt the next President would be less amenable to pressure groups if he renounced all hope of succeeding himself. It is contended, too, that the Senate, which is certain to remain under Democratic control until 1942, would be more inclined to cooperate with a Republican Chief Executive if he had no political irons in the fire.

Strength gained in this way might be lost by the weakened position in his own party of a President pledged to one term. That aspect of Mr. VANDENBERG's proposal will doubtless be carefully examined by the G. O. P. in advance of any commitments. In the meantime, however, talk of pledging the Republican candidate to one term serves to increase the disadvantages of a third-term nomination on the Democratic side.

By emphasizing the vast responsibility of the Presidency, and the need for subordination of all personal ambition to the national welfare, Senator VANDENBERG is employing good political strategy. And good politics and sound public policy are not necessarily incompatible.

Comment on Current Conditions

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 1, 1939

ARTICLE FROM SPHERE FOR JUNE 1939

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the current issue of Sphere:

[From Sphere for June 1939]

COMMENT ON CURRENT CONDITIONS

We think there would be peace in the world if governments were honest—particularly if the American Government were honest. Hitler's attacks on other peoples' property are more spectacular and dramatic, but they are hardly more immoral than the course being pursued by Washington.

The cash outpourings of the Federal Government for the next fiscal year will exceed $9,000,000,000. There is no revenue in sight that would justify such a prodigious expenditure. The money wherewith to make the payments can be had only through the manufacture of it. This process is concealed through the device of printing bonds which banks and other institutions are more or less compelled to take.

There is not an intelligent man in Congress who believes that the vast debt now being piled up ever will be repaid. Certainly not in the same kind of dollars.

There is not an intelligent economist anywhere who is in any doubt as to what is happening. Sooner or later, the accumulated capital of the country will be progressively confiscated, through taxes or otherwise, in order merely to keep up the appearance of solvency under existing conditions.

It is sheer hypocrisy to view the so-called have-not nations as ruthless bandits because they seek by force to take what they can from the have nations.

Where did they learn this effrontery and what emboldened them to practice it? The American Government, quite openly, is doing identically the same thing and doing it to its own citizens.

Hardly a week passes but some new dealer announces that the haves must surrender all or part of what they possess in order that it may be shared among the have nots.

This may be described as a redistribution of wealth, but it really is a blatant form of legalized banditry.

It is asserted that this profligacy will not be disastrous because the entire debt is domestically owned. Even should there be a default, it is argued, the material wealth of the Nation would remain—the buildings would still be here, and the highways, the fields, and the industrial plant.

But those who own things now would not own them then, assuming that anybody might, in these circumstances, own anything.

No bond of the United States warrants repayment in gold. On its face, every such instrument is a negation of honesty. It undertakes merely to repay in dollars, and these dollars are to be whatever Congress may determine they should be, at the time when repayment is promised.

In an active nation the tendency over the years inevitably is for the value of the currency to drop gradually, for a form of inflation is always under way.

This is usually taken care of by the interest rate which, as it were, amortizes the depreciation. But the Government, in order to make a showing, has artificially cheapened money, so that the interest rate is no longer a protection.

Those institutions which themselves are under commitment merely to repay in dollars, as are the banks and the insurance companies, can buy Government securities with comparative safety because they are, perforce, participants in the fraud. "We have mastered the technique of creating necessary credit," says the President.

There is only one kind of money they can handle, and that is whatever happens to be the legal money of the country. But no man who buys insurance knows what the dollars will be worth that will go to his estate when he passes on.

There can be no such thing as social security when the basic symbol of that security, money, is the plaything of politics, is without stability and has a value which, at present, is dependent to a large extent on the decision of one man, the President of the United States, to whom Congress has delegated, possibly legally, the right to restate the gold content.

Never before in all history has there been such a savage, persistent, and hypocritical attack on property as in this country over recent years. Nothing that Hitler has done, or that Hitler can do, equals in sheer audacity and future catastrophe this camouflaged and sugar-coated confiscation that the New Deal has engineered under the guise of humanitarianism.

Accordingly international banditry merely parallels an internal banditry, and the dishonesty of one nation differs from the dishonesty of another nation only in method.

The United States, however, happens to be the richest nation in the world and probably the most powerful. There was no occasion for it to make covenants with faithlessness.

There was no good cause for a general repudiation of debts and a scaling down of obligations, or for clipping the coinage, or for indulgence in a dozen different practices, each one of which involved "passing the buck" and substituting for the accepted moral code another and new theory of honor—the subterfuge of expediency.

The Sphere does not believe that the mightiest nation on earth can indulge officially in chicanery and fraud and not be aped by other countries.

The evidence is conclusive that the repudiation practiced by other nations in the handling of their debts to the United States, and thereafter by the United States in settling its own financial problems at home, set an example that was certain to be followed

by indiscipline, not only of private debtors but of public debtors as well, this being but a prelude to the taking-by-force attitude that some governments have since adopted in dealings with other governments.

The economic catastrophe that must inevitably follow the current extravagance practiced in Washington is only one element in the danger. The more terrifying thing is the moral loss.

This is exemplified not only in private relationships but even more in the relationship between the several States and the Federal Government.

Many of the States have been able to show balanced budgets, not because they have been properly governed or have sought to live within their means, but because hundreds of millions have been shoveled into their treasuries, one way or another, by the Federal Government.

They have been participants in the looting of the economy, and willing associates.

There are many corporations that already are paying dividends only to the Public Treasury. The stockholders get nothing. The tax collector takes what the stockholders ought to be receiving.

In other words, the Government has intruded itself into the situation and by sheer force has made itself a preferred partner in the business, keeping its own snout in the trough and allowing no other to get there.

In these circumstances it is not surprising that venture capital declines to venture. An essential thing in primary investment of capital is the gamble. America was built by gamblers, men who gambled everything, in new railways, in migrations to far parts of the country, in industrial plants, in all sorts of enterprise.

They took what capital they had—it was often very meager—and they bet it on the growth of the United States and on their own ability to make good.

But today the element of good chance has all but been eliminated. If the man of enterprise wins, he loses, because in advance his reward is taken from him. Why should he toil and sweat and stay awake at nights during the anxious period of his enterprise's beginning if the matured product is to belong not to him but to the tax collector?

It is about time that the good citizens of this country, instead of growing red with indignation as their attention is directed to outrages abroad, began to consider some of the outrages at home.

They ought to begin to understand that the Jew who has been pillaged in Germany is in no worse plight than they themselves, except that the outraged Jew has had the operation performed on him more rapidly. It is just a matter of timing.

There can be no social security here in the United States, and there can be no international security until there is something more than lip service given to the basic principle of honesty.

So long as the signatures of nations mean nothing—only last September the British and German Governments formally agreed that they should never again go to war but would settle any difficulties at the council table—and so long as governments at home think it is not shamelessness to forswear themselves in their relationships with their citizens, just so long will there be chaos and uncertainty and progressive ruination.

And this is true because the civilization we have built up is always dependent on credit, on the assurance that nations and men will live up to their contracts and that they will not, on the slightest provocation, substitute expediency for honesty.

There seems to be no limit to the immorality of governments. Every one of them is contracting debts it never can repay and is trying, by one method or another, to conceal the awful truth.

In this country, despite the enormous current deficit, the Congress is about to pass a new Social Security Act, revolutionizing the old one, and the extra cost over the next few years will amount to some $4,000,000,000.

With the deficit already so great that 1 year's deficiency could not be met by the sale of whole States, the Senate blithely votes another $350,000,000 for additional gifts to farmers.

Mr. Lewis, whose C. I. O. at times has appeared to be superior to the Government, insists that 3,000,000 persons should be continuously carried on the W. P. A. rolls without the "degrading means test" and with the right of the enrollees to organize, presumably that they may act as a union to intimidate the Government.

Yet, that would be almost double the program, in dollar terms, that President Roosevelt himself envisages, for he is merely asking for $1,477,000,000 for relief in the coming fiscal year.

Those people who believe in capitalism—and there are millions of them in this country—should begin to understand why capitalism does not function efficiently. It cannot operate successfully because monkey wrenches have been thrown into the machinery and because there are those who, either deliberately or through ignorance, adopt official policies that, if continued, make socialism, or bolshevism, inevitable.

If there is going to be peace in the world and security here in the United States, it is absolutely imperative that the Government be recalled from its junket and put back to work in its own proper sphere.

To reduce expenditures down to the point where they would meet the revenue would not be deflationary, but would be inflationary, because it would put to work all that vast credit, created out of public debt, that is now available but lies stagnant because competent people are afraid to employ it.

The crisis goes far beyond any mere question of partisanship or of political loyalty. It involves that very fundamental thing, integrity, and there will be no business recovery until there is a moral recovery of that priceless resource.

Chickens Come Home To Roost

EXTENSION OF REMARKS

OF

HON. JOHN A. MARTIN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

On the bill H. R. 6466, the general welfare bill

Mr. MARTIN of Colorado. Mr. Speaker, I do not join in the criticism and abuse of the Committee on Ways and Means and the Committee on Rules for bringing in the Townsend bill, H. R. 6466, under what is known as a closed rule; that is, a rule under which no amendments can be offered, and which bill must be voted up or down just as reported. The folks out home may be fooled by all this abuse and criticism of the committees for bringing the bill in under a rule preventing amendment, but Members of Congress will understand that all this furore against the committees is just an alibi for voting against the bill.

The fact of the matter is, if the committees are subject to any criticism, it is that they did exactly what Dr. Townsend demanded. Any other course would have been denounced by him as for the purpose of hamstringing or destroying the bill. It did not matter that the committees nor anybody else had seen H. R. 6466, or knew what was in it, not even the Member who introduced it, the ipse dixit of Dr. Townsend has always been that a bill once introduced must not be changed in any way by anyone but himself.

In a week or two very material amendments to the Social Security Act will be reported out by the Ways and Means Committee. That act has many critics who will want to amend it, but the bill will be brought in under an open rule, subject to amendment, and every Member of the House will be permitted to offer any amendment and have it voted on, even though the amendment is intended to weaken or injure the act. And this, mind you, will be an administration act, handled by the same committee which framed it in the first place.

This is the making of legislation by representatives of the people in the proper and democratic way. Nobody will claim that because the bill is brought in under an open rule, and subject to amendment, that it is for the purpose of destroying the Social Security Act. Anyone who would make such a statement would be laughed at, but, of course, no one will make such a statement.

Chickens come home to roost. It has always been the No. 1 ironclad rule of the Townsend movement that a bill must be accepted or rejected as written and introduced. Any suggestion that it could be amended in any particular has always been regarded and treated as hostility to the whole plan.

Members of Congress have been opposed for reelection for no other reason than suggesting that a bill be amended. In the primaries and in the election of 1938, Members of Congress were opposed and defeated who proposed a gross income tax to finance the pension very similar to the gross proceeds tax in the bill voted on today. The bill received 97 votes out of a total of 400 cast. It is my opinion that had it been brought in under an open rule, subject to amendment, it would have received not less than 150 votes.

It seems peculiarly inconsistent to oppose all possible amendments to a long and complex bill proposing to levy billions of dollars in taxes, which has been largely rewritten on the spur of the moment to take the place of another bill

which has been pending in Congress for 3 years, and then say that no amendments should even be offered to such a bill, no matter how beneficial or necessary.

It was positively disturbing to me to have the sponsor of the bill during debate on the floor of the House disclose that he did not know of such a vital feature of the bill as the taxation of wages and salaries. It made me wonder what else he did not know. Legislation is not enacted in this slipshod, haphazard way. If this bill were being given the thorough and serious consideration it merited, and a consideration which it would have been given had there been any likelihood of its passage, such a disclosure as I have just mentioned would have resulted in someone getting his clothes torn off, legislatively speaking. It would have been immediately and overwhelmingly disastrous.

I pointed out in the debate on the bill yesterday that the first Townsend bill, introduced in 1935, H. R. 3977, exempted wages from taxation; that the second bill, H. R. 7154, taxed wages; that the third bill, H. R. 4199, and the fourth, H. R. 2, exempted wages; and that the pending bill, H. R. 6466, taxed wages.

With three of the five bills approved by Dr. Townsend himself exempting wages, it strikes me that this was a question important enough to be left to a vote of the Members of the House of Representatives. It will be considered important by labor, which had no notice it was to be taxed.

I also pointed out that H. R. 7154, which was known as the McGroarty bill, by far the best known of all the Townsend bills, limited pensions to persons having an income of not more than $2,400 per year, and that income below that figure was to be deducted from pension, while the other bills, including the one before the House today, proposed to pay the pension to everybody. Even Henry Ford would get a pension. Tens of thousands of people enjoying large incomes, more money than they need, would get pensions. And these pensions would lower the pensions of the common people. J. Pierpont Morgan and John D. Rockefeller would get the same pensions as people on relief. Surely such a proposition was entitled to the judgment of the House of Representatives expressed by a separate vote.

I also pointed out the fact that this bill was the first of all these bills to exempt national banks. Under the heading of a long list of exemptions the first two words are "National banks." In the debate I asked the question, Who did this, and why? And I ask again. That exemption above all exemptions that could have been suggested by the human mind was a red flag in the face of a bull to the liberal and progressive Members of Congress, who had to swallow it or vote against the whole bill. I do not want anybody to tell me that I did not have a right to vote for an amendment to strike that exemption out of the bill, because I would not be there listening to him tell it.

I could mention other desirable amendments, but these are sufficient to make my point. I know that inability to get a vote on such amendments cost the bill votes and required others to swallow these objectionable features of the bill if they wanted to cast their vote for the principle of the bill. And on the heel of it all, those Members who wailed about the action of the committees for proceeding as requested by the sponsors of the bill, and all Members who voted against the bill and desire to take advantage of the situation, can now go back to their people and pass the buck to the Committee on Ways and Means and the Committee on Rules—and they will do it.

In my judgment, it is high time the Townsend movement got down off its high horse. In the face of the material and contradictory changes which have been made in these successive bills, there is no longer any face for the claim that each particular bill is perfect and cannot be amended. The laws of the Medes and Persians were unchangeable, but they died.

Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. KEEFE. Mr. Speaker, for 5 years the Nation has been intensively discussing the problems of old age and the necessity for making adequate provisions for the payment of old-age pensions.

Out of this welter of discussion there has crystallized an overwhelming sentiment throughout the Nation which clearly recognizes the existence of the problem and the necessity of legislation to aid in its solution. It is exceedingly difficult to find a person today who does not admit and concede that it is a fundamental duty of the Government to make provision for the care of the aged in such a manner as will tend to relieve them from the constant specter of want and despair in their declining years.

Two schools of thought have developed. One school adheres to the so-called social-security plan, involving the matching of State funds by Federal grants, and supported by a system of pay-roll taxes. The other school demands an outright Federal old-age pension plan under which livable annuities will be paid to the aged direct from the Federal Government, the cost to be financed by the imposition of taxes on a pay-as-you-go base.

Many plans involving the latter consideration have been advocated, the most prominent among them being the so-called Townsend plan, which has crystallized in a bill submitted to the Congress by the Ways and Means Committee of the House.

Nearly 5 months of hearings were held by this committee on this subject in response to the demands of the millions of thoughtful citizens of America, and while the Townsend plan has been heralded as pretending to pay annuities of $200 per month, the sober judgment of Members of Congress and the men and women of America dictates the utter impossibility of such a program ever being enacted into law. What the proponents of this plan really demand is an adequate, decent, old-age pension plan to be financed on a pay-as-you-go basis, and the hope of millions of citizens of America was and is that out of the hearings on the Townsend plan such a program would be evolved and be submitted in the form of legislation to the Congress. Instead of doing this, however, the Ways and Means Committee, apparently determined to make the issue a political football, and instead of responding to the petitions of the citizens of America, who asked for the passage of a Federal old-age pension plan based on soundness and common sense, saw fit to report to the House a bill, without recommendation, sponsored by the Townsend groups, which bill is admittedly imperfect and which does not in all of its particulars measure up to what the members of the Townsend organization themselves expect or want.

The bill was brought to the House under a rule which prohibited any amendments, or any change, with the one hope and expectation on the part of the committee that it would be voted down and be temporarily forgotten.

Those of us in Congress who are desirous of seeing a Federal old-age pension plan written into law, have demanded of this committee that it prepare and submit to the Congress a bill embodying sound and sane provisions that will provide adequate annuities for the aged of America.

Because the Ways and Means Committee has refused to perform its function and its duty in this regard, in the preparation and presentation of an alternative bill, I have felt constrained to vote for the proposal submitted in the

hope that when this bill reaches the Senate of the United States, that further discussion and clarification and amendment could be had, so that out of all the discussion there would come a sane, sensible, decent, livable old-age pension plan that would meet the demands and desires of the great mass of the people of America who have petitioned the Congress for relief on this subject.

I, as one Member of Congress, refuse to permit the misery of the aged to become a political football to be used for partisan advantage and because of the manner in which this bill was submitted to the House, and because of the refusal of the Ways and Means Committee to make any recommendation, and because of their refusal to even try to write a sound piece of legislation on this subject, I will vote for the present bill, with full knowledge that while it is imperfect, and is not the bill that I would like to see enacted into law, I know that before it leaves the Senate, if it is passed in the House, it will be reconstructed so as to meet the demands of sensible, thoughtful people throughout the land.

There is no other plan that will be submitted to this Congress, and if the issue is to be kept alive and any opportunity afforded for an ultimate vote on a sound program, sound judgment dictates that the bill be passed in the House and messaged to the Senate, where an opportunity will be afforded to reconstruct the program and wipe out the imperfections which even the Townsend supporters admit are contained in the present bill.

The Ways and Means Committee have indicated that they propose to offer some amendments to the Social Security Act, enlarging its scope and providing some slight additional benefits to the aged. It is my judgment that the old people of this country will receive no adequate relief under this proposed program and that the burdens placed upon industry, under it, will continue as in the past, and instead of solving the problem and meeting it head-on, in this Congress, we will only be temporarily sidetracking the issue and intensifying the demand which will surely come in succeeding Congresses, until the representatives of the people finally write a Federal old-age law that will be responsive to the needs of the aged people of this country.

I have always advocated, and still maintain, that the aged people are entitled to relief now and that the issue should not be stalled along, year to year, because it cannot be stifled by ridicule or silenced.

The present Congress, dominated and controlled by New Deal spokesmen, committed to the continuation of the social-security pay-roll tax plan, does not intend to write an adequate Federal old-age pension law, and I cast my vote in protest against this attitude, in the hope that some time a Congress will come into being that has the courage to deal with and to solve this great national problem.

Old-Age Pension Bill

EXTENSION OF REMARKS

OF

HON. CHARLES A. WOLVERTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. WOLVERTON of New Jersey. Mr. Speaker, it is my intention to cast my vote for the old-age pension bill, sometimes called the Townsend bill, now before this House. I do so not because I am in accord with all of its provisions. Some are visionary and others impractical, but I am strongly in favor of the principle of old-age assistance. Thus my vote will be cast in favor of the bill as a declaration upon my part to support legislation that will provide more adequately for our aged than is now provided for under the provisions of the Federal social-security law and State statutes.

It is regrettable that the Democratic majority has brought this bill before the House under a gag rule that does not permit any amendment, even of a perfecting character. There are amendments that could be made and should be made that would materially improve the bill. Many of these have been acknowledged as necessary. To have made such would have undoubtedly brought additional strength and support to the bill. I am inclined to think that as the Democratic majority of the House was opposed to the bill that there is much to justify the thought that the purpose in bringing the bill before the House under a gag rule may have been to preclude any amendments that would have corrected imperfections or otherwise improved its provisions and thereby made it reasonable and workable. To have done so would have gained for the bill much additional support. In fact, there is a possibility that if opportunity had been given to remove some questionable features and insert others that would have been more acceptable there might have been sufficient additional support to have enacted an honest, workable, and worth-while old-age pension bill. However, I am not willing to withhold my support from the bill merely because it is not suitable in all of its particulars. To do so would be to give more importance to details than to the real principle involved. The bill, notwithstanding any imperfections it may contain, definitely declares a policy of providing more adequate old-age assistance. I am in favor of such, and my vote is cast in order to make that principle effectual. If there had been no gag rule it would have been possible to have had a bill that would have justified support not alone upon the basis of the principle involved but also upon the basis of the detailed provisions contained within the bill.

I voted for the social-security law now in effect. At the time I did so I pointed out the inadequacy of its provisions for the aged. I voted for amendments that would have increased the amount payable for their assistance. The Democratic majority opposed all such liberalizing amendments. Today it is forced to acknowledge the inadequacy of the provisions of the social-security law in this respect. In fact, it is even promised by administration leaders that a bill will be brought to the House before the present session of Congress concludes that will amend the Social Security Act and liberalize to some extent the old-age provisions now in effect. If this is done, then credit should be given to Dr. Townsend and other old-age pension groups for having aroused sufficient sentiment throughout the Nation to make it necessary for the administration to provide better treatment of the aged. Certainly whatever legislation may be offered to effect such purpose will have my sympathetic consideration.

During the last few years conditions have gradually grown worse for our old people. Employment seems entirely out of the question so far as they are concerned. Lifetime savings have either been lost or entirely depleted by use during the 10 years of unparalleled depression. The need for assistance cannot be denied nor the justice of their claim ignored. Of course, no serious-minded person would consider the payment of $200 per month as originally advocated by Dr. Townsend. Even Dr. Townsend does not urge it immediately. Nor does this bill make any such payment possible. However, an obligation does rest upon Federal and State Governments to make suitable provision for the aged.

We have recognized the right and justice of legislation that provides compensation for disabled workers during the time of their disability, and compensation for unemployed workers during the time of their unemployment. It is no different policy to provide compensation or assistance benefits to the aged who through disability or unemployment are no longer able to carry on. Certainly the monthly payments to those over 60 years of age that would be provided by this bill would not be unreasonable. Aside from the economic reasons that might be urged in behalf of legislation of this character there is the higher demand of humanity and the so-called human rights that impels me to favorable consideration of this legislation and all other legislation, of whatever kind or character, that seeks to give help to those who are physically handicapped in life. The great need that I know exists justifies me in the support I give to this legislation.

Security for Old Age

EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. AUGUST H. ANDRESEN. Mr. Speaker, for many years, I have advocated the establishment of a Nation-wide old-age retirement system. A plan whereby every citizen of this country would have the opportunity of contributing to a retirement fund for his or her security and enjoyment in old age. A system of this character would be financed by all of the people, without cost to the Government, and every citizen would secure the benefit of a reasonable retirement annuity at the age of retirement.

ALL CITIZENS VITALLY INTERESTED IN OLD-AGE SECURITY

Insecurity of savings and investments for the average American has made the rank and file of our people extremely conscious of security for old age. Reliable statistics disclose that from 70 to 80 percent of our citizenship is dependent upon relatives, charity, or the public for a livelihood at the age of 65 years. No one desires to become a public charge or to be wholly dependent upon charity or relatives in the twilight of life. Therefore, Mr. Speaker and Members of the House, if the bill before us today—H. R. 6466—can be made the basis for a sound and self-sustaining old-age retirement system, the Seventy-sixth Congress will go down in history as having accomplished the greatest of all achievements in the interest of humanity.

The author and sponsors of the General Welfare Act frankly admit that the bill—H. R. 6466—is not perfect in every detail. I personally would like to offer important and clarifying amendments, but the Rules Committee has precluded the House from considering amendments of any character whatsoever. However, this fact will not deter me from voting for the principle of establishing a Nation-wide, self-sustaining, old-age retirement system for the United States. Perfecting amendments can and will be adopted by the Senate or when the bill goes to conference. Favorable consideration of the bill by the House today is but the first step in the legislative chain toward final perfection of a self-financed security plan to provide American citizens with security in old age.

Something-for-Nothing Principle Is Smashed in Remarkable Record of National Youth Administration for 4 Years—Concentration of Every Available Dollar on Youth Still Leaves Great Field of Opportunity Untouched—Texas State Federation of Labor Official Takes Lead in Call for Support of President's Proposal To Provide Sufficient Funds To Do Job More Adequately During 1940

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

LETTER FROM HARRY W. ACREMAN, OF AUSTIN, TEX.

Mr. LYNDON B. JOHNSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a letter I have received from Mr. Harry W. Acreman, executive secretary of the Texas Federation of Labor, of Austin, Tex. Mr. Acreman, voicing what I believe to be a universal opinion, urges approval of President Roosevelt's recommendation for an increase in the National Youth Administration appropriation for 1940 from $75,000,000 to $123,000,000.

It is my conviction, Mr. Speaker, that no agency of the Federal Government has done more constructive work both for the present and for the future of America than the N. Y. A. under the administration of Mr. Aubrey Williams and his efficient corps of assistants.

Had it not been for the N. Y. A. during the last 4 years since its establishment by Executive order of President Roosevelt in June 1935, thousands of American boys and girls never could have seen the inside of a high school or college. They would have been dumped uneducated, unprepared, and untrained into a world unable to give jobs to half the experienced persons applying for them—requiring them, in fact, to live and to support their families swept out in the depression.

The N. Y. A. has relieved the pressure upon our overtaxed labor market like a great dam, storing flood waters to be released in times of thirst and drought. It has kept thousands of boys and girls in high school and college, where they belonged. It has eased the emergency and insured youth the training twentieth century life demands as a requisite for success.

Those deprived of the opportunity to attend high school or college, or through with their formal education, have been allowed to earn about $10 a month on constructive part-time work projects. The work they have done is useful and permanent. Evidences of it lie across every State of the Union and our possessions. It is all a monument to the youth which built and which trained and learned under competent leaders and instructors while it was working.

Not one dime paid out by the N. Y. A. to boys and girls for education or on work projects has been disbursed except in return for actual and useful work performed. High-school and college students have worked for their wages in hours which did not conflict with their obligations to study. High-grade, even superior, work has been exacted on every project. It has not been work of gestures, but work of accomplishment. Something for nothing has not been tolerated.

During 4 years, under restricted appropriations, N. Y. A. officials have been aware that they were like a short-handed crew in a field white unto harvest. For every worthy boy or girl they have been able to reach there has been another just as worthy who has had to be turned away.

Here is how N. Y. A. dollars are spent:

John Jones is a boy 17 years old. He cannot go to school unless he finds a job. If he goes into the labor market to find a job he will compete with someone out of work and perhaps with a family or dependents to support. His school, participating in the N. Y. A. program, tells him to go on with his classwork and it will permit him to earn, say, 25 cents an hour doing useful work about the campus or in the school offices at hours which do not conflict with his studies. It will permit him to work 24 hours a month and earn $6 during a month—for lunches, supplies, carfare, shoes, or other necessities.

Here is Mary Smith, who has finished high school and wants to go to college to train herself for some special profession or calling. Her family is too poor to send her. If she works her way through school by going into the labor market, she competes with someone else who needs a job. The college gives her an N. Y. A. job, taking her out of the labor market and permitting her to train. She works for the college under the supervision of college officials and at rates set by the college. Her hours do not conflict with her work. She may earn approximately $15 a month to help support herself as she trains.

Now we come to Bill Kelly, who is through school. He wants to go to work. If he enters the general labor market as an untrained, unprepared worker, he not only has a poor chance to establish himself in life but he becomes a competitor. The N. Y. A. gives him a job. It is a job on a public project which is not only useful in itself but will permit Bill to learn the rudiments of a trade or profession—prepare him for apprenticeship. It is a job which will help him find him-

self and his likes and dislikes, his talents and capabilities. He can earn an average of approximately $10 a month by working part time.

That is the sort of work the N. Y. A. is doing every day of the year. Constructive, beneficial, American. I have never heard any educational, civic, business, labor, farm, or professional organization lift its voice in protest against the work the N. Y. A. has been doing or the money entrusted to it.

The following letter from Mr. Acreman is typical of the voices raised in its behalf. I feel that Mr. Acreman speaks not only for Texas labor but for all American labor and enlightened American opinion in general as well when he writes as follows:

THE TEXAS STATE FEDERATION OF LABOR,
OFFICE OF THE SECRETARY,
Austin, Tex., May 16, 1939.

Mr. LYNDON BAINES JOHNSON,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: The President has proposed an increase of from $75,000,000 to $123,000,000 for operation of the National Youth Administration program throughout the next fiscal year, and his organization plan sets the N. Y. A. set-up as a separate entity.

The proposed increase in funds is badly needed. There are now in Texas thousands of young people eligible for participation in the N. Y. A. program who are being denied this advantage, due to inadequate funds.

It is my information that hearings on the bill, in which the N. Y. A. is included, will begin this week. May we urgently request your support and influence on behalf of the National Youth Administration program?

Respectfully yours,

HARRY W. ACREMAN,
Executive Secretary.

The Townsend Recovery Plan

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 31, 1939

Mr. COLE of New York. Mr. Speaker, during the election campaign of 1938 the Townsend recovery plan was an issue in my district. My position at that time was that I favored a full and complete hearing and study of the plan by the Ways and Means Committee, giving the proponents of the plan ample opportunity to present such evidence and testimony as they might be able to substantiate their claims of the practicability of the plan. I further said that if, after such a hearing and study, the committee was convinced of the soundness of the Townsend proposal and reported the measure favorably to the House I would, in all probability, vote to uphold its determination. This campaign pledge, while its reasonableness appealed to the national officers of the Townsend recovery plan, was not satisfactory to the local Townsend Clubs of the district and I was accorded their strenuous and bitter opposition. Having made that promise it has been my purpose to carry it out even though the support of the Townsend members did not contribute to my reelection.

For nearly 5 months the Ways and Means Committee, composed of 25 of the ablest Members of the House, sat in open sessions to take testimony relative to H. R. 2, the Townsend plan, and H. R. 11, the General Welfare Act. Nobody who wanted to speak was denied the opportunity, nor was any person curtailed in the time allowed for addressing the committee. Hundreds of witnesses appeared or their statements were filed with the committee; the entire testimony fills 3 volumes, with a total of 2,600 pages. There never has been the slightest intimation that the proponents of the plan were not given a full and complete hearing. Eventually the committee, with but two dissenting votes of members who were opposed to the plan, determined to report H. R. 6466, representing the final and seventh version of the Townsend idea, to the House without recommendation either for its passage or its rejection.

Mr. Speaker, my campaign pledge to my constituency has been kept. The hearings have been held; the plan is before the House for action. Now it is my responsibility, as Representative of 240,000 people, to cast my vote. The decision which I have reached is not a pleasant one. I recognize that there are thousands of aged persons in need of public assistance who have been taught to believe that they will receive $200 per month upon the adoption of this plan, and who look to me to stand by them. I recognize that the vote which I shall cast will be construed by them as from one who is blind to their wants and deaf to their supplications. I recognize that I shall be charged with being the tool of the moneyed interests and great wealth, with placing property values above human values, and with having no understanding of nor sympathy with the problems of the aged. I recognize it will be said that in my heart there is no portion of the milk of human kindness.

In truth, however, it is because I do know the plight of the aged, because I do have sympathy for their predicament, because I realize that it is a public responsibility to care for them in an adequate and comfortable way, because I have the greatest desire to support a system which is sound and permanent that I cannot bring myself to endorse a proposal which is bound to break of its own weight, which will bring economic ruin and chaos to the country and which in its collapse will carry to greater depths of despair the very persons whom we now seek to assist.

I have carefully reviewed the testimony given before the committee. I have listened to and read all the debate on this proposal in the House. Of the 25 members of the Ways and Means Committee who have studied the problem at firsthand, not a single one rose on the floor to voice his support of the merits of the plan. Every committee member who has spoken on the bill has denounced it vigorously and bitterly as being unsound and impractical, a fraud and delusion, a farce and fiasco. Of the scores of persons who appeared before the committee, the only ones to speak in behalf of the legislation were officers of the Townsend National Recovery Plan and several Members of Congress. The proponents offered no testimony of an economist, of a tax expert, nor of a businessman. None of them discussed the economic phases of the proposal. All of them extolled the objectives of the plan and certainly there is no one who does not agree with them in that respect.

There was no representative of labor nor of agriculture who testified in behalf of the proposal, but, on the contrary, there is ample testimony that the scheme would be ruinous both to labor and agriculture. Mr. William Green, president of the American Federation of Labor, in a letter to Representative DOUGHTON, chairman of the committee, said:

MY DEAR CONGRESSMAN: In the federation's testimony presented on March 7, 1939, before your committee by Mr. Woll, chairman of our social-security committee, the position of the federation was clearly stated in opposition to the Townsend bills. We believe that a clear distinction must be drawn between the type of benefit which is received as a matter of right by designated beneficiaries for whom insurance programs have been established and that which is granted as relief to persons in need. The rights which have been established under the social-security laws have been primarily for persons whose economic circumstances left them prey to insecurity which the Nation wished to remove, and have been definite in respect to the funds and the amount of benefits. Although it would be a happy situation if no consideration of needs were necessary, so long as we must raise the money for whatever pensions are granted we must consider the cost. It is unreasonable to tax persons ill able to pay and give pensions to many who are already secure enough not to need assistance in their old age.

We are convinced that to pretend to offer up to a maximum of $200 a month to all old persons regardless of need, as is done by H. R. 6466, is both dishonest and undesirable. It is dishonest because no such large sums could be paid to individual annuitants even with the burdensome taxes proposed. The amounts actually paid would be very much under the maximum and would fluctuate from month to month so that no real security would be achieved for those who really need it, while others would receive sums entirely unnecessary in their economy.

It is undesirable because it taxes wages and gross incomes with practically no regard for ability to pay, and because it offers tremendous incentive to integration of producing and marketing units at the expense of small independent business. The independent retailer, the consumer, and the wage earner will be the losers under this program. A gross income tax of a flat percent cannot be

other than regressive in effect. It is a thoroughly bad form of taxation.

The incomes of most wage-earning families are too small to justify this 2-percent income tax designed to furnish pensions for old persons regardless of need. The wage earners spend now nearly every cent of their wages. No increase in national purchasing power can be achieved by taking money from them to give to another part of the population.

The American Federation of Labor believes in enlarged social security for the Nation but achieved by reasonable methods. It condemns H. R. 2 and even more H. R. 6466 as wholly unreasonable devices and as unable to fulfill the implied extravagant promise of large pensions on the basis of which they make their appeal.

Not only will the laboring man be required to pay a tax of 2 percent on the wages which he received but he will also be required to pay the inevitably higher price for the goods which he buys. The executive secretary of the Railway Labor Executive Association also in a letter to Mr. DOUGHTON said that the members of his association "are definitely opposed to this bill."

As to the effect of the measure upon the American farmer there is ample testimony from acknowledged leaders of agriculture. Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, transmitted to the Committee an analysis of the measure in which it is said:

Leaving out of consideration the merits or demerits of the pension features of this plan, concerning which the American Farm Bureau Federation has adopted no definite policy as yet, this proposed measure, if enacted into law, would impose upon American agriculture and the Nation a crushing tax burden which would be intolerable and which would ultimately destroy our economic system.

The tax policies adopted by the American Farm Bureau Federation in 1933 and reaffirmed with modification from time to time since, justify the Federation in condemning and opposing vigorously this proposed tax both from the standpoint of the nature of the tax and the alarming extent of the tax burden which it would place upon American agriculture.

Since early in the 1920's the American Farm Bureau has opposed the levying of a Federal sales tax by the Federal Government and has advocated the establishment of an equitable tax structure based upon ability to pay.

This proposed bill levies the most vicious form of a Federal sales tax. It proposes to tax every farmer, every worker, every person receiving income from virtually any source, and the tax is levied on the total value of every transaction, every wage or salary payment, and every income payment.

The tax is not based upon ability to pay but in fact bears heaviest upon those least able to pay. It levies the same rate upon the poor as upon the rich. Even the unemployed must pay the tax upon his food, clothing, and shelter.

Being levied upon every transaction and service again and again as commodities move through the channels of trade it is pyramided to the greatest possible extent like compound interest, by the time it reaches the consumer.

A disproportionate share of the tax would be borne by farmers because much of this enormous tax burden on agricultural commodities as they move through distribution channels would be passed back to the farmer, because of the inability to pass on such enormous costs to the consumer.

* * * * * * *

In short, this proposal would launch the Federal Government upon a course which imposes upon the masses of people, one of the most inequitable forms of taxation, which requires immediately as a very minimum an amount of money which would be ruinous in its consequences both to agriculture and to the Nation as a whole under present circumstances, which proposes ultimate burdens to be imposed upon the people that are utterly fantastic but which if really applied would wreck our economic system and perhaps destroy our Nation, and which imposes these heavy burdens unnecessarily upon millions of people unable to bear them, in order to pay excessive and unnecessary benefits to many people who do not need such amounts. It is unnecessary to impose these heavy burdens upon all in order to provide reasonable pensions for those who really need them.

Mr. Fred Brenckman, Washington representative of the National Grange, wrote to the committee in part as follows:

Every man who has social brains and the heart to feel for the wants of the old, the infirm, and the distressed is naturally willing that everything possible should be done to help these members of the human family. However, there is one point that must be kept firmly in mind. It is this: There can be no such thing as personal or individual security that is not based on national security. Any plan that would wreck the United States Government would surely leave each one of us stranded individually. That the Townsend plan would wreck the Government if placed in operation cannot be denied by anyone who will think the matter through and who is willing to look facts in the face. Among other things, it violates that sound principle of legislation which should always be kept in mind, namely, the greatest good for the greatest number. Placing our population at 130,000,000, it would tax 120,000,000 people to the point of extinction to give a joy ride to the other 10,000,000 people over 60 years of age.

According to census figures, the average farm owner of the United States is about 50 years of age. It may be assumed that his wife has lived about as long. Why should the farmer and his family, who toil from dawn until dusk, be asked to pay a part of the proceeds of every sale they make to help maintain in idleness or even luxury those who have attained the age of 60 or more? The same question may be asked with reference to those who are engaged in any other industry, vocation, or business.

There is only one basis upon which any government can endure, and that is that the people must support the government. Any attempt to reverse this principle, asking the government to support the people, could not fail to result in disaster.

Not only would the laborer and the farmer be adversely affected by this measure, but business, both big and little, could not withstand it. The stock broker, the real-estate agent, the commission merchant—all those businessmen who deal on a small margin of profit would be forced to close. It is thought that the small-business man would be benefited by reason of the fact that the funds of the pensions would be used to buy the articles on the shelves of the store. As a matter of fact, Dr. Townsend admitted that his plan would destroy the small merchant, the country storekeeper, the independent businessman—all of whom employ from eight to ten million persons. And the curious part is that Dr. Townsend says he thinks they should be destroyed.

Reference has been made to the fact that the plan has been in operation in Hawaii for some time and that it has proven successful. It is true that there is a somewhat similar system as the Townsend plan, but it differs in many respects from the one which we are now considering. The rate of the tax is lower, a great many services and commodities are exempt, it has raised the cost of living in Hawaii far in excess of that in the United States, and it has produced but $15 per month for the pensioner.

Mr. Speaker, the crowning stroke which persuaded me to make the decision which I have is that the proponents of the measure admit that it is filled with imperfections; that it is not constitutional; and in fact Mr. Jeffries, vice president of the Townsend National Recovery Plan, expressed to at least one Member of Congress the fervent hope that the bill would not pass. What is one to believe when he hears of such chicanery as that except that it is the desire of those who are on the receiving end to continue the flow of dimes and quarters into headquarters from those poor elderly people who have been deluded by the siren song of the promised utopia.

In the past I have voted in support of a measure which would have made it possible to pay $40 a month to the elderly people. It cannot be said that I am opposed to them or opposed to an adequate old-age pension. It is my responsibility to represent the interests of all of the people of my district. I cannot bring myself to support a measure which would place a crushing tax burden upon 92 percent of the people in order to benefit but 8 percent, and at the same time to ignore the needs of the young widow with her family of small children or the needs of the crippled and afflicted who might not have reached the age of 60 years. There is a way that this problem can be solved but it must be based on more sound and equitable principles of taxation and finance than the one presented to us today.

The easy course for me to follow would be to support this measure. Not since I have been in public office have I chosen to vote contrary to my sincere convictions. Much as I would like to help the old folks I cannot make an exception to that rule. I am admonished, as are we all, by the words of Martin Luther, who said:

To act contrary to conscience is neither safe nor upright.

If the time ever comes when the people of my district in New York State choose to send to Washington as their representative a person who is not ready to vote his convictions, who will succumb to the pressure of organized minorities in order to curry their favor and who will follow any political whim as it may occur, then I am ready to retire to private life, but when I go it will be with head erect and with the

satisfaction of knowing that I have exercised to the fullest extent the limited powers and ability that have been given me. I would rather be right with my judgment and my conscience than to remain in Congress.

H. R. 6466

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 1, 1939

Mr. ALEXANDER. Mr. Speaker and Members of the House, I have received upward of 5,000 requests from residents of my district that I support the Townsend plan as represented formerly in H. R. 2 and now in H. R. 6466. These requests have come from every corner of my district and not only from the older people but from all ages. They have come not only from private individuals, but from many groups and organizations including businessmen, lawyers, doctors, teachers, and other professional groups. I have one petition with nearly 1,000 names from southeast Minneapolis, in which is located the second ward, which is one of the most conservative wards not only in my district but in the entire city. There are other petitions from other sections such as Lindstrom, with over 200 names, including every businessman in that section, with only one or two exceptions, Wyoming, Taylors Falls, St. Francis, North Branch, St. Bonifacious, Grandy, Excelsior, Hopkins, Sunrise, Almelund, Shafer, Robbinsdale, and others.

On only one other subject have I had such an avalanche of correspondence, and that is with reference to the question of war and peace. And rightly so, for in my estimation there is a direct connection between the question of whether this country will keep out of war during the next 2 or 3 years and our economic situation. There is not a shadow of a doubt but that this Nation's business would boom if the Townsend bill were to be made a law, because it would result in better monetary circulation and also in more business turn-over, the two things which everyone agrees are essential if we are to get back to prosperity.

As a direct example of what happens when we distribute money to several millions of people, take the case of the payment of the soldiers' adjusted compensation in 1936. Business, not only in the Middle West, but throughout the entire Nation, started to improve, so that in the spring of 1937 the President decided that business was so good that he could reduce relief expenditures and cut down on Federal spending for unemployment. The improved situation was reflected in every aspect of our national life from the ex-soldier, the small-store keeper, and the businessman to Wall Street and our great corporations. Then, only slightly over 3,000,000 of our population suddenly were given money to spend, whereas, under the Townsend plan, upward of 10,000,000 would be included in the money movement. If time and space would permit, I could go on with countless illustrations of this economic phenomenon pointing to the need of something to create more turn-over.

We created a similar situation during the World War when we financed about $40,000,000,000 worth of manufacturing and loaned upward of one-half of that amount to foreign nations with which to purchase our goods. Everyone had a job at good wages then. If we could countenance the expenditure of such vast sums of money in such a questionable way for destruction and war, then it seems to me that it would be much better now in the interest of peace and in the interest of our working people and the aged, if we were to tax ourselves and establish a spending program such as proposed in this bill in order to promote peaceful business and a sound governmental economy. Now is the time to plan for, to promote, and to preserve peace. A vote against this bill is as much a vote for war as a direct vote for war will be 2 or 3 years hence when the stress and strain of our economic situation has brought us to such a low ebb in our national existence that the only question will be whether to allow our millions of unemployed and poverty stricken to starve or whether to sell goods, supplies, and munitions to war-torn Europe and Asia, which will thus again enmesh us in Europe's troubles.

I for one do not want that problem on my hands when that day comes; therefore I am glad to listen to the voice of thousands of my constituents in order that we may build peace and prosperity now before it is too late.

An Explanation of the Administration's Silver Purchase Program

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Friday, May 5, 1939

EDITORIAL FROM THE WASHINGTON POST AND ANSWER THERETO

Mr. WHITE of Idaho. Mr. Speaker, in answer to some of the editorial comment and misleading statements published concerning the administration's silver buying program, I desire to insert in the RECORD an editorial that appeared in the Washington Post and my answer, which was printed in the Post:

[Editorial from the Washington Post of April 22, 1939]

SENSIBLE ADVICE

Not a single valid argument can be advanced for continuance of the Treasury's silver-buying program. Instead of encouraging the monetary use of silver, it has resulted in the abandonment of the silver standard in China and Hong Kong and has seriously upset the currency systems of a number of countries.

Our huge silver accumulations have not helped us to solve our economic problems, or even to raise the price of silver itself. In fact the world price of that metal is lower today than it was when the 1934 purchase act was passed, despite the support rendered the market by Treasury buying. Furthermore, although it has bought about 2,000,000,000 ounces of silver, the Treasury is not much nearer fulfillment of the terms of the law than it was at the time of its passage.

Meantime approximately $1,200,000,000 of silver certificates have been issued against the metal acquired. And a slightly greater amount could be issued against unpledged silver held by the Treasury. Testifying before the Senate Banking and Currency Committee, Marriner S. Eccles, Chairman of the Federal Reserve Board, pointed out that these silver certificates are displacing Federal Reserve notes in our currency system and increasing the volume of member bank excess reserves, thereby adding to the danger of inflation.

Since approximately 90 percent of the silver purchased by the Treasury is imported from other countries, Mr. Eccles' recommendation that foreign buying be discontinued would involve virtual abandonment of our present silver policy. It would relieve the Treasury of the necessity of acquiring huge amounts of a metal not acceptable to foreign governments or central banks in settlement of balances. It would put an end to a policy which enables foreigners to dump great quantities of overvalued silver into this country in exchange for American goods.

While there is not now and never was any justification for singling out the domestic silver industry for preferential treatment, it is probably expedient to make some concessions to domestic producers who have become accustomed to rely upon the subsidies handed out to them by an indulgent government. Consequently, Mr. Eccles, instead of urging complete repeal of the silver program, recommends retention of the domestic subsidy at a reduced rate and placement of an embargo upon further imports. That appears to be a sensible compromise which, for all practical purposes, would terminate a foolish and futile experiment.

[Letter to the Washington Post appearing in the April 30, 1939, issue]

WASHINGTON, D. C., *April 23, 1939.*

To the EDITOR, WASHINGTON POST:

At a time when the national Budget is hopelessly out of balance, when the Congress is cudgeling its brain to find new sources of

income through taxation to meet the rising cost of Government, you state in your editorial Sensible Advice, appearing in your issue of April 22: "Not a single valid argument can be advanced for the continuation of the Treasury's silver-buying program."

In considering this statement, let us consult the record of the United States Treasury in dealing with silver. We have today $1,645,729,305 in silver certificates, legal tender money, outstanding as shown in the Treasury statement of April 17, money circulating in the channels of trade and business which has been paid out by the Treasury in paying Government expenses flowing into circulation free of any interest charge as the cost of creating and issuing this form of currency. This class of the national currency, silver certificates redeemable in silver dollars, is placed in circulation by the Treasury at a profit of 100 percent on domestic silver and 200 percent on foreign silver and circulates free of interest in contrast to the cost of circulating Federal Reserve notes supported by interest-bearing eligible paper—short-term business notes or bonds.

We find that the Treasury's silver-buying program is operated to place a large volume of interest-free currency money in circulation to supply business with a medium of exchange at a profit of 100 percent and over to the Government effecting a saving in interest (a hidden tax) on business. If this is not a valid reason as well as an "argument" for the continuation of the silver-buying program, what "valid argument" does the Post advocate for the discontinuance of the silver-purchase program and the replacing of redeemable silver certificates with irredeemable interest-yielding Federal Reserve notes?

Now with the surplus commodities, particularly cotton and wheat, burdening our Government finances through the Reconstruction Finance Corporation and 10,000,000 men out of work seeking employment, is the Post serious in advocating putting "an end to the policy which enables foreigners to dump great quantities of overvalued (?) silver into this country in exchange for American goods"?

When the American people are eagerly accepting this silver in the form of silver certificates, money, to finance trade and business and the Government is making 200 percent on the exchange at a time when Government income is so sorely needed, must we keep our surplus commodities and pile higher and higher this burden on the Federal Treasury?

And while we are considering the price paid the miners for domestically mined silver, let me remind the Post that the Government derives a large source of tax income from the operation of these mines as disclosed by the record. One of the largest of the few producing silver mines in this country, the Sunshine at Kellogg, Idaho, paid 10.35 cents tax on every one of the 11,352,986 ounces of silver produced last year. Another mine in the district I have the honor to represent, the Hecla at Wallace, Idaho, paid in taxes at the rate of $266 for each of the 465 men employed last year. The Bunker Hill, one mine in one hill in Idaho, paid $376,095.55 in taxes in 1937.

Speaking of the subsidy to the silver miners when the Government is making 100-percent profit in buying their product paid for in certificates drawn against that product and at the same time collecting a huge tax income from the mines direct and other taxes all along the line, may I suggest that instead of advocating the cutting off of this source of Government income that the Washington Post, the great morning newspaper at the National Capital, use its influence to secure the adoption of an adequate, workable money system free of the continuing interest charge as a means of restoring permanent national prosperity?

Clarks Hill Dam Project

EXTENSION OF REMARKS

OF

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

STATEMENT BY HON. BUTLER B. HARE BEFORE SENATE COMMITTEE ON COMMERCE, MAY 31, 1939

Mr. HARE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement filed by me before the Senate Committee on Commerce, May 31, 1939:

The Savannah is one of the longest and largest rivers of southeastern United States. Beginning at its mouth on the Atlantic Ocean, it forms the boundary line between South Carolina and Georgia for a distance of about 320 miles, where it is formed by the confluence of the Seneca and Tugaloo Rivers, the Tugaloo forming the remainder of the boundary line between the two States. The Seneca and Tugaloo Rivers have their source in the Blue Ridge Mountains, where the annual rainfall is from 60 to 80 inches; consequently, these three streams, the Savannah, Tugaloo, and Seneca Rivers, together with their tributaries or feeder streams, furnish an outlet for an unusual amount of water from the mountains to the sea.

NAVIGATION

A century ago or more, the Savannah River was navigable from its source to its mouth, cotton and lumber constituting the larger portion of the outgoing freight, brick imported from England being the leading incoming tonnage, which was no small amount. Navigation by shallow-draft boats has continued to date from Augusta to the Atlantic, a distance of 220 miles. At the mouth of the river the United States Government maintains a channel of 30 feet over the ocean bar, and a channel of 26 feet is maintained at the principal wharf at Savannah, a city of 90,000 population or more, located on the river about 17 miles from its mouth.

The problem of navigation, as well as flood control, from Augusta to the sea has been one of commanding importance for 50 years or more. Augusta, with a population of about 70,000, located on the banks of this river, is one of the largest inland cotton markets of the United States. For more than three-quarters of a century it has been the center of trade, covering a radius of 75 miles or more in both South Carolina and Georgia. Therefore, navigation on the Savannah is not a new problem. The Federal Government has made appropriations for 40 years or more at different times for aiding navigation by the construction of training walls, winged dams, and bank protection, the controlling depths at low water being from 3 to 4½ feet. It is proposed by the erection of the improvement here involved to provide a 6-foot channel from Augusta to Savannah for at least 85 percent of the time. The tabulated estimate of opinion of over 1,000 prospective shippers and receivers of freight shows that over 1,000,000 tons of freight will be available upon the completion of this project.

FLOOD CONTROL

Following the cutting and removal of forest timbers in the Savannah River Valley and the clearing of lands of adjacent areas, the control of flood waters became a problem of great and increasing importance. Augusta has spent upwards of $2,000,000 in constructing levees along the Savannah River to prevent flood waters from covering the city. The city of Augusta has a number of times been inundated by flood waters of the Savannah, and within the memory of the average citizen frequent floods have covered vast areas between Augusta and Savannah inundating thousands of acres of most fertile lands, destroying crops and livestock amounting to millions of dollars in value Many plans have been devised, without avail, to obviate the overflow of farmlands on both sides of the river. In recent years, however, engineers have found that it is easier and cheaper to control flood waters by constructing and maintaining reservoir dams near the source of streams in which floods are certain to occur. Following this plan of storing flood waters the question of using them for navigation purposes logically suggested itself. Conditions on the Savannah afford an excellent opportunity to justify the wisdom of such a policy.

POWER DEVELOPMENT

In more recent years it has been found that the waters impounded to prevent floods and the loss of life and property, which usually accompany them, when loosed for navigation purposes, can be utilized in generating electric power, which has become such an indispensable and a daily enlarging factor in our modern life. Hence, navigation, flood control, and power development on the Savannah have become associated as one problem.

INVESTIGATIONS AND RECOMMENDATIONS

When I came to Congress in 1925 representing the Second Congressional District of South Carolina, I found that my predecessor, the Honorable James F. Byrnes, now United States Senator, the Honorable Fred H. Dominick, who then represented the district I now have the honor to represent, Congressman Brand, Congressman Vinson, and Congressman Edwards, who at that time represented adjacent territory on the Georgia side of the river, had all manifested more or less interest in the problem of flood control, navigation, and power development on the Savannah. Two years later the River and Harbor Act of 1927 made provision for a survey and study of these problems as related to rivers in Southeastern United States, including the Savannah River. The report was to be prepared and submitted to Congress under the direction of the Secretary of War and the Chief of the Board of Engineers.

The survey and report were not completed and submitted to Congress until November 1934. The feasibility of flood control, navigation, and power development by one or more reservoir dams above Augusta was recommended, the reasons therefor being set out at considerable length and detail in the report.

On August 15, 1935, the President of the United States addressed a communication to the Secretary of War, the Secretary of the Interior, and the Chairman of the Federal Power Commission, directing that a three-member board be created, consisting of one representative of the Corps of Engineers, one from the Natural Resources Committee, and one from the Federal Power Commission to make a further study and prepare a report on the advisability of proceeding the following year with the Savannah River improvement by erecting a dam at a point approximately 21 miles above the city of Augusta. On February 29, 1936, the committee submitted a report, which has been filed and is now before this committee for consideration.

It shall not be my purpose to discuss the report at length or in any detail but think it appropriate to call attention to some of the findings and recommendations of the committee. Two feasible dam sites were found to exist in the immediate vicinity of the

point designated by the President. These were referred to as 222.3 miles and 222.7 miles from Bull Street in the city of Savannah, Ga. However, the committee did not hesitate to state that the site at 222.3 miles was found to be the more feasible for the proposed development and is referred to as the Clarks Hill project, because of its proximity to Clarks Hill, S. C., a small village near the river on the Charleston & Western Carolina Railroad. The report suggested that this site was exceptionally suited for the creation of a reservoir to impound waters for flood-control purposes; that it is equally well suited for storage waters to be used when needed for navigation purposes on the river between Augusta and Savannah, Ga., saying, "This reservoir is located well down the main stream of the river so that a large volume of water for filling purposes each year is definitely assured." "The reservoir could be operated in such a manner as to reduce the stage of major floods at points below the dam, without detriment to either navigation or power, and thus increase the margin of safety at Augusta against possible inundation." That is the committee found that the construction of a dam at Clarks Hill will prove to be an insurance against floods on the Savannah River, a distance of over 200 miles, and will insure a 6-foot channel for navigation for over 80 percent of the time. It found also that, "The Clarks Hill site is one of the best undeveloped power sites on any of the streams entering the Atlantic Ocean from the South Atlantic States."

More recently the report referred to was submitted by the President of the United States to the Natural Resources Committee and Federal Power Commission for a further study and report, both of which have approved the recommendations of the special committee in most enthusiastic terms. However, these reports reached Congress too late to be considered and included by the Rivers and Harbors Committee in the bill which recently passed the House of Representatives.

But these reports are all now before your committee, and it is unnecessary for me to review them at any length. It is sufficient to say that the Natural Resources Committee, as well as the Federal Power Commission, find and conclude that the industrial possibilities of the Savannah River Valley and adjacent territory are practically in their beginning, although within a radius of 75 miles of this site we find the center of the great textile industry of both South Carolina and Georgia. The Federal Power Commission concludes there is, and will be, ample and suitable markets for all of the power to be generated at this plant when completed.

It is made clear that the impounded waters will be sufficient to obviate the possibility of a major flood on the Savannah at any point between Clarks Hill and the Atlantic Ocean. It is shown further the waters can be loosed in dry weather and provide a 6-foot channel from Augusta to the ocean for at least 85 percent of the time. In addition, it is estimated that there can be generated upwards of 400,000,000 kilowatt-hours of electric current for rural electrification if needed, as well as added industrial enterprises.

Permit me to say, in conclusion, that it has been my privilege and honor to represent every county touching the Savannah River and its tributaries on the South Carolina side from the North Carolina line to the Atlantic Ocean, and I hope to see, before I retire from Congress, a development that will obviate the possibility of further disastrous floods on this stream and a development of electric power sufficient to meet the needs of every person and every activity adjacent thereto.

This proposal has probably been studied, investigated, and enthusiastically recommended by more governmental agencies than any other similar project now before Congress, and I confidently hope that it will be approved and authorized by your committee.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

ADDRESS BY HON. RAYMOND S. SPRINGER, OF INDIANA, MAY 30, 1939

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Memorial Day address delivered by the gentleman from Indiana [Mr. SPRINGER] at Muncie, Ind., on May 30, 1939:

This is the Nation's day of remembrance!

It is consoling, indeed, to come to this beautiful spot where the green mounds are enshrouded with fragrant flowers, where all is quiet and solemn, where the very earth seems to be hallowed ground. There is no confusion here, all strife and controversy have ended—but we meet in the presence of sweet and peaceful sleep of the dead.

Today we call the roll of those noble men that we, who remain, may pay due homage unto them. They are the soldiers, sailors, and marines of all wars, who gave their last full measure of devotion to the cause of their country. These brave men and women, and to all of our countrymen who have made such a splendid contribution to our cause of progress and who have passed beyond, we honor and revere on this annual Memorial Day. We shed our common tears upon their graves, we place our wreath upon the sepulcher which contains the mortal remains of our loved ones and we turn away to meet again the hardships and the burdens, the joys and the sorrows, of life. This is the inevitable plan of earthly existence.

We have had our conflicts in the days gone by. Our fervent prayer, today, is that we shall have no more of war.

When the smoke of battle cleared away in 1776, independence came to our Nation and our flag had been conceived and brought before the eyes of the world.

In the beautiful cemeteries throughout our land stand those markers upon which is engraved this simple sentence: "He was a Revolutionary soldier." To we who love liberty and proclaim freedom for our people, the silent tomb of those who gave so much to this noble cause is sacred and hallowed ground.

We cannot forget, in this moment of sacred memory, those conflicts of 1812 and 1846; the flower of American manhood marched forward, keeping the step with the shrill notes of the fife and the beating of the drum, following our flag. These conflicts did not long endure; the finances and the manpower of nations cannot continue endlessly when engaged in terrific combat—when men die for their country. When those wars had ended our boys came back home—not all of them, because those great sacrifices had been made—bringing our flag, the emblem of freedom and justice, spotless before the eyes of the world.

This is the day of the veterans of the Civil War. This is their memorial. We are here to do them the great honor which they so justly deserve. When they marched away from home, so proud to serve their country, they were the youth of our land. Their eyes were keen and bright, their step was quick, their faces radiant with the ambitions of young manhood and the vision of their country was before them. Their cause was a noble cause. No one can tell of their hardship; history can never recount their terrible suffering; the mental anguish those veterans endured will never be fully understood.

These men faced the enemy when hospitals were few and when surgery was crude and undeveloped; when the equipment necessary was of the commonplace, and when the wounds suffered were cauterized by their own hands; such was their day. The skill of today was not available when these veterans were under fire; their struggles were many and their hardships were great. Then the day came when the war was over. Our boys came back home—not all of them. Today, on many of the southern sunny battlefields, in unknown and unmarked graves, rest so many of our "boys in blue"—awaiting the resurrection morn. Yet, when that great conflict was over, our Nation was perpetuated and our flag was made supreme.

Since that happy day, time in its undisturbed flight has winged onward, keeping no account of heart beats; we are appalled at the few veterans who remain among us. In my own county, out of a great body of men who served we are honored with the presence of but two veterans of the Civil War. Throughout your own county those fine men who made such a fine contribution to our Nation have silently joined their comrades who have gone before. I pause in the presence of the few veterans who are with us—all that now remain of that mighty army of men—to say, "May God bless you and keep you—the saviors of our Nation."

Again, in 1898 the call was sounded and the boys of Spanish-American War days responded. They marched into a foreign land where disease was a menace, and where the poisoned bullets were ever a threat; they encountered every hardship, and when the war was over our boys came back—not all of them—bringing our flag still spotless and stainless before the world.

May I refer, at this moment, to my own comrades—the veterans of the World War? I can speak of them because I was one of them, and I recall how proudly they followed our flag as Americans. When we think of war we usually think of the terrific cost of war; may I analyze some of the cost of the World War? Our Army consisted of 4,791,172 men and women. We lost in action and from other causes 173,274 of our citizens; 205,690 of our boys were wounded; we have already paid out of the Federal Treasury the staggering sum of $7,572,621,751.75 to our veterans and to their dependents since the war ended. The greatest loss, however, was in the loss of life and in the disabilities suffered by our soldiers; the peak of the disabilities suffered has not yet been reached, and it will be many years before that great loss has been ascertained. And when we remember the World War cost the people of this Nation the sum of $1,000,000 and more each hour, from April 1917 to April 1919, we are reminded of the staggering cost of war. The available reports show that the cost of the World War was an amount sufficient to have carried on the Revolutionary War for a period of 1,000 years at the respective rates of expenditure entailed by those wars. Then, with that great and staggering loss of lives and money why do some of our leaders talk of war? They should talk of peace, of rehabilitation in our land, and happiness for our people.

But that war was soon over and our boys came back home again. We can think today of our comrades in the little cemeteries in France, where the simple wooden cross marks their place; there our noblemen sleep.

Therefore, today, we salute the veterans of all our wars! We are constrained to say:

"On fame's eternal camping ground
Their silent tents are spread,
And glory guards, with solemn round,
The bivouac of the dead!"

If these, our dead, could speak to us they would express a wish that we say something for our Nation! Let us speak of our today, as it is.

We have heard so much about war during the past few months that our people have become appalled at the thought of another conflict. It is true that Europe is in a troubled condition; the regime of the dictators in many foreign countries has caused much confusion and strife. However, they do not want war. May I say that we do not have any interest whatsoever in those controversies and our leaders should guard their public utterances and their actions in this critical period. By that expression I mean that those who speak with authority for our Nation should be temperate in speech and every utterance should be weighed in the balance of diplomatic care. We must not become involved in any foreign entanglements—we do not want any war anywhere! We want an enduring peace! I trust the people will not be frightened at this careless propaganda which is largely within our own boundaries. May I say to you that as long as I express the sentiment of the people of my home and of my district I will never cast any vote to send any boy across any ocean to help fight in any foreign war in which we have no concern!

We are greatly concerned because some of our national leaders have been very intemperate in their speech respecting war. This should not be countenanced nor continued. Our utterances should be those respecting the permanent establishment of peace. We do not want disabled veterans in our country—we want men who are strong and who, with initiative and incentive, will work in the arts and trades of civil life and who will aid in the building of our Nation; we want those who can and will work and earn in order that they may raise and educate their children and who will take that American pride in the American home!

Our simple American duty is to have and to hold a keener and a deeper respect for our flag and its ideals. We have witnessed the long columns of our marching men, of our school children, and of our citizens, at the head of the column was an American flag floating before the four winds of heaven; and we have witnessed our own people, in a thoughtless moment, fail to give that due respect, which is entirely proper, to our flag, by removing the hat when the flag passes by. On one occasion, not so long ago, a small child observed a police officer who failed to doff his hat when the flag passed by, and she said to him: "Mr. Officer, why don't you take off your hat when the flag goes by?" We are reminded in that story of those immortal words, written by the master hand:

"Hats off!
Along the street there comes
The blare of bugles, the ruffle of drums;
A flash of color beneath the sky—
Hats off! The flag is passing by!"

We think today of the glory and the beauty of our flag. We recall the lives of the hordes of men which have been ruthlessly taken for that flag. Let us ever keep within that deeper reverence for our flag and for our country.

A nation is builded largely upon its memories. These are sacred and inspiring. May we ever cherish these sacred memories and may they ennoble our thoughts and enrich our ideals. We must remember our country needs us today in time of peace, just as she needed us in time of war. There must be no "peace slackers" in our Nation. Let us go marching on for America.

While our struggles have been supreme and our sacrifices have been great, yet, we recall at this moment the simple sentence inscribed upon the tomb of Sir Christopher Wren, that great builder, which reads: "If you would seek a monument look about you." Our monument is our country, America.

And we may say of our Nation: "Mighty, majestic, with her head so proud, pillowed on mountain heights of snow and cloud; where kingly feet touched by the tepid tide of southern seas, low dipped, clear and wide."

Our America is the bright and shining star in the firmament of nations and the pacemaker of all time for freedom and justice; the unmatched, peerless, and priceless possession of a peace-loving people, the outstanding example of social equality and the haven of security for the common people. It is the land we love, and may it ever be the home of the free.

And, concluding, may I extend our annual farewell to all those who sleep here, so sweetly and so silently:

"So still they sleep
Beneath yon verdure deep!
On hill, in vale,
By brook and lonely farm—
A scattered army they,
Until the day
The bugles of the angels
Sound alarm.

They died to save
And but their grave
Is left to us, the living;
We who bow—
And place a chaplet
On each sleeping brow."

Memorial Day Address

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 1, 1939

ADDRESS BY HON. JOHN G. ALEXANDER, OF MINNESOTA, MAY 30, 1939

Mr. ALEXANDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at Minneapolis, Minn., on Memorial Day:

It is natural that at this time of year our thoughts should turn to Memorial Day. For nearly 70 years we have regularly and respectfully on May 30 honored our soldier dead of all our wars. This radio program of today is sponsored as a patriotic expression of the need for observance of Memorial Day. The award which is about to be made to 14-year-old Leonard Rosenfield by the Auxiliary of the Jewish War Veterans' Association of Minneapolis for his prize-winning essay on, "What Memorial Day Means to Me," is worthy of note and of commendation. The essay itself is also a gem and I hope many will desire a copy and will write WDGY asking for it.

The thought which you will note is expressed in the first paragraph by this young boy that we should make Memorial Day a daily matter or that we should observe it every day and thus keep in mind its meaning, is a very fine idea. If we are to honor our soldier, sailor, and marine dead I imagine there is nothing which could be more fitting or proper or pleasing to these honored souls than to remember the lesson of their supreme sacrifice every day of the year.

It is also probable that these heroes would also like a corollary suggestion made as to our own part which we the living shall play in the search for peace and for a higher plane of life for humanity. That suggestion is that we as individuals are the most important part in this quest for peace and for surcease from earth's pain and hell and war.

Is it not a wonderful thought that you, perhaps an undistinguished and unknown everyday person, can sit quietly in your room and do more to save the world from the inconceivable horrors of another war than can all the statesmen and diplomats put together? Yet, such is exactly the case.

Many people are speaking today as though another war were inevitable. Others, on the contrary, declare optimistically that such a thing is impossible. The actual fact is that another war is neither inevitable nor impossible. There can be another war, and if there is, the destructions and horrors entailed will eclipse anything dreamed of up to the present, owing to the extraordinary advance of natural science and engineering in the past two decades, and such an event would almost certainly be the end of western civilization as we know it.

On the other hand, there is not the least necessity for another war. It could happen, but it is not necessary. There is at hand a means by which a comparatively small number of people, if they so desire, can prevent war from breaking out.

To understand intelligently the problem that we have to face we need to inquire why war ever does break out. Most people suppose that a war occurs as the result of certain definite acts on the part of certain individuals. They think that national leaders in a position of authority decide to make war on a neighbor because they feel that they are strong enough to conquer him, or that they declare war in self-defense with the object of forestalling such an attack upon themselves. Or it may be that they are drawn into a war already in progress between their neighbors in spite of all efforts to keep out. This is the common view of history; but it is, however, quite wrong. The fact is that the concrete acts of individuals, such as ultimatums, declarations of war, and so forth, are never in themselves causal but are merely the results of wide and deep currents of thought and feeling already existing in the masses of the people concerned. War breaks out between two countries because, for a long time beforehand, such as in our case today as between us and Japan, the hearts of thousands of people on both sides of the frontier have been filled with hatred and fear, and sometimes also with greed, satanic pride, and the rest of the other inherent human sins. The war itself, and all the horrors that go with it—the shooting and bayoneting, the maiming and gassing, the destruction of property, and so forth—are but the aftermath or outcropping on the physical plane of the evil passions which preceded it.

It is not possible for an act of violence to take place in the outer world of experience unless there is first a thought of violence—fear, hatred, etc.—in the inner world of thought. And it is equally true that it is not possible for thoughts of violence to hold sway in men's souls without being sooner or later enacted in the outer.

It naturally follows from this that the scientific method for the prevention of war must lie in the changing of the mentality

of the people; and there is no other way. But how is this mental change to be brought about? Can it be done by the educational efforts of books and pamphlets, the holding of peace meetings, the convening of international conferences, etc.? Well, all these things are efforts in the right direction, of course, but it has to be admitted that their practical results are usually very meager and out of proportion to the expense and effort involved. We know that all recent wars were preceded by efforts of this kind, which, nevertheless, completely failed to prevent them. Indeed, there is a very definite danger lurking among these good intentions, because many spiritually minded people are lulled into a false sense of security by trusting in them.

And so, in conclusion, I urge each citizen who is interested in honoring our war dead to give this matter of bringing peace on earth, good will to men, much personal, intensive, and serious daily thought to the varied ramifications of this great problem than most of us are in the habit of doing. The problem is ours to solve—the job is our job to conquer. Will you come along with us?

Harry Must Be Happy

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

Mr. HORTON. Mr. Speaker, Harry Hopkins' recent prayer asking for "increased imports," presumably to speed up the giving away of the American market to foreign countries, through the so-called reciprocal trade agreements, has been answered swiftly and with a vengeance.

During the first 4 months of 1939 almost 400,000 head of cattle were imported into the United States, as compared with 178,000 head for a like period in 1938. At this rate 1,250,000 head of cattle on the hoof will enter our borders during the present year. Besides this, and because of the President's recent "three cheers for Argentine canned beef," another million head will come in by the tin-can route.

Of course, these factors had nothing to do with last week's sudden drop in beef prices on the Chicago market. Oh, no! Lamb and mutton prices followed suit, largely because wool imports for the first quarter of 1939 show an increase of 66,000,000 pounds over a like period in 1938. Hogs, for the first time in 4 years, dropped below 7 cents.

Wool waste and rag imports, because of a 50-percent tariff reduction provided in the recent so-called reciprocal-trade agreement with the British Empire, were five times greater for the first third of 1939 than for a like period of 1938.

With 10,000,000 unemployed and 21,000,000 on some form of relief, presumably already in rags, it would seem that with the above importation of rags to go into clothes for those who can still afford to buy them, America will soon be a completely rag-clothed nation.

If you do not want to see the wool industry in this country ruined, vote for the truth-in-fabrics bill.

Up to the present time, a trade balance in our favor has been something to write home about. Some sane countries still have the same idea. For instance, Argentina is "chesty" because the first 4 months of 1939 show exports amounting to $29,000,000 more than their imports. The United States paid part of that bill by importing three times as much Argentine goods as we did during a like period a year ago.

We have to hand it to the New Deal. They are certainly continuing to get results. They have spent billions on relief, increased the national debt by more than $20,000,000,000. They have broken the fighting spirit of millions of good Americans. They have kept from ten to twelve million men out of jobs and twice that number on relief of some kind. In spite of all this, the United States is still at the very bottom of the industrial production chart submitted by the "Buy American" League, as follows:

Japan	174.6
Latvia	154.9
Finland	151.7
Sweden	146.0
Denmark	136.0
Chile	132.0
Estonia	127.1
Rumania	127.0
Germany	123.5
Norway	122.6
United Kingdom	113.7
Bulgaria	110.6
Italy	99.9
Austria	98.0
Poland	92.5
Czechoslovakia	84.6
France	78.7
Netherlands	75.9
Belgium	67.1
United States of America	64.7

Social Security Act

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 24, 1939

Mr. IGLESIAS. Mr. Speaker, it has been announced by press dispatches that the bill containing the amendments to the Social Security Act are going to be reported out by the committee without including Puerto Rico in the titles of the law. Unless this House is kind enough to recommend and vote in favor of the inclusion of Puerto Rico, the island will again be out entirely of the titles V and VI of the law to help the children and mothers in accordance with said titles.

The legislature and the health department of the island in this special case are doing their part in the same way as the States of the Union, and I beg from the Members of this House to lend again their help in this humanitarian action as a matter of justice and of greatest need for my people.

On my appearance before the Ways and Means Committee I gave a complete statement regarding this important subject matter.

In part, I reminded the committee that—

During the last session of Congress I devoted a great deal of time and effort to have the Social Security Act extended to Puerto Rico. Unfortunately I was unsuccessful because of the desire on the part of Congress not to open the law to any amendments at that time.

Inasmuch as your committee is now considering recommendations from the Social Security Board and from groups and organizations which are deeply interested in having the benefits under the act flow more freely and more generously to all American citizens who come within its scope, I am here today to again renew my efforts on behalf of Puerto Rico.

Mr. Chairman, as Resident Commissioner for Puerto Rico, representing 1,800,000 loyal American citizens, I ask for my constituents the same consideration and the same treatment which Congress has already extended to American citizens in every other area in the United States, including the Territories of Alaska and Hawaii and the District of Columbia. To further deprive Puerto Rico of many of the benefits of the Social Security Act would be not only unjust but unfair to the millions of American citizens who reside in the island.

Before taking up the specific titles of the Social Security Act which are most important to the people of Puerto Rico, I want to call the committee's attention to the fact that notwithstanding our limited financial resources, we have been deeply interested for many years in the health and welfare of our people and that we have today a health department which compares most favorably with those of many of the States which lead in this field of work.

In order that this committee may better understand the work that Puerto Rico has been doing in trying to improve the condition of her people, I would like to call your attention to the department of health appropriations for the fiscal year 1939, which are as follows:

Department of health

Office of Commissioner of Health:	
Office of the Commissioner of Health	$40,265.00
Insular Board of Health	5,212.25
Child Welfare Board	2,370.00
Division of Property and Accounts	22,895.00
Public Health Review	812.25
General expenses, Department of Health	80,097.79
Total, Office Commissioner of Health	151,652.29

Department of health—Continued

Division of Public Health:	
Bureau of Epidemiology and Vital Statistics:	
Central office	$160,371.25
(Emergency fund for control and suppression of epidemics, $10,000.)	
Hospital for contagious diseases	25,289.00
Insular leper colony	31,786.00
Total, Bureau of Epidemiology and Vital Statistics	217,446.25
Bureau of General Sanitary Inspection:	
Central office	15,630.00
Division of Foods and Drugs	15,570.00
Division of Milk Supplies	9,880.00
Bureau of General Inspection of Construction and Plumbing	11,970.00
General Expenses	2,500.00
Total, Bureau of General Sanitary Inspection	55,550.00
Bureau of Sanitary Engineering	88,725.00
Bureau of Infant Hygiene	29,476.75
(Additional authorization to match Federal grants for maternal and infant health service, $76,175.50.)	
Bureau of Tuberculosis	13,245.00
Public health units and other field personnel	463,266.75
(Additional authorization to match Federal grants for extending the services of the public health units, $46,000.)	
Biology laboratory, San Juan	46,784.75
Auxiliary laboratory, Ponce	9,862.00
Auxiliary laboratory, Aguadilla	7,900.00
Chemical laboratory, Department of Health	24,840.00
Total, Division of Public Health	957,096.50
Division of public welfare:	
Section of public welfare, central office	61,974.00
Bureau of social welfare	24,000.00
(Additional authorization to match Federal grants for aid to crippled children, $52,110.52.)	
(Additional authorization to match Federal grants for work in cooperation with the Federal Children's Bureau, $10,000.)	
Insular Home for Boys	84,195.20
Insular Home for Girls	70,575.50
Institute for Blind Children	25,746.00
Blind Asylum for the Indigent of Puerto Rico	33,082.00
District Hospital, Ponce	43,842.00
Antituberculosis Sanitarium in Rio Piedras	152,849.50
Care of tuberculous patients, San Juan	10,619.00
Maintenance of tuberculosis hospitals under the control of the department of health	68,000.00
Insular Insane Asylum	238,350.50
Total, division of public welfare	813,233.70
Total, department of health	1,921,982.49

Mr. Chairman, on February 14, 1939, I introduced bill H. R. 4082 which is now before your committee. The purpose of this bill is to extend titles I, V, VI, and X of the Social Security Act to Puerto Rico so as to enable the island government to extend its health and welfare activities through the Federal assistance and cooperation provided for under the Social Security Act.

Under title V of the Social Security Act, the Secretary of Labor, through the Children's Bureau, is authorized to administer an annual appropriation of $8,150,000 for grants to States which is apportioned as follows: (1) $3,800,000 for maternal and child-health services; (2) $2,850,000 for services for crippled children; and (3) $1,500,000 for child-welfare services.

Miss Katherine F. Lenroot, chief of the Children's Bureau, United States Department of Labor, states the primary purpose of the maternal and child-health services to be as follows:

"The primary purpose of this portion of the Social Security Act is to extend and to strengthen services for mothers and children in rural areas, in areas suffering from severe economical distress, and among groups in special need. These are the people who have been hitherto and for the most part outside the reach of health and welfare services that have been more generally available in cities."

Miss Lenroot also explains that a uniform allotment of $20,000 is to be made to each State, plus an additional amount proportionate to the number of live births and to the financial needs of the State.

In connection with this part of the Social Security Act I wish to point out that the Department of Health of Puerto Rico is in the position to improve and to extend the maternal- and child-health services, child-welfare services through its Bureau of Infant Hygiene. The standards of this bureau have been approved by the Children's Bureau, and the island bureau is so organized as to be in a position to comply with any anticipated future requirements. In connection with maternal and child health and welfare services, and in anticipation of my bill being approved by Congress, the insular government has already authorized the expenditure of $76,175.50 to match the Federal grants under parts 1 and 2 of title 5.

With reference to that portion of the social-security program which relates to child-welfare services, Miss Lenroot makes the following statement:

"The appropriation of $1,500,000 for child welfare to be allotted $10,000 to each State and the remainder on the basis of rural population, is made available for the purpose of cooperating with State public-welfare agencies in establishing, extending, and strengthening, especially in predominantly rural areas, public-welfare services for the protection and care of homeless, dependent, and neglected children and children in danger of becoming delinquent. These grants are to be used for payment of part of the cost of district, county, or other local child-welfare services in areas predominantly rural, for developing State services, and for the encouragement and furthering of community child-welfare organizations in rural areas and in areas which have a special need for this type of work."

The bureau of social welfare of the Department of Puerto Rico has been engaged in child-welfare work for some time. Although it has been somewhat handicapped because of financial limitations, it is sufficiently well organized to be able to extend these services without any serious change in its present organization. All that is needed is additional field personnel to aid the specialists now in charge. In preparation for extending child-welfare work, and in order to match the Federal grant, the insular government has authorized the expenditure of $10,000. The insular government has also authorized the expenditure of $52,110.50 in order to match the Federal grant for aid to crippled children which services are also administered by the bureau of social welfare.

Title VI of the Social Securitly Act provides for a comprehensive Nation-wide health program through an annual oppropriation of not more than $8,000,000. This appropriation is to be allotted to the several States and Territories by the Surgeon General of the United States Public Health Service. In order to participate in the plan, it is understood that the States and/or Territorial organizations must have a health department which complies with the following requirements: (1) A qualified full-time State or Territorial health officer; (2) an acceptable vital-statistics service; (3) an acceptable State public-health laboratory service; (4) adequate service for study, promotion, and supervision of maternal and child health; (5) adequate services for study, promotion, and guidance of local activities, for control of preventable diseases, and for health promotion; and (6) services for study, promotion, and supervision of environmental sanitation.

Furthermore, the following conditions are required for participation of a local State service through the State or Territorial organization: (1) The public-health service of the city, county, or district should be under the direction of a full-time health officer; (2) the personnel of the city, county, or district health department should include, in addition to the full-time health officer, such medical assistance as public-health nurses and sanitary officers or clerks, as will insure at least the minimum of effective health service commensurate with the population and health problem of the area concerned.

My purpose in asking that the benefits of this title be extended to Puerto Rico is so that we may improve and expand the work now being done by insular department of health. The island government has authorized the expenditure of $46,000 to carry out this part of Federal health program.

On May 15 of last year, the insular government approved legislation creating a commission for old-age assistance and creating a special fund to assist them. While the returns under this act are not yet sufficient to match the Federal grant under title I, we nevertheless desire that this title be now extended to Puerto Rico so that we will be in a position to give old-age assistance as soon as the island treasury permits it. To postpone action at this time would only mean that we would have to wait so much longer once our financial position will enable us to match the Federal grant. I therefore urge that favorable consideration be given to Puerto Rico with respect to this title.

Title X of the Social Security Act provides for grants to the States and Territories for aid to the blind. For many years the insular department of health has done extensive work in the care, treatment, and education of the blind. As I have already explained, the annual expenditures for this purpose amount to more than $48,000. With the aid of the Federal grants, Puerto Rico will be in a stronger and better position to help out these poor unfortunates who in most cases are practically helpless and in need of care, treatment, assistance, and training. The extension of this title of the act to Puerto Rico will be a blessing to hundreds of blind persons who are now receiving but little of the help and assistance which they need so badly.

Mr. Chairman, it is not the purpose of my short talk to outline all of the work of the insular department of health. I have briefly taken up only those activities which have a definite relationship to the Social Security Act. From my statements you will agree that the Department of Health of Puerto Rico is a well-organized branch of the insular government; that it has carefully provided for the

health and welfare of the people of Puerto Rico in the past; and that it is in a position to comply with the provisions of the Social Security Act. Besides it is in a position to furnish all the skilled personnel necessary to administer the additional funds which will become available under the several titles of the Social Security Act. The effective work done by the department of health in the past is a sufficient guaranty that its high standards will be maintained with the additional funds which she will receive from the Federal Government. As to the need for expanding the health and welfare work in Puerto Rico, there can be no question, and the Federal grant which Puerto Rico will receive from the Federal Government will put her in a position to further expand her work in this field.

I sincerely trust that your committee will give favorable consideration to my bill, H. R. 4082.

AUTHORITIES AND PERSONALITIES FAVORING THE EXTENSION OF THE SOCIAL SECURITY LAW TO PUERTO RICO—EXCERPTS FROM LETTERS

President Roosevelt has said that his attention has been called to the omission of Puerto Rico from the provisions of H. R. 7260, although Alaska, Hawaii, and the District of Columbia are included.

I very much regret this omission. However, you will be interested to know that as soon as the original draft of the bill was prepared, the Division of Territories and Island Possessions of the Department of the Interior took up this matter with solicitors of the Department and is submitting an amendment which, if adopted, will rectify this situation insofar as Puerto Rico is concerned.

—

The president of the American Federation of Labor, Mr. William Green, stated in a letter to Mr. ROBERT L. DOUGHTON, chairman of the Ways and Means Committee, "that he wishes very much that the provisions of the social-security legislation recommended by the Ways and Means Committee would be extended to the people of Puerto Rico.

"The House Resolution 4120 as originally introduced provided that 'As used in this title the term "State" shall include Alaska, Hawaii, Puerto Rico, and the District of Columbia.' I understand that the social-security measure as recommended by your committee does not include the Territory of Puerto Rico in its definition of the United States, notwithstanding that its provisions are extended to Alaska, Hawaii, and the District of Columbia.

"There does not seem to be any good reason why the people of Puerto Rico should be excluded from the benefits of the social-justice provisions of this legislation herein referred to. May I ask, in the name of labor and of the organization of labor in Puerto Rico, that you favor the inclusion of Puerto Rico in the provisions of the social-security legislation recommended for enactment by the House Ways and Means Committee."

—

Hon. Harold L. Ickes, Secretary of the Interior, in a letter to Hon. MILLARD E. TYDINGS enclosed a draft of a proposed amendment to H. R. 7260, the social-security bill.

"The amendment related to titles I, IV, V, and VI, dealing with grants for old-age assistance, aid to dependent children, maternal and child welfare, and public-health work. The bill in its present form provides for grants for these purposes to the States, the District of Columbia, Alaska, and Hawaii but not to the insular possessions. The proposed amendment would extend the definition of the term 'State,' where used in these titles, to include Puerto Rico and the Virgin Islands.

"The need for aid of this sort in those possessions is at least as great as in the States and Territories. It is demonstrable by figures that in the case of Puerto Rico the actual need per capita is very much greater than in any State of the Union. Puerto Rico has suffered particularly from legislation designed to benefit the American people as a whole to the cost of which Puerto Rico has contributed, but the benefits of which were not applicable to its citizens. There seems to be no just reason for discriminating against these possessions. Indeed, because of their lack of representation in Congress, it seems to me that we should be particularly solicitous that they do not suffer economically through their lesser political status.

"In the original economic security bill (H. R. 4120) Puerto Rico was included among the 'States' entitled to grants under the titles corresponding to titles I, IV, and V. In the present bill (H. R. 7260) Puerto Rico has been excluded and the amounts authorized to be appropriated have been somewhat reduced. The proposed amendment would restore the amounts authorized to be appropriated in those titles in the original bill, in order to make some provision for the needs of the island possessions.

"I am advised by Mr. A. J. Altmeyer, Second Assistant Secretary of Labor, on behalf of Miss Perkins, the Chairman of the President's Committee on Economic Security that 'the Committee on Economic Security has never given specific consideration to the question of whether the security legislation should cover the Territories and possessions of the United States,' and that he believes, therefore, that I am free to make such recommendations on this subject as I deem proper.

"In view of the urgent need for aid of this sort, so essential to social security in these possessions, I strongly recommend that this amendment be given favorable consideration."

Money Panics

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

RADIO DISCUSSION BY HON. ED. V. IZAC, OF CALIFORNIA, HON. KENT E. KELLER, OF ILLINOIS, AND HON. CHARLES G. BINDERUP, MAY 23, 1939

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I desire to present a very interesting and informative radio discussion by Hon. Ed. V. Izac, Member of Congress from California, Hon. Kent E. Keller, Member of Congress from Illinois, and Hon. Charles G. Binderup, former Member of Congress from Nebraska, as follows:

CONGRESSIONAL BREAKFAST TALK

ANNOUNCER. Tuesday morning, once again WOL presents the congressional breakfast talk, conducted by Mr. Charles G. Binderup, former Member of the United States House of Representatives from the State of Nebraska. This morning Mr. Binderup presents the final in this season's series of broadcasts on monetary reform, which has been a weekly feature on WOL's musical clock program. We give you now Mr. Charles G. Binderup, who will introduce today's speakers and conduct this morning's broadcast. Mr. Binderup.

Mr. BINDERUP. In behalf of the Constitutional Money League of America, we again bid good morning to our President Roosevelt, Members of the Senate and House, members of our President's Cabinet, and members of the Federal Reserve Board. Our discussion this morning is inspired by that encouraging statement made by President Roosevelt in his last inauguration address when he said, "Let us refuse to leave the problems of our economic welfare to be solved by the winds of chance and the hurricane of disaster. Let us not admit that we cannot find a way to master economic epidemics, just as we have found ways to master epidemics of disease." That statement in itself constitutes an indictment against the Governor of the Federal Reserve Board. I am now pleased to introduce the guest speakers this morning, Congressman IZAC, of California, and Congressman KELLER, of Illinois. As this is the last week of our congressional breakfast talks, we will review and discuss the major principles of the plan for Government monetary control and constitutional money.

Mr. IZAC. Mr. Binderup, I read in the press May 14: "In the hope of heading off another 'recession,' a new broad-scale spending program is being urged on President Roosevelt by advisors of the White House 'inner circle' * * * so the grave danger of another business slump next spring may be averted." Of course, after we, the people, have gone through 27 of these money panics and depressions and recessions, it does not take much to scare us. Do you think your plan for Government monetary control can avert this threatened new recession?

Mr. BINDERUP. Definitely, yes. For it includes every safeguard, with a balanced additional money supply, therefore dormant money will immediately start flowing. As everyone knows, it is a money famine which invariably starts depressions and continues unemployment and low prices.

Mr. KELLER. Mr. Binderup, in your judgment, if a bill were passed including these principles, as you suggest, how long would it be before we might expect the return of prosperity?

Mr. BINDERUP. Prosperity will start immediately as soon as either the Voorhis bill or the Hunter bill is passed or for that matter any other bill containing these principles for Government money control. In fact, as soon as the public is advised that there is a possibility of passing this bill, prosperity will start by leaps and bounds. Mr. IZAC, you are quite familiar with our plan for Government monetary control. What do you think is the outstanding feature of the plan?

Mr. IZAC. Well, I know one thing that will sound mighty welcome to the people, and that is that under this plan there can be no more bank failures.

Mr. KELLER. And another principle included in the plan for Government monetary control that we will all welcome, is to take the Government out of the banking business of lending money, and the banks out of the Government business of creating money. This is certainly one of the primary steps in preventing booms and depressions and in solving the problem of unemployment.

Mr. IZAC. I understand that with 100-percent reserves back of demand deposits in bonds and cash held by the Government Federal Reserve banks, every penny of demand-deposit checking accounts would be safe, but how about time deposits? Surely

there are some conditions under which there could be bank failures, aren't there?

Mr. KELLER. Under the 100-percent reserve system the time deposits would absorb savings and expand loans correspondingly. Of course, the demand deposits would operate differently and would always be safe, as you say; that is, any money deposited in a demand deposit checking account should stay in the bank and not be loaned out. There would no longer be a double use for checking, or demand, deposits. The circulating medium would not be expanded by loans but would merely be redistributed. Loans would increase with savings, but the circulation medium would not increase with loans. Loan funds would come out of savings, but no longer out of thin air. In other words, the bankers would lend actual money, either his own money or the actual money of his depositors' time deposits; and, having loaned actual money, which cannot vanish but always exists in circulation, banks couldn't fail. These time deposits and loans merely revolve through the banks at an unchanging velocity and volume, propelled by Government safety and necessary supply. I said a bank could not possibly fail. Oh, of course, it is possible that a bank might fail because of sheer crookedness of the bank. But, of course, that would be very exceptional. Banks fail usually just like all businesses fail—by a contracted money volume in circulation which crushes prices down and destroys their security. However, in any case where a bank might fail, the Government must pay, for they supervise the banks, and the people trust to their Government.

Mr. IZAC. Mr. Binderup, in order to provide 100-percent reserves back of all the demand deposits in all the banks of the Nation, can you tell us just how much the banks are short of this now?

Mr. BINDERUP. Outside of a few New York banks, the banks would require less than $6,000 per bank on an average. This, of course, would also include the 6-percent reserve back of time deposits, which under our plan could be entirely unnecessary and the banks should be relieved of this unnecessary burden.

Mr. IZAC. Suppose this unnecessary reserve on time deposits were eliminated. Then how much would the banks lack in establishing the 100-percent reserve?

Mr. BINDERUP. In that case the banks, outside of a few big banks in New York, would have more than enough, on an average, to establish the 100-percent reserve by depositing their bonds, reserves, and surpluses with the Government banks. Of course, the banks would continue drawing their interest on their paper the same as they do now.

Mr. KELLER. Mr. Binderup, what do you think of postal-savings accounts, where the people deposit their money in the post offices, as at present?

Mr. BINDERUP. At present, with the miserable banking and money system we have, the postal-savings bank is a most necessary Government institution, but with 100-percent reserve back of demand deposits, this would be unnecessary, and postal savings would soon eliminate itself. But let me add that if the banks continue to obstruct the plan for 100-percent reserves back of demand deposits with their army of banker-lawyers sent here to Washington from the New York banking interests, we should immediately bend our efforts toward legislation making a bank out of every post office in the Nation, where the people can carry their checking accounts with safety. For then the people will have 100-percent reserves back of their demand deposits. I personally am not in favor of coaxing the banks on this issue. If, after their system has wrecked the Nation 27 times, they still insist on a system that will continue to allow this wrecking privilege, I say eliminate the banks entirely as to demand deposits and checking privileges. It's up to the banks. The people have decided that we shall have no more Federal Reserve bankers' created panics.

Mr. IZAC. I believe our radio audience would like to have the first part of section 1, article A, of the plan, as originally contained in your bill, H. R. 9800, explained. What is the purpose of defining just what a commercial bank is which comes under this act?

Mr. BINDERUP. Since this plan does not contemplate that the Government should go into the banking business, but is intended only to bring back to the people their constitutional right to coin and regulate the value of money as and when measured by commodities, and to maintain a uniform purchasing and debt-paying power of the dollar, it concerns only those banks or that division of those banks doing a checking business. This is explained in Uncle Sam's Hospital Chart on page 101, section 5.

Mr. IZAC. But in order to get this to our people over the radio, isn't it a fact, Mr. Binderup, that in the past there has been considerable contention relative to just what constituted a bank? For example, there were some large factory banks which did business only with their employees and therefore claimed to be private treasuries, but as they carried demand deposits and checking accounts and loaned money to their employees, they became money creators or banks. Then there were some individual private banks, and some State banks incorporated under State charters, and some cooperative banks, savings banks, and investment banks. So it became necessary to make a clear-cut provision as to just what banks were included in this act or plan.

Mr. KELLER. But isn't it a fact that within the past year, the decision by the Supreme Court in the Associated Press case established the ruling that even the sending of as intangible a thing as a message over the State lines was interstate commerce? This automatically included all banks dealing with checks or credits over the State lines as being in interstate commerce.

Mr. BINDERUP. Yes; I think that decision is conclusive, but as Congressman IZAC stated, it was safer to specifically mention in the act just what banks we included and why.

Mr. KELLER. But don't you think many of the banks would object to being blanketed in under the Government supervision?

Mr. BINDERUP. Well, in the first place, we are not blanketing these banks in under Government supervision. It is as you said, Congressman KELLER, the recent ruling of the Supreme Court in the Associated Press case definitely and specifically made every commercial bank come under national jurisdiction.

Mr. IZAC. Mr. Binderup, you do not consider this objectionable to the commercial bankers, do you?

Mr. BINDERUP. Decidedly no. The advantages to all commercial banks would be so great that they would want to be included. But we must have complete jurisdiction over all commercial banks as far as it pertains to their demand deposits in order to give them Government assistance in establishing 100-percent reserves back of demand deposits, and in order to make banking safe for the banks as well as for the people.

Mr. KELLER. But there are 1,100 banks now who refuse to belong to the Federal Reserve System? Why is this?

Mr. BINDERUP. This is for the reason that the restrictions made by the Federal Reserve System are so severe on the small banks that they become practically prohibitive.

Mr. IZAC. I can hardly imagine anything that would make me feel better than to know that I had Uncle Sam's protection if I were a banker and had just read in the paper about another threatening recession expected by the friends of the administration to come in the spring. Would it not be comforting to have Uncle Sam say to us, "Here; I will take care of you. I will make it impossible to have a depression or a recession. I will see to it that you do not go bankrupt. Just deposit the Government bonds you hold in your vault in my vault together with such cash as you have belonging to your depositors, and if this does not equal 100 percent of your depositors' accounts, just let Uncle Sam hold some of the abundance of slow paper with the bank's guaranty, which you now hold and is good but cannot be paid until prosperity comes back. You can continue drawing the interest. All Uncle Sam wants to do is to hold the Government bonds and cash, and the paper that you banks bought for the depositors' money. With a raised price level we will bring back prosperity and make your slow paper good. And if your depositors come and demand every cent of their demand deposits, just tell them, 'Your Uncle Sam is holding it and you check on the Federal Reserve bank in your district for every cent of your demand deposits.'" Where on earth could a banker ask for more or better assurance or security?

Mr. KELLER. You said to take slow paper to hold as part of the 100-percent reserves. Why slow paper?

Mr. IZAC. There is a very good reason for the Government's accepting slow paper. For the reason it would prevent forcing of immediate payment on slow paper which would cause a loss to the banker as well as the borrower because of the borrower's inability to pay in full during a money famine. With the return of prosperity, this slow paper would again become good and our money plan thereby becomes a constructive instrumentality in place of a wrecking crew as it now is.

Mr. KELLER. No; I really do not know where the banks or the people could ask for more of a protection against another panic and depression, and assurance of a lasting prosperity, than under a Government-controlled money system.

Mr. IZAC. Mr. Binderup, you have repeatedly made the statement on the floor of the House as well as in your recent book, Uncle Sam's Hospital Chart, that money famines are deliberately and intentionally caused by the Federal Reserve Banking System through the Governors of the system. I think you should give some more definite proof.

Mr. BINDERUP. I have just reread Congressman KELLER's new book, entitled "Prosperity Through Employment," which shows his perfect knowledge of money and the cause and cure of depressions. Suppose, Congressman KELLER, that you answer Congressman IZAC's question and substantiate my many statements relative to just who causes money panics.

Mr. KELLER. The commercial bankers know better than anyone else how completely they are in the hands of Wall Street, and I speak of Wall Street as the symbol of money monopoly. When this huge Frankenstein wants to create a money famine, they use their most convenient, forceful, and infallible medium, which is the Board of Governors of the Federal Reserve banks, Washington, D. C., who by their edict create a restriction of credit by advising the Federal Reserve member banks to cut down loans and refuse to make new loans. Let me quote word for word just how the former Governor, W. P. J. Harding, of the Federal Reserve banks, instructed the bankers at one of their meetings which manufactured a money panic. This was on May 18, 1920. This is found in Senate Document No. 310, page 4.

"There are two remedies that suggest themselves to us, first a reduction in credit—credit contraction" (meaning taking money out of circulation, taking away the people's money). "This is a drastic remedy; it is not pleasant medicine, but it is necessary to give medicine of this kind at times. We can restrict credit and expand production, letting the increase in production proceed at a greater rate than the restriction of credit, and we are then working in the right direction. Restrictions of new loans and collections of old loans must proceed as rapidly as possible."

This was stated by Governor Harding. And you commercial bankers, you didn't know about this secret meeting which was planning to destroy you and your community, did you? And this is the bunch you are contributing to through your American Bankers' Association. You should read this piece of criminal banking history. You will find it in Mr. Binderup's book, Uncle Sam's Hospital Chart, on pages 26 to 36. Read about it in the minutes of this secret meeting from the records.

There is no dispute about the authority. So all the Wall Street Frankenstein has to do is to issue his edict and the Board of Governors of the Federal Reserve banks furnish the propaganda, preying upon the human characteristics of optimism or fear. In this way are booms and depressions created. Thereby are destroyed the security of the small commercial banks and the ability of their customers to pay. By reducing prices and demand for what the producers have to sell, this machine forces the commercial bankers, in order to protect their depositors, to demand payment of loans against their will and compel their customers to sell, thereby flooding the market which forces prices still lower. This economic thumbscrew forces the commercial banker to destroy his community, by forcing his customers to sell below the cost of production and pour the profits of their hands and brains to which they themselves are so justly entitled into the coffers of the money manipulators.

Mr. IZAC. I think you are right about this, but what I think our audience would like to know is just how we are going to change this condition and relieve the commercial bankers from the clutches of the Wall Street machine.

Mr. BINDERUP. By expanding our necessary money supply, by creating a purchasing and consuming power among the multitude, through the lower income group. That is the answer. Thereby our money immediately goes into the rural communities and commercial banks, either in demand deposits where the banker is paid a fee on checks and $1 a month for his services in keeping the money safe, in time deposits where the banker is paid interest upon the loans. It would make the large banker dependent on the small banker in place of the small bankers kneeling to and begging of the large bankers. It would prevent booms and depressions, because at present when money gets tight Wall Street restricts the money supply, making money still tighter, and if times are booming, the big bankers liberalize the money supply, meaning liberalizing loans, and inflate our money still more, which, of course, is just exactly opposite of what our monetary plan provides.

Mr. KELLER. But, Mr. Binderup, we do much more in our monetary plan, for we actually build our money system on a definite, permanent base in place of as is our present system which is builded on a little flickering spark called confidence, that, like a house of cards, tumbles with the first little breeze of threatened deflation.

Mr. IZAC. Mr. Binderup, let me ask you how much money have we attempted to put into circulation since 1933.

Mr. BINDERUP. About $17,000,000,000 to date in about 6 or 7 years.

Mr. IZAC. Well, how did Congress attempt to put this into circulation?

Mr. BINDERUP. By selling bonds to the big bankers.

Mr. IZAC. But doesn't that take money out of circulation? Isn't it a fact that the interest we, the people, are paying on bonds amounts to a billion dollars a year, and doesn't that centralize the money right back in the big banks?

Mr. BINDERUP. That is exactly the case, but the calamity goes still further than that, for immediately when the big banks have bought up these bonds they begin to peddle them out to the rural commercial banks and thereby they drain every cent out of the rural communities and load up our rural banks with bonds. All the money for which we sold bonds plus interest goes back to the big banks.

Mr. KELLER. Then, do you mean to say that all this money we have appropriated went right out of circulation and did not do the people any good?

Mr. BINDERUP. Yes; except for the short time it was out, which is about 90 days. That is the reason we are worse off now than we were in 1933.

Mr. KELLER. Would you say "worse off"? Practically all the banks were closed in 1933.

Mr. BINDERUP. The banks are all closed now so far as the public is concerned. The banks are not functioning as banks but as bond brokers, gathering up all the W. P. A., P. W. A., C. C. C., and butter and egg money which dribbles into their banks in demand or time deposits. But if I were a banker under this monetary system, I would do just exactly what the bankers are now doing. I would not lend a nickel of my depositors' money under such a hazardous money system.

Mr. KELLER. No, and you can't blame the people for putting their little money in a sock or tin can either.

Mr. IZAC. I think, Mr. Binderup, that everyone will agree that all the suggestions contained in this plan for Government monetary control and constitutional money are wonderful and will bring about a speedy and permanent recovery, but what are you going to do about the Board of Governors of the Federal Reserve banks who must carry out the provisions in such a bill? They say they are opposed to every plank in this plan. They say it just can't be done, and if it could they would still be against it. A Board of Governors so adverse to this plan placed in a position to carry out the provisions of such an act would make it a hopeless case.

Mr. BINDERUP. You are right, Congressman IZAC. It would be like placing your child in the hands of a doctor who would like to see it die. But it does seem that the present Board must admit their record as a Board of Governors is the most dismal failure, and that no institution of Government has ever caused so much misery and poverty and want, and as the present Board has admitted that they can't do the job, and as their only suggestion is to keep right on with booms and depressions, even though they must know this great Nation cannot continue to live unless this question is solved, it seems to me that they should be about ready to resign and give place to someone who can solve the problem. But regardless of who may be on the Board in the future, there is a provision in this plan intended to take care of this. It provides, first, that this Board shall serve only until another Board is provided for, and second, that the salary of the Board of Governors shall be the same salary as that of the President's Cabinet, subject, however, to the 1926 price level. That would mean payment with the same kind of a dollar with which the farmer, the merchant, and the laboring man is paid for their goods and services. With such a plan in effect today, under the present low price level, it would mean that we would dock each member's salary about $5,000 a year. As the price level was raised, so would their salaries be raised accordingly, until it had reached the maximum of $15,000, which is the same salary as received by the members of the President's Cabinet. Now, that would create a personal interest in this plan, wouldn't it? It seems we have been unable to touch the heart of the Federal Reserve Board; perhaps we can touch the pocketbook and be more effective. And why shouldn't they be paid in this same kind of a dollar with which the farmer and laboring man is paid?

Mr. KELLER. Mr. Binderup, is this plan explained in detail available to the public.

Mr. BINDERUP. Yes; in the book containing speeches made on the floor of Congress on the monetary question called Uncle Sam's Hospital Chart.

And so, friends, we conclude our 13 weeks of congressional breakfast talks over this station, WOL, Washington, D. C. And let our closing remarks be once more an expression of appreciation to this broadcasting station. We believe the people of America owe a debt of gratitude to this station for the great privilege that has been granted us in allowing an explanation to be made of this vital question.

Electrical transcriptions of these congressional breakfast talks will be furnished free of charge to broadcasting stations over the entire Nation.

ANNOUNCER. Thank you, Mr. Binderup. Ladies and gentlemen, this morning's broadcast concludes the 1939 series of congressional breakfast talks conducted and arranged by Mr. Charles G. Binderup, former United States Representative from the State of Nebraska. It is anticipated that at some future date we will resume broadcasting these monetary reform discussions and until then good-bye and good luck, Mr. Binderup.

This program was an educational features division presentation of Mutual station for the District of Columbia.

Old-Age Pensions

EXTENSION OF REMARKS
OF
HON. MATTHEW A. DUNN
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

BILL INTRODUCED BY HON. MATTHEW A. DUNN, OF PENNSYLVANIA

Mr. DUNN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following bill, which I introduced yesterday:

A bill (H. R. 6587) to provide a pension of $50 a month for men and women in the United States and its possessions who have attained the age of 50 years and whose incomes are less than $1,200 per annum

Whereas the time has come in the United States when men and women who have attained the age of 50 years have a difficult task in obtaining employment in our mills, mines, and other business establishments; and

Whereas many departments of our municipalities, States, and the Federal Government will not consider persons who have applied for positions who have attained the age of 50 years; and

Whereas hundreds of millions of dollars are collected annually by a multitude of would-be charitable agencies for benevolent purposes; and

Whereas a great deal of the money collected for people who are in need goes for overhead expenses; and

Whereas millions of dollars are expended for the construction and maintenance of poorhouses which are abominable and a disgrace to society; and

Whereas it would be more economical and humane to provide a pension for our aged than to have them humiliate themselves by taking a pauper's oath in order to obtain relief or be admitted to a poorhouse: Therefore

Be it enacted, etc., That an appropriation be made to provide pensions for all persons in the United States and its possessions who have attained the age of 50 years and whose incomes are less than $1,200 per annum.

SEC. 2. The amount of pension paid to an applicant shall not exceed $50 a month or $600 per annum. An applicant for a pension whose income is more than $50 a month or $600 per annum shall not receive the full amount of $50 a month or $600 per annum, but shall obtain the difference between the amount of his or her income and $1,200.

SEC. 3. An applicant for a pension shall deliver his claim in writing to the Treasurer of the United States in the manner and form prescribed by the Treasurer of the United States.

SEC. 4. All statements in the application shall be sworn to or affirmed by the applicant, setting forth that all facts are true in every material point.

SEC. 5. Any pension when granted shall commence on the first day of the calendar month following that on which the application was received by the Treasurer of the United States.

SEC. 6. If the person receiving a pension is, on the testimony of reputable witnesses, found incapable of taking care of himself or his money, the Treasurer of the United States may direct the payment of the pension to any responsible person for his or her benefit.

SEC. 7. If at any time the Treasurer of the United States has reason to believe that a pension certificate has been improperly obtained, he shall cause special inquiry to be made and may suspend payment of any installment pending the inquiry. If on inquiry it appears that the certificate was improperly obtained, it shall be canceled by the Treasurer of the United States; but if the certificate was properly obtained, the suspended installments shall be payable in due course.

SEC. 8. Any person who by means of a willfully false statement or representation or by impersonation or other fraudulent device obtains or attempts to obtain or aids or abets any person to obtain a pension certificate to which he is not entitled shall be guilty of a misdemeanor, and upon conviction thereof shall be sentenced to pay a fine not exceeding $500 or to undergo imprisonment not exceeding 1 year, or both.

SEC. 9. All moneys necessary to pay the pension guaranteed by this act and the cost of establishing and maintaining the administration of this act shall be paid by the Government of the United States. All such moneys are hereby appropriated out of all funds in the Treasury of the United States not otherwise appropriated. Further taxation necessary to provide funds for the purpose of this act shall be levied on inheritances, gifts, and individual and corporation incomes of $4,000 per annum and over.

SEC. 10. This act shall become effective within 60 days after its passage.

Memorial Day

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

RADIO ADDRESS BY BRIG. GEN. FRANK T. HINES, MAY 28, 1939

Mr. WOODRUM of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, on the coast-to-coast network of the Mutual Broadcasting Co., under the auspices of the Grand Army of the Republic Memorial Day Corporation, May 28, 1939:

Chairman Harlan Wood, veterans of all wars who are today in hospitals, ladies and gentlemen of the radio audience, before I begin these brief remarks, I want to thank Chairman Wood for inviting me to say a few words on the subject of Memorial Day, on behalf of the Grand Army of the Republic Memorial Day Corporation. I also wish to thank the Mutual Broadcasting Co. for extending us the courtesy of its great coast-to-coast network for this purpose today.

As most of you realize day after tomorrow will be a national holiday because it is Memorial Day, the day of the year when we decorate the graves of our veterans who have fought in all of the wars in which this Nation has been engaged. Although the War Department places United States flags on each of the 455,000 graves in our national cemeteries, it is the unofficial decoration of the graves of our soldiers, sailors, and marines that occupies the real purpose of the day. This is left to civilians, to the various veterans' organizations, and in particular to the ladies of our Nation who strew the flowers and lay the wreaths on the graves of our heroic dead. These are the acts of remembrance which have given to us, as a nation, the true significance of Memorial Day.

I think most of us know that Memorial Day was inaugurated officially 71 years ago through the famous General Order No. 11 of the Grand Army of the Republic, issued by Gen. John A. Logan, its then commander in chief. These orders designated that May 30, 1868, and the same day in succeeding years, should be set aside for the purpose of strewing with flowers or otherwise decorating the graves of comrades who had died in the Civil War.

Although this was the official start of Decoration Day, it actually had its beginning 2 years earlier, when the women of Columbus, Miss., about 1 year after the close of the Civil War, went out to decorate the graves of Confederate soldiers who had died in that terrible conflict. These women were the wives, widows, mothers, sisters, and daughters of Confederates, many of whom were still wearing mourning for the loss of their loved ones. In addition to the Confederate soldiers, there were also about 40 Union soldiers buried in that cemetery. These southern women, with a proper nobility, decorated with spring flowers the graves of the blue and the gray alike without partiality.

General Logan's daughter, who is now Mrs. Mary Logan Tucker, relates that some 2 years later she made a tour of the Virginia battlefields and noticed that in the church yard near Petersburg, Va., hundreds of graves of Confederate soldiers had been decorated with small Confederate flags, and that faded flowers and wreaths still lay upon them from the recent observation of the Confederate Memorial Day. Upon her return to Washington, Mrs. Tucker suggested to General Logan that this Dixie custom would be appropriate for a national observance of memorial day. She was supported in this suggestion by Adjutant General Chipman, of the Grand Army of the Republic, and the result was General Logan's issuance of the famous general order No. 11—setting aside May 30, 1868, as the first national Decoration Day, or Memorial Day, as it is now known.

Every year since that year Memorial Day has been properly observed. This year a total of 455,000 graves of veterans, who sleep in our 82 national cemeteries in the United States, will be decorated with flowers and flags. Many thousands of other graves of veterans who are not buried in our national cemeteries will also be decorated by loving hands in remembrance of their heroic deeds.

We also have nearly 31,000 graves of American boys in our overseas cemeteries in England, Belgium, and France. These are cared for on Memorial Day by the American Battle Monuments Commission, which is headed by Gen. John J. Pershing. However, members of war veterans' groups residing abroad and the women and children of the various countries in which these graves are located likewise decorate them with wreaths and strew them with flowers in remembrance of their heroic sacrifices upon foreign soil.

In our national cemeteries in the United States 300,000 of the graves of the veterans are identified, but 155,000 of the graves contain the bodies of unknown and unidentified soldiers, nearly all of whom fell in the desperate conflicts of the Civil War. Included among the identified graves are those of 10,700 Confederate veterans who were identified and buried in our national cemeteries during the Civil War.

Of the nearly 31,000 graves in our overseas cemeteries, more than 29,000 are known and identified, the unknown and unidentified graves of American boys over there now totaling only a little more than 1,600.

Although we have in the United States more than 156,000 unknown and unidentified graves of the Civil War, we have in this country only 1 grave of a World War soldier which contains an unknown and unidentified body. That American boy is our Unknown Soldier in Arlington National Cemetery. There he rests in a simple tomb of white marble which neither time nor circumstances can destroy. An armed sentry guards him. He has received our highest decorations for valor, and those of many foreign countries as well. He will be enshrined forever in our hearts, as well as in the hearts of those who will come after us.

Nobody has any idea who he might have been. But every American mother who lost a son in France who does not occupy an identified grave has a right to hope that our Unknown Soldier may be her own lost boy.

The Unknown Soldier may have been an immigrant lad, or perhaps the descendant of our proudest colonial stock. He may have come from the East, the West, the North, or South. His race and creed is likewise unknown. He might have been a Protestant, a Catholic, or a Jew. All we know of him is that when America called upon her sons in her hour of need that he freely and fully answered that call. We also know that he died gloriously in battle in far-away France, although we do not know upon what battlefield he fell.

Yet that is all we need to know. For in this free land of ours the great Bill of Rights was proposed by the Congress 150 years ago, which under our Constitution guarantees to each man the freedom to live and believe according to his own conscience so long as he does not invade the rights of others.

So, day after tomorrow, Tuesday, May 30, will be a national holiday, dedicated as a day of remembrance, to honoring and decorating the graves of those who have served our Nation well in defense of its honor and its integrity. The chief public exercises will be held in the Memorial Amphitheater at Arlington, adjacent to the Tomb of our Unknown Soldier. But other exercises will be held also at many other points throughout the Nation and in Europe, and I feel sure that these will be attended by as large groups of patriotic and reverent citizens as ever before in our history.

I am sure that our citizens throughout the Nation, in rendering honor and remembrance on Memorial Day, are reminded of these words of the great Emancipator, delivered at Gettsburg many years ago: "It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people shall not perish from the earth."

Dedication of the Cuban Pavilion at the New York World's Fair

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

ADDRESS BY DR. PEDRO MARTINEZ FRAGA, AMBASSADOR OF CUBA TO THE UNITED STATES, MAY 20, 1939

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Dr. Pedro Martinez Fraga, Ambassador of Cuba to the United States, during the ceremonies of the opening of the Cuban pavilion at the New York World's Fair, May 20, 1939:

The New York World's Fair, this gigantic torch of color and hope, kindled by men of courage in an epoch so dangerous that it seems to mark the penumbra of civilization, finds Cuba amidst a great process of national reconstruction.

The Cuban people rose against a dictatorship 6 fateful years ago, not only to free themselves from such an inhuman and ruthless system, but to remove the abuses of a political, social, and economic order through a sweeping and constructive reform.

That revolution, which began on August 13, 1933, ended on September 4 of the same year, and though successful in destroying the dictatorial regime, was unable to realize at once its aims and objectives.

This was natural and to be expected, and it took us 3 long, tragic years to restore the foundations of moral peace and public order on which the republic rests and to start the nation on her path toward a new, better, and more just life.

We emerged from darkness and chaos in 1936, and today, just 3 years later, Cuba offers to the world the rare example of a country where moral and material peace, freedom of thought, speech, religion, and political and social credos reign supreme; where there is not a single political prisoner in its jails, nor a single citizen in forced exile; where color, religion, or race are not motives for domination and power, nor for humiliation and death. A country which honors itself in the opening of its doors to the victims of intolerance from other less happy lands. A country friendly to all, but which, though sometimes fighting terrible odds, is working its own destinies with firm assurance, complete self-confidence, and indestructible faith.

We have been, and we still are, not only extremely busy, but dramatically and vitally busy.

The tremendous job of sound economic reconstruction has barely been scratched. To restore a nation's international credit; to build up a rural civilization; to open new outlets of wealth through the establishment of a banking system; to create a better and more just democratic order, as we are doing and as we plan to do, are not very easy jobs.

Much has been accomplished, but there is still an impressive amount of work to be done.

The election and the decisions of a constitutional assembly are paramount among the most urgent issues of our reconstruction.

That assembly, the election of which has already been convened, shall meet in Habana this year. Freely elected by the Cuban people, organized in as many political parties as there are schools of political, economic, and social thought, from the extreme left to the extreme right, the assembly shall be a turning point in the country's history.

But busy as we are we could not ignore the invitation from the group of eminent New York friends to come to this great World's Fair, and, accomplishing quite a pleasant effort, we are bringing with us here, in the first place, something which we love and revere above any other thing in the world—our flag—and in the second place, what I would like to call a "token exhibit" of modest proportions, made up of samples of our art, and of typically national important products of Cuban soil and Cuban hands.

We could have brought here many other Cuban natural and artistic things, and maybe during the course of the fair we shall bring them to make our present exhibit fully representative. But not in a year nor in 10, nor in one modest pavilion, nor in a thousand pavilions, could we hold and exhibit the many conquests we have won, and which, because they belong to cultural, educational, and spiritual orders of life, cannot be measured nor judged by the material yardstick, nor by bricks, stones, marble, or bronze.

You, the Government and people of the United States, helped us not only to free ourselves from an absurd and tyrannical, colonial yoke, something which has happened many times in the history of mankind, but with an honesty of purpose and a spirit of justice which our gratitude cannot even measure, have lent us your friendly hand through difficult periods of our independent life, setting an example which is, indeed, unique in the annals of big and powerful nations.

Cuba, therefore, occupies a very special place in the international record of this country, and, we are all sure of it, in the hearts of the American people. It must give you special pleasure to listen to a swift enunciation of some of the things we have done since 1902, during the 37 years of independence which we so proudly and so happily celebrate today.

Our population in that fateful year reached 1,572,797 inhabitants. Today it is 4,130,000—practically triple.

Cuba was, at the end of its colonial days, a dreaded focus of disease and infection. Today its sanitary status is so high that I am reluctant to mention comparative statistics in this field with those of the other nations of the world.

Carrying on the grand tradition of Finlay, Reed, Agramonte, Guiteras, and Nuñez, we feel very proud, indeed, when foreigners—and among them many distinguished American doctors and professors—laud the work we are accomplishing in our fight against tuberculosis, rickets, cancer, and many other diseases. In a few months the national tuberculosis sanitarium in the Trinidad Mountains, with a capacity of 2,000 beds, will be opened to Cuba and to mankind, and this institution is already being reproduced on a smaller scale in every one of the Republic's six provinces.

In 1902 our illiteracy reached the frightful percentage of practically 75. It has now been reduced to less than 20, and in 2 years more that proportion, which corresponds to areas of difficult access, will be carried to zero.

Throughout long years, and as near as 1935, rural education, although officially compulsory, was a problematic and hazardous enterprise. Today, thanks to the work of the Corporative Council of Education, Sanitation, and Welfare, the major creation of Col. Fulgencio Batista, through the 1,300 civic-military and rural schools, 40 children's homes, and the great technological center of Ceiba del Agua, more than 150,000 children and adults receive the benefit of elemental and applied instruction, and the cornerstone of a progressive and realistic rural civilization has been laid.

The social and labor legislation established in the last few years have transferred the island republic from a glorified trading post of the purely colonial type into a real, modern nation which puts social justice above any other thing under the sun.

Slowly but firmly we are tackling the fundamental problem of national land parceling and subdivision, giving back to the people in a practical way what essentially belongs to them. We are working, we are planning, we are fighting tremendous forces and difficult obstacles. Sometimes we stop and ponder, but always go forward, because things—many things—must be done and must be done now. In the new Cuba mañana as a symbol is a poor joke or a notion of the forgotten past.

But why should this extremely synthetic enumeration interest you?

Without belittling the supreme importance of historical or spiritual bonds, allow me to tell you that an island 90 miles from the shores of the United States, which, though having only 44,000 square miles of territory and a population of over 4,000,000, was able to hold, and holds now, notwithstanding terrific and destructive crisis, a firm position among the first 10 sellers and buyers to and from this country, possesses a certain importance and is of a certain interest to the people of the United States.

American citizens have invested in Cuba near $1,000,000,000, a figure surpassed only by your investments in Canada and Germany.

More than 400 products of American industry and agriculture enjoy in the Cuban market a practical monopoly, thanks to our reciprocal-trade agreement and these products come to Cuba from every one of your 48 States.

The cargo and shipping tonnage under American flag between Cuban and American ports is the second largest—second only to the American-Canadian trade—in the statistics of your great mercantile marine.

We sell to you, of course, a much smaller number of our products, but some of them are actually or potentially of paramount importance both in time of peace and in time of war; and one, sugar, is big enough to counterbalance, when normally produced and sold—something which does not happen now—practically single-handed, the privileges granted to the 400 American exports to Cuba.

That is the reason why we bring to the fair our cigars, the best in the world, Cuba's gift to mankind, which combine in wonderful performance the treasure of nature and the handicraft of man and which carry as a magnificent ambassador to the four corners of the earth with their exquisite taste and unique aroma the marvel of our sun and the richness of our soil.

That is the reason why we endeavor to show you the amazing growth of our cattle wealth and industry, which represent today

$400,000,000 and occupies practically 50 percent of the island's useful lands, giving employment to more than 80,000 farmers; of our mining, rum, coffee, foodstuffs, applied arts, and other industrial and agricultural manifestations important enough to belie the already stale legend that Cuba is a single-product agricultural country.

And, of course, we bring here the sweet—and sometimes how bitter—king of our staples—sugar—a foodstuff which is still the main foundation of Cuban commerce with the United States, even when subjected, as now happens, to the artificial contractions engendered by quotas, reductions, low prices, and many other well-known misadventures.

A very important foodstuff, indeed. So important that in 1938 the aggregate value of the Cuban quotas of raw and refined sugar for direct consumption in the United States at an average price of 4.48 cents per pound, amounted to $163,714,762, out of which the United States Treasury received in tariff and compensating taxes $54,637,752; the American refineries, $23,302,144; and the American shipping companies received $5,068,523, making a grand total of the general American share in the profits of that Cuban export of $83,026,419, or 50.71 percent of the aggregate value of the entire Cuban quota imported into this country.

Cuban raw sugar refined in the United States provides work for 5,273 men—almost 1,000 wage earners over and above the total number of those employed by continental sugar industries. The wages earned by workers processing Cuban raw sugar in American refineries, which amount to $5,995,960, exceed those received by laborers in the continental cane-sugar industry by about $3,615,981, and represent more than 50 percent of the wages earned by laborers in the continental beet-sugar industry.

A very important product, indeed. So important that if the transportation to, refining, and packing of Cuban sugar in the United States were discontinued, the United States Treasury, the American refineries, and the American shipping companies would lose over $83,000,000 yearly.

Finally, the sale of its sugar to the United States allows Cuba to import from this country 70 cents of every dollar she exports.

Our import statistics tell the truth about Cuba's winning fight not to transform herself into a self-sustained and self-sufficient heaven, which is absurd because it is impossible, but to eliminate from her spending budget imports which could be and are produced in the island. And your export figures show in a very eloquent way, on the other hand, the magnitude and growth of your trade with us.

I am not going to tire you with the list of the different American exports to Cuba. Let me just mention one at random, which until 2 years ago was quite insignificent, due to the Far East competition, but which today holds the first place in my country's imports of a typically national foodstuff—rice. Figures are not always dull.

In 1936 we imported 4,882,279 kilos of American rice with a value of $216,034. In 1937 we imported 51,934,156 kilos of the same rice with a value of $3,220,042. In the first 3 months of 1938 the American rice imports by Cuba reached 20,649,121 kilos with a value of $1,996,031; and over the same period of the present year, 1939, that import has been 32,274,487 kilos with a value of $1,785,883. These figures may look small, and indeed they are from the standpoint of your world commerce. They may look so to the big exporters of industrial implements, but I do not know whether that is the opinion of rice growers and farmers in the South, and principally of our friends the Louisiana rice growers.

Cuba's relations with the United States are neighborly, friendly, and extremely cordial. The Republic reached full maturity in 1933, and she had grown up so much that the original right of intervention consecrated by the famous Platt amendment became not only offensive and obsolete but positively futile. Thanks to great men of vision like Presidents Roosevelt and Mendieta, Secretaries of State Hull and Torriente, Colonel Batista, and Diplomats Sumner Welles and Marquez Sterling, the American right to intervene in Cuba was relegated to the limbo of forgotten historical deeds, or misdeeds, through the new relations treaty of 1934.

But while we cannot bring our friendly and happy relations more close, because it is impossible, that we can improve the economic ties between the United States and Cuba is unquestionable. It is up to you and up to us to act intelligently, with a realistic and sound economic philosophy, in order not only to maintain that happy situation but to enhance it and to strengthen its basis.

It will be an easy thing to do if we both apply to that fundamental business, good will, a clean outlook, a true sense of what international commerce is, and the traditionally sincere and fraternal sentiments which have so closely united us in the past, in war and in peace, and unite us today, and, we hope, forever and ever.

The New York World's Fair is a definite, practical, and honest step along the path to better relations, better understanding, better business, and more constructive and fruitful friendship.

I am sure I am interpreting the thought of the Cuban people and of the Honorable Federico Laredo Bru, President of Cuba, when I state that the creators of this magnificent miracle of will power deserve our heartfelt gratitude. It is a unique opportunity, and Cuba, for one, I am sure, shall know how to take full advantage of it in her earnest efforts to build up into the infinite a still brighter and larger picture of her relations with the United States.

Let us look into the world of tomorrow from this dress rehearsal of the world of tomorrow and let us do it with unbreakable faith in our own tireless efforts, and with hope immortal in our triumphant destinies.

Address at Tomb of the Unknown Soldier

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

ADDRESS BY BRIG. GEN. FRANK T. HINES AT THE TOMB OF THE UNKNOWN SOLDIER, MAY 28, 1939

Mr. WOODRUM of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, before the State Council of Virginia, Daughters of America, at the Tomb of the Unknown Soldier, May 28, 1939:

National and State officers, members, and friends of the Daughters of America, it is a great pleasure to address the ladies of the State Council of Virginia, Daughters of America, today, and I am sure we all agree that it is always an honor to speak before the tomb of our Unknown Soldier of the World War. This the most hallowed spot in all our native land is a fitting place to pledge ourselves anew to the principles of our citizenship and our Government. I thank you for the opportunity you have given me to do this.

You have a very large organization, with a membership in many States. One of the foremost interests of the Daughters of America, I understand, is in education, and the maintenance and promotion of our free public-school system. That is an objective worthy of any patriotic group in the land. Free schools mean freedom of opportunity for all. That is one of the blessings of free America. No matter how humble the parentage of a child, he or she is entitled to a free education at the expense of the State. Thus, if a child has ability and ambition, there are no heights to which he may not rise in our Nation.

Our free public schools are one of the foremost factors in helping to make America great. They are essentially a democratic institution. It is the custom in some other lands to limit educational facilities to those whose parents can afford to pay for it. Thus opportunity is confined there to privileged classes and denied to the great majority who are less fortunate in position and worldly goods. This of necessity must eventually limit the type of people who can attain leadership in business and politics, the professions, and finance. Such a policy of exclusion must of necessity leave untapped that great reservoir of human energy and ability which is contained in the vast majority of a nation's population. Withholding from them educational advantages restricts their ability to rise; in fact, in most cases prevents this, and thus denies their nation the use of their fully matured talents when these might be needed greatly in time of national emergency. Thus a system of privately financed education not only harms a nation's children but hampers the nation itself.

So I congratulate you ladies upon your deep interest in our free public-school system and assure you that in promoting this you are performing a most useful and patriotic public service.

It is now 2 days before Memorial Day. Already many of the graves in this beautiful Arlington National Cemetery have been decorated with flowers in preparation for the annual national exercises which are to be held here and in other cemeteries on day after tomorrow.

As you are aware, Arlington was at one time the estate of George Washington Parke Custis, the adopted son of President Washington. His daughter inherited the estate. The Federal Government took it over during the Civil War as Miss Custis had become the wife of Gen. Robert E. Lee, the leader of the armies of the Confederacy. Since that time it has been used as a national cemetery, which is now the largest and best known in the United States.

Soldiers, sailors, and marines who have lost their lives in all of our major wars lie buried here as well as veterans of our various wars. In the cases of the Revolutionary War and the War of 1812, bodies have been transferred here from other places of burial. Veterans of the War with Mexico in 1845 and the Indian wars are also here. But the Civil War still provides the greatest number of graves, some 19,000 of the Union forces resting here in addition to 400 Confederate soldiers. The World War comes next with 10,000 boys buried here—4,000 of them having been brought home from France—while 3,500 veterans of the Spanish-American War also have found their last resting place here in Arlington.

It is with solemnity we reflect that military men from each of the 48 States have been brought here for final burial. The world has also contributed her share, Americans having been brought here from 47 foreign countries for burial, including such far off places as China, Puerto Rico, Cuba, the Philippines, the Panama Canal Zone, Hawaii, France, Flanders, and distant Russia. From all of these have come American soldiers, sailors, and marines, who gave their last full measure of devotion, to find an honored resting place here on the wooded Virginia hills overlooking beautiful Washington and the broad Potomac River.

So when we meet here to honor our valiant dead it is with the recognition that they have protected the honor of this country on many battlefields, in many far places of the world, but are met here together at last in well-deserved rest and peace.

The Daughters of America have done well in setting aside this Sunday preceding Memorial Day to do special honor to our Unknown Soldier of the World War.

As was so well said at the time of his burial here, the Unknown Soldier was honored by the Nation, neither because of his family, nor influential connections, nor for pride of birth or worldly power. His poor unidentified body was selected as the symbol of a nation's grief—and to represent the thousands of American boys who then slept in unidentified, unknown graves in France.

He rests in a simple tomb of white marble, which neither time nor circumstance can destroy. An armed sentry guards him. He has received our highest decorations for valor, and those of many foreign countries as well. He will be enshrined forever in our hearts, as well as in the hearts of those who will come after us.

Nobody has any idea who he might have been. But every American mother who lost a son in France, who does not occupy an identified grave, has a right to hope that our Unknown Soldier may be her own lost boy.

The Unknown Soldier may have been an immigrant lad or perhaps the descendant of our proudest colonial stock. He may have come from the East, the West, the North, or South. His race and creed is likewise unknown. He might have been a Protestant, a Catholic, or a Jew. All we know of him is that when America called upon her sons in her hour of need that he freely and fully answered that call. We also know that he died gloriously in battle in far-away France, although we do not know upon what battlefield he fell.

Yet that is all we need to know. For in this free land of ours the great Bill of Rights was proposed by the Congress 150 years ago, which under our Constitution guarantees to each man the freedom to live and believe according to his own conscience, so long as he does not invade the rights of others. In return this Nation expects that each of us will recognize and apply its tenets of good citizenship.

Surely if we are to continue as the great Nation that we have a right to be, it is necessary that there be developed among our people a greater interest in public affairs, a greater appreciation of the value of citizenship.

Citizenship is born in the schoolroom. Therefore, the ideals of our school teachers should be the true ideals of America. The importance of their work cannot be overestimated. First impressions are lasting and are reflected definitely in after years. The proper spirit of Americanism should have its inception in our schoolrooms, together with lessons in respect for law and order. Attention should be given to the early establishment of those high ideals so essential in the development of the true and patriotic citizens of our country. Young America should be taught to love America, to support our Constitution and our laws. To learn that to violate these is to trample upon all that is good and distinctive in the high ideals fought for by the forefathers of our Nation.

Our country was founded on certain great principles fundamental in character. It seems to me in times like these through which we are passing it is imperative to consider these principles and see to it that we shape our lives in accord with them.

The form and functions of our Government are the result of the independent experience and thought of our people. Too frequently these activities of government are left in the hands of a few who have made such matters more or less their life work, when as a matter of civic responsibility we, too, should give them our own consideration. It is only natural for America to look to her younger generations to carry on her great principles and ideals. This is a peacetime service comparable in urgency to that required in time of war, and this service is the first obligation of citizenship. A good citizen, mindful of his country's traditions and welfare, should uphold a proper respect for constituted authority and assist in preserving and advancing the integrity and prestige of his Government.

On this day as we gather on this hallowed ground in respect to those who have served their country in times of great emergency it is proper that we should look proudly to our country, revere its traditions, fight for its prosperity and future, and, above all, live that life, whatever be its intrinsic reward, which will cause us to know that we have been honorable citizens, appreciative of the privileges our country affords, jealous of its integrity, and alert in its defense. Be not afraid of patriotism; it is the soul of citizenship. Be not afraid of service; it is the road to contentment, and it is a thing we all can give.

Oil Legislation and So-Called Independents—Apologists for the Oil Monopoly

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

Mr. COFFEE of Washington. Mr. Speaker, I have heretofore called the attention of the Members of Congress to various bills relating to the oil monopoly, and which are of vital concern to the consuming public. Recent developments cause me to believe that the oil lobby is exerting every bit of its strength to deceive Congress and independent oil men. They hope to defeat the Borah pipe-line divorcement bill, S. 2181; the Harrington marketing bill, H. R. 2318; and to enact as permanent legislation the Connally Hot Oil Act, S. 1302, and its companion, H. R. 4547; also, its proposed bill, not yet introduced, that will except the oil monopoly from the operations of the antitrust laws.

INDEPENDENT PETROLEUM ASSOCIATION OF AMERICA

This is a psuedo independent association. It was formed by true independents but it was soon dominated by the major oil companies that now control it. They have taken it over lock, stock, and barrel. Every movement the organization makes is dictated by the Standard of New Jersey and companion corporations.

A few true independents proposed that a committee be appointed to study and make a report on pipe-line divorcement, also the complete disintegration of all integrated companies and other questions. This committee was appointed last October. It held what was supposed to be secret sessions, but I charge that the sessions were not secret but every word uttered in the sessions was made known to the monopoly before the committee adjourned. This committee has been called by Mr. Charles Roeser, the president of this association, to meet in Dallas on June 6. It is practically certain that the report of the committee, with its findings, conclusions, and recommendations, has been prepared at the dictation of the monopoly, and that they are already in the hands of the lobby in Washington to be used instantly upon their ratification and approval by the committee of 36.

The president of the association, Mr. Roeser, is associated with the Humble Oil & Refining Co., which in turn is owned by the Standard of New Jersey. Major companies have invaded the association directly by having connected with it as officers and committeemen such people as Judge Amos Beatty, just recently deceased; W. G. Skelley; Frank Phillips, who recently contributed $3,500 to the association; Burdette Blue, of Cities Service; and others.

Independents in that meeting may screw up courage enough to advocate measures for their own protection, but heretofore the majors have invaded their meetings. They have employed such able counsel as former Secretary of War Patrick Hurley to browbeat and terrify them. They have supplied so much money to the Independent Petroleum Association of America that they feel they have a right not only to dominate but to use it as a cat's-paw to continue their nefarious operations against the American public and independent oil men.

In 1933 that Association received the following contributions from major oil companies:

Consolidated Oil Co	$10,000
Texas Oil Corporation	10,000
Atlantic Refining Co	2,000
Phillips Petroleum Co	3,000
Standard Oil Co. (of Ohio)	3,000
Standard Oil Co. (of California)	5,000

The proper committees of Congress are charged with the duty of investigating the sources of revenue of such associations which maintain lobbies in Washington as this one does. I predict that if an audit of its sources of income were made at this time this association would be found to be merely an adjunct of the American Petroleum Institute, the propagandizing organization of the oil monopoly.

TEXAS PETROLEUM COUNCIL

As an example of the sabotage conducted against independent organizations, I refer to another association called the Texas Petroleum Council, and take my information from the senate journal of the State of Texas for 1937. The Texas State Senate investigated this fake independent organization and said:

> The founders of this organization were no doubt imbued with worthy motives and conceived it to be their duty to assist and cooperate with the enforcement agencies of the State in enforcing the conservation laws. Accordingly, the Texas Petroleum Council was formed as an "educational institution."

The testimony before the committee discloses the fact that this concern has not functioned as an "educational institution," but rather, on the other hand, has functioned as a vigilante group.

The committee found that the objective of the council was "the extermination of smaller competitors," and that the contributors who furnished approximately $100,000 to this psuedo independent organization were the following:

Arkansas Fuel Oil Co	$1,666.67
Atlantic Oil Producing Co	7,180.00
Continental Oil Co	1,000.00
California Co	1,375.00
Ethyl Gasoline Corporation	1,500.00
Gulf Production Co	4,583.00
Humble Oil & Refining Co	9,083.33
Magnolia Petroleum Co	7,750.00
Pure Oil Co	5,000.00
Sinclair Consolidated Oil	5,000.00
Shell Petroleum Co	8,905.47
Standard Oil of New Jersey	4,500.00
Stanolind Oil & Gas Co	4,221.35
Sun Oil Co	7,949.74
Texas Co	10,083.33
Tidewater Oil Co	2,240.00
Union Oil Co. of California	1,250.00

OTHER MAJOR OIL COMPANY PROPAGANDA

The interests which seldom show their faces in public always arrange to have other organizations pull their chestnuts out of the fire. We may look for protests from chambers of commerce and other so-called civic organizations. I understand that the Oklahoma Stripper Well Owners Association has passed a resolution against pipe-line divorcement on the grounds that if others than the major companies own the pipe lines it will cause a waste of the oil in the ground and loss of markets. I anticipate opposition inspired by the majors from the Mid-Continent Oil & Gas Association, and I would not be surprised to see fake labor leaders opposing constructive measures that will protect independent citizens in the oil business from the ruthless operations of the monopoly.

THE CARTEL SYSTEM

In a recent meeting of the United States Chamber of Commerce held in Washington the major oil companies' spokesman, Frank Phillips, of the Phillips Petroleum Co., exposed the hand of majors when he actually advocated before the chamber the exemption of the oil industry from the antitrust laws of the United States. He pleaded "conservation," as the reason for permitting the oil industry to "regulate" itself by a code of its own design and adoption. This is perhaps the first time that the oil monopoly has exposed its iniquitous and evil designs upon the independent oil men and the American consumers.

This astounding proposal goes even further and strikes at the very heart and soul of American Government. Should we permit the oil monopoly to form a cartel, then every other major industry will likewise apply for and obtain the right to loot, pillage, and destroy the American people. We have only to look at the operation of the system in Italy and in Germany to make us fear that dreaded specter hanging over American liberty.

CONTROL OF MONOPOLY NECESSARY

The oil monopoly can be regulated only by enacting legislation protecting independents against unfair competition. Divorcement of marketing and pipe lines from major control, as provided by the pending bills, will be a step in the right direction. Independents who are willing to fight for their existence must be protected and encouraged. Congress must take the lead, because that responsibility is upon us.

Tribute to Our War Dead

EXTENSION OF REMARKS

OF

HON. DAVE E. SATTERFIELD, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

ADDRESS BY HON. COLGATE W. DARDEN, JR., OF VIRGINIA, MAY 30, 1939

Mr. SATTERFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. COLGATE W. DARDEN, JR., of Virginia, made at the memorial services held in Norfolk, Va., May 30, 1939:

Mr. Chairman, ladies, and gentlemen, we have gathered together here today at the close of our spring season and the beginning of summer to pay tribute to our war dead. It is a fitting time, because when death kissed down their eyelids in dreamless sleep most of them were in the springtime of life, standing upon the threshold of a useful and happy summer, still far removed from the fall and winter, which, with the relentless passage of time, comes finally to all of us.

The observance of which we are at this moment a part has an interesting story. I cannot vouch for its truth, although I have no reason to doubt its accuracy. I found it a short time ago in a collection of stories by Grace Humphrey, entitled "Stories of the World's Holidays," which was published in 1923.

It is of such particular interest to many of us that I shall take the liberty of very briefly telling it to you. On an April morning in 1863 there met in Columbus, Miss., a little group of women to decorate the graves of their soldier dead.

Roses, lilacs, lilies, and many other flowers of that spring month had been gathered for the graves of their fallen heroes.

It was a sad occasion—the bitter struggle which had so tragically divided the States of the Union had dragged on for 2 years, taking its frightful toll from both sides. While they bent low over the graves arranging the flowers, they thought of other friends and relatives far away in the Army of Virginia or with the troops at Vicksburg. They thought, too, of the soldiers in gray who had given their lives at Shiloh, at Corinth, and at Stone River.

An elderly woman who had finished decorating the grave of her two sons, with her arms filled with flowers, was walking up the path toward a corner of the churchyard.

"Do you forget," cried one of the group, "whose graves those are? They're two Union soldiers."

"Hush," said the mother of the two heroes. "You are wrong. I do not forget. They are nameless graves marking where two soldiers lie buried. But somewhere in the North, in some city or little village or perhaps in some lonely farmhouse, a mother or a young wife or a sweetheart mourns for them just as you and I grieve for our dead."

She turned back to the unmarked graves; gently she pushed aside the long grass; tenderly she spread her flowers over the two mounds. With tears in her eyes, but with her head held proudly, she faced the women who had silently gathered about her.

"We bring these flowers"—she pointed to the grave of her sons, then to others decked with blossoms—"to express our love and devotion. They are dead, our heroes of the South. They are dead, these unknown soldiers of the North, lying here in our churchyard in Columbus in nameless graves. But when the war is over and peace comes again we shall call them all heroes. So here are my flowers, red and white and blue, for both alike."

"And mine."

"And mine."

"And mine, too," said the other women, as they softly added their flowers to the lovely blossoms on the unmarked graves in the corner.

The next spring, and the next saw them again decorating the graves in the churchyard at Columbus. The grim tide of war ran its course—and peace finally came to an impoverished and a starving Southland. A larger and larger group assembled at the churchyard and with blossoms they covered the graves of those who had fallen—the dead of both armies slept beneath a blanket of flowers.

In 1867—2 short years after Appomattox—the New York Tribune printed a story about what had happened in Columbus, Miss. Throughout the Nation the story was republished, and the people

were deeply touched. It marked in a humble way a supreme effort—an effort to replace sectional hatred and passion with friendship and love.

In May 1868 it was suggested to General Logan, national commander of the Grand Army of the Republic, that his organization adopt this beautiful custom and he issued an order designating the 30th of May as a day to be set aside for this purpose.

And so the little gathering in Columbus in 1863 initiated a service in honor of our war dead which has become Nation-wide. It is true that the actual day is not the same in all of our States, but the spirit is the same, and it is the spirit which makes the occasion great.

Of late years Memorial Day has come to be a day set aside in honor of our dead of all wars. It is in memory of those gallant seamen who went to their death off Flamborough Head in the North Sea, when a heretofore little known captain—John Paul Jones—in the service of the American Colonies, lashed the rotten hull of an old East India merchantman, hastily converted into the man-of-war, *Bon Homme Richard*, alongside the 50-gun English ship, *Serapis*, and struck the blow that made his name immortal in American history and wrote a brilliant chapter in the story of a navy which now stands guard over the western world.

This day is in memory of the ragged troops who died around the smoldering camp fires of Valley Forge—of those who died with their French comrades under Lafayette at Yorktown.

It is in memory of those who fell in the far away Mediterranean, guarding our commerce against the pirates of the coast of northern Africa and those who in 1812 and in 1846 gave their lives for their country.

It is in memory of those in the blue and in the gray who fell at Manassas, at Gettysburg, in the Wilderness, and at the Crater, as well as for those who at the turn of the century, in their great sacrifice, broke the power of Spain in the western world.

Happily, the wounds of the struggle between the States have healed; we are again a united people with one flag and one country. A most fortunate situation which gave rise to a short poem at the time of the World War which expresses well, I think, the feeling of our people:

"Here's to the boys of the windswept North!
When they meet on the fields of France,
May the spirit of Grant be with them all
As the sons of the North advance.

Here's to the boys of the sunny South!
When they meet on the fields of France.
May the spirit of Lee be with them all
As the sons of the South advance.

Here's to the Blue and the Gray as one!
When they meet on the fields of France,
May the spirit of God be with them all
As the sons of the flag advance."

And last of all it is consecrated and dedicated to those who gave their all in the struggle which engulfed the world in what was but yesterday.

They lie buried both here and in foreign fields; some have found their final resting places in distant seas, others sleep beneath the frozen plains of northern Russia, while in the northern reaches of France from the Vosges to the North Sea there slumbers a mighty host.

But wherever they be, in whatever land, be their graves marked or unmarked, they belong to us, and we have gathered here today to do them honor.

Nothing that I can say can add to their glory. Nothing that we can do can adequately express either our sorrow or our deep obligation.

In fact I have long felt that speeches on this occasion are of questionable value. In many instances the very recounting of the conflicts and struggles which are a part of our national history tends to depress many of our people—for others long slumbering memories charged with bitterness and sadness are awakened.

I believe the most fitting tribute that can be paid is the minute of silent contemplation and rededication which is observed each year on Armistice Day, when countless millions both here and abroad pause briefly in their appointed tasks and with uncovered and bowed heads think of those who in defense of their country made the supreme sacrifice during the World War.

That moment of silence is to me more expressive than the orations which have been made, more expressive than the essays which have been written on a subject so very near to the hearts of our people.

And so today the thing that really counts is that we have gathered in honor of those to whom we owe a deep and a lasting debt.

In a day when the clouds of war menace the world, when human freedom cringes under the lash of tyranny and oppression, and when the tramp of armed men and the roar of the cavalry of the air, bent on the destruction of innocent men and women and children far removed from the scene of battle, threaten to drown the laughter and the songs of peoples everywhere, we must dedicate ourselves again to the principles for which this supreme sacrifice was made.

We must keep in mind the high courage and the dauntless spirit which was theirs and with which they carved this Republic from the wilderness that was the New World. In their going they have thrown to us the torch; we must hold it high. We must keep the faith.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. LEONARD W. HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT L. BACON, late a Representative from the State of New York

Mr. HALL. Mr. Speaker, it is to me a solemn privilege to pay tribute to the memory of my illustrious predecessor, the late Honorable ROBERT L. BACON.

My friendship with "Bob," as we all loved to call him, began when he first became a candidate for Congress and continued down through the years to his untimely passing.

Mr. BACON served the First New York District for nearly 16 years and during that time became personally known to thousands of voters from Flushing to Montauk Point, to many of whom he had rendered personal favors not altogether connected with politics or with his official position. Indeed, he made no distinction between members of his party and those of others if only he could help his people in any legitimate manner.

He was a thorough Republican to be sure, never once swerving in his loyalty to his own organization, but he possessed a wide conception of his position and duty, and it can be truly said that he was the Representative of all the people in his district, shaping his life and conduct accordingly. Many a humble bayman, and others none too well blessed with this world's goods, as well as many of his own class and social position, have cause to bless his memory.

I imagine there never was a more conscientious or more hard-working Congressman, in his own time or any other, than ROBERT L. BACON. He was a martyr to what he considered his plain duty, and he made of himself a hard taskmaster because of that characteristic. He was considerate of others but never of himself. Many times during the heat of the summer, after Congress had adjourned, following a long and weary session, have I known Bob to continue work at top speed in his home county of Nassau, rather than seek the rest and recreation he so ofttimes needed.

For a number of years Mr. BACON set up headquarters in Mineola, where, with a secretary, he carried on much of the detail work which could not be finished in Washington. Here he received delegations daily of men and women usually seeking favors for themselves and never doubting that Bob would move heaven and earth to secure for them anything and everything to which they were legitimately entitled.

In my opinion BOB BACON died in the service of his country just as truly as if he had fallen on the field of battle. In my opinion, also, he might be living at this moment if he had closed his ears to the call of duty. If he had thought more of his own physical well-being and less of others' problems, he might not have left us in the prime of life and at the apex of his powers and usefulness.

Mr. Speaker, I am not sufficiently gifted with the power of expression to indicate all that fills my heart and mind when I think and talk of the late ROBERT L. BACON. He was my ideal of the perfect American gentleman—cultured, courteous, generous, thoughtful, and democratic in the real sense of that term. He is gone, and that is our serious loss, for none too many men of affairs are cast in his heroic mold.

Hon. Allard Henry Gasque

MEMORIAL ADDRESS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ALLARD HENRY GASQUE, late a Representative from the State of South Carolina

Mr. SMITH of Washington. Mr. Speaker, it was my privilege to serve with our late colleague ALLARD H. GASQUE, of South Carolina, during the last three Congresses. When I became a Member of the House in 1932, on account of my interest in veterans' legislation, I asked to be assigned to the Committee on Pensions, of which Mr. GASQUE had, after serving on that committee since 1924, recently been named as chairman. I was assigned to his committee, and he was my chairman for 6 years. I consequently became very well acquainted with our late colleague, and our relations were always most cordial and friendly. I learned to know and appreciate his sterling worth of character, outstanding ability, and fidelity to duty. He was in poor health for several years and passed away in the closing hours of the Seventy-fifth Congress, deeply mourned by all his colleagues.

In the fore part of this session the following resolution in honor of his memory was unanimously adopted by the Committee on Pensions:

The Committee on Pensions in regular meeting assembled, desires to spread upon its records the deep regret and sorrow of its members owing to the death of Hon. ALLARD H. GASQUE, of South Carolina, who departed this life immediately after the adjournment of the Seventy-fifth Congress.

Our late colleague was first appointed to the Committee on Pensions on February 22, 1924 (68th Cong.), and served continuously on the committee until December 15, 1931 (72d Cong.), when he was made chairman. He served as chairman of the committee to the date of his death on June 17, 1938. He rendered able and distinguished services in the capacities in which he served and was beloved by the veterans of our wars, whose true and loyal friend he ever proved himself to be. He was held in high esteem by his colleagues in the House, who mourn his passing. The members of the Committee on Pensions crave the privilege of tendering to his widow and children sincere sympathy in their loss and bereavement.

ALLARD H. GASQUE was an educator by profession, and prior to his entry into politics spent many years of his life in that important work and for 20 years served continuously as superintendent of schools in the county of Florence—formerly Marion—in which he was born, in the State of South Carolina. He served as president of the State Teachers Association and State County Superintendents Association of his native State. After filling important posts in the Democratic Party he was elected to Congress in 1924 and was reelected continuously, often without any opposition, until his death in 1938. In recognition of his services to the cause of the Veterans of the Spanish American War he was made an honorary member of the United Spanish War Veterans, a fact of which he told me more than once that he was very proud.

Our departed colleague had a very happy family life and his widow, who survived him, was a real helpmate and companion, to whom he was very devoted. Their union was blessed with two sons and two daughters, in whom he took a justifiable pride, as they did in the career of their distinguished and illustrious father. It was the happy privilege of my wife and I to recently attend the exhibition here in Washington, D. C., of a very fine portrait likeness of Mr. GASQUE, painted by Mrs. Dial, the talented wife of Hon. Nathaniel B. Dial, formerly United States Senator from the State of South Carolina.

Mr. Speaker, both life and death is a mystery. We are born to die. After all, the important fact is not that we have lived nor that we do die, but how we have lived. When we ask that question in regard to ALLARD GASQUE we find that as student, teacher, educator, politician, statesman, champion of the war veteran, husband, father, and friend he played well his role in the drama of life.

The night dew that falls,
Though in silence it weeps,
Shall brighten with verdure
The grave where he sleeps;
And the tear that we shed,
Though in silence it rolls,
Shall long keep his memory
Green in our souls.

Charles J. Colden

MEMORIAL ADDRESS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. BLAND. Mr. Speaker, it is with a high appreciation of the splendid, patriotic, and intelligent service of CHARLES J. COLDEN, that I attest my memory of his worth.

Soon after he came to Congress as a Representative from the Seventeenth District of California, I met him. I had then been a Member of the House of Representatives for many years, and I had seen men come and go. By long experience, I had learned to appraise quickly the merit of the newcomer and with a fair degree of accuracy to distinguish between the man who was merely a timeserver and the man who was a diligent worker, who had real work to do, and who went about his tasks with a patriotic fervor to leave nothing undone that he could do to make his country better and stronger than it was when he came. I saw very soon that CHARLES J. COLDEN was of the latter type.

Day after day, when the House opened its sessions, he was in his seat. While it wended its way through tireless and weary debates, COLDEN was there. When the issue was beclouded, his timely, pertinent, and sensible inquiries frequently dissolved the confusion and resolved into clarity what was in doubt.

When the daily session adjourned, he was still on hand. When a vote came I found Mr. COLDEN always patiently and intensively seeking that which was best, rather than that which was popular. He usually found it.

As the months passed, Mr. COLDEN's interest in marine matters and his knowledge of maritime problems drew us more closely together. He appeared frequently before the Committee on Merchant Marine and Fisheries, of which I am chairman. I found that his knowledge of the many subjects of that committee's jurisdiction made him valuable in helping to clarify our problems. He was always welcome.

It was with real pleasure to me and to all of the members of my committee that later Mr. COLDEN was elected to serve on that committee. From the time of his election on the committee to the day of his death, except when sickness prevented, he was on hand whenever possible and at almost all of the hearings and executive sessions. He spared no effort to inform himself fully on all bills coming up and as to all matters under consideration. His searching investigations into the truth and merit of every proposal, his untiring patience, his genial manner, his cordial friendship, and his keen humor made him beloved and respected by all.

He met his illness with the same courage and the same patience he had met all of the other problems of life. He died as he had lived, undismayed and unafraid. When he passed hence his district lost a faithful servant, his State a devoted son, and his country a patriot of the highest order.

I lost a friend whose memory will linger long. His association was for me an example and an inspiration. It is my hope, and will be my satisfaction, if when my service in this body ends, I shall have done my work with some of the zeal,

efficiency, and success with which CHARLES COLDEN did his work. I cannot meet him now in the daily grind, but I can and do remember his loving handclasp, his genial smile, his cheerful salutation. These I shall always remember and cherish.

And now, old friend, tried and true, I salute you.

Creation of Bureau of Fine Arts

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, IN THE HOUSE OF REPRESENTATIVES JUNE 15, 1938

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to state I may call hearings this session, if time will permit us, on the bill to create a department of fine arts, which is House Joint Resolution 149. This bill was considered for almost 2 years by the Committee on Patents and reported out unanimously by our committee. The Rules Committee reported out a rule for consideration of this measure, but, unfortunately, it was brought out on the closing day of the Seventy-fifth Congress, when due consideration could not be given to it.

I thought, therefore, that it would be of great interest to the membership of the House to be acquainted with the subject matter contained in my last address on this most important subject. The speech is as follows:

Mr. COX. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 526 and ask for its immediate consideration. * * *

The gentleman from New York [Mr. SIROVICH] has given a great deal of thought to the proposal and is probably, if not certainly, the best-informed man in the country on the subject. He is prepared to make a fair, accurate, and understandable statement of the whole matter, and I yield to him for that purpose 15 minutes at this time.

Mr. SIROVICH. Mr. Speaker, to me God reveals Himself in three mysterious ways: First, through the life of the universe, which we term "nature"; second, through the thoughts of man, which we term "art"; and, third, through the precision and exactness of the mind in correct thinking and observation, which we term "science." The cumulative contribution of everything that has ever been written regarding nature, science, and art constitutes the culture, the education, and the civilization of the world.

Mr. Speaker, there are no geographical and national frontiers to science born of the analytical mind. The human mind has a universal logic expressing itself everywhere in the same way. It produces everywhere the same mathematics, chemistry, physics, botany, physiology, astronomy, and so forth. But there are national and geographical frontiers to art born of the soul of the Nation, of its imagination, of its illusion, and of its deepest emotions. Just as the mind is general and universal, so is the soul subjective and individual. While geometry is everywhere alike, painting is not. While astronomy is everywhere alike, music is not. While physics is everywhere alike, poetry and literature are not.

It has often happened that two scientists in two different places have, independently of one another, made simultaneously the same scientific discovery. As, for instance, Leibnitz and Newton in discovering the infinitesimal principles in mathematics. Or Leonardo da Vinci and Harvey discovering independently of one another, in different centuries, the circulation of the blood. Or La Place and Kant discovering independently of one another the nebular theory of the solar system. But it has never happened that two painters paint the same pictures, that two composers compose the same music independently of one another, or that two playwrights write the same drama independent of one another. These concrete examples demonstrate clearly that art is individual and subjective, while science is universal and general. It is for this reason that every civilized nation, with but few exceptions, cultivates its arts officially, and imposes upon its national government the supreme duty to promote and support, to encourage and to help, the artistic forces expressing themselves in drama, literature, music, plastic and graphic arts, as well as the dance and its allied arts.

On the European Continent, which I visited last year, every government, regardless of size and importance, has either a ministry or a subministry of the fine arts. In England, where no provision for a minister of fine arts is made, the various royal academies, such as the Royal Academy of Art and Letters, the Royal Academy of Science, take care of the matters of the spirit, the nation entrusting the royal court with the task of promoting the different arts and sciences and the drama and lyrical poerty. The funds for their promotion and maintenance of the different arts and art institutions are supplied by the Government.

The official promotion of the fine arts by the European nations began with their artistic and literary maturity. When the leaders of the nations recognized that their peoples came of age artistically and culturally they moved that their national governments adopt measures to promote, protect, and support young artistic and literary creative talents. Such was the case in France, Germany, Austria, Hungary, Italy, Belgium, and Holland.

Looking objectively at the recent developments of American art and literature, we must reach the conclusion that the American people have come of age culturally and artistically, for America is now leading the world not only in science, in mass production, and in the organization of life, but in art and literature as well.

Destiny willed it that the growth of America as a great power economically, politically, and militarily coincide with American cultural and artistic maturity. I, for one, am thrilled by the thought that America today, in spite of its youth, is one of the greatest cultural centers of the globe. The new artistic and cultural energies in America, assuming all the time more beautiful and newer forms, hold out the fair promise to make America the foremost cultural power in the world. Thus the Old World, with its great artistic traditions, will be forced to orientate itself in the marvelous artistic creations of the New World.

When a nation decides to promote and protect its creative talents it does so for two reasons—for cultural reasons and for reasons of justice.

It is necessary to promote and encourage art to bring out the very best in the creative artist and thus contribute to the normal development of the national art, which alone testifies to the greatness of a nation. What was the glory of ancient Greece? Was it its army, its navy, its bridges, its tunnels, its viaducts? No; it was its art, its poetry, its philosophy, its drama. What was the glory of the Italian Renaissance, the greatest chapter in man's history? It was Michelangelo, Raphael, Leonardo da Vinci, Titian, Dante, Petrarch, Boccaccio. While the names of the great captains of industry, commerce, and finance, and even politics, have been forgotten in the ashes of time, these glorious names will live on through the ages, and their works will forever be a source of inspiration to mankind. [Applause.] But none of these immortal men could ever have achieved what they have accomplished if not for the aid of the courts or the help of the church—in short, the government that was behind them.

It is from this background, vantage point, and perspective that this bill to create a bureau of fine arts in the Department of the Interior must be considered.

It is my contention, and I trust yours, that the artist and the poet as a citizen has the same rights and claims on the Government as the businessman, the workingman, the merchant, the military man, the sailor, the farmer, and worker. They can all apply to the Government for counsel and suggestion and guidance. The worker can apply to the Labor Department, the farmer to the Department of Agriculture, the businessman to the Department of Commerce, the banker to the Treasury, the military to the War Department, and so forth.

Modern government is so organized that it can offer aid, guidance, and protection to the citizenry of every walk of life, except to the artist and poet. To fill this gap and to serve not only art and literature, but to give the creative artist and poet the same rights and privileges as a citizen, as the citizens in other walks of life have, this bill is being offered for your approval and adoption. [Applause.]

Mr. Speaker, this bill which we are debating today in the closing hours of Congress and which should have been brought out a month ago, to give it a fair chance, provides for the creation of a bureau of fine arts in the Department of the Interior, for the promotion of art and literature, through the use of copyright and copyrightable material, and to define the powers and duties of said bureau and for for other purposes.

During the past few years, particularly as a result of the Federal arts projects, a cultural transformation has occurred in our national life. Theater, music, painting, sculpture, literature, and the other arts have become the possession of millions of people in every section of the country who never before had the means or the opportunity to enjoy the benefits of culture. Twenty-five million people in 22 States have witnessed Federal theater productions; 65 percent of them had never witnessed a play before. Federal musicians have played to aggregate audiences of 92,000,000 persons in 273 cities in 42 States. Eleven million people have witnessed art exhibits or have been taught in art classes. The American Guidebook Series has been published in a greater number of States. This is but a brief résumé of the testimony offered before the committee, but it serves to indicate what has been accomplished.

This historic contribution has been made under a temporary emergency set-up, and as a result it has been impossible to plan a long-range program. The purpose of House Joint Resolution 671 is to make such planning possible. Obviously the only method is through the setting up of a permanent bureau of fine arts.

There exists in our country potentialities for the development of a great culture. This is an important part of our national wealth, and it must be safeguarded and fostered. It is the function of democratic government to secure the benefits of education and cultural enlightenment for all the people. By so doing it guarantees the perpetuation of democracy.

Mr. Speaker, this bill has the endorsement of Burgess Meredith and Frank Gilmore, president and former president of the Actors' Equity Association of America. It has been approved by Mrs. Edgar Stillman-Kelley, president of the Federated Music Clubs of America; Deems Taylor, president of the American Operatic Society; Lawrence Langner, founder and director of the Theatre Guild; Brock Pemberton, president of the Producing Managers Association of America, and president of the League of New York Theaters; George M. Cohan, Frances Starr, Blanche Yurka; by the Authors League, Dramatists Guild, by Heywood Broun, president of the American Newspaper Guild; by William Green, president of the American Federation of Labor, who wrote the following letter:

Hon. WILLIAM I. SIROVICH,
Chairman, Committee on Patents,
House Office Building, Washington, D. C.

DEAR REPRESENTATIVE SIROVICH: Having read and studied House Joint Resolution 671, which provides for the creation of a bureau of fine arts in the Department of the Interior that would be instrumental in providing for the theater and its allied arts, music and its allied arts, literature and its allied arts, the plastic and graphic arts, and their allied arts, and the dance and its allied arts, I can assure you that it has the enthusiastic support of the American Federation of Labor.

It is heartily supported by the organized actors, musicians, writers, and other organizations of labor, who believe that the development in our country of cultural institutions is an important part of the life of our people now and in the future. Institutions for the advancement of culture and civilization in art are found in nearly every civilized nation in the world, and the United States should not be backward in creating such a bureau.

I am sure that the purpose of the resolution will appeal to the Members of the House of Representatives and the United States Senate.

Sincerely yours,

WILLIAM GREEN,
President, American Federation of Labor.

Also by James Hulley, general organizer of the United American Artists, and John Lewis, president of the C. I. O.; E. L. Oliver, of Labor's Nonpartisan League; by Lawrence Tibbett and Rosa Ponselle, the great operatic singers of the Metropolitan Opera, who appeared personally before our committee, together with Irving Berlin, George Gershwin, Rudy Vallee, Irving Caesar, George Middleton, Erskine Caldwell, Percy Mackage; and Martin Popper, counsel to the Federal Arts Committee; by Rockwell Kent, the great artist; Gutzon Borglum, the distinguished sculptor; by Gene Buck, president of the American Society of Composers, Authors, and Publishers; George Creel, author and writer, and president of the Authors' League of America; by Chester Crowell, representing the Authors' League; Charles Edward Russell, representing the art clubs of Washington, D. C.; Stanley Riggs, representing the Archeological Society; Sigmund Romberg, the great musical composer of Maytime, Student Prince, Desert Song, Blossom Time, and so forth.

This is but a cross-section of the eminent and distinguished dramatists, novelists, authors, poets, artists, musicians, sculptors, and painters who appeared before our committee and endorsed the principles embodied in the bill we are now presenting for your consideration and deliberation.

Mr. Speaker, the modern drama is an escape from the hard realities of life, created by the industrial and machine age to a world of phantasy and illusion. The industrial and machine age, with its routine and efficiency, sameness, and monotony, creates boredom for man, and to get rid of the boredom he escapes to the theater. This explains best the phenomenal success of the movies. Thus if in former generations the drama was a luxury, today it is a necessity. Close the theaters of our country and the insane asylums of the Nation will become overcrowded. For modern man cannot stand the strain and tension of life without a periodic escape to the world of illusion, the theater. This elemental function of the theater in the life of our Nation makes it imperative that the National Government pay attention to this all-important phase of our national life. The more free time modern man acquires as a result of the shortening of labor hours the more important must the function of the theater become in national life. To suggest that the National Government represent all interests of the Nation with the exception of the interest of art, literature, and drama is to deny its sovereign character and to make the creative genius the stepchild of the Nation.

Mr. Speaker, I appeal to the patriotic spirit of every Member of the House of Representatives, who is here assembled, to help us to achieve this great ideal in the creation of a bureau of fine arts. To me, Mr. Speaker, an ideal is a place to which God descends as man rises to meet Him. Let us bring the ideal of a fine arts department to the home, hearth, and fireside of our American people in every section of our country. This would enable us to have a democracy where economic security could be guaranteed to all the people of our Nation in order that we might only compete in the development of the mind in science, in art, in literature, in philosophy, in drama, in music, and in all the beautiful things that go to ennoble mankind. The shibboleth of our Nation is "E pluribus unum." Out of many we have become one great Nation. Let us through the department of fine arts become the greatest and mightiest nation in the world in culture and artistic development that will be a monument to our genius in the centuries to come. [Applause.]

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield to my friend from Michigan.

Mr. RABAUT. Why should art be controlled by the Government? Has not art always been free? Has not art always been developed along free lines?

Mr. SIROVICH. That is a very fair question, a very interesting question, and I shall be glad to answer my distinguished friend.

Please remember, Mr. Speaker, art cannot be controlled and regimented by any government in the world, unless people are forced to write, paint, and compose as dictators tell them. Art is individualistic. In the early part of my address I showed how no two men, from the standpoint of literature, can write the same books. No two newspapermen up there in the gallery can write the same story about the same thing. No two painters can paint the same object in the same way. No two architects can design the same building exactly alike. You cannot regiment the human mind in a democracy. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. SIROVICH. You cannot regiment in a democracy arts, drama, music, literature, the plastic and graphic arts. Art can be regimented only where you have destroyed freedom of the press and freedom of speech.

Mr. WADSWORTH. Mr. Speaker, will the gentleman yield?

Mr. SIROVICH. I yield.

Mr. WADSWORTH. On page 5 of the bill, commencing in line 4, follows a list of professions, vocations, or occupations, with some of which I am not familiar. What is a "wirter," for instance?

Mr. SIROVICH. This is a typographical error. It stands for the word "writer."

I notice there are a couple of typographical errors in the bill. For instance, the word "draftsman" should be "craftsman."

They are typographical errors.

Mr. WADSWORTH. Apparently the draftsman was lacking. Outside of the field of politics, what is a puppeteer?

Mr. SIROVICH. A puppeteer is one who creates and performs with puppets, like a Punch and Judy show.

Mr. WADSWORTH. I thought so.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. MICHENER. Will the gentleman yield?

Mr. SIROVICH. I yield to the gentleman from Michigan.

Mr. MICHENER. I want to pursue further an inquiry propounded by the gentleman from the gallery who suggested we were regimenting everything else in the country and he wanted to know why we could not regiment art.

Mr. SIROVICH. You cannot regiment art, because art symbolizes the soul of the individual and represents an individual expression. You can suppress the teaching of science and art in totalitarian governments, as they are doing in Nazi totalitarian Germany, but in a democracy you cannot regiment the individual mind because he has freedom of expression and freedom of thought. So long as human beings in a democracy have freedom of thought, freedom of expression, and freedom of the press, you can never have regimentation in American art and in American literature. [Applause.]

[Here the gavel fell.]

Civil Liberties Investigation

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

RESOLUTION OF THE CALIFORNIA STATE ASSEMBLY

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I am including a resolution passed by the California State Assembly. It refers to the proposed investigation of the Associated Farmers for alleged violation of civil liberties. The resolution follows:

Assembly Joint Resolution 46

Relative to civil liberties investigation

Whereas a subcommittee of the United States Senate Committee on Education and Labor was authorized to investigate violations of civil rights in California and other Western States; and

Whereas the subcommittee initiated the investigation but was unable to complete it because of a lack of funds; and

Whereas there has been a widespread public demand for the continuance of the investigation as evidenced by action taken by such organizations as the National Grange, the American Federation of Labor, the Congress of Industrial Organizations, and others, urging an appropriation of additional funds for the use of the subcommittee; and

Whereas the Associated Farmers of California, Inc., in a telegram to Senator HIRAM JOHNSON, dated April 4, 1939, inserted in the CONGRESSIONAL RECORD on that date, demanded an opportunity to be heard before the subcommittee in respect to charges made against it; and

Whereas Senators SCHWELLENBACH and DOWNEY have introduced Senate Resolution 126 in the Seventy-sixth Congress, providing for an appropriation of $100,000 for use in enabling the subcommittee to continue its investigation; and

Whereas Gov. Culbert L. Olson has already communicated with the chairman of the United States Senate Audit and Control Committee, Senator BYRNES, to support Senate Resolution 126: Now, therefore, be it

Resolved by the Assembly and the Senate of the State of California jointly, That this legislature approves of and endorses Senate Resolution 126, now pending in the Seventy-sixth Congress; and be it further

Resolved, That copies of this resolution be sent by the chief clerk of the assembly to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator, and to each Member of the House of Representatives from California in the Congress of the United States; and to Senator JAMES BYRNES, chairman of the United States Senate Audit and Control Committee.

The Ludlow Resolution

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 2, 1939

RADIO ADDRESS BY HON. WILLIAM P. LAMBERTSON, OF KANSAS, JUNE 1, 1939

Mr. LUDLOW. Mr. Speaker, no Member of this Congress, and no one in the public service of this Nation anywhere, is more deeply and genuinely interested in maintaining the people's right to rule than is the distinguished gentleman from Kansas, Hon. WILLIAM P. LAMBERTSON.

In a very enlightening radio address delivered over radio station WOL on Thursday night, June 1, Mr. LAMBERTSON pointed out that our existing democracy is confined to our domestic concerns; that our democracy stops at the water's edge; and that in its foreign relations our democracy is not a democracy at all but a pure autocracy. As proof of his statement, he pointed out that while our people may vote on the location of a sewer or the construction of a school building, they have no opportunity to vote on the greatest and most tragic of all decisions, the question of sending our boys into foreign lands to die in the settlement of quarrels of alien origin.

Mr. LAMBERTSON very impressively presented the case in favor of the Ludlow resolution and advocated the enlargement of our democracy by giving those who have to suffer and to die, and bear the costs and griefs of war, the right to decide whether this country shall send soldiers abroad to give up their lives in foreign conflicts. He made a special plea that women shall have an equal right with men to vote on the question of participation in foreign wars, pointing out that under the present war-declaring mechanism, which vests the power to declare war in Congress, women are pathetically impotent in expressing their views, since only 5 of the 531 Members of Congress are women. His point of view was that since women go down into the valley of the shadow of death to bring our boys into the world, they should have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict.

Mr. LAMBERTSON's address was timely and scholarly and was particularly appropriate at this time, when the war fever has subsided and our people can discuss the question of national security in an atmosphere of thoughtfulness and reason. By unanimous consent of the House, I present Mr. LAMBERTSON's address for printing in the RECORD, as follows:

To my radio listeners: Through the courtesy of the Inter-City hook-up I am privileged to speak this evening in favor of the Ludlow resolution. We are very happy to find that the war fever has cooled off a little and because it has, it makes the consideration of the Ludlow resolution more in order. As we approach a war which people fear is imminent, some raise the question challenging the patriotism of those urging a change of our Constitution to let the people vote on a foreign war; but with this spirit subsided a little, we can dare to stick our heads up and proclaim ourselves for a real democracy which passes on the deepest and most profound thing in our life.

On the whole I am glad to announce that there is a growing sentiment among the people, as the Ludlow resolution is better understood, in its favor. I find many men in great national patriotic organizations who have been opposed to it on the face of it, are, as they think more about it, looking on it with more favor. On a recent visit to my home district, it was my privilege to visit in the 10 county seats. There were more questions asked and more interest in the war situation than in anything else. They were worried about what we in Congress and the President might do. I talked to several members of the American Legion and Veterans of Foreign Wars who used to fear that a referendum might handicap the Nation in its medium of defense by proposing to let the people vote on something before the Government could act. I notice a distinct improvement in favor of the proposal over what it had been last fall.

One of the things which I think has stirred my people up is the large appropriations which we have been making for our armed forces. I think they were particularly interested in the $750,000,000 Navy bill which has gone through the House and the Senate and has been signed by the President. They seem to understand that it required very little debate, that the subcommittee's recommendation was accepted after a few moments by the Whole Committee of the House without any hint of reductions, that the House floor debate lasted only an hour or two before it was passed—this record-breaking bill. This Navy bill will call for $950,000,000 next year to carry out the provisions that have been started this year. There is bound to be a $200,000,000 increase next year. The people are not so dumb that they believe this is just a Navy for defense. They know it is a Navy that is getting prepared to go places away from the American shore if need be, further even than this hemisphere, and the tremendous increases of the Army and air forces have made a pacified people 3,000 miles from either the belligerent East or West to believe that we are headed for places which they wouldn't sanction and this has sharpened their eagerness for the Ludlow resolution.

Senator BORAH's statement that we might be driven to attack in order to defend ourselves is deserving of some consideration, but the point is not the most serious. Under things as they exist today, if we saw an enemy moving to some position which might be threatening, the President of the United States as Commander in Chief of the Army and Navy could move our forces before any declaration of war was made by Congress, to give us the advantage or to offset some disadvantage. There may be a real question about whether it is a foreign war or not, the distinguished Senator says. Congress would decide first and then the people would decide second. If there were any strong hint that it was to be a war at home, nobody would be keener for defense than the people themselves, but they wouldn't be fooled so quickly as a Congress surrounded by propaganda on the question of a foreign war. Yes, it is true that we can't think of any rule that makes it perfect, but this proposition would make it more nearly perfect and would do more to prevent war than anything else we could do. Of course, those on the other side would say that because we had a referendum of the people we probably wouldn't fight as quickly and therefore other nations might dare to be more offensive or aggressive toward us. Secretary Hull said last winter that when he proposed something to a foreign country there was sort of a secret voice that came up behind and over his head that said to those countries, "We wouldn't fight," and it weakened the force of his threat or his diplomacy, we should say. There is the good and the bad side to that. Possibly it is a little humiliating to a leader who assumes to make diplomatic proposals with fears that his country isn't behind him, but there is a fine wholesome force in that secret voice that comes up from behind and goes over his head, which is the real expression of our democracy and should be his guiding spirit after all.

I note with interest as the debates on the Constitution are reviewed that there were two schools of thought about where the declaration of war should lodge. The Tory school thought it should lodge with the President, and the other extreme thought it should lodge with Congress because they were the nearest to the people. The people themselves, then, were inaccessible. They were widely scattered, of course, without radios, without telephones or telegraph, or even roads, and with very limited mail service it was next to the impossible of thinking they could get a referendum from the people in any reasonable time at all. But how different it is today. If the people could have been reached then as they are reached today by a sound of a voice at every cross road and every drug store, there isn't much question but what the authority would have been left with the people to have voted on the question of a declaration of war. The Congress was chosen, let me reiterate, because they were the closest approach to all of the people at that time.

The Ludlow resolution furnishes us a double check on the subject of war. If the substance of this resolution became a part of the Constitution and a foreign war became imminent, the Congress would first submit the resolution to the people. That would be their judgment, and then the people would vote whether or not they should sustain Congress. That furnishes us a double check

like we have in the two Houses of Congress, like what is emphasized in the check-and-balance system of government. I think a great many people think that under the proposed change the people would initiate and vote on the question regardless of Congress. Understand, Congress would submit the resolution and vote the declaration of entering a foreign war first, as they have done; then, under the proposed change, the people would have the chance to verify what Congress had declared or veto it.

Then the people would have a secret vote, and this is highly important. No one can tell or coerce an American soul when he goes into that ballot booth alone. The votes of Congress many times are not true votes. Congressmen don't always dare to do what they would like to do, but the people at home would do just exactly what they wanted to do on a secret ballot on a referendum submitted back from Congress. The war propaganda in the spring of 1917 was so built up that only a few Members of Congress voted against the declaration of war. It was not so much the fear of the people at home as the fear of forces about Washington—the fear of being called a pacifist, the fear that somebody might call them unpatriotic. They didn't have time to get back home to mingle with their people. On April 6 in '17 no one thought we would send soldiers to France; it was to be an economic war. Those who had courage to overcome the influences that were asking for war have been thoroughly vindicated in the public mind. The people on a referendum would not have to think of criticism, because their vote would be a secret vote, and that is the finest vote of all.

Another reason for the referendum is that it will give women, and particularly the motherhood of the country, an equal chance with the men in a vote on whether their sons shall be made cannon fodder in foreign fields. Today in Congress there are only 5 women—4 Members of the House and 1 in the Senate—out of the 531. You can plainly see that women are not equally represented in Congress, although they have equal suffrage; and under the present arrangement the men statesmen of the country determine the declaration of war. Women vote now in the United States probably to as high a percentage as men, and they would particularly on a war referendum. Everyone knows that it was the women's vote in the United States in 1916 that reelected Woodrow Wilson after a promise that he made through the campaign that he would keep us out of war. There isn't the slightest doubt in the world but what that thing, and that alone, gave the electoral vote in Kansas to Woodrow Wilson over Charles Evans Hughes. So on a referendum of war women for the first time would come to their own.

Our democracy is effective for internal things, but not in dealing with our international relations. Our democracy is effective before bonds are issued on a sewer project, on a school building, on the building of a courthouse, and in all these instances the people must vote their approval, but when we get down to the water's edge our democracy ceases. When we begin our dealings with the nations of the world through the State Department, when it comes to the deepest and most sacred thing of life—war and the power to conscript—our democracy goes out the window and an autocracy takes the throne. We have delegated all our powers in tariff rates under the reciprocal-trade agreements with the Secretary of State to use in our international relations. We have given away our democracy, and this whole thing that we have given away is the source that tells us now that we must not let the people have the chance to vote ultimately on whether we shall be involved in European wars because of one department's failing to make a satisfactory friendly relationship. We are pleading for an equal democracy in picking up a son from the home circle, sending him to European soil to die for his country, the equal democracy that we demand now on whether a sewer project can be successfully projected. I belong to that increasing American percentage who believe that the same democracy that exists for the common and material things of life should exist for the deepest and most sacred thing in this world—a declaration for a foreign war. It is a question of bringing to our foreign relations the same democracy which is universal in our domestic affairs.

Aid for Dependent Children Should Be on 50-50 Basis

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

Mr. WHITE of Ohio. Mr. Speaker, someone has said, "The measure of the degree of civilization of a country is reflected in the provision which it makes for its children." I do not know who uttered those words, but I believe most of us will agree with the thought.

There have been numerous plans for assistance to needy children. The method which has been put into effect by the Federal Government is contained in the Social Security Act. As we all know, it is the law which governs the pattern of State laws at the present time for aid to dependent children.

In January 1939, 42 jurisdictions were administering aid to dependent children under plans approved by the Social Security Board. Nearly $9,000,000 from Federal, State, and local funds were obligated for monthly grants to 666,655 children in 272,385 families.

The grants averaged $32.52 per family, the lowest average grant for any State being $8.14 per family, the highest $64.17 per family. In four States the average grant is less than $15 per month per family unit and in three others less than $20.

The purpose of legislation for aid to dependent children is to prevent disruption of families on the ground of poverty alone and to enable the mother to give home care to her children. The assurance of a definite amount of aid not subject to change from week to week or month to month unless conditions in the family change is one of the chief advantages of this form of assistance. The enactment of laws for aid to dependent children was evidence of public recognition of the need for long-time care for those children whose fathers are dead, are incapacitated, or had deserted their families, and that security at home is an essential point of a program for such care. There is no substitute that compares with a wholesome home influence in the care of children.

So far, so good. Now, let us turn our attention to the Social Security Act and one of its features which, in my judgment, constitutes an inequality that should be corrected by this Congress. The Federal Government reimburses States for blind assistance and old-age assistance upon a 50-50 basis. But the companion provision for aid to dependent children reimburses the States on a one-third basis. Why this discrimination? I can see no reason why Federal participation in the aid for dependent children should not be on the same basis as blind assistance and aid for aged.

The children in need of assistance do not constitute an articulate group. They are not able to speak for themselves, and therefore they might easily be forgotten. That must not be. Whatever amount may be spent under this program, it seems to me that the Federal participation in their behalf should be on the 50-50 basis, the same as for other divisions of assistance under the same law; that the percentage derived from the Federal Government should apply equally to each group; and I urge that this change be made in the present session of Congress.

Relief Conditions in Florida

EXTENSION OF REMARKS

OF

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

RESOLUTION OF THE HOUSE OF REPRESENTATIVES OF THE STATE OF FLORIDA

Mr. GREEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the House of Representatives of the State of Florida:

House Resolution 59

Whereas, from press dispatches, it now appears extremely probable that approximately 13,600 needy Florida people are soon to be forced from the W. P. A. pay rolls in accordance with general orders from the National Administrator, Col. Francis C. Harrington; and

Whereas in excess of 10,000 men and women formerly on relief have already been stricken from Florida relief rolls during the past few weeks; and

Whereas at the peak of W. P. A. employment in 1938 there were many hundreds of worthy and needy persons unable to secure W. P. A. placement, although certified for relief; and

Whereas economic conditions in Florida, owing to the deplorable citrus prices show no improvement, but, on the contrary, deep depression; and

Whereas temporary inflow of money from the tourist trade has produced but slight economic benefit, now ended for the year, with no hope of resumption until late autumn; and

Whereas the business of Florida follows trends directly opposite to those ruling in northern cities, reaching lowest levels in summer and peak proportions in winter; and

Whereas the discharge of more than 10,000 W. P. A. workers since January 1, coupled with other depressing conditions, has already produced an unemployment crisis—pitiable and impossible for local governmental units to meet owing to lack of funds; and

Whereas the discharge of 13,000 additional workers will create a deplorable situation during the summer and early fall, likely resulting in untold suffering from hunger and want; and

Whereas the Honorable Roy Schroder, State administrator of W. P. A., has gone to Washington to lay the needs of Florida before the national administration and to plead the cause of the needy in this State in an effort to hold the pending slash of personnel to the lowest possible level: Thereby be it

Resolved, That the House of Representatives of the State of Florida, in regular session assembled, appeals directly to Senator CHARLES O. ANDREWS and Senator CLAUDE PEPPER, and to congressional Representatives PETERSON, GREEN, CALDWELL, HENDRICKS, and CANNON to give the question of Florida relief collective, respective, and paramount attention and lend every aid possible to State Administrator Schroder in his efforts in behalf of the needy distressed of Florida; and be it further

Resolved, That our congressional delegation be urged to every effort toward securing sufficient funds for continued relief by supporting pending or increased appropriations for relief; and be it further

Resolved, That a copy of this resolution be sent to the President of the United States, to each of the Florida Senators and Congressmen, and to Col. Francis C. Harrington, National Administrator.

The "Morris" and the "Wainwright"

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

ADDRESS BY HON. COLGATE W. DARDEN, JR., OF VIRGINIA, JUNE 1, 1939

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. COLGATE W. DARDEN, JR., of Virginia, at the launching of the *Morris* and the *Wainwright*, Norfolk Navy Yard, June 1, 1939:

Admiral Simons, ladies, and gentlemen, I deeply appreciate the kind invitation extended me by Admiral Simons to be present today and to take part in the launching of these two ships of the Navy.

It is always a pleasure to visit the ships and shore stations of the United States Navy. It is a particular pleasure to visit what I believe to be the finest navy yard in this country.

The two slender and graceful ships now nearing completion represent the best that can be produced in this class. They will shortly join the fleet—there to take their places in what may fairly be called the bulwark of the West.

On behalf of Tidewater Virginia, I want to welcome Mrs. Nutter and Mrs. Meiggs, who have come today to christen the ships which are to bear the names of their distinguished forbears. We are glad to have you with us. We are happy to share with you this great occasion.

I regret that time permits only a brief reference to the distinguished naval officers whose names are to be given these destroyers.

Charles Morris was born in Woodstock, Conn., July 26, 1784. As a young officer he served on the *Constitution*, and in her took part in the operations against Tripoli. He was the first of the gallant band sent to burn the *Philadelphia*, to board that ship.

The war with England in 1812 found him still serving on the *Constitution*. On August 19, 1812, the *Constitution* met and defeated the *Guerriere*. In this engagement the young officer rendered distinguished service and was severely wounded.

Recovering from his wounds he was promoted captain and assigned to the *Adams*, a 28-gun frigate, then lying at Washington. He at once set to sea as a commerce destroyer.

Unfortunately in September 1814 he was forced to burn his own ship in the Penobscot River to prevent its capture by the British. He was, however, able to save his men.

Made a commodore, following the war, he had the honor of commanding the *Brandywine* when it conveyed Lafayette back to France in 1825. He served as Superintendent of the Naval Academy at Annapolis and as Chief of the Bureau of Ordnance and Hydrography in Washington, where he died January 27, 1856.

The *Wainwright* is named for Commander Jonathan Mayhew Wainwright, his son, Jonathan Mayhew Wainwright, Jr., Rear Admiral Richard Wainwright, and Commander Richard Wainwright.

Commander Jonathan Mayhew Wainwright was born in New York City July 27, 1821. During the Civil War he commanded the U. S. S. *Harriet Lane*, Admiral Porter's flagship, in an engagement with Forts Jackson and St. Philip, and was killed in an attack upon Confederate forts in Galveston Harbor January 1, 1863. He was buried with the honors of war January 2, 1863, in the cemetery at Galveston.

Ensign Jonathan Mayhew Wainwright, Jr., his son, was born in New York City January 29, 1849; he graduated from the United States Naval Academy in 1867. He was attached to the *Mohican* of the Pacific squadron, and while in command of a boat expedition against the piratical steamer *Forward*, lying in a lagoon at San Blas, Mexico, was wounded. He died on the *Mohican* from the effects of wounds June 19, 1870.

Commander Richard Wainwright, United States Navy, was born in Charlestown, Mass., 1817. He served in the Coast Survey and on home station from 1841 to 1857, and cruised in the U. S. S. *Merrimac*, special service, 1857–60. In 1861 he was ordered to command the U. S. S. *Hartford*, Admiral Farragut's flagship. On April 24 and 25, 1862, during the passage of the forts below New Orleans, he rendered conspicuous gallant service in extinguishing the fire on the *Hartford*, caused by a Confederate fire raft, while continuing the bombardment of the forts, and was highly commended by Admiral Farragut. Commander Wainwright participated in the operations of the fleet below Vicksburg until taken ill with fever. He died in New Orleans, La., in 1862.

Rear Admiral Richard Wainwright, United States Navy, was born December 17, 1849, in Washington, D. C. He was executive officer on the U. S. S. *Maine* when she was blown up and sunk in the harbor of Habana, February 15, 1898. He commanded the wooden gunboat *Gloucester* (ex-yacht *Corsair*) during the battle of Santiago, July 3, 1898. When Admiral Cervera's squadron came out of the harbor of Santiago in an effort to escape, Wainwright maintained his advanced position and awaited the exit of the two torpedo boats *Furor* and *Pluton*, which he attacked at close range, sinking the *Furor* and driving the Pluton on the beach. After saving the survivors from these two prizes, Wainwright proceeded to the *Infanta Maria Theresa* and *Oquendo*, which were beached and burning fiercely. Despite the great danger from explosions, many persons were rescued from these vessels. Lieutenant Norman, in charge of one of the *Gloucester's* boats, formally received the surrender of the Spanish commander in chief and all of his officers and men present and brought on board all the high-ranking officers, including Admiral Cervera. For his valor in this engagement Admiral Wainwright was advanced 10 numbers in rank for "eminent and conspicuous conduct in battle with the enemy." He died March 6, 1926.

It is a tragic circumstance that we chance to live today in what appears to be an era of international anarchy. One by one our hopes have turned to ashes in the white-hot forges of war. Those who place their trust in the instrumentalities of war rather than in the more orderly but far less spectacular processes of peace now strut and thunder. Their ominous threats are heard with increasing frequency as they seek to strike terror into the hearts of mankind

Force is on the march. Tyranny and oppression seek to strike down human liberty and enslave mankind. Mark this well: Only those nations will survive today who are able to defend themselves.

These ships, as I have said, go to join our fleet—they, with many others now being built in the yards of this country, are America's answer to those who feel inclined to challenge the western world. We do not propose to stand idly by and leave this great Nation undefended in a time of such great peril.

We covet no land on the surface of the earth; we envy no nation or group of nations; we are eager to further the cause of peace and to do our full part toward a peaceful adjustment of the problems of mankind.

However, let no man, whatever be his station or his title, mistake this earnest desire for peace, for fear. Let no ruler or group of rulers delude themselves into believing that the descendants of those men and women who carved out of the wilderness this great Republic of the West, who spanned this continent with the great transcontinental railroads and highways; who bridged its rivers and built its cities; who cleared the way through almost impenetrable forests and over forbidding and soaring mountains—all that they and their children might be free—let no ruler or group of rulers, I say, delude themselves into believing that we, their descendants, are either unwilling or unable to defend this country. It is a great and a rich land, purchased by the blood, the unremitting toil and the almost incredible sacrifice of those who have gone before us. It is a heritage of which we are proud and whose territorial integrity we propose to defend with our lives if need be.

I cannot conclude these remarks without paying a richly deserved tribute to the men who built these ships; a tribute to those of both the civilian and naval service who labor here in this yard.

They have done far more than bend and weld the steel. They have built into these vessels, with the skill and the integrity which is theirs, the stamina and the endurance which has ever been the

product of good workmanship. Whether the cruise be in peace or in war, in fair weather or in stormy seas, I know that the course will be well run.

The *Morris* and the *Wainwright* will do credit to a great Navy and the distinguished names which they bear, because they have come from the hands of honest and skillful men.

Business and the New Deal

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 2, 1939

ARTICLE BY JAY FRANKLIN

Mr. GEYER of California. Mr. Speaker, much has been said by big business about the way the New Deal is ruining them. There is only one way to get at the facts and that is by comparison of figures.

I invite those who are gullible enough to have swallowed whole the propaganda put out by antinew dealers to read the following article by Jay Franklin in the Evening Star of May 31, 1939:

[From the Washington Evening Star of May 31, 1939]

WE, THE PEOPLE—ROOSEVELT HELD RIGHT AND BIG BUSINESS WRONG ON ECONOMY APPRAISAL

(By Jay Franklin)

Figures are rapidly rolling into Washington showing the extent to which big business has been ruined by the New Deal and why there is such an overwhelming demand for tax relief on the part of the great corporations. Here, for example, are the "tragic" figures of the economic recovery movement of 1934–37, as reflected in industrial sales. For convenience, the figures are expressed in millions of dollars, so when you read steel sales for 1937 as being $2,847, that means $2,847,000,000.

Industries	Number of firms	Assets		Sales	
		1937	1934	1937	1934
Steel	12	$4,181	$3,957	$2,847	$1,215
Meat	5	825	794	2,179	1,852
Chain stores	10	517	458	782	678
Motors	12	1,525	1,282	2,604	1,348
Cigarettes	6	734	703	938	765
Beet sugar	6	129	122	70	65
Mail order	6	544	396	1,038	616
Oil refiners	20	6,880	6,211	4,122	3,069
Office equipment	10	272	231	224	145
Cement	8	138	166	56	39
Department stores	31	662	625	1,003	823
Containers	11	500	406	455	299

These figures are based on data from W. P. A. projects, sponsored by the Securities and Exchange Commission. What is impressive about them is the fact that the 1934 figures represent recovery from the trough of the depression, while the 1937 figures are based on the earnings of the year when it was evident that the New Deal was here and here to stay. Statistical arpeggios make sweet music to few but certified public accountants, but here are some percentage of gains in sales during 1937, as compared with sales in 1934:

Steel, up 134 percent; meat packers, up 18 percent; chain variety stores, up 15 percent; automobile manufacturers, up 92½ percent; agricultural machinery, up 68½ percent in 1937, as compared to 1935; cigarette sales, up 22½ percent; mail-order houses, sales up 69 percent; oil refiners, up 34 percent; office equipment, up 55 percent; cement sales, up 44½ percent despite 17-percent shrinkage in assets; containers, other than paper and wood, up 52 percent.

But—I can hear the Tories roar in outrage—1937 was not a representative year. I agree. It was not. It was the year of the great sit-down strikes which "paralyzed" industry, "crippling" the automobile industry so that it could show only a 19-percent increase in assets and only a 92½-percent increase in sales over 1934. It was the year of the Supreme Court fight, when Roosevelt "destroyed confidence" and threatened to "become a dictator" by reorganizing the Federal Government in the interest of efficiency. It was the year when the Supreme Court validated the "ruinous" Labor Relations Act. It was the year when labor warfare broke out between the C. I. O. and the A. F. of L., still further "undermining confidence" and "paralyzing industry." Yet this was the year when our big business firms increased sales by percentages ranging between 7½ percent and 134 percent, and increased assets up to a total of 37½ (mail-order houses).

It seems clear that in the light of these distressing figures no Congress should be so hard-hearted as not to take pity on the wealthy corporations, remove the undistributed-profits tax, and apply economic democracy by taxing the corner grocery at just the same rates as applies to the wealthiest and most powerful industrial enterprise in America. It is equally clear why the big business leaders hate Roosevelt: He was right in his appraisal of political economy and they were wrong.

The 1938 figures are not so good. That was the year when Congress resisted the President, the year when Roosevelt tried to balance the Budget.

The Domestic Sugar Quota

EXTENSION OF REMARKS
OF
HON. JAMES F. O'CONNOR
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 2, 1939

LETTER FROM THE MALTA IRRIGATION DISTRICT, MALTA, MONT.

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Malta Irrigation District in Montana:

MALTA IRRIGATION DISTRICT,
Malta, Mont., May 25, 1939.

Representative JAMES F. O'CONNOR,
Washington, D. C.

DEAR REPRESENTATIVE: In today's Great Falls Tribune I notice that you are making a move to secure a revision of the domestic sugar quota by getting the Ellender bill before the House.

The present regulations now in effect, in regard to sugar production in the United States, are working an injurious effect upon the economy of northern and eastern Montana, especially upon the Milk River irrigation project and on other projects which are in the pioneer state of development, and for this reason I feel justified in taking up your valuable time by writing you in regard to the matter.

The following are some of the facts which, it seems to me, support the opinion that, at least in these parts, the growing of sugar beets should be encouraged to expand rather than be restricted:

(1) The sugar beet is the principal and, in most cases, the only cultivated cash crop available to the irrigation farmer. They furnish the money with which to meet fixed charges such as interest, taxes, and water, and construction repayments, which the Reclamation Bureau is now commencing to collect on the Milk River project. It is plain that a failure to meet any or all of these obligations will mean loss of the farm and ruin of the farmer.

Few farms are at present developed to the point of having sufficient acreage in beets to meet these quotas; realizing this fact, a group of farmers in the Nashua area made a survey early this spring on the possibility of substituting some other cash crop for beets. The survey showed overproduction in processing the following, which are the principle types of cultivated crops that can be grown in this area: Corn, beans, peas, cabbage, cucumbers; tomatoes and potatoes are advised against as being too variable a market to be depended upon as a basic crop. It was so apparent that beets were the only available source of cash that one farmer succinctly summed up the situation by the remark, "Well, it looks like the only thing left for us is to raise hell."

(2) But the production of an assured cash return is not the only argument in favor of increased beet production in this area. There is no other crop which is so efficient in putting the partly developed irrigated farm in shape. The working of the soil, the leveling, the accurate application of water and drainage necessary to the raising of a good crop of beets, coupled with the practice of crop rotation and soil fertilization works toward full utilization and conservation of each individual farm.

(3) Every byproduct of beet farming acts as a stabilizer to the economy of this territory. Range livestock raising is one of the other legs upon which our prosperity rests, and its success is leaning more and more upon the finishing and feeding of livestock with the byproducts of the beet farmer.

(4) The large amount of employment that beet raising furnishes is not to be overlooked in an estimation of its value to any community.

(5) The so-called benefit payments the wheat growers receive may help some of the individual farmers who have reached the maximum acreage of beets to fit in their farm rotation, but it is a detriment to the larger number of farmers who have not developed their farms to that point and who are prevented from doing so by

the working of the sugar-beet allotment. The net results, so far as the district as a whole is concerned, is to prevent it from meeting construction payments. If regulation must be attempted, it would be better if it were applied only to those who raise over 40 acres of beets, which is considered suitable for the rotation plan on a 160-acre farm, while those growing less should be encouraged to expand their acreage to that amount.

The Milk River irrigation project furnishes an object lesson in the value of beet culture in building up a country.

The writer has been a resident within the boundaries of this project for the past 36 years. He carried the rod when the surveys were made, and irrigated his farm with the first water which came down the canal southeast of Malta. This farm raised some of the first beets grown in the Malta district, and still produces beets, though it has been under lease for several years.

I have not only raised beets myself but I have been in a position the past 7 years, as president of the Malta irrigation district of the Milk River project, to observe the effect of the expansion of the beet growing upon the development of the project as a whole, and I do not hesitate to give it as my well-considered opinion that unless the beet acreage under the project is permitted and encouraged to expand, the construction costs cannot be met and the project would be a financial failure. I think the corollary is also true, and that the sooner the farmers are able to raise the maximum acreage of beets suitable to the farm the sooner will prosperity arrive.

It is a fact under my observations that prior to the introduction of beet raising the districts were not able even to meet their O. & M. charges, but since then they not only paid off an accumulated debt from that source but have been able to make substantial payments on construction as well. I am convinced that the more beets the project produces, the closer it will come to meeting these costs in full.

The almost complete collapse of dry-land wheat raising and range livestock business due to a long succession of dry years has convinced all of us that we must turn to irrigation as our salvation. The soundness of this view is endorsed by a special committee which reported to the President on northern Great Plains conditions. Surveys are even now being made and projects being considered utilizing our water resources through this end. None of these beneficent projects can realize the self-liquidating requisite imposed unless beet raising is practiced as part of the crop-production program.

All the above, combined with the fact that there is admittedly no surplus of domestically raised sugar, convinces that room should be left for steady expansion of the sugar-beet industry rather than drastic reduction applied.

If these facts are convincing, but it is still maintained that beet acreage should be curtailed to help promote friendly foreign relations, the reply must be that perhaps friendly domestic relations are not wisely neglected.

And so I am heartily in favor of your plan to get a readjustment of these sugar-beet regulations, and wish you all success in your efforts to that end.

Sincerely,

JOSEF SKLOWER,
President, Malta Irrigation District.

P. S.—Although I have been here at Glasgow as secretary of the chamber of commerce for somewhat less than a year, the Malta Irrigation District has insisted that I serve out my time as chairman, and it is in that capacity that I am writing this letter. My present address is Medical Building, Glasgow, Mont.—J. S.

Mrs. Lena Hawkins Rigney

EXTENSION OF REMARKS
OF
HON. CLAUDE V. PARSONS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, June 2, 1939

Mr. PARSONS. Mr. Speaker, under leave to extend my remarks in the RECORD, I announce with sorrow the death of Lena Hawkins Rigney, beloved wife and companion of Hon. Hugh Rigney, a former Member of the House of Representatives, representing the Nineteenth Illinois District.

Mrs. Rigney passed away May 16, 1939, following a serious operation at the Barnes Hospital in St. Louis, Mo. Funeral services were held at the Vine Street Christian Church, Arthur, Ill., Friday, May 19, 1939, with Rev. J. T. Davis in charge of the services.

The membership of the House learns of their former colleague's loss with profound sorrow and extends to him its deepest sympathy.

Not Statesmanship

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Friday, June 2, 1939

ARTICLE BY WESTBROOK PEGLER IN THE WASHINGTON POST FOR TUESDAY, MAY 30, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Washington Post of May 30, 1938, by Westbrook Pegler:

[From the Washington Post of May 30, 1939]

FAIR ENOUGH—NOT STATESMANSHIP

(By Westbrook Pegler)

It is worth while to pause about here and observe that some characteristics of the New Deal also might be put to the uses of a violent reactionary or Fascist regime. A Fascist President of Huey Long's brutal and ruthless temperament or Hitler's would use methods which the radical left has endorsed to justify acts that a Communist would deeply mourn.

For example, this Government has indulged in violent, hate-provoking language not only in speeches of the President himself but in occasional orations by lesser figures, notably Harold Ickes. Now name calling is not statesmanship, and the bright and mischievous young epitheticians of the New Deal who wake up in the night to snap on the bedlight and jot down dirties to be inserted in fireside chats are asking the people of the country to assume great risks as the price of their vanity and fun.

Of course, it pleases the radical new dealer to hear American businessmen who are neither devils nor saints called Bourbons and Tories, and political moderates called copperheads, a copperhead being a venomous snake. But it must be remembered that Hitler and Goebbels are gifted name callers and that a Fascist President would claim an established right to call all his opponents Bolsheviks and traitors.

WE DO NOT KNOW WHAT HATE CAN DO

There is no truth in these generalizations in Germany, nor would they be honestly applicable to all opposition here, but a political paranoiac of the type which springs up in frantic nationalist movements these days would give them the effect of truth by constant, angry repetition. Hitler frankly admits that the truth is a handcuff to a dictator, and says that lies, repeated over and over, will wear down the intelligence of the people and be accepted.

Up to now we in this country don't know what hate really can do, but a little reference to its exploitation in Europe should warn Americans that that gun is loaded. Ickes may think of himself as a harmless wag whose needling will not be taken seriously, and it is true that the same speeches by the same man would command no hearing at all if he did not occupy an important Government position. But it happens that he does hold an important position, and when he reveals a preference for groups that are notably cordial to Communists and is guilty of carelessness or exaggeration in matters of fact to obtain effect he invites a future Secretary of Interior to consort with Fascists and take similar liberties or worse.

Propaganda by the government is another weapon that the New Deal justifies on the same ground that is offered in Russia and in the axis countries. It is said that the people have a right to pure information about their government and that the government itself is in the best position to give it to them. But a government will not give itself a bad report, and the information service, including radio material, becomes political propaganda.

MINTON PROPOSED PRESS-GAG LAW

It takes no effort of the imagination to fancy the uses to which this New Deal precedent might be put by an administration with Fascist leanings. There is no need to use the imagination. The examples are visible in Europe, and it is a grave mistake of the New Deal to endorse by its own practice a weapon that a future administration could use to overpower the intelligence and resistance of the people. The New Deal may claim to have used it sparingly, but it has approved this weapon nevertheless.

One New Deal Senator, MINTON, of Indiana, once proposed a press-gag law that might have made it felonious to publish the Bible and, although this bill did not pass, it was not condemned by the administration and was considered rather amusing by those of the radical left wing who believe in censorship and try to sabotage the free and more or less independent daily press of the country. To keep the record straight and declare itself on that proposal the New Deal should have hit it a faint lick of repudiation, for Mr. MINTON offered it in connection with a cherished project of the New Deal.

Court packing, the purge, the misuse of tax information for political coercion, and the cynical adjuration of Mr. Aubrey Williams to a quasi-Communist group of relief employees to "keep your friends in power," all are part of the pattern of precedents which might be put to awful uses by a government elected in a nationalistic, fascistic glow of spirit comparable to the expression of hope and faith which elected Mr. Roosevelt the first time.

Pending Farm Legislation

EXTENSION OF REMARKS
OF
HON. WILLIAM LEMKE
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

Mr. LEMKE. Mr. Speaker, just 207 years ago George Washington first saw the light of day. He was born a British subject, because at that time the Colonies were part of the British Empire. Abuse of power and misgovernment brought about friction and that friction finally wound up in the Revolution which separated the Colonies from Britain.

The result of that Revolution was the birth of our Nation. which has since become the greatest Nation on earth. It was born because the desire for self-government and self-expression is part of the very nature of man. It was born because of human hopes and aspirations. It was born and baptized in blood. It became the shining star among nations. It became the home and refuge of the oppressed everywhere, because it created a government of, for, and by the people.

Under our Constitution you and I and all of us are "We, the people." We are 48 States—but 1 Nation. This Government, created by men of iron with nerves of steel—born amidst the privations and sufferings of Valley Forge—is ours. It does not belong to any clique or clan. It does not belong to any official or set of officials in Washington. These are all but our servants.

We must never permit our patriotism to be dimmed or divided because of religious or racial differences. Tolerance and forbearance is our watchword. We shall continue to extend the hand of good fellowship to all. We shall not permit the religious or racial hatreds of Europe to be transplanted to our shores. We are through forever with foreign entanglements. We will not again permit ourselves to be engulfed by the war-mad insanity of Europe.

We are more interested in the 130,000,000 men, women, and children of our Nation than in Great Britain, France, Germany, Italy, Japan, and Russia combined. We sympathize with the persecuted everywhere, but charity begins at home. Our first duty is to our own people. There is plenty of suffering in our own country. We invite the attention of the President and of Congress to the fact that millions are gradually starving because of malnutrition.

This administration has been in power for over 6 years. It was pledged to get agriculture out of the red. It was pledged to solve the unemployment problem. Yet, in those 6 years one farmer out of every five lost his farm by mortgage foreclosure, judgment, forced or tax sale. The average farmer who still owns his farm is deeper in debt than he was in 1932. We are aware that the farm indebtedness has been reduced, but how was that reduction brought about? It was brought about by mortgage foreclosure, judgment, forced or tax sale, by evicting innocent men, women, and children from their farm homes.

Likewise the unemployment problem is still unsolved. There are as many unemployed now as in 1932. Every courthouse is still a poorhouse. This problem never will be solved until the agricultural problem is solved, first, because industry and employment are directly dependent upon the success of agriculture.

As a result of this unemployment, hundreds of thousands of industrial workers have also lost their homes. Here, the Government, through the Home Owners' Loan Corporation, has been the principal offender in taking away homes. Let us quit shedding tears for the oppressed in Europe, but let us shed a few for our own unfortunate who have been so cruelly and so brutally evicted from their homes because of misplaced confidence in the Home Owners' Loan Corporation.

Yet during these 6 years there have been pending in Congress bills that, if passed, would have solved both the agricultural and the unemployment problems. If, in place of fireside chats, the administration had assisted us in passing the farmers' cost-of-production and the Frazier-Lemke refinance bills, then it would not have been necessary to have plunged this Nation $24,000,000,000 into the red. The relief and dole system could have been avoided.

This cost-of-production bill would have increased the farmers' income $7,500,000,000. Since every dollar of farm cash income increases the national income by $7.55, therefore the national income would have been increased by $56,625,000,000. That would have meant prosperity by plenty and not starvation by scarcity—by the curtailment and the destruction of agricultural wealth.

This bill would not cost the Federal Government one penny. When it becomes a law there will be no further need for subsidies to the farmer. There will be no further need of the 27 varieties of Federal agencies now riding on the farmers' backs. There will be no further need for an army of Federal employees to regulate the daily lives of the farmers. It will take at least 3,000,000 off the W. P. A. pay rolls because they will find useful employment. Prosperity and security for agriculture means prosperity for labor and business as well. When this bill becomes a law the Government will no longer have to bail out the farmer—the farmer will bail out the Government.

The Frazier-Lemke refinance bill provides that the United States Government shall refinance existing farm indebtedness at 3 percent per year, the interest rate to be 1½ percent and the balance of each payment to be applied on the principal on the amortization plan, not by issuing bonds but by issuing Federal Reserve notes secured by the best securities on earth—first mortgages on farm lands; better security than gold or silver, because you cannot eat gold or silver, but you can eat the products that grow on the farms; therefore your life depends upon the farms.

These farms are the best security on the face of the earth. If our Government has enough intelligence to do this, it will make a profit of $6,345,000,000 at 1½ percent interest in 47 years, the time required for amortization of the farm indebtedness.

Ever since 1920 there has been a real farm problem. Since 1920 over 5,000,000 farm boys and girls have been driven into the already overcrowded cities to swell the ranks of the unemployed—compelled to look for W. P. A. jobs or doles. This is an insult to our intelligence. This condition has been brought about because we have compelled the men, women, and children who live on the farms to feed the Nation—to feed us—below the cost of production.

Any intelligent person knows that a farmer can no more continue in business by selling the things we eat, drink, and wear for less than it costs him to produce them than a businessman can stay in business and sell goods for less than he pays for them. If they do they will both become insolvent.

The nation that does not protect its protectors cannot long endure. No nation on earth is great enough to ignore the appeals for help of its citizens. There are times when a nation must protect its citizens from misfortune in order to preserve its nationalism. Patriotism is the feeling that you are somebody. It is the feeling that you belong to a nation that is not only powerful, but that is interested in your welfare.

Without this feeling of security and reciprocity, there can be no true patriotism on the part of the individual—there is no nationalism. The 12,000,000 unemployed and the one farmer out of every five who lost his farm are more dangerous to our democracy than the combined armies of Hitler, Mussolini, and Stalin.

We are greatly excited over communistic and un-American activities. Why should we want to destroy the Communists?

We make them. We prepare the soil in which they grow. We prepare the seedbed of rags, filth, hunger, want, and all-around poverty and misery. This is the soil in which un-Americanism thrives. We attack the effect and forget all about the cause. Let us clean up these seedbeds and grow good American citizens. When we do this we will have removed the cause—the seedbed in which the seeds which fall by the wayside thrive.

The United States, because of its great natural wealth and unlimited resources of raw material and skilled workmen, has, through its ever-increasing mechanical inventions and chemical discoveries, become self-sufficient and able to develop economic freedom for all. It can and will abolish poverty by an ever-increasing and higher standard of living not of the few but of the many. This Nation need no longer concern itself with other nations; it is all-sufficient unto itself. It will trade with its friends for friendship's sake as far as essential and necessary for their mutual well-being, but it will not drive bargains or sell part of its people in foreign market places.

I am an optimist, though I know that truth is still on the scaffold and wrong is still on the throne. But I know that behind that scaffold and behind that throne an enlightened public opinion is still shaping the destinies of this Nation. I know that in the end decency and righteousness will prevail. This Nation is in a transition. America will yet be economically free. In this struggle for social justice only the coward and slave surrenders; only the dullard accepts the yoke. I am sure that the American people know that a democratic form of government, although defective, is the best form of government that can possibly be devised for their own best interest. I am confident that they know that without representation there is no democracy, and that without democracy the government "of, for, and by the people" is dead.

I am confident that you, the intelligent people of this Nation, will insist upon and inform Congress and the President that they must solve the agricultural and the unemployment problem during this session of Congress. If you fail to do your duty as American citizens, then another collapse is in sight, and another collapse may mean that the unthinking will take control of our democracy. And when they get through with it there will be little left of it.

I have confidence in our democracy, but I approach the future with apprehension and with determination. I am sure we are going to reestablish the democracy of Jefferson and Lincoln—go forward to a happy, prosperous, self-supporting, self-reliant, and self-governed people—a people with hopes and aspirations—forward to the true grandeur of this Nation where every man and woman and every boy and girl is given an opportunity to make good; with a future where their dreams for a home of their very own will be realized.

The Corned-Beef Fiasco

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

EDITORIAL FROM ST. LOUIS POST-DISPATCH

Mr. COCHRAN. Mr. Speaker, while I am sure the general public now realizes the President used sound judgment when he ordered the Navy to purchase canned corned beef in Argentina, still I am sure it will be of interest to read a short editorial in the St. Louis Post-Dispatch on the subject. I hope those who discussed this subject read this editorial, which follows:

[From the St. Louis Post Dispatch]

THE CORNED-BEEF FIASCO

When the Navy recently purchased 48,000 pounds of corned beef from the Argentine, a cry of indignation arose from the country's livestock interests which frightened Congress into forbidding such purchases by law.

What are the facts?

(1) Argentine corned beef is superior to the American product because it contains the choice cuts of beef. Since the American cattle grower can get more for his beef on the hoof, he cannot afford to put choice cuts into corned beef. These cuts instead are sold for roasts and steaks at higher prices.

(2) The purchase was made after open bidding, in which American canners offered to sell the beef at 23½ cents a pound, while the Argentine bid was less than 9¾ cents a pound. Acceptance of the Argentine bid meant a saving to the taxpayer of about 14 cents a pound.

(3) The money paid to Argentine canners would probably find its way back to this country by the purchase of American products, since in the past 15 years the South American country has spent $486,000,000 more for American goods than we have spent for Argentine products. So profitable a customer deserves consideration on the most selfish ground.

Though the transaction was a comparatively minor one, so far as dollars and cents are concerned, the vociferous objections to it and the subsequent submission of Congress to those objections are highly significant. They show how sectional interests triumph over the interests of the Nation as a whole in questions of foreign trade. Here was a deal good for the men who have to eat the beef, good for the taxpayers who have to foot the bill, good for the manufacturers who sell their products to the Argentine, good for the employees who work for the manufacturers. Yet Congress, under whip and spur, says "no."

The incident throws dramatic light on Secretary Hull's reciprocal trade policy by which, against tremendous obstacles, the Secretary is trying to introduce common sense and sound business principles into our trade relations with the world.

The Townsend Plan

EXTENSION OF REMARKS

OF

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

Mr. HENDRICKS. Mr. Speaker, yesterday we had a roll-call vote on the Townsend plan, which was defeated by a substantial margin. I have no intentions of making any excuses or presenting any alibis. It was a clear defeat. It is my desire, however, to say that the proponents did not have the slightest idea that the bill would pass. Dr. Townsend and I repeatedly advised the people back home to not be discouraged, that the bill would not pass, but a roll-call vote would serve a purpose, and that purpose was served to my full satisfaction.

I am young compared to the average age of Members of Congress. I have only served less than 3 years in the House, but I have been a student of politics and human nature for many years. After having been permitted to study both more closely from the inside of Congress I will say that the Townsend plan gave me the finest study problem I have had since I have been a Member. This has shown me that many Members of Congress have been willing to play on the heart-strings of the old people, the civil veterans of this country, so long as it would net them a single vote in a political campaign, when they never had any intentions of voting for the measure. I must be frank in admitting that many of the Members who were endorsed by the Townsend organizations never actually promised to vote for the plan. Neither did they—only in one or two exceptional cases—say they would not. They only led the old people to believe that they would, when they knew in their own minds that they would not, which is simply cruel and indefensible.

I have no quarrel with a man who honestly believes in a proposition, although it may seem silly to me. The Townsend plan may seem absurd to the opponents, but we have a right to our views, and I am grateful to every man who voted with me on the plan.

I have no quarrel with the man who said to me, "I think your plan is impractical and I cannot vote for it." He was honest and we knew where he stood. The figurative cannon fire of a roll call was leveled at neither those who were for the plan or those who were against it. The fire was directed on

that group in "no man's land" who maintained the position of a chameleon, changing political color to suit his environment.

The roll-call vote had its effect. One Member, discussing those who had indicated they were for the plan and then voted against it, asked me the question, "How can he explain to the people back home?" My reply is that he cannot. No explanation can go beyond the roll-call vote. The record speaks for itself. Each Member must do the same, and I can assure each one that that opportunity will present itself in the elections of 1940.

The first vote on the Townsend plan showed 30 votes for it. Then came the Bell investigation, after which the enemies held a funeral for the plan, brushed their hands, and went home contented that they had done a good job.

Yesterday a most animated ghost of the plan stared the opposition in the face again. Even the opposition admits now that it is not near dead. I can assure all concerned that the ghost will walk again.

A Partial Analysis of the Townsend Bill

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 1, 1939

Mr. PATMAN. Mr. Speaker, the Townsend bill, exactly as Dr. Townsend, founder of the movement, drafted it, was voted on in the House of Representatives recently. The vote was 97 ayes and 302 noes. The bill, at the request of the Townsend forces, came before the House under a gag rule, which meant that no amendments were in order and the bill had to be accepted or rejected as it was without any change whatsoever.

This bill, according to the founder, was intended to raise $200 a month for each person in the United States over 60 years of age, in the hope that the amount could be increased to $300 a month in the near future.

SUPERMULTIPLIED SALES TAX

In other words, the bill proposed that 10,000,000 people receive $24,000,000,000 a year from the taxpayers—the money to be raised by a supermultiplied sales tax upon all sales, including the necessities of life. Twenty-four billion dollars is twice as much as is now paid in taxes to the Federal, State, county, city, and all different governments in America, and is more than one-third of the total national income.

The following classes of persons, among others, are now receiving the attention of the Federal Government:

(1) Citizens past 65 years of age;
(2) Dependent widows;
(3) The blind;
(4) Dependent and neglected children;
(5) Unemployed;
(6) Young people who need assistance to go through school and college;
(7) Physically disabled, including handicapped; and
(8) The one-third of our people—farmers, workers, and others—who are ill-fed, ill-housed, and ill-clothed.

The Townsend bill proposed that none of these groups be helped except all persons over 60 would receive $200 a month or whatever the multiplied sales tax would produce.

If this bill had become a law, the present Social Security Act would have been repealed by it. No more checks would have gone out.

CONSTITUTIONALITY

When the Social Security Act was considered in 1935, Congress was careful to provide that the money obtained through a pay-roll tax for unemployment insurance and old-age benefits for workers should be paid into the Treasury and then reappropriated by Congress to a fund for that purpose. This was done in order to make the bill constitutional. The Townsend bill provided that all the people be taxed for the aged groups, and if the Supreme Court should continue to hold as it has always held, this would make the law unconstitutional. Therefore, if the Townsend bill had passed, no money would have been paid on this multiplied sales tax until a contest of the constitutionality of the law had gone through the courts, which would require several years; and then if the law was held unconstitutional, the old people would be back where they were before they had any law in 1935. The bill did not provide that the aged would receive the present benefits or anything during the years of contest. Next, the confusing language in the bill would have necessitated thousands of lawsuits to determine who would pay a tax and how much. So it occurred to me that it would be a very unwise thing for Congress to throw overboard a law that is paying the aged people something, although an inadequate amount, for an uncertainty and very probably nothing. An old Negro once said, "I had rather have a little bit of something than a whole lot of nothing."

TWELVE CITIZENS PAY ONE CITIZEN $2,400 A YEAR

In order that one may understand the full effect of this far-reaching proposal, we will consider that the 130,000,000 people of the Nation are divided into groups with 13 people in each group. One of these 13 is a person over 60, the other 12 are men, women, and children representing all walks of life, including the blind and those in distress. The philosophy behind this bill is that 12 of these people will pay $2,400 a year in a multiplied supersales tax to the Government with the understanding that the Secretary of the Treasury will immediately send this $2,400—$200 each month—to the aged citizen in the group. This means that each person in the United States will have to pay annually an average of a $200 tax on his food, clothing, and other necessities and comforts of life along with other purchases and transactions in order to support this program.

TAX ON POOR

This is not a tax to be paid by the rich or by those who have a net income over and above their expenses. It is to be paid by the poorest people on the barest necessities of life, as well as by the rich on the luxuries and at the same rate, the same tax on bread as on diamonds.

PRESENT LAW FOR AGED

For 145 years this country did not recognize its obligations to the aged. Five years ago this obligation was partly assumed by the Federal Government. I was one of the Members of the first organized congressional group in the United States pledged to work for the passage of an old-age pension law that would cause the Federal Government to pay a reasonable amount to aged citizens every month. Although the step has not been as long as we would like for it to be, a substantial step has been made in the direction of granting this aid.

SOCIAL-SECURITY LAW TO BE AMENDED

I predict that the present act will be greatly improved upon at this session of Congress and future Congresses will liberalize it, and we hope the time will come in the near future when the Federal Government will make an adequate payment direct to the aged, but we cannot hope to get everything we want immediately. Every major law represents a compromise of view or a sacrifice of opinion on the part of practically every Member of the House and Senate, comprising 531 Members in all. We must give and take.

Dr. Townsend refuses to consider permitting other distressed groups receiving any part of the money which the Government can provide. His contention is that if the people over 60 get $200 or $300 a month such great prosperity will be brought to our country that the blind, the physically disabled, and all others will be adequately and sufficiently helped.

HOW MUCH WOULD THE TAX PROPOSED BRING IN?

Under the multiplied sales-tax proposal, if carried out without a contest and the tax is actually collected, it would probably produce $200 a month the first few months. After that, business would become completely monopolized, thereby reducing the number of transactions and causing the amount

collected, divided among the aged, to be less than they are now receiving in most States. Guesses have been made by the proponents that it will produce from $60 to $100 a month, but my opinion is, if it would produce anything, it would produce the $200 a month at first. The bill has no major exemptions except No. 1—"all national banks." This means that out of the 15,000 banks in the Nation, the 5,000 national banks would be exempt, but the 10,000 State banks would be immediately put out of business, as they could not pay the tax and compete with the national banks.

IMPORTANT STATEMENTS BY THE AUTHOR OF THE BILL

The sponsors of the bill received many criticisms because the money under the original proposal had to be spent within the United States and that they possibly could not sell their homes and buy anything that they wanted to with the money; also some would not want the responsibility of spending the full $200 a month.

SELL HOME, BUY YACHT, TRAVEL AMONG UNITED STATES POSSESSIONS

May 24, 1939, the gentleman from Florida, Congressman HENDRICKS, the author of the bill, inserted a statement in the CONGRESSIONAL RECORD, in which he stated that important changes had been made in the new bill just introduced, H. R. 6466; that under the terms of this new bill—which was the one voted on in the House—the aged pensioner may sell his home and purchase a yacht if he desired and "they may spend their annuities en route to or from our territorial possessions, which will enable the annuitants to do a little traveling if they desire" (CONGRESSIONAL RECORD, p. 2217).

IF TOO OLD AND FEEBLE TO SPEND WHOLE AMOUNT

In the same statement Congressman HENDRICKS stated:

If he is too old and feeble to go about spending the full $200 to create prosperity for others, he should be allowed to take what he needs for his comfort and happiness and leave the rest in the fund for those who do want it and will spend it properly (CONGRESSIONAL RECORD, p. 2217).

FRANK OUT CHECKS—SAVE EXTRA COST

The gentleman from Florida, Congressman HENDRICKS, in this statement seemed to be enthusiastic about the provisions of his new bill and stated that the Secretary of the Treasury under its provisions would be able to save extra cost by mailing the checks "under Uncle Sam's franking privilege" (CONGRESSIONAL RECORD, p. 2217). I doubt, however, that this would amount to much compared with $2,000,000,000 a month, or $24,000,000,000 a year. At 3 cents per letter to 10,000,000 pensioners this would amount to $300,000 a month.

TWENTY-FIVE-CENT FEE TO OBTAIN $200 WILL REDUCE POST-OFFICE DEFICIT

Further, the gentleman from Florida, Congressman HENDRICKS, said that the aged persons would have to pay 25 cents a month for the services of someone authorized to administer their oaths, verifying the return of the applicants. The postmaster, under the bill, is given the power to administer oaths and to charge 25 cents for each verification, which will become a part of the revenue of the Post Office Department, and, according to the Congressman:

This revenue will amount to several million dollars monthly, as annuitants will naturally patronize Uncle Sam rather than a notary public, for they will gain by doing so (CONGRESSIONAL RECORD, p. 2217).

Any saving is appreciated by the taxpayers, but if 10,000,000 people pay 25 cents a month the Government will only receive two and one-half million dollars a month, but will be paying out $2,000,000,000 a month.

NATIONAL DEBT TO BE PAID WITH EXCESS

Evidently the author of the bill anticipates that the tax proposed in the bill will probably raise more than $200 a month, so he states in his remarks heretofore referred to that—

Any surplus over and above the $200 per month maximum would be used to pay off the national debt until the same is cleared, after which the surplus goes into the general fund (CONGRESSIONAL RECORD, p. 2218).

INTERPRETATIONS OF LAW MADE SIMPLE

The gentleman from Florida, Congressman HENDRICKS, stated further regarding the new bill, which was introduced 1 week before it was taken up in the House and upon which no hearings were held by the committee:

The basic rules for proving age and citizenship are laid down by Congress in the act itself rather than being left to the executive department to determine. This may seem unimportant, but when it is considered that an administrative interpretation might bar an applicant for an annuity from receiving $200 per month for the rest of his life, the real importance becomes evident (CONGRESSIONAL RECORD, p. 2217).

Clarence Wyly Turner

MEMORIAL ADDRESS
OF
HON. SAM D. McREYNOLDS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. CLARENCE WYLY TURNER, late a Representative from the State of Tennessee

Mr. McREYNOLDS. Mr. Speaker, God in His infinite wisdom has seen fit to take from us one of the most lovable characters it has ever been my pleasure to know. Quiet, unassuming, caring little for the spotlight, yet tireless in his efforts in behalf of his district and his country, CLARENCE W. TURNER was of the mold that is at once great and humble. One had but to meet Judge TURNER to know that behind his serenity of spirit lay a driving persistence of attainment of lofty ideals. Simplicity was the very core of his being. His attainments lay not in a belligerent aggressiveness but in an effective appeal to unemotional logic. Indeed, his contributions to the promotion of the welfare of his constituency appeared on the surface to be so effortless that one was apt to loose sight of the active part he played in their attainment. Yet in his passing, Mr. Speaker, all of us know that Tennessee and the Nation has lost one of its most illustrious sons.

Born on a farm near Clydeton, Tenn., CLARENCE W. TURNER attended the public schools of Humphreys County. He was graduated from National Normal University, Lebanon, Ohio, with B. S. degree, later receiving his B. A. and LL. B. from the Northern Indiana Normal College at Valparaiso, Ind.

Owner and editor of the Waverly Sentinel, CLARENCE TURNER was elected chairman of the Democratic executive committee of Humphreys County, in which capacity he served for 15 years. He was elected to the State Senate of Tennessee in 1900 and was reelected to that body in 1909 and 1911, where he served with distinction. He married Mrs. Nell Rust Cowen on December 18, 1919. Serving successively as mayor and as city attorney of Waverly, Tenn., he was elected to the Sixty-seventh Congress on November 7, 1922, to fill the unexpired term of the late and distinguished Honorable L. P. Padgett, chairman of the Committee on Naval Affairs. CLARENCE TURNER was not a candidate for the succeeding term, but returned to his home to serve as county judge of Humphreys County, to which office he had been elected in October 1920. He was a delegate to the Democratic national conventions at San Francisco in 1920 and at Chicago in 1932. Resigning from his office of county judge in January 1933, Judge TURNER returned to Congress, having been elected to the Seventy-third Congress on November 8, 1932.

Reelected to the Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses, CLARENCE W. TURNER served as Representative of the Sixth District of Tennessee. A member of the Military Affairs Committee, he was instrumental in securing the passage of the original and succeeding acts setting up the Tennessee Valley Authority, which has brought such great benefits to the State of Tennessee and its people.

Leaving his office on the evening of March 23, CLARENCE W. TURNER went to his Washington residence, never to return. True to ideal and friend, his lovable character will live on in memory in the highest traditions of statesmanship in the history of his city, State, and Nation.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. KEOGH. Mr. Speaker, I wish to join in the tribute to the memory of ROBERT LOW BACON, with whom I was privileged to serve.

His service to his country in war and peace has been the service of a soldier, statesman, and patriot. Devoted to duty, inspired with the Americanism of a noble man, and enlisted for life, he has erected for himself a monument that will stand forever.

His vision and faith in his fellow men served him well, and commanded the respect, admiration, and friendship of all his colleagues.

As the soldier he was, he died in "battle," and with his passing his country lost a worthy son, his district a capable Representative, and we who knew him a sterling friend.

My sincerest sympathy is extended to his family, who can be confident that by his life he has earned and must be enjoying the reward of eternal peace and happiness.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. KEOGH. Mr. Speaker, it was my high privilege to have come to know JOHN J. BOYLAN, to whom we pay tribute this day. To have been able to serve with him, talk with him, and associate with him were most beneficial and inspiring. His words of advice, spoken softly, were always rich of his long and valuable service, his kindly manner, and his broad tolerance.

He was truly paternal in his desire to guide the young legislator and I shall long remember his sage observations.

His life was a life well spent in the service of his people and his memory and accomplishments shall remain long after us all.

To his family I extend my deep-felt sympathy, for we who knew him are conscious of their great loss.

May he rest in peace.

Stephen Warfield Gambrill

MEMORIAL ADDRESS
OF
HON. THOMAS D'ALESANDRO, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. STEPHEN WARFIELD GAMBRILL, late a Representative from the State of Maryland

Mr. D'ALESANDRO. Mr. Speaker, the sudden and untimely death of STEPHEN WARFIELD GAMBRILL, of the Fifth Congressional District of Maryland, on December 19, 1938, came as a great shock to all who had known him. To those who had known him well and who had shared his friendship, death carried with it a sense of deepest personal loss.

That Mr. GAMBRILL was well beloved and highly respected by his constituents is shown by the fact that he was elected to the Maryland State Legislature in 1920 and 1922, to the Maryland State Senate in 1924, and to the United States House of Representatives from 1924 until his death in 1938. What further evidence of their affection and esteem could they have shown?

His personality, his sincerity, and his generosity endeared him to all who knew him, and especially to those who had the pleasure and privilege of serving with him and he well deserved their respect, devotion, and love which they freely gave. He had qualities of mind and heart which made him an exceptionally effective Member of Congress and public servant.

As his friend and a Representative from the same State, I am proud to pay tribute to his memory.

Royal S. Copeland

MEMORIAL ADDRESS
OF
HON. EUGENE J. KEOGH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROYAL S. COPELAND, late a Senator from the State of New York

Mr. KEOGH. Mr. Speaker, I approach the task of paying tribute to the late ROYAL S. COPELAND with humility, for here, truly, was a great man.

Kindly under all circumstances, patient beyond words, sympathetic to all, his stature grew with lengthening years.

His service was the service of one steeped in things American—capable, patriotic, representative.

His life was the life of a benefactor of mankind—ministering to man's ills—physical, social, economic—here was a "doctor" of medicine, public health, statesmanship.

His death was indeed a loss to a great Nation and a great State.

To his family I extend my heartfelt sympathy. To his wife, his constant companion, I confess that no words of mine could begin to bring adequate consolation. Her consolation can only come in the realization that his life was a noble one, his benefactions many, and his memory sacred and hallowed to his countless friends and colleagues.

He has earned eternal happiness. May he have it!

Oration at Funeral of Will Rogers

EXTENSION OF REMARKS
OF
HON. JOSH LEE
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Monday, June 5, 1939

ADDRESS BY HON. JOSH LEE, OF OKLAHOMA

Mr. LEE. Mr. President, tomorrow, June 6, 1939, the State of Oklahoma will unveil the statue of Will Rogers in the National Hall of Fame in the rotunda of the Capitol.

Will Rogers has already taken his place among the great men of history. It merely remains now for us to place his statue in the Hall of Fame as a physical indication of that fact.

Morton Harrison, the manager of the Will Rogers Hotel at Claremore, Okla., himself part Cherokee, was one of the original motivating spirits in the movement to place Will Rogers' statue in the Hall of Fame to represent Oklahoma. He was the mainspring of the commission that did all of the necessary preliminary work leading up to this memorial occasion. Therefore, it grieves me deeply that he is not here to enjoy the fulfillment of his dream. He was deprived of that justly earned pleasure.

However, I am sure he will be present in spirit if not in body. He is my friend, and I shall miss him greatly on this occasion.

It was through him that the relatives of Will Rogers extended me the invitation to deliver Will Rogers' funeral oration at the services which were held in Oklahoma.

Mr. President, I ask permission to have printed in the Appendix of the RECORD the address which I made on that occasion.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

From the Land of the Midnight Sun last Friday there came the saddest news that has flashed across the United States since the assassination of Abraham Lincoln. News of the tragic death of Wiley Post and Will Rogers so stunned the world that people solemnly stood in sad and silent suspense. Business stopped. Businessmen, if they talked at all, would talk about nothing but the untimely death of these two distinguished men.

Many a cup of breakfast coffee was left untouched—listlessly and absent-mindedly people turned to their duties. Automatically they performed those tasks that were necessary, but no others.

Perfumed handkerchiefs dabbed many moist eyes. So also were many tears brushed away by the back of rough and brawny hands.

In the theater world many a make-up was streaked by the mascara the actors used on their eyelashes.

Then we caught at hope, "perhaps it is not true"—but the next flash from the Land of the Midnight Sun destroyed our feeble hope. It was true. Will and Wiley had gone out together. Both as they had wished; both at the zenith of their fame.

Oklahoma's two most distinguished sons and aviation's two most ardent champions "took off" together on their last flight.

The announcement of their tragedy swept the news from the front page of every newspaper in the entire English-speaking world.

Now we have met here in the home community of Will Rogers to honor him, but we can only honor ourselves in honoring him.

Will Rogers was my hero. He was the big brother of the world, whose wholesome humor always boosted the fellow who needed a lift.

He was a self-made man. He blazed his own trail over the mountain to fame. He never waited for opportunities; he made them. While others slept, he was poring over the daily news, digging the fun out of it. It takes brains to be witty. His chain-lightning mind played back and forth over the events of the day. When he spoke it was in a humorous vein, yes, but it showed plainly that he had a grasp of the most profound problems.

The hardships which he overcame prepared him for the great life he led.

He was a part of Oklahoma. The dash and romance of the new State appealed to his pioneering spirit. It was this admiration of the pioneer that drew him to the intrepid and daring Wiley Post.

The red man's trail of tears ended here, and the red man named our State Oklahoma, which means "land of the red man."

Before I left the National Capitol, I walked into the Hall of Fame and stood before Oklahoma's son who graces that Hall of Fame—Sequoya, a Cherokee. There he stands benignly looking over the Hall of Fame in the rotunda of the National Capitol. I said, "Chief Sequoya, one of your sons will be with you soon." Will Rogers had the blood of that proud and haughty race coursing through his veins.

He was a part of Oklahoma, both of its red man and of its white man. He was a cowboy in the day when the ranchers were a lean and fearless race of men. His generosity was typical of the big-hearted cattleman. The old school of the devil-may-care cowboys and big-hearted cowmen is passing. Will Rogers was one of the last.

Oklahoma, his Oklahoma, opened with a run. The very nature of the opening appealed only to the swift, the young, the daring, the strong. That is one reason Will Rogers loved Oklahoma as he did.

The hard-riding cowboy and the generous cowman are passing—most of them have gone on before, and now Will Rogers has gone to join them. Hang up his famous lariat; hang his saddle on the saddle rack. The best loved cowboy in the world has gone to the last round-up.

He was typically American. He represented the American spirit of smiling at disaster. He was fiercely patriotic—always kindly and always fair, but it was America first for him. The last time I heard him speak was here in Chelsea last fall. You remember he talked to us for awhile, and without discrediting other nations told us how much better off we were than people elsewhere.

He always took pleasure in telling the people who traced their ancestry back to the Mayflower that his people met the boat—showing his pride in everything American.

His humor was optimistic and wholesome. It never "bit like a wolf," but always "like a lamb." He never used sarcasm nor cynicism. He never destroyed an ideal, crushed an ambition, withered a hope, or disillusioned a dreamer; but instead he encouraged, he cheered, he inspired.

His sharpest arrows of wit left no bleeding wounds. His keenest thrusts of humor left no ugly scars of hate.

His humor was clean and wholesome. His jokes left no unsavory taste. He left no unpublished manuscript of coarse comedy. His repertoire contained no ribald jokes. Humorists with less refined conscience have yielded to the temptation of substituting coarseness for humor in order to get the guffaws of the groundlings, as Shakespeare would say. But Will never did. He didn't need to, nor was it ever necessary for him to use profanity in order to be effective in speech, as is sometimes done by men of more limited ability.

His humor took the sting out of political strife and poured oil on the troubled waters of international controversies.

His humor was the safety valve for American life. The high tension of our fast-moving life found release of pressure in his wit and wisdom.

His philosophy was saneness. He "walked with kings," but never "lost the common touch." Affectation, sham, and pretense were defenseless before his thrusts. The plaudits of two nations failed to shake his faith in the plain and simple things of life. To him one ounce of common horse sense was worth all of the fine-spun theories in the world.

His humor was only the superficial tinsel tapestry that concealed the great white soul underneath.

Few men become ideals while they still live. But just as the flag is more than a piece of colored bunting, so also was Will Rogers more than a mere man. He was an ideal. He encouraged the discouraged, he cheered the cheerless, he inspired the despairing, he shamed the greedy, and praised the generous.

His life was clean. The news of his death hurt us, but the news of immoral conduct by him would have hurt us more, because he was our hero. But he never disappointed those who admired and loved him.

His life gave people faith in humanity and confidence in one another.

He represented everything that was clean and decent and fine in American life.

His home was a true American home, where the members of his family loved each other and unselfishly shared each other's joys and sorrows.

Will Rogers was happiest when he was at home with his family around him.

The full weight of his influence was always in the balances on the side of virtue and honor, yet he never preached to people, but lived before them.

His charity was unlimited. He accumulated a fortune but gave away more than he kept. He tithed by keeping one-tenth and giving away nine. He beat the Red Cross to the scene of every disaster.

Three years ago this summer, when the searing hot winds of the drought curled up the last stalk of corn in southern Oklahoma and Arkansas, there came on the next wind the glad news, "Will Rogers is coming." He followed the devastated path of the drought and left groceries on the shelf and cheer in the heart.

Then again the roar of the hurricane that swept Puerto Rico was still in the ears of the survivors when the cheering news was flashed over the radio, "Will Rogers is coming." By his benefit programs he collected enough to relieve the destitute.

Then again, above the confusion of the Nicaraguan earthquake was heard the drone of an airplane motor. Latin lips shouted with new courage, "It is Will Rogers."

And still again, down in the flooded area of the Mississippi Valley, the victims were marooned. Above the roar of the seething, boiling floodwaters was heard the roar of an airplane. A cheer went up from the victims, "It's Will Rogers."

Do you wonder that we loved him? He brought more than food and money; he brought cheer and courage.

Today Campfire girls and Boy Scouts are laughing and playing in the open country in camps that were made possible because of the generosity of this man.

Today immaculately uniformed nurses and expert doctors attend suffering humanity in modern hospitals because of the generosity of this man.

Children who were once crippled are today running and playing as other children because of the love of this man.

By his benefit programs he gave millions to charity. He saved many hearts from black dispair, and kept many little mouths from going to bed hungry. Every Christmas he filled hundreds of little empty stockings. He contributed to every cause and gave for every need.

Every call for the relief of distress and the betterment of humanity received his support. The spires of churches that he helped to build today lift their slender fingers to heaven in tribute to the generous heart of Will Rogers.

The Master of men will say to him, "I was hungry and ye gave Me meat. I was thirsty, and ye gave Me drink. I was a stranger and ye took Me in; naked, and you clothed Me * * *."

Then Will Rogers will say in his unpresumptious manner, "Lord, when saw I Thee hungry and fed Thee? Or thirsty and gave Thee drink? Or naked and clothed Thee?"

Then the Carpenter will say to the cowboy, "Inasmuch as ye have done it unto one of the least of these, my brethren, ye have done it unto Me."

Where shall we place his body to rest? Golden, sun-kissed California wants to bury him there. All the heroes who sleep in sacred Arlington are inviting him to rest there.

But Oklahoma, his beloved Oklahoma, is calling for her most-loved son. Lay him to rest here in Oklahoma. Bring him back to the soil from which he sprung. Bring him back to the land of the beautiful Osage hills and let him sleep here. The travelers of the world will make pilgrimages to his burial ground, and it will become a sacred shrine where people will dedicate themselves to the noble things of life.

Though his body may rest here, his soul has taken off in the "Great White Ship" for that unexplored land beyond. Happy landing, Will.

Third Presidential Term

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

ADDRESS BY JAY FRANKLIN

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address on the subject of a third presidential term, delivered by Jay Franklin over the National Broadcasting Co. facilities on May 31, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Whether Roosevelt should have a third term is a question which must be answered, not in the newspapers or over the radio, but by you. In your homes and at your jobs, in your minds, and conscience. That is what you are called upon to decide between now and next election day. The choice lies with you, not with the politicians or the banks, not with the editors or the commentators—but with you. You know, that under your Constitution, you are allowed to elect Roosevelt to attend a fourth, a fifth, or a sixth term, according to your desires. If you want Roosevelt for a third term, you will reelect him. If you don't want him, not all the powers and dominions of business and politics can force Roosevelt back into the Presidency. All that a man like myself can do is to put the question before you. Only you can answer it.

Before you make your decisions, before you frame your answer, you will want to know who is this man Roosevelt that you are considering for reelection in 1940.

Is it the man who lives in the White House, at 1600 Pennsylvania Avenue, in Washington, D. C.? Is it the man who was born some 57 years ago at Hyde Park, N. Y., the man whose picture you see in the papers, whose large and lively family are so frequently in the news? Is Roosevelt the man who went to Groton and to Harvard, who served as Assistant Secretary of the Navy under Woodrow Wilson, and was defeated for the vice presidency in 1920, the man who got infantile paralysis and only partly recovered from that dread disease? Is Roosevelt the President who works hard, eats well, and sleeps soundly, the man who loves salt water and sailing, the man who reads and writes and studies, who laughs and smiles or sets his jaw? Is that the man you are asked to reelect?

No. That man is not the Roosevelt you are considering for a third term. The friends and relatives of that Roosevelt feel that he has earned a rest from the burdens of public life. They wish him to enjoy a few years of leisure and privacy, to recruit his strength, and to cultivate his friends. They wish him the ease which he has deserved after a busy, useful career in your service. No man or woman who knows that Roosevelt and who knows the terrible pressure of the Presidency, wishes him to suffer another 4 years of imprisonment in the cares and duties of his tremendous job.

Who, then, is this Roosevelt that you are considering for a third term? Is it Roosevelt the Democratic politician? Is it the man who twice supported Al Smith for the Presidency in the 1920's, the man who was drafted as Governor of New York State in 1928, the man who finally beat Tammany after 30 years of struggle? Is it the Roosevelt whose political agents quietly cornered the Democratic delegates before the Chicago Convention in 1932 and who was triumphant over President Hoover. Is Roosevelt the man who so conducted his first term in the White House that when he ran for reelection in 1936 he carried all but two States against Mr. Landon? Is Roosevelt the party leader who found himself locked in deadly struggle for control of his own victory against treachery and intrigue? The man who vainly tried to purge his party of the men who had broken political bread with him and then betrayed him? Is that the Roosevelt you are thinking of choosing for a third term? The political planner, the orator, the wily campaigner, the manager of men and issues? Is that Roosevelt?

No. That is not your Roosevelt. You need not consider the interests of Roosevelt the politician except in the light of your own interests. Politicians, men who are Roosevelt's political associates, feel quite naturally that no one man can do everything in and everything for this huge Nation. They feel that he has fought the good fight; that he has run the straight race; but that the time has come for him to stand aside and let other politicians, other managers, other campaigners, carry on. Perhaps after 4 years, they feel he could come back, refreshed and powerful, to rescue the country from the crisis which an ignorant opposition is preparing for us. By then they hope he may be able to make another political combination, another set of promises, another grouping of interests and ideals, which will serve the political ambitions of the Democratic Party. Until then, until 1944, they think it would be good strategy for Roosevelt to step out of the picture and give someone else a chance.

Who, then, is this Roosevelt that you are considering for a third term? It is something much greater than Roosevelt the man, something far more powerful than Roosevelt the politician. It is the Roosevelt whom you yourselves have created out of your own hopes and fears, your needs, your interests, and your gratitude. You—millions upon millions of you—you are that Roosevelt, and he is everywhere throughout America.

I have seen it in your faces. I have heard it in your voices. I have witnessed it in your tens of cheering thousands, as Roosevelt accepted your nomination at Philadelphia in 1936; when Vice President GARNER also promised, "I have enlisted for the duration," and you took him at his word. I have heard it in the great shout with which you greet Roosevelt, and I have felt it in the earthquake of votes with which you have supported him.

There is your Roosevelt. He is the farmer whose land was saved by the New Deal. He is the factory worker who got decent hours and working conditions and who won the right to stand up like a man and bargain with the corporation. He is the voiceless and voteless sharecropper of the South. He is the homeless migratory worker in the West. He is the honest businessman who has been saved from bankruptcy. He is the man out of a job who got work relief on self-respecting terms, the youngster who got a chance to complete his education. He is the old people who got pensions, the sick who got medical care, the hungry who got food, the men and women everywhere who received justice and hope, and who gained fresh courage and new faith in their own country and in themselves.

That is your Roosevelt. I have seen it on the picket lines and in the mines, on the production belt and behind the shop counter. I have seen it in the great dams and the terraced fields, in the C. C. C. camps and the W. P. A. projects. I have seen that Roosevelt when he faced a hostile crowd of men, men who were timidly thinking of their own bank accounts instead of thinking of your welfare, when Roosevelt broke through their fear and enmity—as a swimmer breaks through a toppling wave and emerges laughing—and made them stand up and cheer him. I have seen that Roosevelt in Congress, where even his political foes combined to pass the New Deal program against their own desires, because it is what you want.

There is your President. It is not the smiling pictures in the newspapers and news reels; it is not the friendly voice of the fireside talks; it is not even the gallant fighter who has refused to let you down. You have made Roosevelt in your own image. It is you who must have a third term.

That Roosevelt of yours is a bank where you have deposited your political destiny, your business institutions, your social welfare. He is an electric cable through which your hopes and beliefs flash with vibrant energy. You have made him a far greater man than he could ever have been alone, for he is your President, the only man in America who represents all of you.

A moment ago I mentioned a bank. Roosevelt, I said, is the bank where you have deposited your destinies. During the early years of the depression, which President Hoover failed to understand or master, it was made a public crime to spread malicious rumors as to the solvency of a national bank. The loss of faith, the withdrawal first of confidence and then of deposits, could wreck any financial institution and thus bring ruin to a whole community. However, it is not commonly regarded as a crime to spread malicious rumors as to the solvency of what I have called a political bank. The opposition considers it quite a smart trick to try to undermine your faith in your President, to urge you to make a run on the New Deal, to withdraw your deposits from Roosevelt. They want you to wreck him, because he wouldn't make a deal with them in the back room, and they either do not know or do not care that by so doing you may ruin yourselves and your own country. It is not Roosevelt that they want to do out of a third term, even as they have, by treachery, all but wrecked his second term. It is you they want to keep from having a third term.

Oh, yes. I know the history and the arguments on the third-term issue. I know that the men who wrote the Constitution refused to put a limit on the number of terms a President might serve, wishing to keep an able executive as long as possible. I know that George Washington, old and tired, stepped aside after two terms of office. I know that Thomas Jefferson confirmed Washington's precedent. I know that Andrew Jackson was three times elected President of the United States but served only twice, having been robbed of his first term by a conspiracy of conservative politicians. I know how General Grant tried for a third term and was blocked by the Republican old guard. I know that Theodore Roosevelt sought more than 8 years in office and have been told that he was slated to be the official Republican candidate in 1920, before his untimely death. I remember the movement to draft Calvin Coolidge for a third term in 1928 and have been told of his bitterness when he got word that Herbert Hoover had been nominated at Kansas City. I know the facts, I know the arguments—and so do you. Do they make sense?

The other night at Washington I met a conservative Dutch merchant, a shrewd and elderly man on his second visit to this country. He told me that the international bankers in New York had told him that Roosevelt was on his way out, and he wanted to know why we were going to get rid of a popular and successful President. As well as I could, I explained that some politicians regarded the third-term tradition as a complete barrier to Roosevelt's reelection. The Dutchman was deeply shocked. "So," he said, "so you throw away experience just as a man learns to do the job?"

Why throw away experience? That is one way of looking at it, the practical way. But with us, we put the question differently. We ask, Why throw ourselves away?

I do not care what the politicians argue or the editors write. I do not care what the cartoonists draw or what the columnists think. I do not greatly care what Mr. Roosevelt himself wishes or believes about this issue. We are entitled to a third term, and what we, the people, want, we are going to get, under democracy.

Settlement of American Negroes in Africa

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

EDITORIAL FROM THE PROSSER (WASH.) RECORD-BULLETIN

Mr. BILBO. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the Record-Bulletin of Prosser, Wash.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Prosser (Wash.) Record-Bulletin of May 18, 1939]

THE ONLY ANSWER

Backed by the signatures of two and a half millions of Negroes, United States Senator THEODORE BILBO, of Mississippi, has entered a resolution in Congress proposing to form a new African state adjoining Liberia and to transport all the Negroes in America who are willing to go.

BILBO would have this done in businesslike manner, with ample preparations made before the great hejira would be undertaken.

We wish to express our hearty approval of the plan and are happy to learn that such a large percentage of the Negroes are backing this idea.

We in the North are not faced with this problem and give it little thought but, in our opinion, this great issue is yet to be solved. The black race has increased from 3,000,000 to 12,000,000 since the Civil War. It is more prolific than the white race and when we stop to consider the constitutional rights of the Negro and the sure effects of education we feel that some day he will demand his full rights and that ahead of us lies an impending conflict of race and racial prejudice.

There appear to be two alternatives: either amalgamation or the complete domination of many States by the blacks, with a large percentage of black men in Congress and perhaps higher up.

With mixed marriages illegal in many States amalgamation seems very far off, indeed, and were it accomplished it would result in the transformation of the white race here into a muddy brown.

That we should ever abandon the South to black rule is inconceivable and yet the rising tide continues to enlarge and the pressure increases.

In spite of both law and religion, race prejudice still exists. Recently in Georgia night riders burned Negro effigies prior to an election. Next day the blacks responded with the largest vote they had ever cast. This situation is bound to get worse.

BILBO may not know it but he is endorsing a plan once proposed by Abraham Lincoln. Although we are 75 years late with the adoption of this plan it is still not too late, and we submit it as the only real answer to the problem.

Were I a Negro I would favor it. I can think of no situation more heartbreaking to a parent than that he should have to look forward to his children being subjected to daily insult, having to ride in Jim Crow cars, eat and sleep in third-rate restaurants and hotels and spend their lives, from the cradle to the grave, in an atmosphere of inferiority.

The white race committed a crime when it took the Negro from his native land and the only way that crime can be effected is to return him where he came from and help him build up a civilization where he can respect himself and be respected; where black will be the rule instead of the exception, the popular as well as the prevailing color.

The Negro should cease to try to change his color and take the kinks out of his hair; he should cease singing "I shall be washed whiter than snow" but should swell with pride as, with matchless melody, he sings with fervor, "I shall be blacker than coal." He should cease looking forward to a white heaven but instead should change the color scheme to one he would naturally have selected had he never heard of the white race. He should dream of a black heaven, filled with black angels and ruled over by a black God.

Civil Liberties and the Cities

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

ADDRESS BY HON. FRANK MURPHY, ATTORNEY GENERAL OF THE UNITED STATES

Mr. LA FOLLETTE. Mr. President, on Monday afternoon, May 15, 1939, in New York City, the Attorney General of the United States delivered a very excellent address entitled "Civil Liberties and the Cities" before the joint meeting of the United States Conference of Mayors and the National Institute of Municipal Law Officers. I ask that the address may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Almost instinctively, my thoughts today go back to another conference of mayors—a smaller one than this, that met in circumstances far more desperate than any we see about us today.

It was 1932 and the Nation had reached the depths of the great depression. In Detroit, where it was my fortune to be mayor, the municipal resources had been virtually exhausted in an effort to protect the citizens from an economic collapse that had struck the city like a famine.

Probably the American Nation had known no such sadness since the Civil War. I pray that the mayors of this country will never again have to foregather in a similar situation.

But, looking back, it is an inspiring thought that we came through that ordeal without a single untoward incident of major proportions. We did so, I believe, primarily because even in the darkest hour, the devotion of the great mass of the people to the ideal of civil liberty did not falter.

I doubt that there has ever been more convincing proof that the people of a democracy can keep their civil liberties in the bad weather as well as the fair.

Having stood that acid test, we should not fear any other. Certainly we should not waver today when our condition is vastly better, even though far from what we know it can be.

This is a time to strengthen our civil liberties, to freshen our understanding of them and to redouble our efforts to extend them in full to every member of our democracy. This is a time to renew our determination that civil liberty must be protected, with fine impartiality, without prejudice or favor, for everyone, from the poorest laborer to the wealthiest man in the land.

That is the American way. It is—this idea that liberty must be for all—the finest thing that America has given to civilization.

It is true that in material things our contribution has been vast and wonderful. To us and our fathers before us, mankind owes inventions by the score that have transformed the character of human living.

And justly we are proud of these achievements. Justly we erect a World of Tomorrow and a Golden Gate Exposition, to demonstrate what we have achieved in years gone by and what we hope to achieve in years to come.

But, recognizing the splendor of these accomplishments, and without detracting in the slightest from their significance, I venture

to suggest that in our faith in the idea of individual liberty we have given to the world something even finer, something more priceless, something so precious, in fact, that dollars cannot buy it.

It is an idea that men—some of them consciously, and the vast majority unconsciously—have reached out for all through the ages, seeing in it the realization of their fondest hopes. But never did they see its actual fulfillment until a group of fugitives from Old World tyranny established that idea, like a jewel, in a framework of government, a pattern of social living that we today call the American democracy.

In all our public discussions, I suppose there is no word we use more often than the term "democracy." It is fine that we do. I hope that in untold ages to come the American people will still be using that word, and using it with the devotion that men give to their most priceless possession.

But I wonder sometimes if we do not too often use the word "democracy" without thinking what it means. I wonder if we have not become a little numb to the significance of the idea of individual liberty that is the secret of democracy. How often do we profess our faith in democracy and forget to associate it with the things in our own lives that are democracy?

What, exactly, is this idea of individual liberty? What do we mean when we talk about the beauty and the dignity of the human personality?

Why we mean that unknown fellow, mounted on his soap box in the city street, speaking his piece about the way he thinks the country and the Government ought to be run.

We mean that editor or author, writing as he pleases, condemning or commending the administration as his opinions dictate.

We mean that little group of Mennonites or Mormons or Quakers worshipping in their own churches in the way that their consciences tell them is right.

We mean the ordinary citizen expressing his frank opinions to his mayor or Congressman or President, and getting consideration of them.

We mean the businessman setting up shop for the kind of business and in the kind of community that he prefers, with nothing but the public welfare to say him nay.

We mean the workingman at liberty to choose his own occupation and to move when he pleases into another.

We mean the scientist free to search for truth, and the educator free to teach it, unhampered by the fear of some "superman" who makes his own truth and allows no competition.

These are ordinary things to a people that has done them pretty much without interruption for a century and a half. They seem elementary and commonplace—so simple that it seems unnecesary to speak of them.

But actually they are not ordinary things. They are the hallmarks of civilization. They stand for the gracious way of living that humanity has always been groping for, through even the blackest nights of tyranny and barbarism that history has recorded.

Looking at it that way, you have a powerful, positive argument why we in America must cling to these things with all our strength, no matter how great the cost. In a very definite sense, we are trustees of civilization. We are guardians of the idea without which civilization is a hollow shell—the idea that every man, no matter how meek and humble and inconspicuous, shall have his place in the sun.

But if we want a stronger argument, there are many close at hand. They are negative arguments but they strike home with the force of a thunderbolt.

What exactly does it mean when a people gives up the idea that the individual's freedom to live his own life is, after all, the most priceless possession of any society?

It means the suppression of every one of the "simple, ordinary" things that we are so prone to take for granted.

It means for any man who presumes to speak unkindly of the powers that rule, a concentration camp at hard labor, or perhaps something worse.

It means a cringing, servile press that writes not as it pleases, but as some great man at headquarters directs.

It means the suppression of religion or the steady, demoralizing persecution of those who refuse to embrace some barbaric creed that makes a god of an all-powerful State.

It means the ruthless conscription of industry and labor and business alike, all dancing like marionettes at the direction of the State, for the greater glory of a political doctrine that sees human beings only as nameless cogs in a great machine.

It means the debasement of science and education and the arts to the level of tools of an arrogant minority that happens to hold the key to the gun room.

Worst of all, it means the enslavement of the human mind and spirit—a slavery that undermines self-respect and slowly destroys moral integrity.

There is no doubt in my mind that should the American people ever have to choose between these alternatives, they would make the right choice. I believe the habit of 150 years is bound to win over any momentary loss of direction.

But the unmistakable fact is that the seeds of barbarism have been sown among us, and there are those who would like to see them sprout and grow.

This is why I am speaking today about civil liberties and have often spoken about them in the past, even at the risk of appearing repetitious and needlessly insistent upon the obvious. For civil liberty is simply the idea that I have mentioned—the idea of human dignity—translated into actuality. And measurably as we safeguard civil liberty, we enrich human dignity. Measureably as we make real to every member of our democracy the spirit of the Bill of Rights, we demonstrate that we are qualified to be the trustees of civilization.

I do not mean to exaggerate the danger. I do not mean to erect a straw man. I am eager only that we should be on guard against the tendencies and practices that corrode democracy and sap its strength.

These things do happen here. They happen every day.

About 4 months ago the Department of Justice established a new unit for the specific purpose of increasing the Federal Government's ability to protect civil rights. Since that time we have received a steady deluge of letters complaining that civil liberties have been abridged.

Some of the complaints, of course, are unwarranted, but many are not. They indicate clearly that some public officials have used their power arbitrarily; that ordinances have been passed and invoked that are oppressive and unjust and violate common right; that citizens have been denied the right to express freely their opinions and to worship as they please; and that some have been prevented from petitioning their Government for the redress of grievances.

We are a tolerant people; yet it has been estimated that some 800 organizations in the United States are carrying on definite anti-Jewish propaganda. All told, the claim in the neighborhood of 6,000,000 followers—no doubt a considerable overstatement. But even if we reduce the figure by half or more, we face the fact that a large number of our people subscribe to the philosophy that has reduced the Jews of Central Europe to a condition of misery seldom equaled in the world's history.

Almost daily we hear from one quarter or another the familiar suggestion that always accompanies periods of stress and uncertainty—the suggestion that we solve our problems by suppressing those whose talk is out of line with the majority, or by "taking steps" against some group that is supposed to be the source of our troubles.

It has been said before, and I believe should be said plainly many times again, that in the last analysis, the remedy for that kind of attitude lies in the people themselves. For that attitude will have a very slim chance of survival in the face of a public opinion that will have no traffic with it.

But it is not entirely a matter of public opinion. It is far from that.

Public opinion crystallizes slowly, and in times like this when there is so much that is confusing and misleading, the process is abnormally slow. And until public opinion does reach the point where it will not tolerate violation of civil liberties, there can and will be such violation—unless government takes a hand and refuses to permit it.

In a sense, the part that government can play is purely negative. But it would be a serious mistake to conclude that it is therefore of little significance. Let government play its part vigorously, and with a clear understanding of its responsibility, and it is bound to be a powerful bulwark of civil liberty, not only as an agency that imposes penalties but as an influence on public thinking.

Each of the States is equipped to protect civil liberties through its own constitution and bill of rights. The fourteenth amendment of the Federal Constitution and the Federal civil rights statutes, all products of the Civil War, have enabled the Federal Government to take a much more vigorous part than it could formerly under the Federal Bill of Rights alone. We believe the new Civil Liberties Unit of the Department of Justice will make that part more significant than ever before.

Today every dweller in our land, no matter how humble, can look to the State for defense of his liberties, and if that should fail, then to the Constitution and laws of the United States.

But it is an inescapable fact—and one that no one knows better than you mayors and municipal law officers—that the first battleground of civil liberties is the local communities. It is you gentlemen who man the front-line trenches. It is you who decide, in the first instance, whether to suppress the individual who criticizes the mayor or the President, or who wants to hire a hall, or who walks up and down the street with a sign on his back, or who spreads some alien doctrine in his newspaper, or who preaches some strange and unorthodox religion. You decide whether to silence him or let the democratic process run its course.

I have been a mayor myself, during three of the bitterest years that the American people have ever suffered. I know that this responsibility is often a heavy one. I know that sometimes the pressure to turn one's back on the democratic faith in civil liberty for all seems to be almost irresistible. In moments of great tension, well-meaning people, gripped by hysteria, are likely to insist that the "realistic" way to meet the threat of extremist philosophies is to deny to their advocates the liberty that they themselves, given the power, would take away from all others.

Superficially, it is an appealing argument. It seems to be a common-sense method of fighting fire with fire.

But it will quickly lose its appeal if we remember this simple truth: You do not and cannot strengthen or protect democracy by undermining it. And you begin to undermine democracy the moment you begin to draw the line and say that this or that person or group shall not have civil liberty. Draw the line against one group and it is an easy step to draw it against another and then another.

And every such step is another attack on the concept through which democracy functions—the concept that Justice Oliver Wendell Holmes spoke of as "free trade in ideas." Simply stated, that concept means that democracy gives a hearing to every idea. It gives every philosophy the opportunity to get itself accepted in the competition of the market. And ultimately, as our history shows, the true idea, the right policy comes out on top.

I do not mean to say that we should not be on guard against dangerous and extremist notions that get into the market place. We should and must be on guard, and not just some of the time, but all of the time.

We have criminal laws that protect us against violence and incitement to violence. We should be ready and able to use them.

We have legitimate methods of bringing propaganda groups into the open, and exposing their nature and their origin to the light of day. We ought to know not only what they preach, but who their sponsors are and where they get their funds.

But as devotees of democracy, we cannot crush them and deny them a place in the market. We need not do this. We have no reason to fear their competition. We have a better article to sell. And because we have a better article, we can do a better job of salesmanship—a job of salesmanship that will endure long after the terrorism and the coercion of the autocrats have been proved the futile methods that they are.

It may seem that I have stressed the evils that will come to us if we fail to meet our duty of preserving civil liberty.

But we do not owe it merely to ourselves. We owe it to the generation after ours and to unborn generations yet to come. And we owe it to the generations past that did fulfill their trusteeship.

Especially we owe it to that small band of inspired men who forged a state on a foundation of civil liberty out of the raw materials of a wilderness and a people who knew liberty mainly in their hopes and aspirations.

We owe it to Roger Williams whose courage was equal to his conviction that freedom of thought was not freedom of thought until it was shared by all. We owe it to men of the stamp of Patrick Henry and the noble Jefferson who fathered the Bill of Rights.

They fought to gain civil liberty, confident that those who followed, seeing its pricelessness, would never let it go. It is for us to prove ourseves worthy of that trust.

Program of Adolph A. Berle

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

EDITORIAL FROM MILWAUKEE JOURNAL

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a thoughtful and interesting editorial published recently in the Milwaukee Journal, entitled "Berle Outlines a Revolution."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal]

BERLE OUTLINES A REVOLUTION

The Nation ought to be grateful to Adolf A. Berle, Jr., for making it clear that he is advocating a revolution in the American way of life and thinking.

Compared with what Mr. Berle now proposes, the most chimerical policies of the New Deal are mere bits of patchwork. For Mr. Berle would have the Government owning everything of importance in the country, all production controlled by Government, everyone working for Government. This is not interpreting Mr. Berle; it is what he says.

We are headed for a business downturn in 4 or 5 years so serious that an explosion must be expected, says Mr. Berle. We may get through it, but if we do, another decade will see a "showdown." By showdown he means a revolution, peaceful or otherwise. To head this off, Mr. Berle, now Assistant Secretary of State, proposes his own revolution. This is it:

"The Government can create and does create wealth in the form of roads, parks, public buildings, public hospitals, etc.

"Plainly these, as they now stand, are not sufficient to serve as the market for more than a fraction of the capital goods production in the United States.

"Briefly, the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must mean inevitably that the Government ultimately will control and own those activities.

"Put differently, if the Government undertakes to create wealth by using its own credit at the rate of of four billions or so a year, and if its work is well done, the Government will be acquiring direct productive mechanisms at the rate of four billions' worth a year or thereabouts.

"Over a period of years, the Government will come to own most of the productive plants of the United States."

There is the purpose of a revolution frankly announced and the plan of achieving it plainly outlined. Mr. Berle, one of the President's official advisers, has decided for the United States that our free private enterprise has failed and must come to an end. It is a more radical change in American institutions than the President's attempt to win control of the Supreme Court. Like that proposal, it is calmly offered, although no word of socialism has been spoken in the Democratic Party platforms or discussed with the people.

Mr. Roosevelt has constantly assured the Nation that reforms will be carried on within the framework of the Constitution and in accord with American institutions. Mr. Berle's program would not leave a single American institution unchanged. President Roosevelt accepts the program to the extent of approving the opening wedge, a bill introduced by the New Deal Senator MEAD, of New York, for Government to guarantee loans to private concerns by a corporation to be set up; that is, to use the Government's credit and yet keep the enormous expenditures contemplated separate from the public debt.

Mr. Berle's plan, of course, is socialism. For private initiative, he would substitute Government. A Government, virtually admitting failure of its schemes over 6 years to bring recovery, is to be launched on ownership.

Whether this socialism with a small "s" would take the form of Russian communism, or Italian fascism, or German nazi-ism, does not matter. Those are all names for ending the liberties of men as men, and by making them believe they are getting benefits, subjecting them to the "state." Wherever anything like this has been tried, liberty has departed.

As we said, the people of the United States owe Mr. Berle thanks for his frankness. Some things he did not say. One is that if we are to take this road, we must in 1940 reelect the administration whose brain trusters have devised it and now seek to put it in operation. Whether this means a third term for President Roosevelt, or merely the acceptance of some creature of his circle, is unimportant. Why not Mr. Berle himself, since he is the author of the revolution?

For 2 or 3 years various Government employees in relatively humble capacities at Washington have been using a phrase: "The last spring under the Republic." Perhaps they knew more of what was going on than the rest of the country.

Committee on Foreign Policy

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

RADIO ADDRESS BY HON. ROBERT J. CORBETT, OF PENNSYLVANIA, AND AN ARTICLE BY RAYMOND Z. HENLE

Mr. DAVIS. Mr. President, the American people have the will to peace. This fundamental determination requires for its success the best intelligence and the surest wisdom that can be obtained. Representative ROBERT J. CORBETT, of the Thirtieth District, Pennsylvania, has advanced a plan for the creation of a joint congressional commission to advise and consult with the President on all important matters of foreign policy. If this plan is accepted, it will constitute a new development in our American will to peace.

Representative CORBETT brings to this proposal special preparation and understanding. From 1927 to 1929 he was Wallace research fellow in history at the University of Pittsburgh. For 9 years he has taught political science and economics at the Coraopolis Senior High School. His plan represents careful study and research. It is arousing discussion throughout the country and serves to focus the attention of the people on this all-important problem of how America may keep the peace.

Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Representative CORBETT over the Mutual Broadcasting Co. from

station WOL, May 19, 1939, embodying his plan, together with an article by Raymond Z. Henle, published in the Newark Star-Eagle, May 18, 1939, commenting on it.

There being no objection, the address and article were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. ROBERT J. CORBETT, OF PENNSYLVANIA

Ladies and gentlemen, the most serious problem facing the present Congress is not the foreign situation. The most serious problem has been and continues to be our domestic economic depression. However, the foreign situation is second in importance; it calls for quick action; it is dramatic. I have included this unusual preface to my remarks because I do not want to distract and I do not want anyone else to distract our attention even slightly from the fact that our Nation is still suffering from internal economic cancer.

During the next brief moments I will attempt to summarize the testimony which has been presented to the Foreign Affairs Committee of the House of Representatives during the past several weeks and the endless stream of printed articles and letters that have come to my desk.

First, and I desire to establish it as the basis of our thinking, continental United States is absolutely safe from any serious invasion for an indefinitely long period. I know of no authority of any standing or reputation who does not subscribe to this statement. It is true that a few saber rattlers, some opium eaters, and a few misguided zealots fear invasion and have aroused terror in the hearts of those who do not have time to read the facts, but any competent corporal will explain that no nation or possible combination of nations in Europe and Asia could dare to expose both of its flanks and its rear to attack meanwhile extending a line of communications 3,000 miles and over to fight the strongest defensive nation in the world. We are about as safe from invasion by earthly forces as we are safe from invasion from Mars.

Second, there is a prevailing and rapidly growing belief that the United States can better serve the world and democracy by following a policy of nonintervention. Radios and periodicals have furnished the information to the public that a war in Europe will be a war designed to rewrite the Versailles Treaty, secure revenge on hated neighbors, redraw the boundaries of eastern Europe and northern Africa, or it will come as a result of conflicting economic rivalries. In none of these things do we have a vital interest worth our active participation. We wisely refused to sign the Versailles Treaty 20 years ago, and we should not now allow ourselves to be doped into defending its provisions. Possession of Djioubiti, Tunisia, and parts of the Ukraine by either of the conflicting camps is not worth one drop of American blood. Do not be deceived. The next European war will not be a struggle between conflicting ideologies—of democracies against dictators. The line-up for the next war will see dictatorships and democracies on both sides.

And please remember those of you who would have us fight to preserve democracy that the last war and its after effects destroyed almost every democracy in the world. Likewise to establish here an efficient democracy would do more to reestablish democratic governments elsewhere than participation in any war. An efficient government anywhere inspires its duplication or partial duplication everywhere. We also know from history and by reasoning that American participation in any major war would demand the establishment of a military dictatorship in this country; a dictatorship that would minutely regulate our daily life with a loss of personal liberty which could never be fully restored. Furthermore, if the next war is to leave European civilization groggy and punch drunk we have all the more reason to conserve our strength for the days to follow.

Third—and this requires no proof—there is an overwhelming desire for peace and security among the American people. This deep-rooted desire has already forced the President and his interventionist advisers to start throwing olive branches instead of firebrands into Europe, but I am not here concerned with the American firebrands that greatly increased the danger of a European conflagration. I am here concerned with the fact that the popular desire for peace and security has caused a tremendous revival of our interest in foreign affairs in general and specifically it has resulted in a demand for neutrality legislation.

Basically, the hope is that we can write neutrality laws that will prevent incidents which arouse our passions; laws which will control our passions when these incidents do occur; and laws which will prevent one-man decisions and hasty and ill-considered action.

The job is not simple. Seventeen specific bills are now under consideration. More are in preparation. Few members of the committee and few Members of Congress can agree on any formula. Expert witnesses go from one extreme to the other. Propaganda in unprecedented quantities beclouds thinking. Some of the bills designed to name aggressor nations and employ sanctions are, in effect, economic alliances to insure our active participation in war; others would strip us of even the right to yell "ouch" if we are punched in the nose.

Out of this maze of contradictions and confusion a few things are coming clear, and this brings me to a fourth and a fifth conclusion.

Fourth, it is next to impossible to write fixed rules for application to future unpredictable situations. This is particularly true when we recognize that these fixed rules must be sufficiently flexible to permit some freedom of choice or we might in any given instance find ourselves either on the wrong side or be left appearing very ridiculous in the eyes of the world.

Perhaps the most that can be done in this direction is to lay down a few guiding principles and a few definite don'ts.

Fifth, to anyone who has studied the question, it is evident that the Constitution of the United States, precedent, legal opinions, and his position as commander in chief of the Army and Navy, gives the President such single-handed control of our foreign policies that any neutrality laws are apt to be passed in vain. I submit that for better or worse the present neutrality law was never invoked in the Far East by the President because he accepted the Japanese contention that this undeclared war against China was not a war but an incident. The President of the United States, be he Democrat or Republican, is the dictator of our foreign policy. The recognition of this fact gets us to the heart of the situation. It is a fact that leads to a proposal that I plan to embody in a bill and submit to the committee next week. The bill will bring down the wrath of the administration leaders on my head if they elect to notice it, but I am confident that it contains a program that will some day be written into our laws. In its preparation, I have already consulted and advised with many of the most competent authorities available, and I must acknowledge my indebtedness to David Lawrence for the outline of the plan.

The bill will provide for the creation of a permanent neutrality commission. The commission would be composed of 12 regularly elected members of Congress. Six from the Senate and six from the House of Representatives. Three of the Senate Members would be elected by the Democratic caucus, and three by the Republican conference. The same procedure would be followed in the House. To these 12 members would be added the Secretaries of State, War, and Navy with the stipulation that they could vote only in the case of a tie. In general, but working under guiding principles, this commission would advise and consult with the President on all important matters of foreign policy subject to appropriate checks by the House and the Senate. Particularly shall this commission invoke such rules and regulations as may exist governing our behavior in the event of foreign wars.

The details and trimmings to fit possible constitutional limitations will soon be a matter of record; for the moment I want to outline its advantages.

First, it will place a democratic check on the powers and pronouncements of the Chief Executive. Perhaps this check will not now get beyond the check of crystallized public opinion but that will be a real gain.

Second, it will retain where necessary secrecy and speed of action without the dictatorial aspect.

Third, it will provide the necessary flexibility to meet changing situations.

Fourth, such a Commission will operate decidedly more free from the pressure of propaganda agencies than individual Members of Congress besieged with mail and petitions can hope to operate.

Fifth, it will relieve the President of a responsibility in times of foreign crisis that one veteran Representative stated "no man fit to have such responsibility would desire to have it."

Sixth, it would, I partially repeat, begin the inevitable movement toward the most democratic control of our foreign policy consistent with our national welfare—a movement too long delayed.

Seventh, it would tend sharply to do away with the playing of politics with foreign issues and with one-man decisions.

Eighth, in the event of any vitally important pronouncement by the President it would strengthen his position and would make for greater national unity of purpose if he could announce to the country that his action had been taken only after receiving the approval of the representative neutrality commission. The plan therefore would work as a definite aid to the President when his policies are sound, just as it would act as a check when his policies are unsound.

This plan for a neutrality commission is not perfect in detail nor scope. It is merely the first beginning in what may prove to be the development of a very much needed cohesion of effort between the executive and the legislative regarding foreign policy. As time goes on and traditions and precedents are established a great weakness of our constitutional system may become a great strength. Let me assure you that I have no pride of authorship; any or all parts of this proposal may be amended. I am only interested in making some contribution to the solution of this baffling problem, and therefore the thoughts and criticisms of anyone who has been thinking along these lines will be sincerely appreciated.

In support of the whole idea, I would like at this time to quote from a recent editorial of Walter Lippmann in which he declares: "Many things are being done these days in Washington to reorganize the machinery of government, but there is one part of the machinery about which nothing is being done. Yet it is now the most dangerously defective part of the whole Government mechanism, the part that most urgently needs to be reorganized. This is the mechanism for conducting foreign relations."

It would be a pleasure to go on discussing the possible merits of this proposed neutrality commission, but a more urgent expression should be made.

I am among those who do not believe that war in Europe is just a matter of weeks. Perhaps some unexpected jolt may explode the filled powder barrel which is being drawn over a road

that is certainly rough, but the statesmen of Europe are becoming increasingly cautious, and Europe does not want war. Predictions are always dangerous, but existing evidence indicates that war in Europe will probably not come this year and if it does not come this year it may be delayed for an indefinite period.

However, we must be prepared for the worst, and this means the best possible moral, mental, and military defense. This in turn means that we must do all we can to create and sustain the will for peace. This means that we must resolve to separate fact from fancy and be on close guard against propaganda designed to bring about our participation.

It means that despite our safety from invasion we must be prepared for any eventuality. Let us resolve to do everything honorable to escape the horrors of another war, but if we are to be caught in the awful suction a European war would create, we do not want to be caught without the best equipment possible.

Let me bring, in closing, the happy message that few members of Congress are war minded. Few if any have been guilty even in private of the provocative remarks that characterized until recently the bellicose threats of administration interventionists. Rather there is a powerful undercurrent of resolution that we will not fight any war where our own vital and immediate interests are not at stake.

The Committee to Keep America Out of Foreign Wars composed of Members and former Members of Congress is gaining strength. Its effects are already in evidence. All in all the tension of the past months is easing.

God willing and the people resolute, this generation of Americans may yet escape a blood purge of its best sons.

UNDER THE CAPITOL DOME—TOWN MEETING DIPLOMACY

(By Raymond Z. Henle)

WASHINGTON, May 18.—One of the most sincere and intelligent young Members of Congress who took office in last November's Republican sweep is Representative ROBERT J. CORBETT, of Pennsylvania. He is studious and serious-minded and not given to jumping at conclusions. His inclination is to inform himself on every issue upon which he is called to vote. That sooner or later he will find this impossible does not detract from the character of the impulse. It is safe to say that there are few Members of Congress who so zealously search for the facts in order to make wise decisions.

Therefore it may be assumed that Mr. CORBETT sincerely believes the welfare of the country can be advanced by curbing the powers of the President in his negotiation of our foreign policy. Mr. CORBETT has prepared for introduction a resolution providing for the creation of a commission of Congress which "would advise and consult with the President on all important matters of foreign policy" and would be instructed particularly to "write the rules and regulations governing our behavior in the event of foreign wars."

One of the surprises of this session is the support being shown by this proposal of a new Congressman. It is quite possible that the plan may cause as much interest on Capitol Hill as did the proposal of Representative LUDLOW for a constitutional amendment requiring a popular vote of approval before this Nation could engage in war.

Many people will say that Mr. CORBETT's resolution to provide an advisory board for the President is a thrust against the diplomacy of the particular man who happens to be President at this time. Yet that is not true, despite the fact that Mr. CORBETT is a Republican. The resolution was framed in pursuance of a sincere belief that the President of the United States, whoever he may be, has too much power in the matter of foreign relations and that he should be given the support of an advisory group in order to decentralize this power. Nevertheless the resolution will receive support—much support—specifically because so many Congressmen are fearful of Mr. Roosevelt's conduct of foreign affairs. Others will support it because it is just one more idea calculated by well-meaning persons to remove a little further the possibility of war.

So the President is to be instructed what to do and what to say in the matter of our foreign relations by a group of 12 Congressmen, three Republican and three Democratic Representatives, and three Republican and three Democratic United States Senators.

Conceding that such a proposal might be approved it is difficult to see how matters would be improved. No matter who he is, the man who happens to be President of the United States, in this writer's judgment, has the welfare of the country uppermost in his mind and the great destiny of this Nation deep in his heart when it comes to our relationship with other nations. Of course, good as may be his intentions, his judgment may be in error. But in that event the people through their mediums of recording and public opinion through their ballot boxes will correct him.

A Representative and a Senator are closely concerned, in the big majority of cases, with doing the thing that will get them the most votes. That is not always the thing that is best for the people as a whole. It does not seem that a congressional commission would be moved to act by higher conceptions of public duty and public good than would a President of the United States acting alone. To circumscribe a President's actions with a congressional commission would seem to be coming pretty close to town-hall-meeting diplomacy.

Drafting Wealth in Time of War

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

RADIO ADDRESS BY HON. CHAN GURNEY, OF SOUTH DAKOTA, JUNE 4, 1939

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the so-called Lee bill for drafting wealth in time of war, delivered by the distinguished Senator from South Dakota [Mr. GURNEY] on the American Forum of the Air of the Mutual Broadcasting System on Sunday evening, June 4, 1939.

There being no objection the address was ordered to be printed in the RECORD, as follows:

Hello everybody, in undertaking a discussion of legislation of the type of the so-called bill to "draft" the use of money in time of war, it is very necessary that we avoid emotion and hysteria. Calm reasoning and deliberate thought are necessary in dealing with such legislation if we are to avoid making an irreparable mistake. Nothing whatever is gained by declarations that "dollars are no more valuable than the blood or life of a mother's son." Of course, dollars are not—and there is not a man in Congress or elsewhere who would contend they are. But such declarations hinder rather than help a clear understanding of what is proposed in this bill. If this bill is desirable and necessary legislation, surely that fact can be demonstrated on its merits without resort to emotionalism.

So at the outset let's clear the air of the confusion thrown around this legislation. We are all opposed to war. We want to keep America out of war, and we propose to do so.

But I gravely doubt that this bill, despite its avowed purpose "to promote peace," will make any contribution whatever toward keeping this country out of war. In the first place, the provisions of this bill would not become effective until we entered a war or were on the threshold of doing so. But, say the proponents of this legislation, this bill will promote peace by eliminating the prospect of profits from the financing of a war. Apparently they are under the illusion that an urge for profits constitutes the primary motivating force toward plunging this country into war. The record, however, does not sustain that argument. Today the strongest kind of opposition against this Nation's participation in another war comes from business and financial circles.

However, for the moment, let us appear to agree with the argument that those in favor of the bill are using. They give as the main reason for wars, the urge to make big profits. This bill does not stop profiteering. The first few lines of the bill definitely order the President to take a census of all the net wealth of all the people before a war starts—all mandatory bond purchases, then, and later, are based on the net worth ascertained in the first wealth census. No later census of wealth is provided for during the duration of a war when profits pile up. I repeat that there are no provisions in this most drastic bill that tend to take notice of profits made during a war period. Therefore, this bill does not give us the remedy sought by those favoring the bill. The danger of war to the United States comes today from those in positions of responsibility and power who would undertake to make the affairs of other continents the direct and immediate concern of our people. It comes from those who undertake to aline this country and its Government on the side of nations with one set of the ideologies against nations professing another. There is our danger and the provisions of this bill do not even remotely touch that situation.

So much for the contention that this legislation would promote peace. Its next avowed purpose is to promote the national defense. I gravely doubt that it would. It is not necessary to take my word for that. Both the War and Navy Departments are opposed to this bill on the very ground that in all probability its provisions would hamper the national defense should the country again become embroiled in a war. Acting Secretary of War, Louis Johnson, in a report on this legislation, declared that in the opinion of the War Department such a bill—and I quote his words—"is not in the interest of the national defense." He added that the War Department "recommends that it be not enacted into law." Such is the opinion of the responsible heads of the War Department—men charged by law with the promotion of our national defense.

How about the Navy Department, the other arm of our national defense? Admiral William D. Leahy, speaking for the Navy Department in a letter to the chairman of the Senate Committee on

Military Affairs, declared that under such legislation "serious delay in the final determination of the wealth and consequent obligation of each individual would be inevitable."

Pointing out that such legislation might adversely affect industrial production in time of war, Admiral Leahy added that "any measure which would limit production in time of stress would be detrimental to the national interests." He placed the Navy Department on record as opposed to this legislation.

In the face of such declarations from the spokesmen of the two armed services of the Nation, uncontested by anyone except the author of the bill, we need not take seriously the contention that this legislation would promote the national defense. If the spokesmen for the War and Navy Departments made statements and recommendations regarding this legislation which were invalid and could not be sustained, why did not the proponents of this bill demonstrate that fact by competent witnesses in hearings before the Committee on Military Affairs? The fact that they did not do so adds to the force and weight of the War and Navy Department reports.

Indeed, I propose to demonstrate presently that this bill, if enacted into law, would hinder if not jeopardize the national defense in event of war. But before doing that, I would like to dispose of another contention made on behalf of this legislation. That such legislation is necessary in order properly to finance American participation in another general war. It is suggested that our financing of the last war was in danger of breaking down. Such a statement indicated a complete lack of knowledge regarding that subject. The First Liberty Loan was oversubscribed 52 percent and the second 54 percent. The Third Liberty Loan was oversubscribed 39 percent, the fourth, which was double that of any preceding issue, 16½ percent, and the Victory Loan, issued after the war, was oversubscribed 16⅔ percent. At no time during the World War was our Government threatened with a breakdown of its financial operations.

Surely this is a subject in which the Secretary of the Treasury has a direct interest. What does he say about this legislation? Does he think it should be enacted into law? He does not. Writing to the chairman of the Senate Military Affairs, Secretary Morgenthau made this statement—and I quote his words:

"While I am strongly in favor of eliminating all profits from war, I am convinced that this purpose cannot be accomplished through the methods proposed by the bill under consideration and I am therefore opposed to its enactment."

That is the opinion of the Secretary of the Treasury. Thus we have on record the spokesmen for the three Government departments directly concerned with this kind of legislation, each recommending against its enactment. No place in the record on this bill is there a recommendation favorable to this bill from any other Government department.

Let us now turn to the most dangerous aspects of this legislation, namely, the effect its provisions would have on the economic structure of the Nation. No man knows what effect this measure would have if applied at the outbreak of war. It is obvious to anyone with any knowledge of economic laws that it would cause a severe and drastic economic disturbance. We would be confronted with the alternative of a paralyzing deflation or a fiery inflation.

One need not be an economist to realize that ordinary and normal values would be sharply and with breath-taking rapidity depressed if all the persons subject to the provisions of this measure were forced to sell property to be able to meet the sums assessed against them. Let me cite one or two illustrations. A farmer with "net worth" of $10,000, comprising of his farm and livestock, would be required to make available to the Government $450 in exchange for a 50-year callable bond bearing an interest rate of 1 percent.

This farmer, in order to pay cash to the Treasury, could either borrow this sum of money from his bank, paying interest of 4 to 8 percent, or he could sell a part of his livestock. Since many farmers would sell, the market would be glutted with livestock, thus depressing the price. But supose our farmer was appraised as having a "net worth" of $100,000. He would be required to make available to the Treasury $9,450. Thus it might become necessary for him to sell a part of his land, thus forcing down land prices.

The real economic damage, however, would be done through the application of the provisions of this bill to a man of wealth, engaged, for instance, in manufacturing. All of his net worth, of say $1,000,000 would be invested in his factory. Under the bill he would be required to make available to the Treasury $206,950. In a critical time of war, it is certainly doubtful whether he could obtain a loan from his bank for such a sum. Thus he would be compelled to sell one-fifth of his property. Immediately the price would be deflated, especially since every other person of wealth would be subjected to the same pressure from the Government. Such forced selling would set in motion a devastating deflationary circle, crippling the economic structure at the very moment its efficiency would be most essential in producing war materials.

The author of this bill recognizes this danger, for the measure authorizes the President to provide for the acceptance by the Treasury in payment for its bonds, notes, or obligations of the person against whom the assessment rests, with a 6-percent mortgage on his property as security.

A President of the United States who wished to change our economic system could refrain from authorizing the acceptance of such notes and thus compel every person assessed to pay for the war bonds in cash, thus bringing about deflation. Or a President might decide that the prospects of severe deflation would be better than the inflation which would follow should he permit the acceptance of notes in payment of the bonds.

For in this bill the President would be authorized "to issue currency, notes, and other obligations of the United States upon the security of the property, notes, or other obligations accepted."

In other words, if the President permitted our manufacturer with a net worth of $1,000,000 to give his note for the $206,950 which he must make available to the Treasury, then the President could—indeed he would have to in order to get money—issue $200,000 of printing press money, secured only by the manufacturer's factory. Multiply this transaction several thousand times and an inflationary fuel pile would be built up that, when set off, would rock the Nation with skyrocketing prices.

To assert that the currency issued under this process would be secured by property is to be naive and whimsical. In the case of our manufacturer, truly, it would be productive property. But in the case of many men the property securing their notes would be nonproducing property, art collections, country estates, unprofitable businesses, yachts, etc. Going through the processes provided in this bill would not allay one iota the fear of printing press money. It would be better to be honest and just run on the printing presses.

The amazing thing about all of this is that in the hearings held on this bill a little more than a year ago, not a single monetary economist or financial authority was asked to discuss this aspect of the legislation. The only financial authority whose view was solicited in regard to this bill was the Secretary of the Treasury and he, as I previously stated, recommended against its enactment.

To summarize, it is clear that this bill would promote neither peace nor the national defense. On the contrary, it would hamper the efforts of this country to successfully prosecute a war. There is no necessity whatever for such legislation and its enactment would do far more harm than good. It would breed economic chaos and confusion in the critical period at the beginning of American entry into a war.

To those who are concerned about the ability of our country to finance a war, let me say now that they should be disturbed by the present chaotic condition of Federal fiscal affairs. If they are sincere in their efforts, let them turn their attention to curbing the unbridled spending now going on and face this Government toward a balanced Budget. There, is the most effective and soundest step to promote our national defense that we can take today.

In conclusion let me say the whole bill leaves me with the general impression that there is a possibility that those promoting this bill are thinking this country may go in for an aggressive war—"a declared war," to actually use words contained in the first few lines of the bill. That will not happen; therefore, there is not now any necessity for this legislation for I am convinced the United States of America will have no difficulty in financing a defensive war, once an enemy appears at our gates.

B'nai B'rith in the American Way

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

RADIO ADDRESS BY SEYMOUR S. GUTHMAN, APRIL 27, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address entitled "B'nai B'rith in the American Way," delivered by my secretary, Mr. Seymour S. Guthman, Thursday evening, April 27, 1939:

In ancient Rome, any citizen, irrespective of his economic, social, and political status, or religious beliefs—although he chanced to reside in the most obscure corner of the earth—could, nevertheless, gain the protection of the might and the power and the dignity of that great Roman Empire, by proclaiming "Civis Romanus sum!" (I am a Roman citizen!) Civis Romanus sum! This famous cry we may paraphrase in setting forth the story of the B'nai B'rith organization, that order which was founded almost a century ago in New York, and which has served during all these tumultous years of change and turmoil, as the guardian of Jewish rights everywhere in the world, and as the protector for all who were in danger or in difficulty. Whether he dwelt in benighted Rumania, in darkest Russia, or in Nazi-torn Germany—whether he was wealthy or poor, strong or weak, scion of an ancient family, or a lost immigrant—regardless of status, of position in society, of religious belief or outlook—he had but to exclaim "Ivri Onochi" (I am a Hebrew), and by that proud declaration he had

claim to the protection or the assistance of the oldest and the most representative order in contemporary Jewish life.

Ninety-six years is not a long span in the 3,000-year-old story of our people. But in American history it covers nearly the entire gamut of corporate Jewish life. For, in 1843, when the order was founded in New York City by a dozen forward-looking citizens there were less than 15,000 Jewish men and women in the whole country. The mighty waves of immigration had not yet begun to deposit their millions on American shores. And the new country had attracted only tiny fragments of the great European settlements. The B'nai B'rith, although it began with the trappings of the average fraternal order, soon divested itself of these, and dedicated its energies and its resources of a wide program of social service; to the task of uniting Israel, of building its philanthropies, of protecting its good name, of warding off its enemies, and of developing its rich cultural reservoirs. Through all the bewildering changes of the century, which shifted the center of gravity of Jewish life from the Old World to the New, the B'nai B'rith continued to function on its original program of public service, broad-spirited philanthropy, and cultural development—with the consequent result that today, this order is in the forefront in American Jewish life. Its membership is drawn from every stratum and its roster represents a genuine cross section of American Israel.

Numerically, too, the B'nai B'rith has maintained its representative character. It began with a few lodges in the early 1840's when our people numbered scarcely 15,000. As immigration grew the lodges multiplied, and today there are nearly 500 in this country alone, representing about 80,000 families or nearly 325,000 men of Jewish faith. There is no city of substantial Jewish population without its unit, and scores of tiny communities can boast of their chartered lodge. It can be readily seen from the above that there are few agencies anywhere which have enrolled as large a proportion of its Jewish population as has the B'nai B'rith. Hence, when it acts and speaks it does so as a truly representative Jewish agency.

Moreover, this order is not a mushroom organization, called into being by a sudden crisis or a new emergency. It did not suddenly speak up for Jewish life because of the Nazi terror of this day or the atrocities of the pogroms of yesteryear. It has not seized upon the hysteria of the Jewish masses, in the face of disaster all about them, to win allegiance for particular dogmas or programs. To the contrary, for 96 years it has functioned with dignity and with statesmanship as a Jewish agency. Mellowed through years of experience, it has succeeded in gaining hold of the loyalty of every group in Jewish life and the profound respect of every group in non-Jewish life—and this without the blowing of trumpets, without any pomp or fanfare.

For far more than half a century the preamble of the constitution of this order has read as follows: "The B'nai B'rith has taken upon itself the mission of uniting Israelites in the work of promoting their highest interests and those of humanity; of developing and elevating the mental and moral character of the Jewish people; of inculcating the purest principles of philanthropy, honor, and patriotism; of supporting science and art; alleviating the wants of the poor and needy; visiting and attending the sick; coming to the rescue of victims of persecution; providing for, protecting and assisting the widow and orphan on the broadest principles of humanity."

The B'nai B'rith has not permitted these principles to be merely pious utterances, to be mouthed as pretty, meaningless, platitudes and soon forgotten. To the contrary, these words have been translated into deeds of benefit for all humankind. No wonder, therefore, that wherever B'nai B'rith is, there will be found institutions fostered by it which minister to the frailties of humankind, ranging from the tender care of orphans, to homes caring for the aged and the infirm. Dotted over the land are B'nai B'rith hospitals and sanatoriums for the sick, their doors, for the most part, open to the afflicted regardless of creed, color, or nationality. I like to think of the words inscribed over the gateway to B'nai B'rith's wonderful hospital at Denver for those afflicted with tuberculosis where all, Jew and non-Jew alike, are welcome. The inscription reads as follows: "None may enter who can pay—none may pay who enter." Here, indeed, is epitomized the true spirit of this order.

In every B'nai B'rith lodge room in the United States the flag of our country is found. The attention of the members is directed to our national standard, thus set forth: "The red, white, and blue combined are emblematic of the flag under whose protecting folds we meet; the standard of that land which, sheltering Israel, has been shielded by the God of nations. Mindful of the blessing which we enjoy in common with our fellow citizens, let us, with loyal hearts, be ever devoted to our land of civil and religious liberty."

In doing all the above, the B'nai B'rith is in essence building another bulwark of strength in our land of liberty; another impregnable fortress in the citadel of our democracy. For we interpret democracy as that form of government and that way of life which makes room for differences of opinion and which protects the minority, even though he be a minority of one; we interpret democracy as that form of government which treasures and guards the rights of the poorest, the weakest, and the humblest, even as it does that of the richest, the strongest, and the proudest; and when we rejoice with our fellow Americans in the knowledge that in our country we cherish such precious rights as freedom of speech, freedom of the press, freedom of assemblage, and freedom of religion, we do so with the fervent conviction that progress and civilization demand a society in which men are free to inquire and to differ. We feel that in reality democracy is simply a scrupulous and courageous regard for human personality and for those God-given rights of life, liberty, and the pursuit of happiness. This is our belief today, even as it has been from time immemorial. Listen, for example, to the immortal words of the Hebrew Prophet Joel: "It shall come to pass in the end of days that I will pour out my spirit over all flesh and your sons and your daughters shall prophesy, and your old men shall dream dreams, and your young men shall see visions. Even upon the menservant and maidservant, in these days will I pour out my spirit of love and care." Small wonder, therefore, that the fathers of this country found inspiration for our glorious Republic in the book of Leviticus, whose words of living flame are inscribed on the Liberty Bell in Philadelphia in the following manner: "Proclaim liberty throughout the land and to all the inhabitants thereof." And by no less an historian than the distinguished non-Jew William Edw. Lecky we find written these words: "Hebraic mortar cemented the foundations of American democracy."

All of the foregoing is precisely contemplated in the program of the B'nai B'rith. In other words, our order seeks only to put into effect the true democratic impulses in American life. The B'nai B'rith way—yes, that is the American way.

And so to our Jewish and non-Jewish friends and neighbors, we wish to state that the program of our order is not one simply to combat antisemitism. For that is not the essence of Jewish life. That is not the crown of our achievement or the secret of our survival. Rather do we proclaim and emphasize those noble teachings of our faith which have made fruitful the life of the world. We think of and submit to all humankind the majesty of our moral code, the wide sweep of our prophetic vision of justice, of brotherhood, and of peace. We think of and regard with pride the glory of our literature and the heroic quality of our national survival. We think of the great contributions which the gifted sons of our people have made and are making in every field of human endeavor in a determined effort to make this world a better and happier place for men everywhere to live their short span of years.

One of our great American colleges has as its seal a three-headed figure, one looking backward, another looking frontward, and the third gazing toward the distant horizon. The seal bears the inscription: "Respice, Prospice, Adspice * * *" which means "Backward, frontward, and forward." That motto, it seems to me, sums up very aptly our discussion this evening. If we of the B'nai B'rith are to live joyously and creatively in the present, then we must at all times look to the past, conscious of our great traditions, and at the same time look forward, our eyes and our hearts and our souls fixed on the distant horizon, where man will be friend to man, and everyone, no matter his race, his creed, or his color, will be able to walk the earth proudly and with dignity.

When Napoleon led his weary and bedraggled soldiers to Egypt, he assembled them on the hot desert sands, and there, in the shadow of the mighty pyramids, he spoke to them: "Soldiers of France," he cried, "Soldiers of France, give heed and feel the pride that is justly yours—for 40 centuries of human history look down upon you!" Likewise, do I now say unto you, ladies and gentlemen of the B'nai B'rith: Feel the pride that is justly yours as the present leaders of the children of Israel in this glorious American democracy. The degradation and misery of our unfortunate brethren in other lands emphasize with tragic clarity that it is you and you alone who are the one hope and the one refuge of our people in one of the darkest eras of history. Down the long corridors of time, 90 generations of our ancestors are calling you, men and women of the B'nai B'rith, and their cry is reechoed by our brave and suffering brothers overseas:

"O American Israel:
O Sons of the Covenant:
From dying hands we throw the torch,
Be yours to hold it high!"

Good-Neighbor Policy With Reference to South America—We Hail the Chilean Commission

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

Mr. CELLER. Mr. Speaker, we have lived in amity and accord with our neighbors to the south ever since we have been a nation, and we pray it shall ever be thus. Democracy flourishes in the Western Hemisphere. It would die if there were not that amity and that accord.

President Roosevelt, Secretary of State Hull, and their colleagues are to be congratulated for their fine and sterling attitude toward all the republics to the south.

The American people will soon have an opportunity to welcome to this country a commission composed of eminent Chileans who are scheduled to leave their native land this week to visit the United States. Their arrival is not likely to be heralded throughout the land, which does not at all imply that their mission is not one of significance as regards future economic relations between the United States and the southern Republic. Our southern friends will come here "for other purposes than recreation, or to receive the personal satisfaction of travel."

Our friends south of the Rio Grande have been hearing so much of late about the "good neighbor" policy which our Government has been pursuing that they wish better to become acquainted with us in order to be able to refute the propaganda carried on throughout Latin America in general, and in Chile in particular, about the continued imperialistic designs fostered by the "Colossus of the North."

A commercial treaty is in the process of being negotiated between the United States and the Republic of Chile. It is imperative that this treaty be ratified at the earliest possible moment. We must bear in mind that we cannot be indifferent to what is happening in the neighboring Republic: America's stake in Chile is placed at over $650,000,000, of which close to $300,000,000 is invested in copper mines, about sixty-six and one-half million dollars in public utilities, and an equal amount in nitrate properties. In addition, Americans own close to $200,000,000 par value of bonds of the Chilean Government, political subdivisions, financial institutions, and corporations.

It is, perhaps, worth calling attention to the fact that the United States is in a position to supply Chile with virtually all the products and manufactured goods which Chile ordinarily imports from abroad. These include especially sugar, cotton, woolens and thread, wool fabrics, paper and cardboard, petroleum and allied products, machinery of all kinds, automobiles, and chemicals. Among the products which the United States takes from Chile in rather limited quantities, although there is no reason why a marked increase cannot be effected, one might mention meat products, cereals, vegetables and fruit, sheepskins, cattle hides, wool, and, of course, copper and nitrate.

I deem it incumbent upon us to extend to the Chilean delegates all the courtesies which we owe them as a friendly sister republic with which we have maintained pleasant relations for decades. Especial attention should be directed to the possibilities which the Chilean market affords to American manufacturers and exporters.

As a result of the recent disaster which befell the Republic, the process of rehabilitation is, of necessity, a slow one. The present Chilean administration is composed of men who are genuinely democratic and who have the welfare of their people at heart. If we have been in earnest in our contentions that we have nothing but friendship and the highest regard for our neighbors, now is the time to show these characteristics. It would seem highly desirable, and, in the end, profitable, to all parties concerned, if the trade treaty to be ratified with Chile were to be accompanied or shortly followed by the extension of a credit to the Republic for the purpose of enabling Chile to effect a speedy restoration of the regions devastated by the recent disaster.

It is apparent that the credit, which Chile will employ for strictly constructive and revenue-producing purposes, will result in a healthy expansion in the commercial relations between the two countries. There is no reason why the record volume of trade established between the two nations in 1929, aggregating more than $133,000,000, cannot be reached or even exceeded. Last year's trade amounted to only $52,836,000, a rather appreciable decline from the 1937 results when total trade amounted to $70,665,000.

The impending visit of the Chilean commission should give Americans an opportunity to discuss freely the various problems which vitally affect the two Republics. I need not remind you that lasting friendship between nations as well as individuals is barely possible without a thorough acquaintance with and a full knowledge of each other. We shall, in all probability, succeed in convincing our visitors that the United States is not the imperialistic government which our southern neighbors hold it to be. If we are in earnest, as I am sure we are, about fostering the principles of democracy not alone in our country but in the entire Western Hemisphere, we must appreciate the fact that economic well-being is one of the prerequisites for the accomplishment of this objective. Countries which are in the throes of economic distress often furnish fertile grounds for sinister propaganda and the spreading of insidious dogmas. If we aim at peace and prosperity in our own land, we must see to it that peace and prosperity obtain also in the lands of our neighbors.

"Onward, Christian Soldiers"

EXTENSION OF REMARKS

OF

HON. COLGATE W. DARDEN, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ADDRESS BY HON. A. WILLIS ROBERTSON, OF VIRGINIA, ON JUNE 2, 1939

Mr. DARDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following commencement address delivered at Woodstock High School, Woodstock, Va., by my colleague from Virginia [Mr. ROBERTSON] on June 2, 1939:

I never come to Woodstock but that I recall the life and times of the most famous man who ever lived here, Gen. Peter Muhlenberg. Born in 1746 in a small Pennsylvania village near Philadelphia, he showed no great promise as a boy, being fonder of hunting and fishing than of his books, and giving no indication of the religious and patriotic zeal that subsequently characterized his life. When he was only 16 years of age his father placed him for a year in the College of Philadelphia, which later became the University of Pennsylvania, and on April 27, 1763, when Muhlenberg was only 17 years of age, his father sent him to England. From there he went to Germany, where he was apprenticed to a shopkeeper for 6 years, at the conclusion of which he was to receive as his total compensation for 6 years of hard labor, a new suit of clothes, hat, and shoes. After 2 years of the drudgery of an apprenticeship of this kind Muhlenberg enlisted in a British regiment that was being recruited in Germany for service in America and returned with it to America, where his father purchased his release. The father, a devout and able Luthern minister, wanted his oldest son to follow in his footsteps, and although Peter at that time had no great inclination to do so, he did have a great desire to please his father, and hence took up studies leading to the ministry. On one occasion while still a student for the ministry he substituted for his father, and attracted such favorable comment from the congregation that he was made his father's assistant. At the dedication of a new church in Philadelphia he was licensed to preach on June 25, 1769, when he took as his text verses 6 and 7 of the One hundred and twenty-second Psalm: "Pray for the peace of Jerusalem; they shall prosper that love thee." "Peace be within thy walls and prosperity within thy palaces," commenting on wars around Jerusalem and the relation between wars and prosperity.

In May 1771 Peter Muhlenberg received a letter from James Wood, a justice of the peace of Woodstock, which at that time was called Muellerstadt after a prominent German named Mueller. When the county of Dunmore was formed from Frederick in 1772 and named after the royal Governor of Virginia, Lord Dunmore, the Legislature changed the name of the town from Muellerstadt to Woodstock and designated it as the county seat of the county.

The letter from Squire Wood to Muhlenberg was as follows:

"Dear Sir: I have been requested by the vestry of a vacant charge in Virginia to use my endeavors to find a person of an unexceptionable character, either ordained or desirous of obtaining ordination in the clergy of the Church of England, who is capable of preaching both in the English and German languages. The Living, as established by the Laws of the Land, with Perquisites is of the value of Two hundred and Fifty Pounds Pennsylvania currency, with a Parsonage House and a Farm of at least Two hundred Acres of Extremely Good Land with every other

convenient Out House belonging to the same, which will render it very convenient for a Gentleman's Seat. And having just now received a Character and Information of you from Mr. John Vanorden of Brunswick, I am very inclinable to believe You would fully answer the expectations of the people of that Parish; the Gentleman of whom I have had information does not know, whether You are ordained by the Bishop of London or not. However, be that as it will, if You can come well recommended to the Vestry, they will recommend You in such a manner as to make Your ordination certain. If You should think those Proposals worth Your acceptance, I shall be glad You would write me an Answer, to be left in Philadelphia at the Sign of the Cross Keys, where I shall stay a few days on my return home, when, if I find You inclined to accept of this Living, You may expect to hear from me, directed to the care of the Gentleman, of whom I have been favored with the information, which I have received.
"I am, tho' unacquainted, Rev. Sir,
"Y. Ob. Serv.,
"JAMES WOOD

"NEW YORK, *4th May, 1771.*
"P. S.—If You should determine to go to London, I make no Doubt of the Vestry advancing sufficient Sum to defray the expenses."

In those days only the salaries of the preachers of the Church of England were paid from public taxation and only marriages performed by such clerics were considered legal. In order for Muhlenberg to meet those requirements he went to London, where on April 23, 1772, he was ordained by the Bishop of London and returning to America he assumed his duties at Woodstock in the fall of that year.

To better understand the background of the young preacher who came to Woodstock in 1772, it is necessary for us to recall that the dominance of the Quakers in Pennsylvania was maintained through the Germans of Pennsylvania. The Quakers did not like war and the Germans did not like taxes so a happy medium was formed on the basis of no war and lower taxes. After Braddock's disastrous defeat in western Pennsylvania during the French and Indian war, the Indians continued to harass the Pennsylvania settlers and Peter Muhlenberg's grandfather helped to organize the local defense against their recurring raids. So he grew up hearing those tales of Indian warfare, which probably influenced him to enlist, as stated above, in the English regiment for military service.

The Boston Tea Party occurred in December 1773, shortly after Muhlenberg had gone to Woodstock. In May 1774 the Virginia House of Burgesses meeting at Williamsburg adopted a resolution calling upon all the people in the colony to observe Sunday, June 1, as a day of prayer and fasting for deliverance against tyranny. Lord Dunmore answered that petition by dissolving the house of burgesses. And so we find the free and unterrified citizens of Dunmore County meeting on June 16, 1774, with Peter Muhlenberg as their chairman, or moderator, and this, in part, is the resolution adopted by that mass meeting:

"That we will pay due submission to such acts of government as His Majesty has a right by law to exercise over his subjects, and to such only.

"That it is the inherent right of British subjects to be governed and taxed by representatives chosen by themselves only, and that every act of the British Parliament respecting the internal policy of America is a dangerous and unconstitutional invasion of our rights and privileges.

"That the enforcing the execution of the said act of Parliament by a military power will have a necessary tendency to cause a civil war, thereby dissolving that union which has so long happily subsisted between the mother country and her colonies; and that we will most heartily and unanimously concur with our suffering brethren of Boston and every other part of North America that may be the immediate victim of tyranny, in promoting all proper measures to avert such dreadful calamities, to procure a redress of our grievances and to secure our common liberties."

Pursuant to a resolution adopted by the Virginia Burgesses in their Raleigh Tavern meeting, two delegates were elected to represent Dunmore County in the convention called to meet in Williamsburg on August 1 1774. These delegates were Jonathan Clarke, Esq., and Peter Muhlenberg. At that convention Muhlenberg supported Patrick Henry in his demands for vigorous action and he there made the acquaintance of Col. George Washington, who was representing Fairfax County, and who made a speech offering to raise and subsist a thousand men and march with them to the aid of Boston.

At the convention which met in Richmond on March 20, 1775, with Peyton Randolph presiding, Clarke and Muhlenberg again represented Dunmore County and were present in St. John's Church when Patrick Henry delivered his impassioned and memorable words: "As for me, give me liberty or give me death." Muhlenberg and Clarke continued to represent their county in the further session in Richmond on December 1, 1775, and in Williamsburg on December 4. Lord Dunmore declared martial law in Virginia and issued a call to arms. His proclamation was referred to a committee of 10, of which Muhlenberg was one, and that committee reported on December 13, declaring Dunmore's proclamation violated the constitution and laws, assuming powers which even the king could not exercise. Therefore, the reply continued, the people were "compelled by a disagreeable and absolute necessity of repelling force to maintain our just rights and privileges, and we appeal to God, who is the sovereign disposer of all events, for the justice of our cause, trusting to His unerring wisdom to direct our councils and give success to our arms."

The sessions of the convention continued until January 1776. On January 12 the appointment of officers for the new battalions was announced (equal to the command of a colonel). The eighth battalion was the German command, and the colonel chosen for that battalion was none other than Peter Muhlenberg, of Woodstock, who was then only 29 years of age. Although he had had less previous military experience than any other colonel then chosen, his selection was urged by both George Washington and Patrick Henry. Legend has it that prior to that time Washington and Muhlenberg had hunted deer together in the Shenandoah Valley.

The exact time when Muhlenberg preached his famous sermon in Woodstock is not known, but the assumption is that it was in January 1776. The assembled throng filled every bit of space in the small church and overflowed upon the surrounding burial ground. Clad, as usual, in the black ministerial robe of his church, Muhlenberg preached a sermon that stirred the hearts of every hearer, although the exact language used by him was never recorded. However, 70 years later, Henry A. Muhlenberg quoted Pastor Muhlenberg as saying, "In the language of Holy Writ there is a time for all things, a time to preach and a time to pray, but those times have passed away. There is a time to fight, and that time has now come." Muhlenberg undoubtedly was making reference to the third chapter of Ecclesiastes, wherein it is written, "To everything there is a season, and a time to every purpose under the heaven."

Thomas Buchanan Reed epitomizes Muhlenberg's appeal in the closing stanza of his stirring poem:

"'Who dares'—this was the patriot's cry,
As striding from the desk he came—
'Come out with me in freedom's name,
For her to live, for her to die?'
A hundred voices answer, 'I!'"

It is that same appeal that I present to you tonight to enlist in the war to solve our current economic problems and by solving them save the representative democracy and American constitutional liberty for which General Muhlenberg fought. As long as I have the honor of representing you in the halls of Congress I will do all in my power to save you from the necessity of carrying a rifle on the field of battle, but I do call on you tonight to enlist as peacetime soldiers in the battle for what is fundamentally right, for what is fundamentally sound, for what is fundamentally necessary to preserve the rich heritage of the past.

Peacetime battles call for trained soldiers. Therefore, continue your education, in college if you can, but not necessarily, because the opportunities for self-education with the radio, good lectures, good books, and to learn at first hand the laws of nature are better now than ever before.

Peacetime battles call for moral courage of the highest type—a type of courage that will face difficulties, a type of courage that will assume responsibility for mistakes and shortcomings, and not attribute defeat to lack of wealth or political pull, a type of courage that places reliance upon one's own efforts and not upon the bounties of a paternalistic Government. They call for soldiers that can combine with that type of courage, modesty, and a pride limited to the ambition to excel in good deeds. I would be less than frank were I to seek to leave you under the impression that there are not dark clouds upon the horizon. The expenditure of a billion dollars a month by the nations of the world for a war not yet fought, to say nothing of the heavy burdens of past wars, handicaps efforts for a higher standard of living. Our land, as well as others, is permeated by group selfishness, group hatreds, and racial prejudices, all enemies of peace and prosperity. An unwillingness on the part of the present generation to make the sacrifices incident to the post-war depression is piling up a crushing debt burden—a hostage, as Lord Bacon might say, to your future prosperity.

Yet there remain more opportunities for your success and advancement in life than there were for the children of those who followed General Muhlenberg to make the fight for civil and religious freedom. And it is no longer necessary for a boy or girl to leave the Old Dominion to find these opportunities. I have traveled from Canada to the Keys of Florida; from the Atlantic to the Pacific; and every day I make contact with the Representatives of other States, and I can truthfully tell you that in my opinion and without idle boasting there is no better State than Virginia in which to live and none that offers more advantages for the future We have a good climate, fertile soil, a nice balance between agriculture and industry, a State comparatively free from debt, and the lowest tax rate of any State in the Union. We have good roads, good schools, and good churches, and above all else a Christian population of native-born Americans with an ambition to be true to the ideals and standards set by a distinguished ancestry.

We believe in State rights, and Chief Justice Hughes told us on the one hundred and fiftieth anniversary of the Congress that had we created a nation without sovereign States it would have been necessary to form them. And we have always believed, with Edmund Burke, that when liberty and justice separate, the fate of neither is safe. That was the undoing of the French Revolution. That might have been the undoing of Virginia during the trying reconstruction period when a carpetbag legislature passed a law amounting to a repudiation of private debts. But the unwillingness of the Virginia people, even in that dark hour, to deny

the just obligation of a contract was expressed by Judge Alexander Rives, of our State supreme court of appeals, when he said, in declaring that act unconstitutional:

"No matter what consequences may follow nor what action may be taken by the military authorities in our present unsettled state, the apprehension of them cannot, and ought not to, deter us from the fearless discharge of our responsible duties. But it should not be forgotten that there are opposite evils of perhaps greater magnitude than those which have been so feelingly depicted and depreciated. It has already been seen how these high constitutional sanctions of private right have no other means of vindication but by the judiciary.

"Is it not, then, worth while to consider on this side of the question what deplorable calamities, moral and political, might attend the surrender of this last bulwark by its sworn defenders through a subserviency to temporary interests or passions; or a timid disposition to sacrifice convictions to motives of expediency? No greater or more enduring misfortune, it seems to me, could befall a people, blessed with a constitutional form of government, than a sacrifice of any of its fundamental guaranties of that department of its service which, by the nature of its organization and functions, has ever been counted on to uphold with a stern inflexibility private rights and public morals. Great as might be the suffering growing out of a judicial sentence against this law, and widespread as might be the ruin of individuals and the sacrifice of property under it, they are not, for one moment, to be compared with the evils likely to attend the demoralizing example of a judiciary seeking, however covertly, popular favor by some skillfully disguised compromise of its highest and most imperious duty—that of disdaining any pretext, however plausible, and withstanding every temptation, however strong, to betray in the slightest particular the requirements of the State and Federal Constitutions. Such a spectacle of weakness and subserviency upon the bench, if it did not shock, would incurably deprave public sentiment, destroy confidence in the administration of the laws, spread corruption through other branches of the public service, and fearfully depress the hopes of the friends of constitutional freedom."

In a word, Virginia has sacrificed to preserve American constitutional liberty by preserving American constitutional justice and will always continue to do so.

With this background you descendants of the great Muhlenberg and of the German and Scotch-Irish settlers of the Shenandoah Valley will, I am sure, successfully meet and solve the economic problems that now confront us. There is no lack of wealth, of labor, of inventive genius in this great Nation of ours, but there is a lack of decisive purpose to go forward, a decisive purpose not to permit man's ingenuity to produce to outstrip his ingenuity to distribute. That is our outstanding peacetime problem to which I summon your best ability. "Onward, Christian soldiers."

Value of N. Y. A. Program

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

LETTERS REGARDING NATIONAL YOUTH ADMINISTRATION

Mr. VOORHIS of California. Mr. Speaker, once again I am glad to introduce into the RECORD evidence of the great value of the work of the National Youth Administration. In this case the letters are from one of the ablest high-school principals I know of, and written on behalf of the High School Principals and Administrators' Association of Los Angeles County and from the California Society of Secondary Education.

The letters follow:

BONITA UNION HIGH SCHOOL,
La Verne, Calif., May 12, 1939.

Hon. H. J. VOORHIS,
House of Representatives, Washington, D. C.

DEAR SIR: At the last regular meeting of the High School Principals and Administrators' Association of Los Angeles County I was directed to write you in behalf of the school-aid program of the National Youth Administration, with a request that you use your good offices to secure the continuance and, if possible, the extension of the program for the ensuing year.

The feeling expressed by the men present was that the program was very beneficial and is greatly needed by many of our students, who because of low prices in our agricultural commodities, particularly citrus, are suffering severe deprivation, and the present program is so inadequately financed that the average student is only receiving approximately two-thirds of the $6 amount allowed under the present program; and in addition there are approximately as many students on the waiting list as are now accommodated even under the reduced schedule.

We would urge, therefore, that the program be continued and, if possible, expanded to make possible the payment of $6 to needy young people and to take care of a larger proportion of needy cases until the present emergency is past.

Thanking you for your consideration in this matter, I am,

Very truly yours,

GEO. H. BELL.

CALIFORNIA SOCIETY OF SECONDARY EDUCATION,
Berkeley, Calif., May 8, 1939.

Hon. H. JERRY VOORHIS,
Representative from California, Washington, D. C.

DEAR SIR: At a recent meeting of the board of trustees of the California Society of Secondary Education, I was instructed to bring to the attention of California's Representatives in Congress the following resolution:

"Because of appreciation of the education implications, as well as the relief aspects, of the National Youth Administration program for youth in our secondary schools, the California Society of Secondary Education goes on record as commending wholeheartedly the student-aid features of the N. Y. A. program. The society feels that if educational equality is to be the right of young men and women in our high schools and colleges, it is mandatory that this type of Federal support be continued and even extended beyond its present scope."

Will you please exert your influence in behalf of future legislation favoring the N. Y. A. student-aid program. As administrators and teachers in California secondary schools, members of our society feel that the teaching personnel in the State is unanimous in backing appropriations for this phase of the National Youth Administration program.

Respectfully yours,

L. P. FARRIS, *President.*

Vandenberg's Advantage in 1940—Canal Victory Shows He Holds Power to Rally Anti-New Dealers

EXTENSION OF REMARKS

OF

HON. CARL E. MAPES

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ARTICLE BY MARK SULLIVAN

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mark Sullivan, which appeared in yesterday's papers:

VANDENBERG'S ADVANTAGE IN 1940—CANAL VICTORY SHOWS HE HOLDS POWER TO RALLY ANTI-NEW DEALERS—MARK SULLIVAN SAYS THIS ABILITY MAKES HIM A FOREMOST REPUBLICAN PRESIDENTIAL PROSPECT, THOUGH HE ALSO COULD SERVE WELL IN THE SENATE

(By Mark Sullivan)

WASHINGTON, June 3.—One day last month in the Senate there came to an end a long series of battles. The outcome, occurring in a roll call May 17, may have a strong bearing on the Republican Presidential election next year.

The fight, going on intermittently through 5 years, was about building a canal, "a sublimated ditch," across north Florida, at a cost of from two hundred to three hundred million dollars. It was a New Deal project. President Roosevelt wanted it. The fight for it in the Senate was led by 100-percent New Deal Senator CLAUDE PEPPER, of Florida. And it was the most direct and plain economy issue that has arisen in Congress. That two hundred or three hundred million dollars could be saved without interfering with any public service.

The fight against the canal was led—with a remarkable combination of vigor, patience, and tenacity—by Republican Senator ARTHUR VANDENBERG, of Michigan. When the show-down came, Senator VANDENBERG won. The canal project was defeated by 45 to 36.

MIXED ALINEMENT

If we analyze the political complexion of the 45 Senators whom Mr. VANDENBERG had behind him, we find a curious condition. Mr. VANDENBERG was supported by 21 Republicans (all but 2 of the

Republicans in the Senate—the 2 were absent). And he was supported by 23 Democrats. (The other vote was contributed by a progressive, Senator LA FOLLETTE, of Wisconsin.)

Here was a Republican Senator leading a victorious army against a New Deal measure in a controversy that was essentially New Deal versus anti New Deal. And Republican Senator VANDENBERG's successful army was made up of more Democrats than Republicans.

In that condition lies light on the Presidential nomination that the Republicans will make next year. I will explain why.

THE THREE LEADERS

In all polls there are three leading figures in the Republican Presidential field for next year—Mr. Dewey, of New York; Senator TAFT, of Ohio; and Senator VANDENBERG, of Michigan. Probably other figures may emerge. Today, in polls, more than 80 percent of the persons asked, express preference for one of these three.

Nomination will be determined by two factors. One factor is popularity with the people, as expressed in party primaries. The other is the judgment of party leaders. The respective weights of these two factors vary, in different Presidential years.

Today, among voters, in a popular sense, Mr. Dewey has more strength than either of the other two. But among party leaders, Senator VANDENBERG and Senator TAFT have more strength. Mr. Dewey's strength with the people rests upon his strong and colorful personality, coupled with his highly important public services. The strength of Senators VANDENBERG and TAFT with the party leaders is based upon conditions which not all of the voters take into account. One of these conditions has much weight.

REAL LEADER NEEDED

If the Republicans win the general election next year, they will be obliged to manage the country. They will wish to have an orderly, smooth-running government—how the country will need it! Looking forward to having a smoothly functioning government after 1940, the Republicans, and everybody else, must consider a factor that is often forgotten.

The Republicans may elect the President next year—many think they will. The Republicans may elect a majority of the lower House of Congress—if they elect a President they will with practical certainty elect a majority of the lower House also. But when we come to the Senate we find a novel condition.

By no possibility can the Republicans have a majority of the Senate in 1941. Senators are elected for 6-year terms; that is, one-third of the entire 96 are elected every 2 years. As a result of the great Democratic landslides of 1932, 1934, and 1936, so many Democrats are now in the Senate that they have an immense majority. The Republicans are a small minority, only 23 out of the entire 96.

REPUBLICAN HANDICAP

This present Republican inferiority in the Senate is such that by no possibility can they increase to a majority in next year's election. In other words, if the Republicans won every one of the senatorial elections next year, they would have only half the Senate. And the Republicans, even if they have a landslide, can hardly win every senatorial election next year, for some of them occur in southern States that never have gone Republican.

This condition, that the Republicans cannot possibly have a majority of the Senate, is one that some Republican leaders take account of when they consider whom to nominate for the Presidency. Whoever the Republican President is, in order to deal smoothly with the Senate he will be obliged to have friendly relations with the anti New Deal Democrats. If the Republican President wishes to get a bill through Congress, he would have to depend, in the Senate, on a combination of Republican Senators and anti New Deal Democratic ones—a Senate coalition.

VANDENBERG'S FORTE

I have recited all this to explain why some Republican leaders give serious thought to nominating Senator VANDENBERG. He has shown, in his fight on the Florida ship canal, and otherwise, that he can bring about, and successfully lead, a coalition of Republicans and anti New Deal Democrats. He has been in the Senate 11 years. He is part of the Senate fraternity—only a Senator who is liked and respected could get large numbers of the opposing party to vote for policies led by him.

The theory of those who advocate Senator VANDENBERG for the Republican Presidential nomination is that he could do in the Presidency what he has done in the Senate. The theory is that Mr. VANDENBERG as President could work harmoniously with a Senate in which, inevitably, there must be a Democratic majority. And this ability to work with such a Senate is very necessary for any Republican President who is elected next year, assuming some Republican is.

A variation of this theory says that Senator VANDENBERG could be just as effective by remaining in the Senate—that in the Senate Mr. VANDENBERG could be the ambassador of the Republican President.

What is said here merely explains why many Republican leaders look favorably upon nominating Senator VANDENBERG. Neither this nor any other condition is conclusive, about this or any other Republican possibility.

The Inconsistencies of the New Deal

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

RADIO ADDRESS BY HON. CHARLES HAWKS, JR., OF WISCONSIN

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me recently over the radio:

Ladies and gentlemen, since 1930 we have been trying to bring our country out of a depression, and since 1932 we have done nothing but play politics with the misery that goes along with a depression. I would like to say for the President that he started out to do a good job, but once he put out to sea he threw away the compass and all the charts, and in 1935 he threw overboard the steering wheel. At the present time the New Deal has absolutely no course to follow, and I can find no better evidence of this than in the legislation the administration has offered and pounded through Congress this year.

For 5 years their only program was one of spending, hoping against hope that huge appropriations of Federal funds would start the wheels of industry and business turning. They know from experience that this won't work, but for lack of a sound program, and because they haven't got what it takes to live within their income, the new dealers in 1939, prodded on by a determined administration, continue to spend, and spend, and spend.

The New Deal dominated Congress has already appropriated money enough that will indicate that the coming year will show a deficit of at least $3,000,000,000, and the program for 1940–41 shows definitely that our outgo will exceed our income by several more billions of dollars.

The inconsistencies of the New Deal are something to marvel at. Since 1932 they have been trying to put back to work 12,000,000 unemployed workers. They have been demanding that business and industry open up and expand their activities to absorb a large part of this unemployed army and at the same time have passed legislation that has driven capital and industry deeper into their holes.

A more recent attempt of the President to be friendly to business is typical of the inconsistency they follow. His appointment of W. P. A. Administrator Hopkins to the post of Secretary of Commerce was a blow below the belt, and recent statements of Mr. Hopkins are proof of that fact. These bureaucrats, these theorists, these professional boondogglers, have no love for private industry, and Harry Hopkins has no intention of offering to business an opportunity to go ahead.

In the Department of Agriculture Mr. Wallace is determined to follow through with his Triple A. He has killed and plowed under and destroyed and subsidized, until our farmers are dizzy. While we were following a policy of curtailment in this country in an effort to control so-called surpluses of agricultural products, the State Department was entering into friendly neighbor agreements, so-called reciprocal-trade agreements, that permitted the dumping into the American market of cheap foreign produce.

We have enacted the Fair Labor Standards Act, and have passed labor relations legislation. We have established maximum hours and minimum wages, created social security and unemployment insurance, and have done everything but give to 12,000,000 men and women a job. Our labor leaders are very jealous and very anxious to guard what they call gains for labor. We have all of these so-called gains, but still we have no jobs.

We have low agricultural prices, and high costs of manufactured goods, and until we obtain a better balance between the income of the farmer, and the income of the worker, until the price for the finished product is within the reach of the greatest purchasing power in this country, namely, the farmer, there is no sense in our talking about prosperity.

During the last 6 years we have built up the greatest Federal bureaucracy known to the world. In the building of this top-heavy structure we have just about destroyed local governments. Local county boards meet to set up the budget for the coming year, and are at once confronted with the necessity of meeting mandatory obligations imposed upon them by the State and National governments. In November 1938, as a member of the county board of my county in Wisconsin, we discovered that of the million-dollar budget we had set up, 63 percent of the moneys appropriated were required of us by reason of State and Federal demands. In other words, the basic unit of government in this

country, the county board, could control only 37 percent of its activities.

I believe it should be Republican policy to return immediately to the States and other local units of government their proper functions and responsibilities.

To quote Chief Justice Hughes:

"If we owe to the wisdom and restraint of the fathers a system of government which has thus far stood the test, we all recognize that it is only by wisdom and restraint in our own day that we can make that system last."

Now, as to the "good neighbor" policy. How long can you be good neighbors with those who come to borrow your butter, your eggs, your sugar, and your coffee, and never return any of them, who not only continually borrow with no return, but who finally take your lawn mower and trade it off, barter it away to somebody else for something?

Of course, we all subscribe to the "good neighbor" policy, but a good-neighbor policy is a two-way proposition. The principle of the good neighbor is the principle of those who repay what they borrow, and try to repay promptly, and fully. We all adhere to the ideals of good will and brotherhood, but that is a two-way proposition, also, and when it ceases to be a two-way proposition, it ceases to be brotherhood, or good will, and becomes imposition.

We all believe in the Golden Rule as an ideal, and as a practical philosophy of life, and of government; but certainly the Golden Rule does not mean to give to everyone who asks of you, all he asks, until you have pauperized yourself. There is nothing in the philosophy of the Golden Rule that requires us to make paupers of ourselves in order to enrich our neighbors. There is nothing in the philosophy of the good neighbor that requires us to continue to give and to give, and to lend and to lend, while our neighbor expropriates the land and personal property of some of us, in order to barter away the proceeds in some other direction.

There is a very serious question involved as to how far we should be expected to pursue a "good neighbor" policy, with the peoples of other countries, while we neglect to be good neighbors to those in our own country who need help. It is a serious question, as to how far we should borrow money, which the taxpayers must repay, to lend to foreign nations, while not as much as one-third of our own citizens who are unemployed have ever had the benefit of any Federal relief.

Those of the generation which preceded us will not have to do the repaying; they are not the ones who will have to liquidate the enormous debts being piled up under the "good neighbor" policy as conducted under the reciprocal-trade agreements and the other ways in which our debt is being increased day by day and hour by hour. It is the young people of today, and their children, who are going to reap the bitter fruits of these mistakes, unless the young people take matters into their own hands and stop these trends and remedy this situation.

We hear a good deal of talk, particularly among the older groups, about the enormous power that has been vested in the executive head of our Government, the tremendous bureaucracy which has been built up, the ruthlessness of political manipulation of public funds, and the great force of the patronage at the disposal of the bureaucrats. This tends to bring an attitude of "defeatism." Don't take those things too seriously. If we in Wisconsin had stopped to fear the powers of patronage and the grip of the bureaucrats, and the enormous influence of relief and farm subsidies which can be dispensed by the administration, we would not have attempted what we did attempt.

The best evidence in this country that these powers now possessed by the administration are not convincing is to be found in the election returns last November in the State of Wisconsin. To be perfectly frank with you, I suspect we young fellows up there just didn't have sense enough to know that we couldn't win; therefore we barged in where older angels feared to tread, and in some way we won. Don't think it was an accident, or a political fluke, because we expect to repeat, and on a greater scale, in 1940.

We expect to do that, because we have discovered in Wisconsin the truth of what Abraham Lincoln said: "That you can fool all of the people some of the time, and some of the people all of the time, but you can't fool all of the people all of the time."

The New Deal has done just exactly that. The lofty platitudes and the melodious tones and the simulated sincerity finding expression over the radio, throbbing in the columns of the press, fooled all of the people for a while. Part of the people are still fooled, but the majority of them, as shown by the election returns last November, and as being shown week after week in the Gallup polls—the majority of them, I say, have ceased to be fooled, and the handwriting is on the wall.

Someone has said that if you make a better mouse trap the world will beat a path to your door. We have also discovered that if you will open your treasure house for all to come and take, the world will beat a path to your door. The trouble today, the trouble ever since the war has been that they beat a path to come and get, but they don't retread the path to come and pay.

So far as the question of our foreign relations is concerned, it seems to me it can be disposed of completely in one sentence: If we go in with our dough, we will go in with our doughboys later.

From the time we went into the World War with our men and our money up to the hour when the depression struck, we had exported from this country in governmental and private loans to other countries, a total of something like $29,000,000,000. Do you wonder, you young people, why you are today facing the conditions you do? Is there anything to wonder about, when you stop to consider that no economic structure in the world, not even in rich America, possibly could withstand without a terrible shock and maladjustment the withdrawal of $29,000,000,000 of purchasing power, and its export to other peoples in other countries? And remember the greater portion of that has never been repaid.

I now want to put my finger on one of the principal fallacies of the New Deal, of the whole New Deal philosophy. It is argued that these loans, or credits, were spent in this country, and therefore we got the money back. We produced and paid for the raw materials. We manufactured and fabricated, and then we sent the results of our resources and our labor in goods and services abroad, and did not get the money in return. Of course, it impoverished this country. Of course, it took dollars out of the pockets of every one of us, of every citizen of this country. So don't be fooled by this fallacy that because we extend credits to be spent in this country that we do not lose the money, because we do, for we lose the goods.

Some of you listening are in business, and all of you understand business. What would you say of a storekeeper who would say to his customers: "Come to the office and get the money, and then step down to the counter and buy my goods." How long do you think he would stay in business? What would you think of him, if not once, but again and again he would extend the invitation and, in addition, turn out the Army and the Navy, with all the pomp and panoply, and flags and glittering bands, to greet those who came to his office to get the money to buy his goods, when they had failed to repay their former debts?

That is the situation that this Government is in today. That is precisely what we are heading into again. Certainly, it ought not be so difficult to find in other countries of the world those who want to borrow, that we have to put on a huge military show, in order to persuade them into the state of mind where they are willing to accept loans from us.

And, finally, let's get back to the thing that touches our lives intimately; that is, the "good neighbor" policy can be a policy only when the neighbor brings the cut of butter and the pound of sugar and the can of milk and the dozen eggs and the coffee and the lawnmower back.

A very distinguished gentleman from New York, who made the brown derby a household word in America, once said, "You can't beat Santa Claus."

In Wisconsin we didn't try to beat Santa Claus, but we certainly did beat his spendthrift nephew and all of his first and second cousins. The childhood tradition of Santa Claus is a beautiful thing, and one of life's saddest memories for each one of us was when we discovered there isn't any Santa Claus. The American people, certainly the people of Wisconsin, know there isn't any Santa Claus.

They know that the bags full of checks and coupons, and food and clothing, and houses and farms, and projects of one kind and another, do not come out of the mysterious realm of Santa Claus at the North Pole; but that they come out of the hard-earned dollars of the men who plow the fields, and work at the lathes, and toil at their various occupations, staggering under a load of taxation, facing a load of debt that makes the future look dark, and that for the youth of America holds little but hardship and sacrifice, if it goes on.

The New Deal has proven to be a very, very bad deal. The American people demand that the political cards be laid on the table and that they be dealt from the top of the deck. Let's have an "honest deal" for a change.

Who's the Boondoggler?

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ARTICLE FROM THE VENTURA COUNTY (CALIF.) STAR-FREE PRESS

Mr. VOORHIS of California. Mr. Speaker, in view of the severe attack which has been made on the Works Progress Administration, I feel that all such charges, as a matter of right, should be carefully analyzed. To this end, therefore, I have asked to include with my remarks the following editorial from a California newspaper:

[From the Ventura County (Calif.) Star-Free Press]

WHO'S THE BOONDOGGLER?

A great deal has been said here and elsewhere about the W. P. A. as a leaf-raking, boondoggling organization. And much of it is lamentably true.

It has been true, in quite a degree, about Ventura County's W. P. A. projects. True, certainly, about some of them.

However, it probably is a fact that the blame for the boondoggling lies rather with our own local officials than it does with W. P. A. itself. For, after all, the job which is completed by a crew of W. P. A. workers can be no better than the plan which was outlined in the beginning for that work. If it was planned to have a crew of men manicure the highway shoulders, shoulder manicuring will be the finished product. If the plan calls for a fire station, a storm-water drainage system, a schoolhouse, a water-main extension, or the creation of a new park, then the community obtains for its and the National Government's expenditures something lasting and worth while.

And in every case it is the local governmental unit which makes the plan.

The Star-Free Press was pleased to record Saturday the statements made by two southern California executives of the W. P. A. urging our local officials to come forward with more constructive projects. The budget-making period for county, cities, school districts, and other governmental subdivisions is near. The supervisors, councilmen, trustees, and other officers in laying their plans for the next fiscal year should devote thought to the community needs, and, where possible, plan to utilize this valuable W. P. A. agency (valuable, that is, if properly employed) to obtain public structures and improvements which we really need and can effectively use. Many other California communities have been wiser in this regard. Glendale and Inglewood, for example, have done an outstanding job of formulating W. P. A. projects which have brought to those cities permanent improvements of sterling worth instead of wasting their shares of these funds for transitory and unnecessary purposes. Ventura County should begin getting its money's worth, too.

Senator Robert F. Wagner

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

RESOLUTION OF THE JOHN P. MORRISSEY-THANNAWAGA CLUB

Mr. MARTIN J. KENNEDY. Mr. Speaker, ladies and gentlemen of the House, it gives me pleasure to insert in the RECORD a resolution adopted by the John P. Morrissey-Thannawaga Club, the Democratic organization of the sixteenth assembly district of New York, and in which I concur. It praises the unselfishness of Senator ROBERT F. WAGNER. In these days of arduous duties in the Nation's Capital, and when the press and others are critical of public characters, it is heartening to know that the noted senior Senator from New York is not forgetful of his friends; that strenuous work in the office here in Washington and on the floor of the Senate does not prevent him from displaying his devotion to the assembly district from which he first embarked on his political career.

To attend a testimonial dinner to Leader John P. Morrissey, which inspired this resolution, Senator WAGNER encountered serious danger. His airplane was forced by fog to turn back from the Newark Airport. He landed at Camden, and with the aid of a motorcycle escort he drove furiously on to New York so as not to disappoint his friend John P. Morrissey and thus mar the happy occasion.

The resolution follows:

Whereas the Honorable ROBERT F. WAGNER, senior United States Senator for the State of New York, did attend at the testimonial dinner tendered to John P. Morrissey by his friends and neighbors of the sixteenth assembly district on April 27, 1939; and

Whereas, notwithstanding the innumerable duties attending upon the Senator as the leader of the United States Senate in the furtherance and completion of the recovery program of the President of the United States; and

Whereas the Honorable ROBERT F. WAGNER, despite great personal inconvenience, did nevertheless put such duties aside to do honor to our leader: Be it hereby

Resolved, That the John P. Morrissey Association-Thannawaga Club, Inc., inscribe upon the minutes of the organization a vote of thanks and appreciation for the unswerving interest and loyalty ever shown by the Senator in the affairs and well-being of the sixteenth assembly district, county of New York, and his friends therein residing; be it further

Resolved, That a copy of this resolution be presented to the Honorable ROBERT F. WAGNER, United States Senator, representing the State of New York.

The above resolution was unanimously adopted at a regular meeting of the John P. Morrissey-Thannawaga Democratic Club, Inc., on the 5th day of May 1939.

Recovery and the Tariff

EXTENSION OF REMARKS

OF

HON. NOBLE J. JOHNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

RADIO ADDRESS BY HON. FOREST A. HARNESS, OF INDIANA, JUNE 2, 1939

Mr. JOHNSON of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address made by Hon. FOREST A. HARNESS over the red network of the National Broadcasting Co. on June 2, 1939:

All of you have attended circus performances, where the artists dazzled you in three separate rings at the same time, while acrobats flew through the air and clowns disported themselves—all in a glorious confusion of sight and sound. You know exactly how I feel, then, when I confess that the great New Deal circus of the past few days has proved a little too much for my simple ability to comprehend. There have been entirely too much aerial acrobatics and too much buffoonery going on for us to grasp it all.

Speaking of circuses, we will probably never see anything under the big top any funnier than a new dealer trying to act like a conservative. There probably will never be a finer piece of trapeze work than that which the President performed when he flew from avowed liberalism to his newly announced position as a conservative. But while you and I were showing the proper amazement at that exhibition of agility, we could not miss the significant fact that the New Deal's domestic program remains exactly what it has always been—spending and more spending; taxing and more taxing; regulation and more regulation; abuse and more abuse of American business. If any of us held the hope that the New Deal had honestly meant what it said about business appeasement, the President definitely put an end to that hope in his speech before the Forum of National Retailers May 22.

If a hundred commentators had not already riddled that speech and exposed the President's inability or unwillingness to grasp the most apparent economic truths, I should like to remind him that he still has the cart before the horse. I should like to tell him that his much-preached-about purchasing power is not a mystic quality which you create by waving a Federal wand; but that it is the result which naturally follows when farmers and laboring men and busy capital produce. Purchasing power is simply wealth in action. And when we relearn the simple lesson that we must produce before we can spend, we will have learned how to provide the purchasing power which is such a fetish with the President.

With the proof before us that the New Deal domestic policies are to remain unchanged, it is pertinent that we should examine these policies again in relation to the administration's program for foreign trade. The subject is particularly pertinent, in view of the fact that we have just finished a week devoted to promotion of world trade, during which time we have heard significant speeches by three Cabinet members, Secretaries Hull, Wallace, and Hopkins, in addition to an official communication from the President, himself, on the subject.

You recall the President's reminder, "We must take as well as give; import as well as export." You also recall Secretary of Commerce Hopkins' speech before a world trade dinner in New York on May 25, in which he stressed the importance of increasing our imports. Finally, you recall that Secretary of State Hull, speaking at Chicago May 28, emphasized the necessity of promoting international trade. These gentlemen were speaking directly on the promotion of world trade.

But it was Secretary Wallace, speaking at Little Rock, Ark., on May 26, who really displayed the New Deal's domestic program and foreign trade policy in their true perspective. Mr. Wallace did not have foreign trade or tariffs particularly in mind when he spoke at Little Rock, but the highlights of that speech bitterly illustrate the fact that our domestic program and our tariff policy are working in exactly opposite directions.

That speech was an utter maze of economic contradictions, and admissions of New Deal error. It was the speech of a man whose

conscience led him to admit the economic absurdities his administration has committed; but, none the less, the speech of a man who insists that these absurdities must be continued because the administration knows no way out of the dilemma it has created.

Wallace frankly admits that artificially pegged domestic prices for cotton have hampered the natural movement of our cotton in international markets. And there, ladies and gentlemen, is the key to this utter absurdity. For what is true of cotton is true of the entire New Deal farm program. And what is true of the farm program is equally true of the entire New Deal philosophy.

For 6 frantic years the New Deal has moved heaven and earth to jack up domestic wages and prices. It is beside the point to say that the New Deal has been entirely wrong from the beginning in the childish assumption that high prices cause prosperity. This, of course, is still the business of getting the cart before the horse. But right or wrong, that is the basis upon which our course has been charted for 6 years.

With that thought in mind, look now at our foreign trade policy. While the administration has been trying frantically to jack up domestic price levels by every conceivable artificial means, Mr. Hull has been working with might and main to knock down prices, wages, and the American standard of living. The entire official family this past week has preached the doctrine of international trade. But there has not been a day since 1933 when the administration has not denied these preachings with its domestic program.

Now, while the New Deal continues to assert that it is physically possible to go in opposite directions at the same time, let us look at the simple truths about international trade. Let us skip statistics, and stick to logic and simple arithmetic.

The President himself gave us a good starting point when he said: "We must take, as well as give; we must import, as well as export." In other words, when we sell a dollar's worth of American goods abroad, we must sooner or later take back a dollar's worth of foreign goods in exchange. Nothing can be truer than this simple fact. It varies only in times of unusual emergency; and then only long enough for natural forces to strike a balance. When we seek trade in foreign markets, we must expect to open our own markets to producers abroad who care to sell within our borders.

The internationalists would have us believe that that free interchange is exactly what the doctor ordered for world prosperity and international security. But before we agree let's compare world markets with our own.

Where can we hope to find trade opportunities to compare with those right at home? The answer is automatic; there simply are no markets abroad as we know them here. Ours is a fertile trade area which is so far ahead of anything else in the world that there is simply no basis of comparison. With only 6 percent of the world's population, we own half of the world's gold supply and three-fourths of the banking resources. We own 70 percent of the world's automobiles, 50 percent of the telephones, and 40 percent of the radios. We are far and away the largest consumers of practically every important product or commodity.

We have the highest wage scales and the greatest purchasing power on earth. In fact, our purchasing power is greater than that of 500,000,000 people in Europe.

Yet the internationalists would have us open this incomparable market for the doubtful advantage of competing for a handful of trade abroad. They do not tell us that our export trade has never amounted to as much as 10 percent of our total volume of business, except briefly during the World War, when we fed the allied armies on credit.

Incidentally, I hardly need to remind you that those 20-year-old bills are still unpaid and that a high percentage of our exports in the decade following the war were financed with your money and mine. Also, that our loans abroad proved so bad that our debtors no longer even apologize when they pass their interest-paying period.

Neither do the internationalists tell us that we are now pursuing a childishly idealistic course in a world of brutally realistic bargain drivers. They don't explain that since the World War there has been such a complete resurgence of nationalism that we are hopelessly alone and out-numbered in any gesture we make toward free trade.

Finally, they do not tell us the actual consequences which follow within our own borders when we destroy the protections behind which the United States has developed an unparalleled standard of living. But—and this is so important that I want to emphasize it particularly—the simplest sort of arithmetic tells us that when an American laboring man, earning from 2 to 10 times as much as the foreign workman, is thrown into competition with that foreign workman, the American loses his job. Whenever we permit the importation of a product or commodity which can be reasonably produced in America, we have simply laid off our own people and sent their jobs abroad.

What has tariff to do with recovery? Simply this: With proper safeguards against low wage, low standard foreign competition, American agriculture and industry may have some chance—despite the burdens and restrictions imposed by the New Deal—to pick up the slack and put our unemployed people back to work.

New Dealers will tell you that our present policy is working; and that our 21 trade agreements are aiding recovery. Actual statistics, as well as the entire history of American tariffs, however, both disagree with them. If you are a businessman, or a laborer, you know of case after case in your own experience where reciprocal-trade agreements have worked hardships right in your own community. If you are a farmer, you can't help feeling rather bitter at the fact that America, the greatest agricultural nation in the world, has lately become an important importer of farm products.

Free-trade exponents may argue until doomsday about the beautiful theories of internationalism, and American responsibility in the world today. It means little to us that foreign nations will be affronted if we deny them free access to American markets. Of course, they want to sell in America—why shouldn't they want to sell where the selling is easiest and most profitable? We intend to be, and will be good neighbors. But being a good neighbor doesn't necessarily mean opening your garden to your neighbor's chickens—nor does it mean that we owe him an apology if he is offended when we close our garden gate.

The international aspect is entirely secondary and relatively unimportant. The main point is that we are confronted today with the grave problem of maintaining and improving the American standard of living. We have an administration which professes to make every effort to maintain that standard.

Why, then, should we tolerate a trade policy which we know is directly opposed to everything the administration professes to work for? With American industry and agriculture in a New Deal strait jacket which restricts production and boosts production costs, why hold to the futile hope that we can compete in markets where we have never enjoyed a notable success? Why, with our own producers burdened and restricted, should we expose their natural markets to foreign producers?

If we are to have prosperity again, it is time we applied a common-sense program of tariff protection which will save American markets for American producers. When we adopt such a policy we will have taken an important step toward sound recovery in this country.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 15, 1939

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable James A. Farley, Postmaster General of the United States, at the annual State convention of the Kansas Chapter of the National Association of Postmasters, held at Salina, Kans., Monday, May 15, 1939, at noon:

I am happy to be here today in Salina with the postmasters of Kansas. Every year about this time the postmasters hold their State conventions. I am glad to attend them and to take advantage of the opportunity they afford me to meet you personally and to talk shop. Last week I attended similar meetings in Missouri, Illinois, and Iowa, and like this meeting here those conventions were well attended, which indicates that the postmasters are enthusiastic about their work and are sufficiently interested to travel great distances when necessary to attend these sectional meetings, which serve a twofold purpose. First, they enable all of us to increase our knowledge of the postal system, and second, they enable you as a group of postal officials to consider and discuss the things relating to your own welfare. I thank you for coming.

During the fiscal year ended June 30, 1938, we handled more than 26,000,000,000 pieces of mail matter. Of this number more than 14,000,000,000 pieces were first-class, in excess of 5,000,000,000 pieces third-class, more than 600,000,000 parcels, and more than 200,000,000 pieces of air mail. The remainder was made up of newspapers, magazines, and penalty matter. The handling of that volume of business of course requires a huge organization, totaling nearly 400,000 people at this time.

With the exception of the Motor Vehicle Service in the cities, the Department itself does not own any of the transportation facilities used, but depends upon the air lines, the railroads, steamships, and other forms of service under contract to provide the actual vehicles for carrying this tremendous load across the country and around the world. We buy supplies in the open

market, therefore our operations either directly or indirectly affect a major portion of the industries of the country. For example:

During the fiscal year 1938 we paid out in salaries approximately $585,000,000, paid taxes more than $99,000,000 to the railroads, in excess of $14,000,000 to the air lines, about $11,000,000 for ocean-mail transportation, and approximately the same amount to contractors for star route and other vehicle service. We also spent more than $7,000,000 for mail messenger service. We bought more than $10,000,000 worth of miscellaneous supplies used in service operations, and $1,600,000 worth of supplies used in the maintenance of public buildings. We paid approximately $15,000,000 for rent for post-office quarters, and the heat and light bill for our public buildings amounted to approximately $3,000,000.

I am proud to be at the head of this business organization of the Government, which collects in the aggregate a staggering sum of money from the public each year but, considering the character of service rendered, gives back in that service alone adequate return to those who patronize it. You will also observe from the facts I have just related that in salaries and money spent for work performed we immediately turn back into the channels of commerce—not at any one central point but through all the cities, towns, and hamlets in every State in the Union—all of the money we collect. We maintain this business on a sound financial basis, for, as you know, in 4 of the 5 full years under this administration we have had a balanced budget; as a matter of fact, a surplus from that part of our service which we render to the public for hire.

I know that you, as postmasters, and all postal employees, are proud of your connection with the postal establishment and that you do and should take full credit to yourselves for the contribution you make to the Department's success. I have heard it said that all great and big things are merely an accumulation of properly coordinated little things. The fine hotels and office buildings in this and in all other cities in America are big in themselves, but in reality they represent a number of very small units properly assembled and properly coordinated. Some pieces of stone and some pieces of steel are larger and some are smaller, but in the general plan and in the final result each piece is of great importance. The same is true of the Postal Service. The basis of our success and our ability to serve the people so well is due to the fact that our agencies are universal.

We are confident in the knowledge that we can deliver a letter or a parcel, if properly addressed, to an individual anywhere in the world if he lives within reach of the long arms of transportation, or if he comes at regular intervals to points that are so reached. Obviously there is no other agency in existence, except the post-office establishments throughout the world, who can make such claims or offer any facilities that compare with those available by the use of the post.

Of all the postal establishments the United States Postal Service is the largest, larger by far than the three most important European countries. In fact, we have several States in this country which exceed in the volume of postal business handled the entire volume of many individual nations. The postal service, as you know, has been in existence in some form or another almost since the beginning of civilization, and the United States Postal Service has been in existence throughout the life of the Nation. It has been developed and made better, not by one man or any group of men. Its present efficiency is due to the ingenuity, the courage, and faithfulness of hundreds and thousands of men and women, some in the present administration and some in each administration that has preceded us. It would be foolish for any man, in a high or low position, to make extravagant claims concerning the part he has played in the development of this fine communication service, because in some way or another everyone connected with it contributes something to its success and improvement.

I do wish to say, however, that I came into the Government service during the present administration after having had a long career in business and public life. As a citizen I had great respect for this organization, and, as many of you know, I had personally made quite generous use of the postal facilities, and still do as a cash customer. My intimate connection with the management of the Department's affairs has caused me to increase my respect and admiration for the men who have spent their lives in its operation. I also have a high regard for the postmasters and officials who have come into the Department with me or since that time. But to get back to the idea of the management of the Postal Service: When I assumed charge of the Department in 1933 I had a definite purpose to give to the American people a sensible business administration of the affairs of this Department. I am happy to say that for myself and for all those associated with me in an executive or administrative capacity we have lived up to that purpose, and with your cooperation and the cooperation of every man and woman in the Postal Service we have brought about improvements far beyond our expectations.

We have insisted upon regularity of service. With the cooperation of the Treasury Department we have provided many fine, new, and well-equipped post-office buildings. We have improved the City Delivery Service and the Rural Delivery Service. We have taken advantage of every opportunity to perfect the air-mail system and to expedite the handling of mail by railroad. We have carried on campaigns and have secured much good will by courtesy on the part of our officials and employees.

We reduced the local rate of postage in cities and towns from 3 to 2 cents, and we are giving to the public a service on letters going out of town that is most assuredly worth the 3 cents paid for it. Last but not least, we have not forgotten the welfare of our employees. We have provided for them better working conditions in better buildings, and we have shortened their workweek without reducing their pay, so that now they have time for recreation and pleasure.

The benefits I have just enumerated have not been confined to any one section, one State, or group of States. These benefits will be found in every State, in every congressional district, and in every county throughout the United States.

I hope that each and every man and woman in the Postal Service will feel the same sense of pride and enthusiasm that I have, not in any sense a partisan pride, because what I am saying has no political meaning whatever. I am talking to you as my associates in a fine public enterprise, and telling you that with a full knowledge of the facts you have ample justification for being enthusiastic and proud over the fine job you are doing.

National Railroad Problems

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

RESOLUTION OF THE LEGISLATURE OF THE STATE OF OREGON

Mr. ANGELL. Mr. Speaker, the Oregon Legislature at its recent session adopted House Joint Memorial No. 8, memorializing the Congress of the United States to give early consideration to legislation to ameliorate the existing crisis in the railroad industry and to contribute to the solution of the national railroad problems. As part of my remarks I desire to extend in the CONGRESSIONAL RECORD the memorial referred to. It is as follows:

HOUSE JOINT MEMORIAL 8

Whereas there is at this time pending before the Congress of the United States a program of legislative relief introduced at the suggestion of the President of the United States and devised with the full cooperation and approval of the national leaders of the railroad labor organizations and of the railroad management; and

Whereas the State of Oregon is peculiarly dependent upon efficient and economic railroad service for the marketing of its products in highly competitive and far-distant eastern and middle-western markets; and

Whereas operation of the class I railroads in the United States during 1938 were conducted at an estimated deficit of $125,000,000, it being a matter of record that the deficits of western railroads during the said year generally were larger than those of eastern railroads; and

Whereas it is certain that the unreassuring financial outlook for the five major steam railroads serving the State of Oregon affects adversely the economic prospects of agriculture, industry, employment, and pay rolls and tends to decrease annual purchases by railroads of materials and supplies within the State of Oregon amounting normally to a sum in excess of $11,000,000; and

Whereas the President of the United States in his message to Congress on January 4, 1939, emphasized the critical nature of the railroad problem, saying in part "With this exception of legislation to provide greater Government efficiency, and with the exception of legislation to ameliorate our railroad and other transportation problems, the past three Congresses have met in part or in whole the pressing needs of the new order of things"; and

Whereas the interest of the State of Oregon in a sound and prompt solution of the national problem is undeniably most substantial: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the State of Oregon jointly, That the Congress of the United States be memorialized to act quickly in the consideration and enactment of proper legislation which will tend to ameliorate the existing crisis in the railroad industry and contribute to the solution of the national railroad problem; and be it further

Resolved, That the Governor of the State of Oregon is hereby requested to transmit a copy of this resolution to each Senator and Representative from Oregon in the Congress of the United States and that the Senators and Representatives from Oregon are hereby respectfully requested to diligently urge such action.

Honorary Degree of Doctor of Laws Awarded to the Honorable Edward T. Taylor by the University of Colorado

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

CITATION BY ROBERT L. STEARNS, ESQ., DEAN OF THE SCHOOL OF LAW OF THE UNIVERSITY OF COLORADO, AT BOULDER, IN RECOMMENDING, ON BEHALF OF THE FACULTY, THE HONORABLE EDWARD T. TAYLOR FOR THE DEGREE OF DOCTOR OF LAWS, HONORIS CAUSA

Mr. LEWIS of Colorado. Mr. Speaker, for more than 54 years the Honorable EDWARD T. TAYLOR has faithfully and ably served the people of Colorado in State and Federal offices. As evidence of the affectionate regard and confidence in which he is now and has always been held by citizens of our State, it should be recalled that he has never been defeated when his name has been presented to the people as a candidate for an elective office. He is now serving his sixteenth consecutive term in the House of Representatives of the Congress of the United States as one of the Representatives from Colorado. He is now the dean of the House in age and, except for the Honorable ADOLPH J. SABATH, of Illinois, has had longer continuous service than any other present Member.

This service of 31 years in the Congress is, however, merely the climax of a useful public career in our State, which had made his name a household word in Colorado long before he came to Washington as a Member of the House of Representatives.

In 1884, Mr. TAYLOR received the degree of bachelor of laws from the University of Michigan on completing his study of law at Ann Arbor. Years afterward, on August 20, 1936, he was awarded the honorary degree of doctor of laws by the Western State College of Colorado, at Gunnison, Colo. It is a source of pride and satisfaction to his tens of thousands of friends and admirers that on August 27, 1938, the University of Colorado at Boulder, Colo., also conferred upon him the honorary degree of doctor of laws. The citation delivered by Robert L. Stearns, Esq., dean of the Law School of the University of Colorado, in recommending, on behalf of the faculty, the Honorable EDWARD T. TAYLOR for the degree of doctor of laws, honoris causa, is as follows:

Mr. President, we have been told that a prophet is not without honor save in his own country. This morning marks an occasion which is an outstanding exception to that trite but frequently true observation. The Honorable EDWARD THOMAS TAYLOR has served the people of this State for over 54 years. It is now the privilege of the people of this State through their university to make public acknowledgment of their gratitude and grant fitting recognition of the qualities and ability of an outstanding statesman and public servant.

Mr. TAYLOR was born in Illinois 80 years ago last June. He came to Colorado in 1881 and settled in Leadville, where he immediately became the first principal of the Leadville High School. After a year in this capacity he entered the law department of the University of Michigan and received the degree LL. B. from that institution in 1884. He returned to Leadville and shortly thereafter became the superintendent of schools in Lake County and the deputy district attorney for that judicial district. In 1887 he moved to Glenwood Springs, where he has made his home ever since. He was elected district attorney of northwestern Colorado in the fall of 1887.

Forty-two years ago he was elected to the Colorado State Senate and served in that capacity for 12 years. In 1908 he was elected to the United States Congress as the Representative at Large from the State of Colorado, and was reelected twice as Congressman at Large from the entire State.

To many men three such elections would be a fitting climax to a distinguished public career. To Mr. TAYLOR it marked merely the beginning of a life of usefulness in the wide sphere of public service. The State was redistricted and he has been elected 12 consecutive times to the Congress from the Fourth Congressional District, which is practically the western half of the State. At the present time he is the senior member and chairman of the House Appropriations Committee, one of the most important legislative posts in the Nation.

To enumerate the major legislative acts with which his name and his efforts have been connected would be too long a task for this occasion. But no recital, however brief, should omit reference to the Taylor Grazing Act, whereby the public domain is preserved for the legitimate use of the many instead of being exploited for the benefit of the few. This act is typical of Mr. TAYLOR'S career as a legislator. He is motivated by a desire to represent not only his district and his State, but to act with an honest conviction for the welfare of the Nation as a whole.

To have served his State and his Nation in the National Congress for nearly 30 years, and under six different Presidents, is a most unusual accomplishment. To have done so and earned and kept the regard of the people of his own State is a distinct achievement.

Upon the recommendation of the faculty of the University of Colorado I have, sir, the honor to present EDWARD THOMAS TAYLOR for the degree of doctor of laws, honoris causa.

America First

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ADDRESS BY HON. ANDREW C. SCHIFFLER, OF WEST VIRGINIA, AT DEDICATION OF VETERANS' MEMORIAL AT CAMERON, W. VA., MAY 30, 1939

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on Memorial Day:

Mr. Commander, ladies, and gentlemen, this Memorial Day we assemble to pay tribute to those who have gone before. We also come to dedicate to the memory of the living and the dead this memorial in this liberty-loving, loyal, and patriotic city of Cameron. Today, when again wars rage abroad and more rumors of wars are heard from many quarters of the world, those of us who by experience know of the wars of the past turn our faces heavenward, in humble supplication to God, praying that there shall not be a repetition of those things which we have seen. Horrible experiences are within the memory of many of those here present. Words cannot describe, for no man is gifted sufficiently to portray the horrifying scenes of the last terrible and devastating world conflict among men. That we should again dangerously approach such horror and that man should seek to destroy his fellow man is to the advanced and civilized people inconceivable. Yet, with all this terrifying panorama, as only the most imaginative minds can conjure, approaching as a reality, we turn in amazement and ask ourselves with all our pretended civilization, how can it be? Our minds turn to the fields of battle in America with those countless thousands of dead having paid for our liberty, our unity, our progress, and our preservation. Well recognizing as we do the tremendous price that we have paid for our continued preservation as a liberty-loving union of one people, indivisible, we ask what must be the cost in the future of this priceless heritage.

Let us turn to calm reasoning and with steadfast purpose determine to follow a course of common sense and adopt as our national guide, "Not one drop of American blood shed elsewhere than in defense of America on American soil, and the last drop of blood of every American for the preservation of American ideals, institutions, and country.

I recognize that that slogan is far reaching; that it is significant in its actual steadfast application, and is the one true requisite of every loyal American. In that we shall give it significance, it is necessary that we protect ourselves in two concrete ways. This protection necessarily involves the alert, firm, and consistent conduct of every citizen of our Republic. The first and vitally important course of conduct and one that should be at this time highly vitalized by vigilant action is the prompt, speedy, and thorough Americanization of America. Those who do not in thought or action give of themselves without reservation to this program are no longer entitled to the benefits and privileges of our Nation, and should be promptly excluded from such blessings.

I speak now particularly with regard to those within our borders, who by subversive activities would destroy our Republican form of government and substitute other forms of government whose object and purposes would destroy the Constitution and the institutions fostered by such. The right of free speech, the right of assembly, the right of freedom in religious worship, and the freedom of the press and radio. These fundamental guaranties and the cornerstone upon which American institutions are

created and these privileges must be zealously guarded in that they shall not be lost either by direct seizure or by subtle and subversive encroachments.

Freedom of speech does not necessarily mean the right of expression without regard to the rights and privileges of others, and in pursuit of the destruction of American government and institutions. Men have a right to express themselves freely regarding matters of government. Such, however, does not constitute a license to destroy government or the Constitution by which our government is regulated. The right to the use of freedom of speech, as well as of assembly, and of press and radio, is controlled by the rule of decency and respect for others. Too many people have misinterpreted the constitutional guaranty and use such misinterpreted view as the basis for vicious and traitorous condemnation. It is time that true American citizens recognize the well-defined line of demarcation that exists between freedom of speech, press, and radio and of unwarranted slander.

To you, veterans of all wars, is entrusted the sacred duty of curtailing such licentiousness, and of safeguarding the real and true liberties and privileges of our beloved country. Before I leave this phase, I again repeat that America shall be made a nation for real Americans and those who shall destroy such have no place within our borders, and to that we renew our pledge upon our sacred honor.

As we are told of the approaching danger of war it is tragic to look to the millions of bayonets held by men and pointed at each other today throughout the world. For what purpose? Can it be that they do not love each other? Can it be that they have general cause for hatred? Can it be that irreparable and genuine injury has been done one to another? In the judgment of every sensible man such is not true. The various nationals do not dislike each other except where such hatred is promoted by selfish and ungodly motives. It has no real basis. All of the controversies existing are capable of sound, satisfactory, and bloodless settlements. When leaders violate their paramount duty to their people by provoking wars over things that could otherwise be settled it is entirely unjustifiable, and such leaders should be promptly and summarily disposed of. Let us hope on this anniversary that we will recognize the futility of much war, and may we insist that our diplomats and leaders shall do nothing that will again involve us in a war on foreign soil. Let us remember the counsel and advice of the Father of his Country counseling against the meddling in the affairs of the European nations and of the entering into entangling alliances and agreements, and, further, let us observe, as the immortal Lincoln has said, that we are a government of the people, by the people, and for the people and that as such the will of the people is and must be supreme.

I might be reminded tonight of the famous masterpiece of Abraham Lincoln. I might be reminded of his words as he went to Gettysburg to dedicate that famous scene of battle, and as I come to Cameron tonight I might add only what he said, that to those, both living and dead, who by their sacrifice have in fact made this dedication, and to them we pay our humble tribute.

Convention of Postal Supervisors of Kansas

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 15, 1939

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the Honorable James A. Farley, Postmaster General of the United States, at the Convention of the Postal Supervisors of Kansas, Topeka, Kans., Monday evening, May 15, 1939:

For the past several days I have been visiting with the postmasters at several of their State conventions, and I am delighted in having this opportunity to join with the supervisors of Kansas, and am pleased to note that you have your wives with you this evening. The presence of the ladies lends a touch of charm and beauty which is most refreshing.

You as supervisors in the post offices, regardless of the particular positions you occupy, must realize that you are the key men in the local post-office organization. The Department looks to the postmaster first as its local manager, and holds him to account personally for the successful management of the business under his charge. However, we recognize, and all postmasters are fully aware of the fact, that without an efficient supervisory staff neither the Department nor the postmasters can be successful.

You are what we term the career men in the Postal Service—the fellows who have come up from the ranks and who have demonstrated their ability to get things done. Your field of opportunity is as broad as the service itself, and I am pleased that during my administration as Postmaster General I have had occasion to recognize in a substantial way the career men of outstanding ability.

There are two important elements to be considered in the organization, management, and operation of a big business like the Postal Service. First, it is necessary to provide an executive staff of men who have had wide experience in public life and in public contact, and who have a sincere desire to safeguard the interest of the people. Second, it is necessary to coordinate with that executive group a staff of administrative officials, men of sufficiently broad vision to recognize that the public has the first and most important stake, and who have at the same time the training, experience, and capacity to administer the details of the operations. In my selection of a departmental staff I was most fortunate in finding this happy combination.

I am quite sure that you good people will agree that my four assistants who form the executive board of the Department have demonstrated to postal people a capacity for handling the affairs of their several bureaus that has not been excelled by those holding similar positions in any previous administration. I am confident also that you recognize in the group of men that have been brought in from the field service and placed in high administrative posts in the Department a group of career men of unquestioned ability and integrity. In setting up this kind of an organization in the Department I feel I have established a precedent which will be followed by succeeding administrations. In the organization of our post-office forces this same practice is followed. As you know, under this administration legislation has been enacted which places the position of postmaster in the category of a career job.

We need business methods and a businesslike management of the postal establishment, for there is no organization that nearly approaches it in size or importance. I dare say that few of you realize that the report of the Comptroller General of the United States shows that during the last fiscal year the Postal Service was an $8,000,000,000 business. By that I mean that the total cash turn-over handled in receipts and payments in the post offices amounted to more than that sum, and there is every indication that our business all along the line will show further increases this year, and as the business multiplies the responsibility of the supervisory staff becomes greater.

Your most important problem is the handling of personnel, for it is you who come into direct contact with the rank and file of the workers. Under the general direction of the postmaster it is you who are called upon to carry out the Department's instructions, to instruct employees in the proper performance of their duties, and to expedite the handling of the mails and the conduct of our vast financial enterprises.

I am convinced that you men in supervisory places do take your positions quite seriously and are earnestly endeavoring to do a good job. I do not think it would be amiss, however, to point out to you somewhat briefly the things that from my point of view appear to be essential. First, you should have the proper attitude toward your work and a definite purpose to cooperate with those in authority over you and those subordinate to you. In other words, do not try to be different, but be a part of the team. This teamwork is fundamental to the success of any post-office organization. Second, it is necessary that you be a gentleman in everything that the term implies, which means that you must be temperate in your habits, quiet and courteous, and firm when the occasion demands it, but never harsh or unkind; and third, that you be thoroughly grounded in the post-office work; that is, you must have a complete knowledge of the details of the job that you are supervising, and by all means practice the Golden Rule, treat others as you would like to be treated.

I fully appreciate that in the handling of both large and small groups of men aggravating situations will arise, but it is the duty of the supervisor to control his temper and guard his tongue until he secures all of the facts and weighs them carefully before determining the course of action. This takes practice, and an amazing amount of self-control under some conditions, but it always pays a rich dividend and enables you to retain the admiration of your subordinates and enables them to retain their self-respect.

One of our greatest opportunities, and in fact our first duty, is to develop the capacity of postal employees by continuous and systematic instruction. No one in the Postal Service knows all about it; therefore, it is encumbent upon those who are in managerial and supervisory positions to constantly study the phase of the service under their particular charge. Conditions change rapidly. Methods and practices that were good and most acceptable yesterday are being discarded today, due to a change in the volume of work to be handled, a necessary change in schedules, or a change in many other conditions that do not remain fixed for any length of time. When these conditions arise supervisors should consult freely and fully with the people who are actually performing the task. There is nothing undignified about that, and I am quite sure that you will learn things that may surprise you and increase your knowledge if you will patiently listen to the ideas and suggestions of your subordinates. You will not accept them all because many of the suggestions received will not be sound, but by following that procedure you will unquestionably get ideas that, coupled with your own practical experience and knowledge, will enable you to do things in the right way.

Never change a system or way of doing something simply because you temporarily have the authority to make that change, and as you progress from one supervisory job to another do not

get the idea that you should undo all of the things your predecessors have done. Progressiveness demands that you be willing and eager to accept new ideas and to install new methods, but be absolutely sure that some good will come from the change. Do not assume authority that you do not rightfully possess. Be careful not to transgress the rights of others. Without being offensive, and in the right way, you should learn something about the fellow's job who is just ahead of you, and teach the chap just below you everything you know about your job. If you do this, when changes occur or when the organization is disrupted by absence on account of illness or by other causes, the important key positions will be protected. This is most important if the post office is to function smoothly, and I urge all postmasters and all supervisors in the higher positions to see to it that every man and woman in the organization has an understudy, fully prepared and well equipped, to take up where he or she leaves off, either permanently or for a temporary period.

Finally, may I suggest that you be a leader and not a boss? There is quite a difference. The leader gets things done because he has the good will of his associates and is able to command their respect and confidence. The boss gets things done solely by the exercise of authority and force.

You are connected with a fine organization that exemplifies to a greater extent than any other governmental function the progress and development of America. It must be most encouraging to you to know that you are having an important part in the communication system which in the past 10 years has made such marked contribution to the improvement of transportation facilities. Without attempting to minimize the aggressiveness and spirit of the private enterprises which actually operate our transportation systems, I do claim that the Post Office Department pioneered in the field of regularly scheduled air transportation. The Department, with the cooperation of the United States Army, established the first air lines between New York and Washington. Later it operated in its own right with its own employees and under its own supervision the first transcontinental air service. This was done so successfully that private capital was attracted, and when the private interests were ready to take over, the Government withdrew from the actual operation of the lines. At this time the Post Office Department does not own any of the planes, but the money it pays to the air-line operators is still a substantial part of their revenues. I am pleased to note that these lines are regularly increasing the number of passengers carried, and I predict that they will soon have sufficient patronage to enable them to expand both in mileage and in frequency of schedules. Air transportation has proven its dependability, the operators have gained the confidence of the people, and its future is assured.

Railroad transportation, too, has made rapid strides in recent years. The facilities offered today for passenger travel, and the speed attained by the through trains on the principal railroad lines, establishes a new day in travel, efficiency, and comfort. We are pretty good customers of the railroads. Last year we paid them almost $100,000,000 for carrying the mails. I think everyone will agree that such a sum is a substantial contribution to the railroad industry.

I think these developments offer ample evidence of the prosperity of our country. They show a national spirit that is bound to succeed. We are living in an age of abundant opportunity, and we should all be proud and happy that we are Americans.

In conclusion, I again thank you for inviting me here this evening, and wish for each of you a full measure of success and happiness.

Townsend Old-Age Pension Plan

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

EDITORIAL FROM THE STATE, COLUMBIA, S. C.

Mr. FULMER. Mr. Speaker, under leave to extend my remarks, I am inserting an editorial from The State, Columbia, S. C., in reference to the Townsend old-age pension plan.

For years we had what was known as the Pope old-age pension program, and thousands of innocent people were sending in their dimes and contributions believing in the merits of floods of propaganda which was put out at that time solely for the purpose of inducing innocent people to send in their contributions.

I am glad that the people in my district have not fallen for the Townsend plan, which has for its purpose the paying to every citizen in this country who has reached the age of 60 years, rich and poor, white and black, $200 per month.

There is no Member of Congress or citizen in my district who is more favorable toward a fair and reasonable pension bill for the aged people of this country than I am; but when it comes to a program of the type of that proposed by Dr. Townsend, which is unfair and impossible, and apparently advocated only for the purpose of robbing the innocent old people of this country, there is nothing left for me to do except vote against such a program.

It appears at this time that there are numerous organizations that are being formed for the purpose of sending out propaganda in the name of this or that group, all of which is purely in the interest of those who are organizing these groups, and at the actual expense of those who fall for this type of propaganda.

I am glad that these organizations have not been able to secure any great amount of response on the part of the people of the South.

I am hoping that the press of our great section of these United States, as well as the Members of the Congress will keep our people fully informed about the proposals of these selfish organizations, whereby we may be able to save for our people the money that is being extracted from the innocent public, as well as a continuation of clean politics in the South.

The editorial is as follows:

[From The State, Columbia, S. C., of June 3, 1939]

PROMISES TO OLD FOLKS

By a vote of 302 to 97 the Townsend plan has been thrown out the window by the National House of Representatives. The result is about as expected. Surprise, if any, probably will be found mainly among senior citizens who last summer and last autumn took too seriously the promises made to them by many candidates for office. The Townsend plan, unamended, has never had a chance, and never will have a chance unless conditions become chaotic and legislators wilder than they now are. But that plan has been useful to office seekers who knew how to use it. Some found in it, or in the general idea of pensions for old folks, plenty of material for political sob stuff.

In the course of several past campaigns old folks have been led, in imagination, to a high place from which they could see what they mistook for the promised land. It was, in fact, a mirage; only a promised, promised land.

Old folks, especially old folks in need, sometimes are pathetic. They have not the strength to fight longer for livelihoods. They cannot compete successfully. But they wish to live. Of course they do. Tenacity of life appears in instances to become more acute as age advances. Need for money does become more acute. Such facts and factors make millions of old folks quick partisans of office seekers who are willing to promise anything.

There seems to be no doubt of the sincerity of old Dr. Townsend himself, and quite likely other advocates of his plan also are sincere. Yet there remains a large number of office seekers who have used that plan, as future office seekers will use it, to promote their own interests by offering the old folks an apple which they know is rotten on the inside.

The Neutrality Issue

EXTENSION OF REMARKS

OF

HON. ALBERT G. RUTHERFORD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ARTICLE BY JOHN C. LE CLAIR

Mr. RUTHERFORD. Mr. Speaker, the question of neutrality is bothering a lot of people throughout the country at the present time. The following article written by John C. Le Clair, a member of the history department of the College of the City of New York, a specialist in foreign affairs, is well worth the study of every Member of this body:

Once again we have Congress attempting to devise a neutrality formula that will satisfy all factions and provide in advance for the solution of any problem which might arise. This, incidentally,

is the fourth attempt. On August 31, 1935, as an outgrowth of possibilities inherent in the general international situation, the United States adopted its first neutrality law which, subsequently amended in 1936 and again in the early months of 1937, achieved its present form on May 1 of that year.

However, as it now apparently pleases no one, some five proposals are being considered which range all the way from a suggestion to repeal all neutrality laws passed from 1935 to 1938, and place the making of future neutrality regulations completely in the hands of the President on a day-to-day basis to the Thomas amendment, which provides for the determining and designating of the aggressor as against the victim of his attack—barring the former from American munition markets while giving American economic support to the latter.

The joker in this, as in previous neutrality legislation, is that it is not neutrality, and the groups who sponsor it now, as in the past, have no intention that it be so. The original neutrality law developed out of the Italo-Ethiopian affair conflicts, but, due to our lack of interest and the comparative shortness of this affair, there was no opportunity to test its effectiveness. However, in the case of the Spanish war there was ample time to judge the effects of our policy, and they were not particularly encouraging in that the very groups who at the outset of the conflict could not make the neutrality law sufficiently binding or mandatory as to preventing the purchase of supplies in this country by the Spanish Nationalists immediately turned about when things became difficult for the Loyalist regime and demanded that we lift the embargo on arms to the latter.

Similar inconsistencies developed in the case of the application of the neutrality law to far eastern policy. When the conflict between China and Japan broke out in July 1937, we refrained from enforcing the provisions of the Neutrality Act on the ground that, although there was little question as to its existence, yet technically neither nation had declared war. Probably back of our stand was a general sympathy for China as the weaker of the contestants, in conjunction possibly with the influence of certain groups interested, among other things, in the prospects of the continued sale of war materials to both. Yet despite this the State Department subsequently brought pressure upon American manufacturers to prevent the further exportation of bombing planes and equipment to Japan on the ground that they were to be used in activities which we regard as contrary to correct practice in warfare—rather a paradoxical situation at best.

This is undoubtedly of a piece with much of the recent activities of our State Department, which have become anything but consistent and sensible. Despite sympathy for civilian populations subjected to the hardships and brutalities of war, the fact remains that Japan is at the present time, to all intents and purposes, a friendly nation entitled to be dealt with as such. If consistent in our neutrality policy, then from the outbreak of the conflict in the Far East, despite the lack of an official declaration of war, its stipulations should have been applied, as in the case of Spain. We did not, as indicated, choose to do this. Yet we did impose a moral embargo on equipment to be exported to Japan—undertaking to judge in advance as to the use to which it is to be put, and its moral justification, from which it would appear that we now intend to enforce a strict and complete application of our neutrality policy. Yet it might be argued also that, if the morality of the use to which our war equipment is to be put is to govern its sale, why sell it at all or, better, why not demand a guaranty that it will not be put to any use forbidden by our idealistic standards—or would such stipulation affect Great Britain or France with whom we have political understandings?

Furthermore, if agitation to lift the embargo toward Loyalist Spain had been successful, would this have been neutrality? Hardly. Then the logical conclusion is that either it is our intention to constitute ourselves the moral arbiter of various disputes which may arise, and throw our support in accord with this judgment, although still retaining our neutrality legislation, or use it to cloak our real intentions. To regard all this as merely a policy of general inconsistency is too charitable a characterization. As a matter of fact, within recent months our foreign policy has become so much the shuttlecock of various interests as not only to confirm the charge of its nonexistence, per se, but more—to raise the question as to whether we are actually formulating it and, if so, in whose interests?

Herein lies our major difficulty, if not danger. Those who would commit the United States to a policy of absolute neutrality in the quarrels of the various nations of the world find themselves opposed by the partisans of various groups, idealogies, and "isms" who seek, in terms of their own individual interests, to aline the country on one side or the other. Unfortunately, both groups, although probably sincere in their efforts, appear to ignore the fact that, over and above the possible sympathy that we, as individuals, might have for the victims of war conditions throughout the world, there is the more important factor of the safety and welfare of this country and its people. More conducive to furthering these objectives would be a policy of considering events in terms of fundamental national objectives and not attempting to prevent this by committing ourselves in advance to one of neutrality, the effectiveness of which cannot be gaged except in terms of its applicability to situations which, however, are still in the making.

It should be obvious that there is little likelihood of our being able to disassociate ourselves from the rest of the world. Consequently, our determination not to sell arms and war materials to belligerents, while to be commended, is not practical. We appear to overlook the fact that our policy means a surrender of tradition of over a hundred years in the matter of the freedom of the seas and the promise to forego a considerable amount of commerce in the event of another war. In which case why not, if the sole purpose of the act is to prevent this, carry it to its logical conclusion and limit the manufacture, through Government supervision, of all arms to our national needs. It would be a more effective device and less fraught with possibilities for conflict.

As the neutrality law now appears on our books, it is neither effective nor practical—a hybrid of doubtful parentage, conceived in political expediency and weaned on platitudinous eyewash. Therefore, it should be repealed and Congress left with full power to legislate as to what our policy shall be when and if the need arises. As to the claim often made that Congress might not be in session at the time—the logical reply is that in any issue so vitally affecting the country as this matter of our foreign policy Congress should be consulted even if it is necessary to call an emergency session, which would certainly be justified under the circumstances.

Bituminous Coal Act

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, on March 20 I introduced H. R. 5119 to amend the Bituminous Coal Act of 1937 by striking out the price-fixing provisions and repealing the 30-day contract limitation clause on the sale of coal and the 1-cent Federal tax on each ton of coal mined, as well as strengthening the marketing-agency provisions of existing law. This measure was referred to the Committee on Ways and Means. Under the authority conferred upon him in the Reorganization Act of 1939, the President on May 9 abolished the National Bituminous Coal Commission and the office of Consumers' Counsel, and placed the duty of administering the Coal Act in the hands of the Secretary of the Interior, who will assume this responsibility on July 1. In order to bring my proposal in line with the President's most commendable action in abolishing the Commission, on May 15 I introduced H. R. 6325 embodying the same principles as my previous bill, except that the Secretary of the Interior was substituted for the Coal Commission, and this bill is likewise pending before the Ways and Means Committee.

Mr. Speaker, it is my contention, and I am from a district where the production of bituminous coal is all-important, that the Coal Commission, the Secretary of the Interior, or no one else, will be able to administer the Coal Act as it is now written. I make this statement with all due respect to the present Secretary of the Interior. I therefore firmly believe that Congress should, during the present session, consider H. R. 6325, and I strongly urge that the Committee on Ways and Means schedule early hearings on this measure which means so much not only to the soft-coal industry but to its employees and to the consuming public as well.

The bituminous mining industry has had nearly 6 years' experience with ill-advised experiments in Federal regulation. These experiments began with the adoption of the Bituminous Coal Code under the National Industrial Recovery Act. This act was passed in June 1933 and was invalidated by the decision of the Supreme Court in May 1935. As a price-fixing device the scheme never worked. Long before the Supreme Court invalidated this legislation, code prices had lost all their significance. The only permanent effects upon the industry were advanced rates of wages for mine workers and the establishment of the 7-hour day. The increase in the price of coal made necessary by these sudden substantial increases in cost of production had their natural result in further demoralization of the bituminous-coal market and a more rapid replacement of coal by competitive sources of energy, such as fuel oil and natural gas.

The second attempt at Federal regulation of the bituminous mining industry was embodied in the Bituminous Coal Conservation Act of 1935. In spite of its misleading reference to conservation in its title, the act was almost exclusively a price-fixing device. It provided for the appointment of a Commission of five members, with elaborate and expensive machinery for the administration of the act. To avoid the invalidation of the act by the Supreme Court as involving undue delegation of power by Congress to an administrative agency, it prescribed in great detail the procedure to be followed by the Commission in arriving at its price determinations. As usually happens when a legislative body attempts to dictate the details of procedure to an administrative body, this procedure proved to be extremely protracted and costly. As these methods of price-fixing were practically the same as those embodied in the present act, further reference to them at this point is not necessary. The act prescribed such sweeping provisions regarding collective bargaining and the application and enforcement of resulting agreements that the Supreme Court invalidated those provisions as involving unconstitutional restraint upon the freedom of the individual, and further held that, as the price-fixing provisions of the act were inextricably entwined with the labor provisions, the whole act must be thrown out. This decision was handed down in May 1936.

Against the protest of a large number of operators, the Congress reenacted the price-fixing provisions of the previous act in the Bituminous Coal Act of 1937. The detailed provisions for the regulation and enforcement of collective bargaining which had caused the act of 1935 to be invalidated were omitted from the new act. On the other hand, the minute provisions regarding the method to be followed by the Commission in the determination of prices were continued and even expanded. The cost of administering the act was increased, not only through the appointment of two additional Commissioners but also through provision for even more elaborate and expensive machinery than had been required under the 1935 act. This new act was passed in April 1937. It has now been in effect 2 years, and the time of the actual effective determination of prices is still many months in the future.

A schedule of prices was put into effect by the Commission in December 1937, 7 months after the enactment of the act. These were reached speedily, however, only because the Commission adopted arbitrary methods of procedure. Some of the prices thus established were set aside by the courts on the ground that persons affected were not given adequate opportunity to examine the evidence or to be heard in protest, and the Commission was practically compelled to revoke the remainder.

As a result of these court rulings the Commission was obliged to make a new start on the long and complicated procedure prescribed by the act as prerequisite to the actual announcement of prices. It is now over a year since that new start was made, and not only have prices not been fixed but they are still so far off that no one will venture to predict when they will appear. The Commission has already received data regarding 500,000 different price schedules in the Appalachian area alone. Obviously it will be utterly impossible to administer such a broad and complex schedule as this. If minimum prices are eventually established under existing law, constant litigation will result with concommitant chaos and confusion.

Meantime the industry operates under special handicaps imposed upon it by the act. The most obvious handicap is the expense involved. As is the case with no other Federal regulatory body, the cost of administration of the Bituminous Coal Act is assessed against the industry itself. There is the Federal tax of 1 cent a ton, amounting to several million dollars a year. There are the district assessments made compulsory under the act for the support of the district boards, which amount in the aggregate to more than the Federal tax. And the individual mining companies must bear the cost of preparing elaborate statistical reports and of attending countless committee meetings, hearings, and conferences.

One special provision of the act is particularly onerous. That is the provision limiting the term of contracts for the sale of coal to 30 days. This limitation is to continue until prices are determined. The result has been to put contract coal on a spot-price basis. The whole bituminous-coal industry has been placed on the auction block. The effect has been disastrous. The industry is one of unavoidable seasonal variation in demand and on that account contracts running through a whole year are of great value as a stabilizing factor. It should be remembered that consumers may write contracts for competing fuels such as oil and gas for 1 year or 20 years if they wish. The result of this restrictive clause has been to drive more consumers into the arms of the oil and gas producers.

As a result of the confusion occasioned by the successive attempts at Federal regulation of a private industry and of the burdensome provisions of the act now in force, it may be said without fear of contradiction that the bituminous mining industry is today in the most demoralized condition in its entire history. And that condition must continue for months until the Commission, and after July 1, the Secretary of the Interior, complete the elaborate procedure imposed upon them by the act and announces its schedule of prices. Then there is no assurance whatever that any price schedule promulgated will meet the tests necessary to put the prices into operation. As a matter of fact, thousands of coal men and economists are quite sure no direct price-fixing scheme by the Government can possibly succeed.

While the Commission was guilty of some errors in procedure in arriving at its initial price schedule, the collapse of the price structure was not due primarily to that cause but to the intricate nature of the problems involved and the elaborate procedure laid down in the act. This procedure was prescribed for the purpose of attaining an impossible ideal, namely, an equitable price for the many grades and sizes of coal intended for many uses in many competing markets. The fact is that such an equitable price schedule cannot be attained under any system of artificial control because of the varied and complex conditions under which the industry is carried on.

Not only do different consumers call for a great variety of grades and sizes of coal to meet their individual needs, but even the demands of the same consumers do not remain constant. Changes in the methods and devices used in the consumption of coal are going on all the time and any consumer who adopts any such new device is likely to want a different kind of coal from that previously used by him. Under the rigid requirements of the Coal Act, weeks or even months might elapse before the established price could be altered to suit the altered conditions.

There are the further complications arising from the competition of coal in the same market from different fields subject to unequal charges for transportation. The control of railroad rates on bituminous coal, like the control of rates on all other commodities, rests in the discretion of the Interstate Commerce Commission, and any adjustment of prices in a common market is liable to be upset at any moment by a change in the freight rate from one or the other of the competing producing districts.

Bituminous coal is in intense competition with other sources of energy, both in the industrial field and in the domestic field. Its chief competitors are fuel oil, natural gas, and hydrogenerated electricity. To meet the competition of these rival sources of energy, bituminous coal producers must be able to adapt their prices quickly to changed labor conditions brought about by such competition. The industry has already lost a market for hundreds of millions of tons of coal to these rival sources of energy. The establishment of a rigid schedule of prices for bituminous coal would increase the advantages which fuel oil and natural gas now possess by enabling them to adjust their flexible prices to meet the fixed price schedule of bituminous coal.

Another factor affecting the regularity of demand for bituminous coal and involving the necessity of frequent price adjustments is to be found in variations in the rate of industrial activity. In seasons of active demand, the price of bituminous coal may remain relatively constant but when industrial activity declines and demand for coal falls off, a reduction in price is the only method by which the market for bituminous coal can be supported. Similarly seasonal fluctuations in demand are, under conditions of voluntary price determination, partially offset by variations in price. Under the rigid system of price determination provided for in the Bituminous Coal Act no such adjustment of prices to demand would be possible.

All these complex and varying factors affecting the bituminous mining industry have been cited as evidence of the fact that the industry needs the utmost freedom in the instantaneous adjustment of prices to meet these varying conditions. To attempt to operate the industry under any such rigid system of price control as that contemplated by the act of 1937 would fall of its own weight.

There is nothing in the nature of the bituminous mining industry which distinguishes it from thousands of other industries privately operated. The establishment of a rigid system of governmental control in this industry constitutes a radical departure from the traditional American system of free enterprise. Under the system of private control the bituminous mining industry of the United States has come to be one of the most efficiently operated industries in the world. To substitute Federal control for individual enterprise is to destroy the incentive to improvement in mining and marketing methods, which has given the American bituminous mining industry its great superiority. Bureaucratic control of industry or regimentation thereof will never work in an economic system dedicated to free enterprise. We must either fish or cut bait. We are either a free nation or we are not. So closely bound and interdependent is industry in America that the Government cannot possibly regulate one branch without applying equal regulation to all other branches.

It is true we complain about the unfair competition of oil and natural gas, but that is because our Government is attempting to put coal in a strait jacket. It allows the industry to be destroyed while its competitors run wild. A complete illustration that one step leads to another and that the oil and gas industries must be controlled if coal is to be subjected to the control now provided in the Coal Act of 1937. It violates all freedom of action on which industry and our country have been built.

There is no disputing the fact that those coal producers who supported this and similar legislation are those properties that need artificial stimulation and cannot stand on their own feet as business concerns. Since when has any nation prospered when its government attempts to strengthen the weak by weakening the strong? To continue this law as now written simply means that if it should operate under price-fixing for even a short time a new lease will be given those who are in no position to stand the normal competition of the industry. Higher prices will be charged the American people for coal estimated at $100,000,000 annually under this law, so that some mining companies who have no right to exist from an economic standpoint may longer stay in business. No one will dispute the fact that coal prices will be greatly increased under this law. Why should the American consuming public be penalized to pay for something that a great many coal producing companies contend is not necessary?

Those who support this law as now on the books must be prepared to defend themselves before the great mass of American citizens who will be called on to pay more for their coal. It is no answer to say the law will help labor. Mine labor works under a union contract and is amply able to protect and defend itself, as the coal industry and the American people well know.

Labor is worthy of its hire, and mine labor deserves a high standard of wages. It is getting those wages now. It will continue to get them for the coal that is produced. The trouble is this law will so increase prices that millions more tons will be lost to competitive fuels, and labor will be deprived of its opportunity to work. This applies not only in the mines, but on the railroads and other related industries. There is no desire on the part of the coal producers in this country to reduce the wages of mine labor. What the coal operators want is the opportunity to run their mines as free American citizens, to pay their workers fair and decent wages, and to sell their product in a free and open market. That is what the amendments that are suggested in H. R. 6325 will permit to a large degree. This bill deserves, Mr. Speaker, the very careful consideration of all who are in any way interested in the welfare of labor and the maintenance of American institutions, and I hope it can be favorably considered before we adjourn the present session.

Let Us Be a Good Neighbor to Our Own Sugar Farmer

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

EDITORIAL FROM THE DENVER POST

Mr. CRAWFORD. Mr. Speaker, we have heard much lately about a good-neighbor policy and I think that neighborliness begins at home and I would like for some of my city colleagues to give some thought to a good-neighbor policy to the American farmer in his effort to supply the American tables with their sugar needs. I refer particularly to the sugar situation and the virtual "preliminary veto" given the sugar bill recently passed by the other house. Let us be a good neighbor to our own sugar farmer.

Under leave to extend my remarks I submit herewith an editorial appearing in the Denver (Colo.) Post under date of May 28, 1939:

[From the Denver (Colo.) Post of May 28, 1939]

Congressman O'CONNOR (Democrat), of Montana, is right in taking the position that the threat of a Presidential veto should not be permitted to bar consideration by the House of the bill passed by the Senate to increase American sugar-beet acreage. If the President wants to veto this measure, after Congress has passed it, that is his privilege. But Congress also has a right to pass it over his veto. And that is what it should do.

While the United States is producing only about 30 percent of the sugar it uses, any policy of restricting American sugar production is idiotic. For a few years after the quota system was first established American beet-sugar producers failed to produce their full quota. Those who would destroy the American sugar industry pointed to this as evidence that the quota system wasn't hurting any American farmer. But they can't do that any longer. Last year the production of American beet sugar exceeded the quota. It may do that again this year if growing conditions continue favorable. And if it does the quota for 1940 either will have to be increased or the acreage will be further reduced.

It has been suggested that the question of increasing the sugar-beet acreage should be left to the next Congress. That would be a serious mistake. If Congress waits until 1940 to determine the sugar-beet acreage and production quota for 1940, that will be too late. The question probably won't be decided before it is time for the farmers to plant their beets.

Limiting the amount of sugar beets and sugarcane American farmers can raise is supposed to be in line with our good-neighbor policy toward Cuba. But, as Congressman O'CONNOR declares, "We must first be concerned with good neighbors within our own country." He says he does "not believe that in order to carry out a good-neighbor policy we must give our neighbors our clothes so that we have only a shirt in our economic wardrobe" and that he does "not believe we must place people on relief to carry out our program of peace in the Western Hemisphere." Providing an American market for one American farmer is infinitely more important to us than furnishing a market for a hundred Cuban cane growers.

Memorial Anniversary of the Disastrous Johnstown Flood of 1889

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

ADDRESS BY HON. J. BUELL SNYDER, OF PENNSYLVANIA, MAY 31, 1939

Mr. SNYDER. Mr. Speaker, under permission to extend my remarks in the RECORD, I am inserting herein the address I delivered May 31, 1939, in the Masonic Temple in the city of Johnstown, commemorating the fiftieth anniversary of the disastrous Johnstown flood of 1889, as follows:

Mr. Chairman, distinguished guests, ladies and gentlemen:

"If you and I should wake from sleep,
A century from now,
Back to our graves we'd wish to creep,
A century from now.
We'd witness such a startling change,
Find everything so wondrously strange,
That we'd run right back across the range,
A century from now.

* * * * *

"The people all will fly on wings,
A century from now,
Not heavenly, but patented things,
A century from now."

It has been just 89 years since the poet penned these lines. Eleven years to go before the century, yet we have witnessed many startling changes, and millions of people are riding in patented flying machines.

Fifty years ago tomorrow morning a small country boy, seated on next to the front row in the little Mount Union United Brethren Church, Upperturkeyfoot Township, Somerset County, Pa., listened to a God-fearing preacher, Rev. John Felix, as he told of the disaster of the Johnstown flood which had occurred the day before. His remarks still ring in my ears. I was too small to remember ordinary sermons or ordinary events, but his remarks still ring in my ears, as he told us of how, in the city of Johnstown, there were thousands that had burned and drowned.

The poet said that in 100 years "we'd witness such a startling change." Those of you who are as old as I, or older, and especially those who were eye witnesses to the Johnstown flood of 1889, have indeed witnessed startling changes not only in and around the city of Johnstown but in the State, the Nation, and the world as a whole.

If we but draw back memory's curtain and look at Johnstown on June 1, 1889, and again draw the curtain and look at the city of Johnstown 50 years later on June 1, 1939, we truly will witness marvelous changes. Yes; we will see a bigger and a greater city in '39 than we saw in '89. A city with better streets, better lights, better health facilities, better water facilities, better stores, better schools, better churches—a question mark must be placed after better churches if we think of the spiritual side of life. But up until a year ago Johnstown did not have any better flood protection. Johnstown, like many other centers in the United States, put off from year to year the important task of providing flood protection, and in 1936 the mighty waters from a thousand hills again deluged the city and caused millions of dollars of damage, to say nothing of loss of life.

I assume that if I were an orator as gifted as Mark Anthony or Chauncy Depew or William Jennings Bryan, I would not be a guest of honor tonight at this fitting and timely gathering if that were the only quality I possessed.

I am here as your guest:

First, because the fine network of our free, liberty-loving, and efficient Government of the United States—the most democratic and humane government on the face of the earth—finds me a Member of the Congress of the United States.

Second, because the great right arm of your Government and my Government observed that 50 years passed since the horrible flood of '89, and that the city of Johnstown could not financially give protection to its people against the ravages of floods—and in turn the Government reached out, as it were, and said, "I will have the Army engineers, headed by the capable and efficient Col. William E. R. Covell, survey your city and vicinity."

After the survey your Government said, "You need reservoirs and river improvements to prevent floods. I will give you financial aid."

The third reason, and the real reason you so graciously invited me—one of the 435 Members of the Congress of the United States—as an honor guest, is because I, as chairman of the House Appropriations Subcommittee on National Defense and River, Harbor, and Flood Control Appropriations, after 6 years of effort to get flood protection for the city of Johnstown, finally had the pleasure and privilege of putting the sum of $2,936,000 for flood protection for Johnstown in the bill for 1939, and a few weeks ago of placing the sum of $3,534,600 in the bill for the fiscal year of 1940. I feel sure that these words contain more music and sweeter music to the ears of the citizens of Johnstown than any eulogy that might be delivered.

My conscience tells me that your generation and my generation and the generations preceding us, fell below par in efforts to protect and preserve our natural resources and human resources. The greed for possession of material things has caused us in a big way to contribute toward the destruction of our natural resources, and thus leave to our children and our children's children, a soil that is less rich—forests that are less productive—mineral wealth that is less valuable than was left to us by our forefathers.

Yes, our generation and the generations that preceded us reaped multiplied billions and billions of dollars from these sources—but it will take multiplied billions and billions to replace and restore and rehabilitate where we have robbed Nature and Nature's agencies.

Too many of us look upon the riches of the Commonwealth as the "be all and end all," only to find that man cannot cheat and rob Nature. Nature will take its toll in time if you cheat her. We fail to fully realize that—

"The riches of a Commonwealth
Are free, strong minds and hearts of health.
They are more to her than gold or grain,
The cunning hand and cultured brain."

Yes, my friends, we have in a measure failed to train the cunning hand of youth and to give opportunity for youth to develop the cultured brain.

The youth of today are either going to preserve or let decay our democracy of tomorrow. Last year we graduated from our high schools, private schools, and colleges, 1,100,000 young people. This May and June we will graduate 1,200,000 more young men and women. Other millions have graduated in previous years.

A democracy cannot long be perpetuated in a country where the young people are not employed in gainful occupations. In 1931, 1932, and 1933 we dumped millions of these young people on the unemployed scrap heap. Shall we dump this year's millions on the same scrap heap? If we do, the future generations will pay many times more for rehabilitation than it would have cost the towns, cities, and Nation to put them to work.

Your city set a similar example of doing nothing for 47 years after the first flood, and then witnessed a similar flood that cost the citizens and taxpayers of Johnstown many more dollars than it would have cost them to have built flood-control dams after the flood of 1889. The moral is, "Never put off for tomorrow what you can do today."

So, in conclusion, my friends, I think it would be most appropriate for us to prepare well for the future by following the laws of Nature in dealing with our fields, our streams, our minerals, and our forests.

Yesterday the Nation paid tribute to her honored dead. Today you, the citizens of Johnstown and vicinity, pay special tribute to those who passed on due to the flood of 1889. All civilized and cultured nations revere the memories of their loved ones who have gone to rest in the great beyond.

Let's push forward in the preservation of our homes, our schools, and our churches by following at all times Nature's law and the will of the divine Master, and then:

"Long, long will our hearts with these memories be filled,
Like a vase in which roses have once been distilled.
You may break, you may shatter the vase if you will,
But the scent of the roses will cling 'round it still."

Pensions for the Aged

EXTENSION OF REMARKS

OF

HON. CHESTER C. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. BOLTON. Mr. Speaker, I have studied this bill as carefully as anyone could in the short time it has been before the House. While I am aware that it is intended honestly by its sponsors as a move in the right direction, I am forced to the conclusion that, without adequate study, it cannot really accomplish the objectives toward which it aims.

It is a peculiar situation which faces us today, and one which bears review. Apparently it is the result of an ad-

ministration parliamentary maneuver to embarrass those who believe the social-security law is not operating satisfactorily.

We are forced, under the severest of "gag" rules, to discuss this measure for 4 hours and then cast our vote for or against, without the privilege of submitting any amendments or of clarifying the wordage which is admittedly ambiguous.

Until a few days ago there was an insistent demand from members of the Townsend organization that Congress enact H. R. 2 without changing a word. Now, almost overnight, a new bill appears sponsored by this same group but embodying an entirely different plan. It contains some commendable features. The measure provides a pay-as-you-go basis and does away with the debt-creating reserve fund, and would prohibit the use of old-age pension funds for current Government expenses, as is the practice today. These features are improvements.

The elimination of the pay-roll tax and the substitution of a broader tax base is also a step in the right direction, but unfortunately no one knows what the new plan might bring in the way of practical administration or tax returns. No study has been given the proposal by the Ways and Means Committee. On the contrary, the bill was reported out immediately following its introduction without any sort of recommendation and without any consideration whatever before that committee.

The question of constitutionality is raised and the right of Congress to enact a general tax measure for a special purpose is challenged. This aspect of the question was not considered by the committee. Proponents admit that they have deserted the original plan embodied in H. R. 2, and they confirm the fact that the new measure (H. R. 6466) is hastily drawn and loosely worded with much ambiguous phraseology. They have had no time to prepare facts and figures on which to base real estimates as to what final results might be expected in the operation of the plan. In other words, while it is assumed that the proposal might bring revenues sufficient to offer slightly higher payments to the aged, there is really no data to support that assumption.

We have heard read here today very strong statements in opposition from such organizations as the American Federation of Labor, the National Grange, the American Farm Bureau Federation, the Railway Labor Executives Association, and the American Association for Social Security, and others.

On so many occasions I have voted against measures of questionable constitutionality and I have consistently opposed gag-rule procedure on hastily drawn legislation which the New Deal has railroaded through Congress. I would not be consistent if I were to accept a similar situation in this instance.

I do believe the Social Security Act can be much improved upon, but I want the Ways and Means Committee to give conscientious and thorough study to the problem, so that we will have factual data prepared by qualified experts and will know just what we are voting for.

I am opposed to playing politics with this issue, and I insist that measures which I support be well considered both in committee and on the floor of the House.

It is not necessary for me to repeat that I believe the care of the aged is a problem of government. My position is unchanged. I believe old-age security in its present form is entirely unsuited to our needs, and the great demand for old-age pensions as a means of security for both human and property rights must be recognized. I still honestly believe in sufficient old-age pensions and will continue to work for impartial study. This subject is too important to be treated hastily. Some of our major problems today are the result of loosely drawn laws rammed through Congress under similar gag rules.

Certainly I do not want the old-age pensioners to be added to the list of New Deal victims.

The problem will not be solved by such tactics as are employed here today. Every large group of people has the right to expect a fair and impartial hearing. The majority members of the Ways and Means Committee, who have been guiding this legislation, should assume their responsibilities and by proper study formulate workable and more liberal legislation to correct the deficiencies of the present situation.

Beware the Dogs of War!

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, May 25, 1939

AN ARTICLE BY GEN. JOHNSON HAGOOD IN LIBERTY MAGAZINE, JUNE 3, 1939

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following article from Liberty magazine, June 3, 1939, by Gen. Johnson Hagood, on "Beware the Dogs of War!":

[From Liberty of June 3, 1939]

BEWARE THE DOGS OF WAR

(By Gen. Johnson Hagood)

DANGER IN WASHINGTON! AN ARMY MAN'S FRIGHTENING VIEW OF WHAT CONFRONTS US

The greatest war danger to America today lies, not in Berlin, not in Rome, not in Tokyo, but in the District of Columbia. It comes from the fact that over a long period of time the legislative branch of our Government has allowed the war-making power to drift into the hands of the Executive.

Hitler, Mussolini, or Stalin may throw his country into war, but they would at least know what they were doing. They would have at their disposal ready-made fighting machines; and from long experience they would know what to expect from their enemies.

The Prime Ministers of Great Britain and France may make some great decisions on peace or war. But in every case they must go at once before their Parliaments and get a vote of confidence, or out they go, and their decisions will be reversed by their people.

But the President of the United States is neither a soldier nor a prime minister. The President's Cabinet contains none who know anything about the conduct or the consequences of war. And yet the President, or any of his subordinates, may take it into their heads to throw the United States into war; and if so, they have the power to do it without consulting the Congress or the people.

Backseat drivers of the State Department drove us over the precipice and into the bottomless pit of the World War. The situation is more fraught with danger now than it was then, and it is time for us to stop, look, and listen before it is too late.

The American colonists fought a great war for independence and set up a Constitution which guaranteed a republican form of government for each of the several States, but nothing for the rest of the world. George Washington said: "We will stand on this. We will look after our own affairs and let other people look after theirs."

But 122 years later we detoured away from the great American highway and became lost in the wilderness of foreign entanglements. It was on April 19, 1898, that Congress met at Washington, D. C., and declared that "the people of Cuba are, and by right ought to be, free." So we entered upon a second war of independence, and set up a second republic, not for ourselves but for a people of a foreign tongue. This was followed almost immediately by a third, this time for a miscellaneous collection of Malay tribes scattered over a thousand islands off the coast of Asia.

A few years elapsed, and then we turned to our neighbor on the south. The President of Mexico did not come up to the standard specifications for a democrat, so we put him down for a purge, and in April 1914 launched a fourth war of independence and democracy, this time for the people of Mexico. Finally we extended our horizon to encompass the entire globe. We entered the World War and fought to "make the world safe for democracy."

The Army and Navy had become an instrument in the hands of the Executive that was never dreamed of at the time when our Constitution was written. And the President found himself in the position that, while he could not make a formal declaration of war, he could nevertheless perform acts of war which forced Congress into the position of backing him up.

It was never expected that our President should be a war lord. His duties are essentially civil. It was not until after the Civil War that Congress, by the act of March 1, 1875, authorized the President "to make and publish regulations for the Army in accordance with existing law."

Even here we see that the President was given no free hand. He could act only within the confines of existing law.

But as time went on and the Government became more complicated, Congress began to enact more and more laws containing the phrase "as the President may direct." And finally, with the passage of the General Staff Act of 1903, Congress became committed to the German system. The State Department took over the job of deciding when, where, and with whom we should go to war. And the War Department took over the job of deciding what preparations should be made for war; and to what extent and how our Government should be reorganized and operated while war was in progress.

Congress was expected to cooperate.

Let's see how this actually worked out in regard to the World War.

The Great War in Europe had been going on about 1 year when our Secretary of State, Mr. Robert Lansing, prepared a number of memoranda which have since been given to the public. From these memoranda and from his memoirs we learn some startling facts.

First. That as early as the spring of 1915 Mr. Lansing and some of his associates had decided that the United States should go into the war on the side of the Allies. But the people did not want to go to war; they believed that the issues of the war were no concern of theirs. According to Mr. Lansing, a slow and irritating period of education would be necessary before the indignation of the people could be aroused to the point that they would force their Members of Congress to vote for war.

Second. He says that it occurred to him that the people might be united against Germany if they were brought to think that the Kaiser was warring against democracy and that it was up to us to join with the Allies in coming to its defense.

Third. Having decided (prior to July 1915) that we should go into the war on the side of the Allies, he had deliberately pulled his punches against Great Britain for violating our neutrality.

Fourth. During this time it appears that the officials of the Army and Navy were not consulted as to what extent, if at all, we were prepared to undertake a war. In fact, it was during this time that the White House was frustrating all attempts on the part of General Leonard Wood and others (including Colonel House) to take some steps in the direction of preparedness. Mr. Lansing tells us, however, that he and his associates believed that if he did not take advantage of the existing situation the Allies would be defeated, and that we would be called upon later to fight against Germany alone. In other words, these gentlemen were attempting to solve the age-old problem of whether it would be better to attack now or wait until later and act on the defensive if we ourselves were assaulted.

Wholly without military knowledge or experience, they committed the United States to one of the greatest military blunders in history.

The process of educating the American people up to war had been going on for about 2 years when President Wilson submitted his message to Congress, April 2, 1917. There was no deliberation. There were outbursts of patriotic enthusiasm. There were accusations and counteraccusations. There was heated debate. But, in the end, Congress was swept off its feet and the war resolution was passed by a majority of 8 to 1 in the House and 14 to 1 in the Senate.

The orderly processes of the Constitution had been avoided. The executive branch had first created a situation in which there was nothing for Congress to do except pass a resolution declaring that a state of war with Germany existed.

The slogan "Make the world safe for democracy" was just another campaign song like "a chicken in every pot." Germany was not fighting against democracy. The Allies had not banded together to save democracy. They were all fighting to save their skins.

And democracy today does not have to be saved from any menace from abroad. Nobody in Europe or Asia cares anything about our form of government. Yet once more we have been educated up to the idea that democracy is in danger and that the United States must do something big to save the world. We are once more a war-frenzied people and have started out on the biggest armament program the world has ever seen. Some of this might be advisable if we could afford it. But no one man should be entrusted with this tremendous agency of destruction.

The great patriotic duty of the present Congress is to take the destiny of this Nation back into its own hands—to say when, where, and against whom the armed forces of this country shall be used, and to see that never again shall the blood of our young men be uselessly bespattered upon the soil of Europe and Asia or upon the shores of the Caribbean Sea. No more visionary schemes to establish peace on earth and good will toward men by means of the bayonet.

There is a plan now on foot, known as the Ludlow amendment, to prevent the President or the Congress from throwing us into a foreign war without the prior consent of the people. It is a good idea, but it will not work. We should not wait until we have been educated up to the point of war before we take a vote upon this question. We should decide right now in cold blood that we shall not become involved in any kind of foreign war, no matter how great the provocation.

It is not necessary to amend the Constitution. We all know what we want. The machinery is all set up and it would be a very simple thing for Congress to enact the necessary laws to carry these purposes into effect.

Congress should create two Committees on National Defense—one in the House and one in the Senate—to consolidate and coordinate the work now being done by 10 different committees, 4 on the Army, 4 on the Navy, and 2 on Foreign Affairs, all of which are working independently and at cross purposes.

Congress should revamp the entire military code and should provide some simple and expeditious plan by which the people of this country could repel invasion without seizing all private property and setting up a totalitarian state under a military dictator. We could take as our model the Militia Act of 1792.

Pending this, however, Congress should provide:

That the land and naval forces of the United States shall not be used for any hostile purpose beyond the limits of the Western Hemisphere.

It is very easy to keep out of war on this continent if we develop a system of national defense based on the traditions of the American people, which is to repel invasion. And we should remember that nothing has happened in the last 50 years that warranted our sending armed forces to Europe or Asia—and nothing is likely to happen in the next 50.

The United States should serve due notice upon the world that it is going to make good on its solemn promise not to resort to war as a means for settling international differences. We should stop all this big talk—a bark without a bite—about how much better we are than other people, and how much we despise the other nations of the world who have their own ways of attending to their own business. We should recognize the inherent right of all people to seize territory by force of arms and to set up new governments by revolution. Our entire responsibility begins and ends when we fix it so that they cannot take anything away from us.

What this country needs is a good dose of spring tonic to clear up our system and get rid of this war fever!

How To Get $80,000,000,000

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ARTICLE BY HON. BRUCE BARTON, OF NEW YORK

Mr. WHITE of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. BRUCE BARTON, of New York:

How To GET $80,000,000,000

[Condensed from Collier's, the National Weekly, in the Reader's Digest]

(By BRUCE BARTON, Congressman, advertising executive, author)

The one big issue in this country today is your income. Two groups of political leaders, equally sincere and patriotic, are engaged in a head-on argument about it. One group, consisting of New Dealers, is led by the President, and the Governor of the Federal Reserve System. On the other side are Senators BYRD and GLASS, most of the conservative Democrats as well as the Republicans, and a majority of businessmen.

The President says that if the United States will just keep on running into debt the national income will automatically increase from sixty billion to eighty billion dollars. We, his political opponents, contend that the President's 1939 financial policies (the exact reverse of his 1933 policies) are not merely a denial of historical experience, but are in complete violation of ordinary horse sense. We believe that he has been persuaded by a group of cocksure young men to conduct a reckless gamble with the fortunes of 130,000,000 people, and that history, while admitting the sincerity of his motives, will say that his second term was a frightfully expensive luxury for the people of the United States.

There you have the real issue between Republicans and new dealers. It cannot be compromised; it grows out of philosophies diametrically opposed. On it the campaign of 1940 will be fought and the next President of the United States elected.

You will be offered:

More spending, more debt, as the path to an $80,000,000,000 national income, versus Government economy, lower taxes, business encouragement, and scientific research as factors which can easily double the Nation's income and yours.

This article argues in terms of everyday experience for the second proposition. Let us start with a true story illustrating the process by which jobs and income are created. Back in November 1919 three young men wanting to start a business of their own found a banker who would take a chance on them to the tune of $10,000. The note they signed bore the company name, their own names, and their wives' names—none of which had any financial value. It was what is known as a character loan.

The little business, starting that week with 14 people, now employs 650. The total pay roll has exceeded $35,000,000. How many homes have been built out of that business? How many automobiles have been purchased? How many refrigerators, radios, vacation trips? How much life insurance? The $10,000 of bank money, plus the energy of three young men, created expanding circles of employment and production which reached out to thousands of homes.

Countless stories of the past 30 years have the same formula: A group of young men, enthusiastic, willing to take a chance, plus a small amount of borrowed money, courage, and hard work. These are the factors that made millions of jobs before the New Deal was ever born. We claim that, given a chance, they can make millions of jobs again.

These three young men opened their office right after the World War in a time of unrest and economic confusion. They believed that the way to recovery was not by legislation or wishful thinking but by hard work and thrift.

The Government of that time felt the same way. A form letter from the Treasury Department urged "increased production, economy, savings, and investment" as the solution for the adverse economic situation. In the year 1919–20, neither these young men nor their Government had ever heard that the way to prosperity was to work less, or that national debt is a national blessing.

In those days men lived largely in the future. Business was full of confidence. The clients whom the young men served were laying out 3-, 5-, or 10-year programs. Advertising budgets were usually approved a year in advance. For the past 6 years there has been very little forward planning by those young men or their clients. Advertising budgets are approved for only 3 months ahead, sometimes less. In industry, machines are not being replaced until they threaten to fall to pieces. A recent survey showed that $17,000,000,000 should be spent immediately for modernized equipment. Executive decisions are postponed to the last possible minute. No one wants to make a commitment for the day after tomorrow because there may be bad news in the papers tomorrow. Men have been living in fear rather than faith.

When the three young men started in business their bookkeeping was done by a man and a couple of girls. Today, at every monthly directors' meeting, lawyers and the chief accountant must spend an hour explaining new taxes. (The company files 97 different tax returns.) Government questionnaires have to be filled out. (Last year the Government mailed 135,000,000 questionnaires to American businessmen.) There is always at least one new law that affects operations in one or all of the six States where branch offices are maintained. The business is on the defensive—struggling to maintain itself in the face of constant annoyance and increased tax burdens.

With this specific example I have tried to make clear what the businessmen mean by "overtaxation," "Government interference," "lack of confidence." To the man in the street these phrases have become monotonous squawks uttered by folks whom he still tends to distrust; but to management, seeking more sales and more employment, they mean sand in the gear box. Not that any intelligent manager wants to "go back" to the laissez faire that ended in debacle. Government supervision is here to stay. But it can be vastly simplified and exercised in a spirit of cooperation.

Business has not a perfect record by any means, but the record of bureaucracy is even less impressive. Our oldest bit of bureaucracy is the Interstate Commerce Commission, which, after a half century of control of the railroads, has let them reach the edge of the scrap heap.

How little spirit of cooperation there is in the New Deal was evidenced by the President's nomination of Mr. Amlie for the Commission. Mr. Amlie is a sincere and honest man. But he has stated publicly that the business system is outworn and must be discarded in favor of some form of socialism. This is the man the President selected to help work out one of the biggest business problems of our day.

Let us turn now to the general points of controversy:

Private debt and public debt: The President and Mr. Eccles, Governor of the Federal Reserve System, maintain that there is, in effect, no difference between public debt and private debt; that as long as the public debt is owed internally and carried at a low rate of interest, it is nothing to worry about. But we have seen how a private debt of $10,000, plus energy and courage, created 650 jobs and $35,000,000 in purchasing power. What is the effect of public debt on that enterprise?

Public debt, resulting in high taxes, compels the management to struggle constantly to decrease expenses. Wages are the biggest cost in any business, and the only way to affect a major saving is to employ fewer people. Thus, while private debt created these jobs, public debt works steadily to limit or destroy them. Second, public debt, incurred professedly to give greater security to the "one-third" at the bottom of the social scale, is wiping out the security of the middle class. Thrifty folk who have accumulated a few thousands in the savings bank thought they could depend upon an income of 4 percent. They are now receiving half that. By depressing the interest rate in order to float its huge bond issues, the administration has greatly increased the worries and lessened the incentive of the middle class.

How to get out of depression: The depression of 1920–21 was sharp and severe; the national income fell from seventy-three to fifty-three billions. Did the Government spend billions in pump priming? On the contrary. It reduced its expenditures from five billions in 1921 to three billions in 1922, with a corresponding decrease in taxation. The national income shot up seven billions in a single year. In 1923 there was another reduction in Federal spending and Federal taxes. The national income rose another nine billions.

In 1933 President Roosevelt came into office with the promise of a 25-percent reduction in governmental expenses. He put that promise into action, with the result that there was a greater increase in national income between March and July 1933 than in any similar period in our history. There has been no such recovery since he abandoned his 1933 promise in favor of deficits and debt.

We discover from history that the national income has been highest when the Government was being operated economically, when taxes were being reduced and payments being made on the national debt. The only time the Nation approached an income of $80,000,000,000 was when these three factors were at work.

Purchasing power: The new dealers assert that depressions occur because the men and women who create the products of industry do not have money enough to buy those products. So they seek to spread purchasing power via "pump priming" and relief. Now, what are the facts? Consumer purchasing power holds up pretty well even at the bottom of a depression.

Department-store sales are down only a small percentage. Food sales hardly at all. The big unemployment is in the capital-goods industries, and this is not cured by artificially creating consumer purchasing power. Buildings, machinery, railroads are financed by long-term investment; and this takes place only when men believe that invested money will be safe and return a future profit. This is what businessmen mean by the much abused word "confidence."

"Purchasing power" is not fixed or static. I have half a dozen different purchasing powers; so do you. I have one purchasing power when I feel well, and quite a different one when I am sick. I have one purchasing power when I am afraid of Government taxes, restrictions, or abuse, and quite a different purchasing power when I feel that the Government is going to help me, provided I am operating with a reasonable degree of social justice. Purchasing power is fully as much psychological as it is economic. The failure to appreciate this truth constitutes one of the biggest mistakes of the New Deal.

The profit system: Not long ago a man who accumulated a fortune promoting varied undertakings, said to me: "I used to raise millions for new businesses. Now I do nothing. If I should promote an enterprise that provided a lot of jobs and resulted in a profit, the Government would let me and my heirs retain about 8 cents out of every dollar. If the thing flopped, I would loss 100 cents. Why should I gamble at 12-to-1 odds?

The New Deal professedly wants to preserve the profit system, but does not recognize that there can be no profit system without profit makers. You can fill the tank with the gasoline of relief, you can give the machine a push with "pump priming," but you never will get the engine running without the spark plug—the profit maker.

More important than any of these economic factors is the spiritual factor—the belief of people in the future of themselves and their country. This hopeful outlook the New Deal has failed to establish. It could be established in 90 days. In 90 days, barring a major war, we could be really on our way to a national income of eighty billions or even one hundred and twenty billions. It is because I believe this that I am working to have a different viewpoint in Washington after 1940.

What would an administration with a different viewpoint do? Would it balance the Budget immediately? Impossible. But it would do the following:

Take immediate steps toward economy. Abolish such useless Government agencies as the National Emergency Council and the Guffey Coal Commission, and radically reduce the expenses of the others.

Stop Government competition with private industry. Let industry work and Government govern.

Make all Government expenditures, insofar as possible, through private agencies. Government must provide relief directly; but jobs should be provided through private industry. The work would be done more efficiently, and the morale of the worker would be improved.

Cut taxes immediately. Instead of decreasing the deficit the first year, this might for the moment increase it. But business would leap ahead; an increase of ten billions in the national income would be an easy achievement. The whole psychology of the American Nation could be quickly changed. During that first year there would be opportunity to revise and simplify our whole tax structure.

Most important of all, the new administration would sweep out of Washington the theorists and defeatists and re-create in the hearts of the American people a faith in their future. How rich are the materials for such a faith. The new science of "chemurgy," the application of chemistry to agriculture, envisions scores of new industries, all of which would consume farm products. In the past few years thousands of new metal alloys and new chemical compounds have been produced. Chemists and engineers have no question that they will open the door to millions of jobs.

To sum it all up, my fellow businessmen believe that the United States still has a great future. We reject absolutely the craven doctrine that there must be a permanent army of unemployed or of Government wards. We believe that prosperity and full employment can be reached by the same paths which have led us toward them in the past—economical government, lowered taxes, a reduced national debt, scientific research, new industries, and an expanding economy. The New Deal economists argue that the deeper in debt you sink the

higher in prosperity you rise. We stand on history and horse sense. We know it ain't so.

There is one thing to be added. We must make sure that this bigger national income is better distributed than in 1929. We cannot afford another bust. I believe that business has learned the lesson of the past 10 years. There is a much keener sense of social responsibility; a realization that success will be measured in the future not by money making alone but by contribution to human life. This more active social consciousness is one result of the New Deal; history may term it the one most important result.

Memorial Day Address at Arlington

EXTENSION OF REMARKS

OF

HON. CHARLES H. ELSTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following Memorial Day address by Hon. ROBERT A. TAFT, Senator from Ohio:

I deeply appreciate the honor of being chosen to address this great gathering on Memorial Day, a day which has come to mean so much to Americans, a day which brings sacred memories to the past and an inspiration for the future.

Seventy-one years ago today Gen. John A. Logan, of the Grand Army of the Republic, designated the 30th of May for the purpose of strewing with flowers or otherwise decorating the graves of comrades who died in defense of their country during the Civil War. April 26 had already been designated for the same purpose in the Southern States for the purpose of honoring the Confederate dead. With the passage of years we have gradually come to consider these days as days of tribute to the memory of all those who have given their lives in armed conflict for their country and as a time of solemn reflection on those ideals and principles for which those boys and those men were willing to make the supreme sacrifice.

We come here, therefore, to pay tribute to all of our soldier dead, whether they served in the War between the States, the War with Spain, or the World War. All were fighting for love of this country of ours and for love of those ideals which have made our country the greatest force for good in the world today. We come also to pay tribute to those, both living and dead, who served in these three wars but who were not called upon to sacrifice their lives. Even though death passed them by, they were none the less ready to offer themselves to their country in the cause for which they fought, and many bear wounds or other injuries for which the country owes them a debt of gratitude it can never pay.

We come here to reflect upon the ideals for which these men so willingly offered their lives. All through history men have been willing to fight for their honor, for their glory, and for the protection of their homes and their loved ones. But it seems to me that Americans have fought for something in addition to that—for ideals and a way of life, unique in this country, which every American recognizes as true Americanism. Many other countries now have, and have had in the past, democratic institutions somewhat similar to our own. Many other countries have had, and some still have, individual freedom. But the combination of ideals set forth in the Declaration of Independence, consolidated in the Constitution, and made alive by the growth of a nation across an unconquered continent, are characteristic of this country alone.

The Puritans came to this country seeking individual freedom and the right to work out a better condition of life for themselves and their families without the interference of government. Their ideals were carried on in the Declaration of Independence, which laid down the fundamental doctrine that there were certain inalienable rights in every individual of which no government and no majority, no matter how large, could deprive him. Freedom of worship, freedom of speech, freedom from oppressive searches and seizures and unfair trials, freedom from the tyranny of government, if you please, were written into the Constitution.

But, more than that, America has stood for equality of opportunity. It has been always a land of opportunity. This country is proud of the fact that it has not been divided into the classes which have existed in every European country. With universal free education there has been no boy or girl born in the United States who has not had the opportunity to rise to the top of his or her field of activity if he or she had the necessary ability and industry and courage. In government, in the professions, in the Army and Navy, in big business and little business, we find at the top men who started with nothing except their own character, and this is still true today in spite of all the talk of the privileged and underprivileged.

We have today a much more difficult social problem, but we need not let that problem distract us from the essential fact that American principles have succeeded as no other principles have succeeded in the world. In our desire to meet our economic problems we need not imitate European ideals or substitute for individual freedom any paternal direction from Washington. We must not substitute for industry and thrift and a proper recognition of ability any alien panaceas of a purely socialistic nature. There are all kinds of democracy in this world, but we must be concerned with preserving American democracy. Let us not imitate the European idea of dividing the whole country into classes and trying to divide rights and privileges between those classes. All over the world even the rights of individual freedom are rapidly being encroached upon. In many countries they have disappeared. The very basis on which Americanism has been built is being destroyed in Europe, and the propaganda which is destroying it is spreading into the United States. I do not share the fear often expressed that communism and fascism are threatening to replace the American republican form of government, but the principles of those "isms" are being studiously spread to modify individual freedom and opportunity and Americanism as we have known it.

There is a constant effort to modify our institutions in a way which is inconsistent with their basic principles, and we cannot too often remind ourselves of what Americanism is. It is the American philosophy which has made our institutions live and breathe, and caused the guiding light of the American ideal to shine as brightly today as it did in the first fire of its youth, over 150 years ago. All of us feel that spirit. Sometimes we feel it more intensely than at other times. Because Memorial Day is one of those times, it has become one of our truly great national holidays.

Let us not become inclined to take our heritage for granted, lest it be gradually encroached upon until we awaken suddenly to the peril of losing it, and must fight again to regain what we might otherwise lose. May Memorial Day remind us of the sacrifices which have been made in the past; may it impress us with the possibility of danger in the future; and may it urge us on to fight aggressively for the retention of American ideals and the American way of life.

We come here today to honor the men who gave their lives for the protection of these ideals. First are those who died in the War between the States. The dead of both sides now lie in the same soil. The same flag flies over both. No bitterness remains—only an abiding love and loyalty for that united country which remained united. The Civil War was fought to abolish an institution which could not be reconciled with individual freedom and equal opportunity.

We come to honor also those who offered their lives in the War with Spain, the war which ended the tyranny of Spain in this hemisphere. There are many of us here today who remember that conflict, but the bitterness is gone and almost forgotten. It was fought because we could not see the ideals of freedom and opportunity destroyed at our own front door.

The World War has been over for more than 20 years. Nearly everyone within the sound of my voice can remember that great conflict. Our memories of it have not been mellowed, and we still remember much of the horror and the disillusionment connected with it. In previous wars the tragedy and the suffering were soon forgotten, and only the glory remained in the minds of men. Perhaps only the wives and mothers remembered the real facts. But today all of us remember the World War, and we know that the romance has disappeared from modern warfare. We know that the ultra-modern warfare of today is still worse. In other parts of the world the drumbeats of war are throbbing again. Many of the nations of the world are arming to an extent beyond our wildest imagination of a few years ago. New engines of destruction are being devised, and new uses are being found for old instruments of death. Those who went through the World War do not need to be reminded of its utter horror.

The World War did more than anything else to demonstrate the complete futility of war. Some countries today are fighting or preparing to fight to impose their own particular way of life on others. Some countries are fighting or preparing to fight to preserve their own way of life. It is extremely doubtful if war will accomplish the objectives of either. Regardless who may be the nominal victor in any war, both sides may find that those principles which they seek to impose, or those ideals which they seek to preserve, have been destroyed by war itself more than by their enemies. The war to preserve democracy seems to have resulted in a tremendous increase in dictatorships. It has furthermore produced dislocations of normal economic life, which resulted in depressions and suffering and misery and poverty throughout the world.

The World War and the growth of the war spirit in Europe today have made Americans pause and think. They have come to realize that a war to end war is more likely to produce continued war. The people of the United States yearn to avoid war. In recent weeks the Members of Congress have been deluged with letters and postcards of every description. Some are pages long; others contain only the words, "We do not want war"; but all have the same general theme. Some are from veterans; some from the parents of young men and boys; some from the boys themselves. All would be willing to defend this country from attack. Some, it is true, favor methods short of war, but no nation can take

methods short of war unless it is prepared to carry through the war to which such measures inevitably lead.

It is true that this country has never lost a war, but does any nation ever win one? Many millions of young men are lost, even though their nation is victorious. The buildings which civilization has taken centuries to build are destroyed. Economic peace and comfort are lost for many years, and the very freedom of the people of the victor may disappear forever. The World War has been followed by a race of armaments greater than ever before, and a Europe in which millions of people are living in constant apprehension of another war. The people of Europe are infinitely worse off than they were before the war began, and they are facing the possibility of a war which may destroy their civilization itself.

We cannot hope to cure the situation in Europe, produced by the crowding into a small continent of scores of hostile races. Washington and Jefferson and every other American statesman have warned us that we should avoid entanglement in the affairs of Europe, and I do not agree with those who say that conditions have changed and we must plunge into any world war. Let us bear in mind the words of Mackenzie King, the Prime Minister of Canada, who said recently of Canada: "The idea that every 20 years this country, which has all it can do to run itself, should feel called upon to save periodically a continent which cannot run itself, seems to me a nightmare and sheer madness."

The United States need not remain entirely aloof from other nations. To avoid war it is not necessary to ignore the other nations of the world. We can be friendly to all. We can constantly urge peace upon them and do what we can to assist that peace. But we cannot well impose embargoes to starve them into submission. We cannot interfere in their internal affairs, or tell them what kind of government they can have unless we are prepared to join in a world conflict. I believe we can stay out of war if we are determined to do so. We can prepare ourselves for defense against actual attack, and we have taken the necessary steps. But I cannot see the slightest ground for the fear that any foreign nation is likely to attack us. The very fact that we are prepared to defend ourselves decreases the likelihood of our being attacked.

While we are prepared to defend ourselves, we are not entirely prepared against a propaganda which may drag us into a foreign war, a war to defend some other country or some ideals supposed to be similar to ours. We are still subject to the danger of martial enthusiasm, which, in our sober moments, we would reject. Our high schools and colleges are filled with young men and boys who do not remember the horror of the last war as you do. It is they who may be swayed by martial music. It is they who may be deluded by a propaganda of mob psychology. It is they who will be marching away leaving tearful mothers and wives behind. It is they who may be the honored dead to whom future generations pay tribute on some future Memorial Day.

It is our responsibility to teach them the sound principles of Americanism and lead their footsteps in the paths of peace. Fortunately, many of them already understand, although they do not remember. Perhaps it will help us in our purpose if while we pay tribute to these honored dead we continue to remember that in each grave we decorate there lie the remains of a young man or boy who might have rendered a great, if less spectacular, service to his country in the pursuit of peace; a young man or boy who was silenced in the prime of life, leaving loved ones behind who derived small comfort from the glory of his sacrifice.

It is our job to make our own system work. It is our job to preserve Americanism and make its examples so outstanding that it will command the respect of the people of other nations. We can reaffirm our faith in the American way of life and preserve it in this continent, a standard to which the rest of the world may in time return.

From the sacrifices of those whom we honor today, we have learned the importance of carrying on the American tradition they have so nobly preserved. We can benefit by the example they have set, and we can try to carry on their accomplishments by peacetime efforts which do not even compare with their sacrifice but may be equally effective. Patriotism is not confined solely to those who bear arms for their country. Even in time of peace there are battles to be fought, there are victories to be won, and there are sacrifices to be made. There is much for us to accomplish in the pursuits of peace. It is for us to fight these peacetime battles, win these peacetime victories, and make these peacetime sacrifices. Inspired by the example of those to whom we pay tribute today, let us seek by our efforts to make it unnecessary for future generations of young Americans to sacrifice their lives as they have done.

Today as we pay tribute to these great dead, as we decorate these hallowed graves, let us cherish the hope that at some future date, when we are no longer here, there will be no fresh graves to decorate. Let us hope that there will be no veterans of any future war to honor. Let us hope that our hospitals will not be filled with the maimed and disabled of some future war but may be available for the pressing needs of peace. Finally, let us hope that those who decorate these graves will never have heard the tramp of marching feet or the beating of drums and that their hands will not have handled the implements of war. Let us hope that all Memorial Days hereafter will be filled with memories of the past and free of fears for the future.

The H. O. L. C. in Oklahoma

EXTENSION OF REMARKS
OF
HON. JED JOHNSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

LETTER FROM HON. JOHN H. FAHEY, CHAIRMAN, FEDERAL HOME LOAN BANK BOARD

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I submit a letter addressed to me by Hon. John H. Fahey, chairman, Federal Home Loan Bank Board, and a summary of the record of the Home Owners' Loan Corporation, as follows:

FEDERAL HOME LOAN BANK BOARD,
Washington, May 25, 1939.

The Honorable JED JOHNSON,
House of Representatives.

MY DEAR MR. JOHNSON: We recently have received inquiries from a number of Members of the Congress regarding the operations of the Home Owners' Loan Corporation, both nationally and in their own States. Believing that you will be interested, I therefore am attaching a brief informal report as of December 31, 1938, which not only gives a picture of our current activities but outlines the permanent contributions the Corporation has made to a broader and more secure home ownership. To supplement this report I am taking the liberty of presenting you with some interesting figures on your own State of Oklahoma.

The H. O. L. C. has refinanced 23,962 Oklahoma home owners to the extent of $55,875,384 since the beginning of its lending period, June 12, 1933. These Oklahoma borrowers, like all H. O. L. C. borrowers, were without private credit at the time; the average was 2 years delinquent in both principal and interest and between 2 and 3 years on taxes. The story of their "come-back" is a tribute to their courage and resourcefulness in the face of heavy odds.

As of February 28, 1939, Oklahoma borrowers had repaid $11,439,067, or 20.5 percent of their total principal indebtedness. Collections in March were 105.9 percent of billings. Thirteen hundred forty-seven Oklahoma borrowers have paid in $2,411,228 to settle their accounts in full; 13,649 others today are current or less than 3 months in arrears, while 1,446 more are in a liquidating class, meaning that they not only are meeting all current bills but, in addition, are making regular monthly payments on their arrearages.

This means that we now have 15,095 accounts in Oklahoma in a satisfactory condition, representing borrowers who clearly are on their way to debt-free home ownership. There are 1,958 other borrowers who are making adjusted payments sufficient to keep their accounts active and who are being given every assistance in their effort to rehabilitate themselves.

The H. O. L. C. now owns 2,839 homes in Oklahoma. It has sold 1,955 others. Of the homes it owns, and which are available to yield income, 90 percent are rented. Rental collections in February were 98.7 percent of billings.

These figures tell a story that we believe is a credit to both home owners and the manner in which they were assisted by the Government. They show that more than 76 percent of these almost hopeless home owners H. O. L. C. refinanced either have saved their homes, are almost certain to save them, or at least have a good chance—and only 8 percent are in the last category.

Included in the original loans made in Oklahoma were $698,000 for reconditioning and repair of homes to make them sound security, and about $4,816,000 for payment of delinquent taxes. Since the close of our lending period the Corporation has advanced an additional $1,478,000 for taxes, maintenance, insurance, and similar purposes to aid and protect borrowers. Further, $2,078,000 more has been spent on properties which the Corporation has acquired. Every dollar spent on reconditioning, of course, stimulated the construction industry and enhanced neighborhood values; the taxes we advanced provided needed revenue to Oklahoma communities and to the State.

The story of how the H. O. L. C. tried to serve the purpose for which it was established by the Congress is told in the attached national statement. Its constructive social purposes have been carried out in the State of Oklahoma to the best of our ability.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

DECEMBER 31, 1938.

THE RECORD OF THE HOME OWNERS' LOAN CORPORATION

The Home Owners' Loan Corporation, now in its sixth year of operation, is well on its way toward the goal set by Congress—the rehabilitation of hundreds of thousands of home owners who faced

the loss of their properties during the depression. Today more than 701,000 borrowers, all threatened with foreclosure at the time H. O. L. C. stepped into the picture, are in satisfactory standing. Nearly 588,000 are either entirely current or less than 3 months in arrears and 113,500 others not only are meeting all regular monthly bills but, in addition, are making regular monthly payments on their arrearages. About 126,000 other borrowers are making adjusted payments which give hope that they, too, will be enabled to "come through" and nearly 44,000 accounts, amounting to $101,000,000, have been fully liquidated and crossed off the books.

Borrowers have paid back more than $500,000,000 of their entire principal indebtedness; about 90 cents of every dollar due has been paid to date, with collections now aggregating about $1,000,000 in principal and interest every working day.

The accomplishments of the Corporation, however, are not confined to the relief it extended more than a million home owners in the form of loans or in helping halt the demoralization of a real-estate market that already was recording 1,000 foreclosures a day and never could have withstood the shock of a million more. In taking mortgages totaling $932,400,000 from banks and trust companies, $767,900,000 from savings and loan associations, $192,000,000 from finance and mortgage companies, and $164,600,000 from insurance companies, it made those institutions liquid and allowed them to grant leniency to other distressed home owners. The rest of the $3,093,000,000 the Corporation advanced before the close of its lending period, June 12, 1936, went direct to individual mortgage lenders, keeping them, too, from adding to an avalanche of foreclosures which had mounted to 1,000 a day.

The Corporation saved its borrowers $200,000,000 in concessions it was able to obtain for them from mortgage holders at the time of refinancing. It directed the spending of $78,000,000 for repairs which made their homes better investments and sounder security. And it paid $229,000,000 to wipe out delinquent taxes. It is estimated that H. O. L. C. borrowers to date have saved $175,000,000 in interest alone—the difference between the amount they have paid under their 5-percent rate and the higher rate on which they originally obtained their mortgages.

But perhaps the Home Owners' Loan Corporation's chief contribution was toward the reformation of the entire mortgage structure of the Nation. Its 15-year, 5-percent amortized mortgage has revolutionized the home-mortgage field. It swept away the old and burdensome second mortgages of H. O. L. C. borrowers, and the second mortgage is virtually disappearing from the American home-financing picture. The old short-term loan, renewable only at high fees and which the average home owner rarely ever pays off, also rapidly is being discarded. The low-interest, long-term loan now is a recognized part of home financing in this country.

The H. O. L. C. at the present time owns 88,576 homes. It has sold 34,595. These homes—representing only about 12 percent of the number H. O. L. C. refinanced—were acquired only after every effort to save their owners failed. It is estimated that 18 percent of the homes acquired were abandoned or virtually so and that 6 percent came to the Corporation through deaths of borrowers and refusal of heirs to assume their obligations, or through legal complications. The largest single block of foreclosures, almost 40 percent, resulted either through willful default of those able to keep their contracts or utter refusal to cooperate to the best of their ability. Only a minority of foreclosed H. O. L. C. borrowers lost out through sheer inability to pay.

The personal service which the H. O. L. C. instituted was unprecedented. If borrowers were out of jobs, H. O. L. C. field men sought to get them employment; if they were eligible for relief, they were aided in obtaining a shelter allowance which could be applied on payments for their homes; if they were "overhoused"—attempting to carry homes beyond their incomes—they were helped to rental or sale. Every resource was exhausted before foreclosure action was taken—and even then 16,500 withdrawals of foreclosure actions prove that leniency was granted to the last.

It must be realized that the average H. O. L. C. borrower, when refinanced, was 2 years delinquent in both principal and interest and in arrears for 2 to 3 years on taxes. The average foreclosed H. O. L. C. borrower at the time of foreclosure was again delinquent 20 months in both principal and interest to the Corporation, with unpaid taxes mounting. Since the process of foreclosure requires several months in the average State, the average borrower who has lost his home occupied it rent free for at least 4 and probably 5 years. If he was unable to make any progress toward rehabilitation in that period, little hope could be held out for the future.

Net H. O. L. C. foreclosure authorizations dropped in November to about 2,000 from a peak of 8,000 monthly in the late summer and fall of 1936. In several States foreclosures virtually have ceased; in many others withdrawals are about equaling foreclosures. H. O. L. C. has been able to dispose of its acquired properties almost at will, but only offers them for sale in quantities which will not adversely affect the stabilization of the real-estate market. In 1938 the Corporation sold more than four times as many as it had sold in the course of its operations up to December 31, 1937.

As rapidly as the H. O. L. C. has acquired homes, they have been placed in condition to yield income. Its reconditioning forces are spending about $100,000 each working day for that purpose and to recapture values lost through depreciation; in all, $45,000,000 has been expended to improve such homes, making a definite contribution toward safeguarding neighborhood values. Of the homes the H. O. L. C. holds, available to yield income, 88 percent are rented; 98.8 percent of the renters either are current or less than a month in arrears.

Although the H. O. L. C. was created to meet an emergency, its officials have sought to make permanent contributions toward a more secure home ownership in the future. Forced to recondition half the homes it refinanced in order to make them good security, the Corporation exposed the full extent of shoddy construction in the small-home field. As a result, its technical forces conceived the Federal home building service plan, which now has been placed in operation by the Federal Home Loan Bank Board, the parent of the H. O. L. C. It is a program which links home-financing agencies, architects, materials dealers and manufacturers, contractors, and all other elements of the building industry to give better design and supervision of construction to small-home seekers for the first time in the country's history.

These technical forces now are working on a neighborhood rehabilitation program, which seeks to halt the obsolescence of what should be sound residential areas, either through blight within their borders or from the menace of encroaching slums. They believe that a united front of home owners, real-estate interests, and home-financing agencies can halt the staggering loss in property values which all major communities now bear each year.

The H. O. L. C. has a selfish interest in such programs to better home construction and protect home investments, since it owns a vast number of homes and has mortgages on hundreds of thousands more, all of which are affected by any decline in property values. But, in a broader sense, it is seeking to protect not only itself and its borrowers but all home owners of the future from the conditions which contributed to the necessity of establishing the H. O. L. C. during the most desperate period of the depression.

Royal S. Copeland

MEMORIAL ADDRESS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROYAL S. COPELAND, late a Senator from the State of New York

Mr. MERRITT. Mr. Speaker, once again the Grim Reaper has reached out and taken from our midst the Honorable ROYAL S. COPELAND, Senator from the State of New York.

In the passing of Senator COPELAND the Congress has lost one of its ablest and most brilliant Members. His life has been one of devotion and service to the people of the State of New York and to the people of this great country of ours.

His scholastic attainments have not only been in the field of politics and government but also in the field of medicine he leaves behind a most honorable reputation.

It was my honor and good fortune to have known him intimately, and at this time I desire to pay tribute to this fine character who guided me with a fatherly hand and gave me the benefit of his experience in my first campaign as an aspirant to the House of Representatives. I have lost a very dear friend. May he have eternal peace.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. MARTIN J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. MARTIN J. KENNEDY. Mr. Speaker, others have used poetry to describe the late ROBERT LOW BACON, one of the most distinguished Republican Members to serve in this House since I became a Member. He was a real man.

He was a patriotic soldier and a splendid legislator. Mr. BACON loved politics, and during his long years of service

here in the House he worked indefatigably on the Committee on Appropriations. He was a fiscal expert.

The way of life leads in many directions. Mr. BACON did not seek a political career because of any anticipated monetary rewards, as he was independently wealthy. I believe he did it for the same reason that he went to the Mexican border with Funston; for the same reason that led him to don the soldier's uniform in 1917. We all know that he was as modest in his conduct here as he was in the way he won and accepted the Distinguished Service Medal.

A charming gentleman, he despised show-offs and the superficial. He was unselfish and he loved life. He loved his colleagues and they loved him.

I know, Mr. Speaker, that he would be disturbed if I used more flowery words to eulogize him, for, as I have said, he was a modest man.

He has "gone west," as soldiers say, and wherever that is, he has again found friends. That would be BOB BACON.

A Gentleman, a Statesman, and a Scholar

MEMORIAL ADDRESS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois

Mr. MASON. Mr. Speaker, recently, on the floor of that Senate which he served so well, loved so well, graced so well, JAMES HAMILTON LEWIS received the final highest tribute of his Nation. The Senate Chamber was hushed; the scent of spring flowers filled the still, quiet room. Capitol guards stood at each end of the silver casket with its single spray of white lilacs. Before it stood the great men of the Nation. Behind it flowers were banked. The Chaplain intoned:

Let not your heart be troubled; ye believe in God, believe also in Me. In My Father's house are many mansions; if it were not so, I would have told you. I go to prepare a place for you. And if I go and prepare a place for you, I will come again and receive you unto Myself; that where I am, there ye may be also.

Thus, a gentleman, a statesman, and a scholar was laid to rest.

Tariff Protection

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

EDITORIAL FROM DES MOINES (IOWA) REGISTER

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD the excellent editorial entitled "Whom Protection Doesn't Protect," appearing in the Des Moines Register of May 26, 1939, and written by the distinguished editor, Mr. William Weymack.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Des Moines (Iowa) Register of May 26, 1939]

WHOM PROTECTION DOESN'T PROTECT

The Register has repeatedly pointed out that in all the limitless talk about high tariff "protection" there is virtually complete silence about who pays the bill and what the real effect of the tariff subsidies is on our Nation as a whole.

Plenty is said and endless statistics are quoted to show what horrible effects any lessening of high tariffs would have on certain specific interests—the favored beneficiaries.

It is always the special interest that is put forward, never the general interest. This is true whether it is a purely industrial group that is getting the "pap", as for the most part in the case, or whether it is a certain segment of labor that happens to be employed in a "protected" industry, or whether it is a particular part of agriculture that looks strictly to its own short-term interest and not to the long-term interest of agriculture as a whole.

The powerful disinclination of any of the tariff subsidy-getters to permit discussion even to turn seriously toward the consumer side of the picture has been illustrated again and again.

A year or two ago the Register commented on the fact that when the issue of processing taxes in connection with a farm program was up, and when a clique in Congress was making a drive for "exposing" the hidden costs of such taxes to consumers, all that was necessary in order to stop the drive in its tracks was to couple with it a proposal to "expose" through a similar study the "hidden costs" of high tariffs.

The entrenched tariff beneficiaries wanted none of that!

The Canadian Government a few years ago, through an official commission, made a most interesting study of "price spreads" in that dominion, and what the study showed as to the penalizing of consumers t) rough the years by protective tariffs was enough to make eyebrows lift until they merged with the hair on the back of one's neck.

We desperately need a study like that in these United States.

Just to give a hint of what the total picture would be, let us note here a few facts that have come to our attention about sugar. We are not "picking on" sugar. It just happens to be an immediately available illustration. It also happens to be a timely one because of the new drive in Congress for still more protection in the form of quotas for our domestic sugar interests.

We consumed in the United States in 1938 twelve and a half billion pounds of sugar, or 96.11 pounds for every man, woman, and child. Concealed in our national sugar bill is more than $325,000,000, which as consumers we had to pay, above the world sugar price, as a subsidy to our domestic sugar producers.

Philadelphia is one of our great sugar-refining centers. At the very time, recently, when a Philadelphia refiner was quoting sugar at a net price of $4.214 per 100-pound bag for domestic use, the refiner was quoting, for sugar identically packaged but made from unsubsidized raw sugar, the net price of $1.60 for export. The difference between the domestic and export prices represents the total of the various protections given domestic sugar producers. Subtracting the world price at which sugar is sold for export (in the quoted case, $1.60) from the "loaded" price that we pay as American consumers (in the same case, $4.414), we arrive at the hidden cost of "protection" to consumers (in this case, $2.614 per 100-pound bag).

"Protection," very obviously, is anything but protection for the American family that buys sugar.

Figuring our per capita sugar consumption at the 1938 rate of 96.11 pounds, which happens to be below the figure for normal years, not above it, and figuring our population at 130,000,000, the cost of sugar "protection" to all of us as consumers reaches $326,000,000 on last year's consumption of refined sugar. Actually, this should be translated into "raw value equivalent," which raises the figure to $346,000,000 or over $11 per family. Even after deducting from the above total the tariff revenue of about $40,000,000, which goes to the Federal Treasury, there is left plenty that comes out of consumer pockets as a tax, not for government but for our protected sugar interests.

The purpose, of course, is to permit a small percentage of our mainland producers to produce sugar beets and cane in competition with the natural cane sugar production of the Tropics. Last year this mainland production was the equivalent of 41,296,000 100-pound bags of refined sugar with a gross value of approximately $175,000,000. In spite of all the protection and hothousing that has made even this production possible, it amounted to less than 30 percent of America's sugar consumption needs.

In other words, to protect a crop with a gross value of $175,000,000, the American people are required to pay in excess of world sugar prices, nearly $2 in cost to themselves for every $1 of subsidy to a small American segment.

This is merely an exhibit A of what "protective" subsidies of this sort long have meant to American consumers.

Since the great bulk of effective "protection" has been on things that farmers buy and not on things they sell, the American farmer has been the chief "goat" of the whole long process.

It is the inevitable discrimination of this tariff-subsidy grabbing, more than any other single factor, that has forced American agriculture into complicated and difficult "defense programs"—programs that, ironically enough, the great majority of tariff pap-suckers get red in the neck about.

COST OF SUGAR "PROTECTION" BY STATES

The table below is a break-down by States of the hidden costs of one part of our high protective-tariff policies. It amplifies the discussion in the editorial on the same subject that appears today at the left of this page.

It should be noted that totals in this table may vary somewhat from those used in the editorial, for the reason that the table is based on the 1930 census (the latest for which official population

figures for the various States are available) and on the 1938–39 sugar-crop reports. The population of the country in 1930 was only 122,775,046, whereas now it is 130,000,000.

It should also be noted that only the hidden or excess protective cost is given. The actual cost of the sugar consumed by the several States is, of course, very much higher.

State	What the farmers of the State got for the sugar they produced	What the people paid in hidden costs for the sugar they ate	Net gain or loss to the people through these hidden costs
Alabama		$6,642,082.48	−$6,642,082.48
Arizona		1,093,288.23	−1,093,288.23
Arkansas		4,654,749.82	−4,654,749.82
California	$23,975,759.49	14,249,900.01	+9,725,859.48
Colorado	25,519,613.17	2,599,835.41	+22,919,777.76
Connecticut		4,033,336.53	−4,033,336.53
Delaware		598,333.80	−598,333.80
District of Columbia		1,222,041.54	−1,222,041.54
Florida	4,487,910.00	3,685,209.61	+802,700.39
Georgia		7,300,350.06	−7,300,350.06
Idaho	8,430,355.63	1,117,030.32	+7,313,325.31
Illinois		19,152,941.54	−19,152,941.54
Indiana	791,229.07	8,128,642.53	−7,337,413.46
Iowa	1,071,413.71	6,202,056.89	−5,130,643.18
Kansas	643,802.28	4,721,307.49	−4,077,505.21
Kentucky		6,562,618.39	−6,562,618.39
Louisiana	33,720,428.00	5,274,998.43	+28,445,429.57
Maine		2,001,531.73	−2,001,531.73
Maryland		4,095,130.26	−4,095,130.26
Massachusetts		10,666,531.14	−10,666,531.14
Michigan	6,666,312.02	12,153,235.75	−5,486,923.73
Minnesota	3,118,115.59	6,435,522.03	−3,317,406.44
Mississippi		5,044,650.71	−5,044,650.71
Missouri		9,109,711.17	−9,109,711.17
Montana	10,244,571.12	1,339,391.06	+8,905,180.06
Nebraska	9,516,838.60	3,458,687.13	+6,058,151.47
Nevada		228,535.50	−228,535.50
New Hampshire		1,167,885.43	−1,167,885.43
New Jersey		10,143,748.34	−10,143,748.34
New Mexico		1,062,525.67	−1,062,525.67
New York		31,596,045.66	−31,596,045.66
North Carolina		7,957,292.76	−7,957,292.76
North Dakota		1,708,920.95	−1,708,920.95
Ohio	1,150,662.20	16,683,209.47	−15,532,547.27
Oklahoma		6,014,060.40	−6,014,060.40
Oregon		2,394,002.86	−2,394,002.86
Pennsylvania		24,174,688.50	−34,174,688.50
Rhode Island		1,725,617.47	−1,725,617.47
South Carolina		4,364,300.15	−4,364,300.15
South Dakota	568,021.92	1,739,050.99	−1,171,029.07
Tennessee		6,587,555.56	−6,567,555.56
Texas		14,620,034.65	−14,620,034.65
Utah	6,839,107.09	1,274,695.97	+5,564,411.12
Vermont		902,623.61	−902,623.61
Virginia		6,078,846.01	−6,078,846.01
Washington	1,210,960.32	3,924,123.96	−2,713,163.64
West Virginia		4,340,304.55	−4,340,304.55
Wisconsin	648,509.32	7,376,905.06	−6,728,395.74
Wyoming	7,900,318.20	566,168.15	+7,334,180.05
Total	146,503,881.86	308,165,365.46	−161,661,483.60

Address to Graduating Class of United States Naval Academy

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

ADDRESS BY ADMIRAL WILLIAM D. LEAHY, UNITED STATES NAVY, CHIEF OF NAVAL OPERATIONS, JUNE 1, 1939

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the well-received address of Admiral William D. Leahy, United States Navy, Chief of Naval Operations, to the graduating class of 1939 of the United States Naval Academy at Annapolis, Md., Thursday, June 1, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Gentlemen of the class of 1939, someday after a long absence from Annapolis in strange parts of the world, when the now familiar, and shall we say occasionally annoying, details of academic life shall have been softened by the perspective of time, you are going to be very much surprised at the surge of pleasing memories that comes with even such a visit as this one of mine; with its task of trying to think of something interesting and instructive to tell to a group of young gentlemen about to embark on a career in the Nation's sea defense.

It was hoped that your Commander in Chief, our sailor President of the United States, could have honored us today by officiating at this ceremonial dedication of yourselves to your country's service, but through pressure of work he is unable to do so, and the privilege has devolved upon me.

I am told that in your curriculum at the Naval Academy there has been established in recent years a course of instruction in English and public speaking that is expected to give to all of you a proficiency in the art of getting yourselves out of the kind of a predicament in which I find myself today.

It is unnecessary to tell you, because you will soon know, that in the ancient days when I was a midshipman the final result of our misnamed English course approximated to what we then called an absolute zero.

We indulge in a hope that your accomplishment in the use of the spoken and written word is better, because I can assure you that while proficiency in public speaking in the Navy rarely pays useful dividends, except in personal satisfaction, skill in the use of English is one of the most valuable of all the accomplishments that can be possessed by an officer of the Navy.

The class of 1939 is today starting on a career of highly honorable service in the cause of Americanism, with a diploma from this academy that is a certificate of your moral, mental, and physical fitness to command men in the service of your country. This is a certification of moral and mental attainments of the highest order. It assumes that you will hold the welfare of your men above everything but the welfare of the State and that you will hold your own personal comfort and safety as negligible.

Today also in the ceremonial acceptance of your commissions you will each one solemnly dedicate yourselves to that service and you will depart from these familiar scenes to a strange and different environment on distant seas.

You are entering the most competitive of all professions of the Government—that of a commissioned officer of the United States Navy. Your commissioned record begins on your first ship and the last report to complete that record will be submitted when you leave the active service. You will be scrupulously observed by your superiors, and considering the fallibility of human opinion, their reports over a reasonable period of time will give as exact a measure of your character, achievements, and professional qualifications as can be obtained in any conceivable way.

A distinguished officer of the Navy expressed this a quarter of a century ago by saying:

"In the Navy, after you have been in it a certain number of years, everyone knows you, has you labeled, sized up, and cataloged."

You will today accept an obligation to the Nation to keep that record clear.

In addition to the diploma you will each take with you from the academy something else that is intangible and spiritual that may not be acquired at other institutions of learning.

This intangible spiritual possession seems to be a combination of loyalty to ideals, tradition, courage, devotion, clean living, and clear thinking that has been passed down to you by generations of sea officers who in the service of America built the traditions of the Navy. It is more than "esprit de corps," because it reaches far beyond the corps and comradeship.

Perhaps the words "military character" approximate to a definition of this quality that you all to a greater or lesser degree take with you from the academy.

It will be cultivated and made to grow stronger by most of you through devotion to the synonymous ideals of Christianity and of Americanism, and it may be damaged or lost to some few of you through self-indulgence or intemperance in thought or in living.

The measure of success that waits for you in the high calling to which you are dedicated today depends almost entirely upon the preservation and development of this intangible virtue which has been given in such full measure to all of us; and it therefore appears proper to commend to you the closest possible adherence to the Navy's standards of clean living, courage, devotion to duty, and unselfishness; with an assurance, acquired by observation through nearly a half century of service in the sea defenses, that the rewards for superior military character are tangible, and in peace and in war are the highest attainments that may be aspired to by those of us who are set aside for the cause of national defense.

You will hear many times in your naval career the expression "best interests of the naval service." I commend to you its use in making decisions on the many professional questions that will arise. A well-considered decision or recommendation based on the "best interests of the service" can rarely be criticized. In our profession the service must be put first, and self and individuals must come last.

Your education in its broader aspects is just commencing. There will be much to read and study along strictly professional lines. But so many problems confront our country today that it is necessary for us to keep well informed on current events; and to visualize the future one must know considerable of the past. Naval, military, and political history will assist you in understanding the position our country occupies in the affairs of the world. From the history of the United States and that of our profession you will learn with what unselfish devotion your predecessors gave their best energies to the task of achieving our independence, and in establishing and preserving a free government. Such study is recommended for its inspirational value to the officer and it truly

gives an understanding conception of that general term which we call "Americanism."

To understand naval policy you must be conversant with the national policy which necessitates continued study of a comprehensive and ever changing picture at home and abroad that is in the present time causing a considerable increase in our preparations for national defense.

The character of the naval service will be reflected often by an individual officer. Because of your opportunity to travel and visit remote parts of the world there will be times when your conduct, bearing, and conversation will give to foreigners their only impression of an American in official life. To be a representative American requires a personification of the finest qualities of our race. The expression "officer and gentleman" must, in your understanding, define everything that is superior in the character of an officer and a citizen.

There is a demand for leaders in all professions and businesses; the Navy is no exception. You will read many excellent essays and studies on leadership, but you will develop your natural gift for leading by the emulation of others and by a critical study of yourself, and the success of your service career will be determined mainly by your reputation and potentiality as a leader of men. The study and practice of all phases of the absorbing art of leadership will continue throughout your professional life. To inspire confidence, respect, and loyalty, epitomizes the outstanding qualities of successful leaders. Confidence in oneself is gained by a mastery of profession; respect is inspired by your exercise of authority, your bearing, and your personality; while the loyalty accorded to you is proportionate to your sense of justice, your industry, and your ability to inspire others. The Naval Academy has done its best to give you a ground work in the absorbing subject of leadership, and now you will be faced with its practical application in the fleet. Perseverance and introspection will achieve results.

A well-known contemporary writer has made the following pertinent observation:

"Doctors and Army and Navy officers have in them something of the same holy zeal of a monk. Their professions call for a renunciation of worldly wealth and place; they work for the joy of the job and get little thanks and much criticism for it, and are never really appreciated until a grave emergency arises."

This observation contains a lesson of value to all of us. A "grave emergency" comes in every generation. It will come in yours; but if you aspire to worldly goods, or ease, or the usual comforts of life ashore, the Navy will be a misadventure, and you should in your own interest begin another line of effort without delay.

If on the contrary we are pleased to accept the sacrifices involved, life at sea through the ages has for youth provided romance, adventure, and opportunity for service.

It has trained men in vigilance, self-reliance, initiative, and endurance; and it has eliminated quickly those lacking in courage.

It has rewarded survivors with the satisfaction of successful contest with the elements, with days of soft sunshine in tropic seas, with pleasing friendships, sparkling enmities, and a continuing promise of adventure beyond every horizon.

Forty-two years ago it was my happy privilege to stand where you are today at the beginning of a career in the service of our country.

In a few days that career will be terminated by retirement at a statutory age that for you is still in the far distant future beyond years that will probably provide for you even greater opportunities for service than those that were available to my generation.

We are envious of your prospects.

With a counsel to remain always steadfast in your devotion to the ideals of America inherited from our fathers, to be considerate of the ideals of other peoples, to strive for peaceful solutions of differences, and to hold your personal honor of higher value than all else; I have the privilege today of extending to you from the Navy a welcome to full membership in the brotherhood of sea officers of America, and to deliver your earned and justly prized diplomas.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

ADDRESS BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a Memorial Day address which I delivered at Shippensburg, Pa.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Memorial Day increases in significance as we reflect on the spread of intolerance and war in so many foreign lands. This has been a restless, militant, war-like, intolerant, depressing, tragic decade. On this Memorial Day the American people are entering into a grave understanding of these sources of conflict and the inevitable influences they cast over the lives of all of us. We remember the fratricidal strife of our own Civil War days. Only 62,108 veterans remain of the Grand Army of the Republic. We pray that never again will the horrors of war ravage the youth of our land and bring the economic and social disasters that have followed upon civil war.

Dorothy Thompson has recently told a story of a visit to Arlington and the house of Lee with the poet, Ernst Toller. He looked out over the cemetery and said: "It is very peaceful here, peaceful and democratic." That is the way we hope it will remain with all America. Peaceful and democratic. We do well to recount the tragedy that marked the lives of so many of the Blue and the Gray. War takes our best and uses it for the worst.

Too often the struggle to abolish war is thought of as a struggle to escape the dangers and hardships that war brings. This is to miss the main point. The struggle for peace is a search for the full opportunities of development that humanity requires to develop its best side, to make human progress possible. More sacrifices and greater hardships are endured by many who strive to keep the peace than by those who thoughtlessly go to war. In every country in the world today are men and women who are resisting the lower-level currents of life that make for war and destruction. The assumption of the State of the authority over human personality, to cause a man to destroy his fellow men, is an outrage upon God and man. I cannot conceive of conditions that would cause me to vote to conscript the youth of the United States to go abroad to fight on foreign soil.

Our thought goes out in sadness today as we reflect on the Unknown Soldier. Of the countless millions of boys and men who have laid down their lives in war, so many are unknown, and tragically, so many are forgotten. We do well to recount the tragic events of the lives of these unknown and forgotten men, directing the attention of the Nation and of the world to the futility of war.

In recent years we have heard more and more concerning un-American activities. Let us not fall into the error of approaching this problem too largely in a negative way. We have a responsibility to encourage the American spirit as well as discovering those who seek to undermine it. We may be sure that if our own altars and firesides are kept sufficiently clean and sacred no foe from without can destroy us, and no foe from within, except that within our own hearts, can overcome us. While we should not neglect to give due consideration to the threats of foreign dangers and the perils of unfriendly activities of the alien mind in our own midst, our chief responsibility is to give substance and health to our American institutions of government and our own individual obligations as citizens of this great Republic.

We are spending more now for national defense in peacetime than ever before—forced to a military, aerial, and naval program by the vast armament preparations of other powers. It would be much better for the world if America were now leading in the cause of limitation of arms, as we did in the Washington Conference under President Harding. Unfortunately, the splendid efforts we made for arms limitations at that time were almost totally disregarded by foreign powers and our unselfish attitude played into the hands of imperial greed. We are now forced to take a firm stand for America.

If we are to protect America we should thoroughly understand the form of government under which we live. Before we can be true Americans, we must know what America stands for. Ours is a representative government of the people; technically not a democracy, but a republic. A pure democracy is seldom found. The city states of Greece constitute an ancient example, where freemen were equals and had an equal participation in government, and yet those freemen enjoyed their freedom at the expense of a large population of slaves. The Cantons of Switzerland represent a more modern development. But the United States of America was not constituted as a democracy where each citizen should have equal responsibility in government with all other citizens, but rather as a representative government, a republic, in which those chosen by the people were to exercise the powers of government delegated to them.

If by precept and example we train the rising generation to build a worthy leadership we shall have discharged our first responsibility for the safety of our Republic. The education for citizenship should be sufficiently widespread that educational opportunities provided for all should give a substantial basis for the individual development of anyone who at some future time may be called upon to serve the people as a leader. No one can say who that leader will be. The most democratic thing in the world is an idea. A dominant idea will choose a humble birthplace for itself, often in the mind of some obscure man or some neglected child, and from that idea will grow the force of a mighty movement which will shake the world and rock the thrones of earthly rulers. Before the power of a great idea, the forces of present-day dictators must tremble. They will give way before the shining light of truth as the blackness of midnight yields to the approach of the rising sun.

In looking into the faces of children, gathered in groups throughout this land, I have said time without number, perhaps in this group may be found a boy who some day may be the President of the United States, a Governor of his State, or a Senator of the United States. If that boy should rise to high office the education provided for him in his early days should be worthy of his future needs. And in our Republic the best for all is none too good for one.

A representative American should be a man of free and independent spirit. He should belong first of all to himself and to his Creator. He should recognize the instruction of the voice within himself, knowing that self-respect, self-discipline and self-control lead on to well-rounded cooperation with his fellow citizens. No one ever gave acceptable cooperation to others who had not first heeded the call of duty within himself. The representative American should have this spirit of liberty which calls him to be true to his own highest self. He should have courage cradled in self-respect, nourished in human sympathy, and built to the stature of full manhood through practical experience in the service of our Republic. If the representative American is to be free and unafraid all of our people must share in this same spirit. The chain of national integrity will be no stronger than its weakest link. The national security will never be more enduring than the lot of our citizens who have the least of comfort, the poorest food, clothing, and shelter, and the worst deprivations of education and culture. The chain is never stronger than its weakest link.

The representative American citizen should not only voice his own conscience but he should express the law within himself. The most important of all laws are not those written on the statute books at Washington but those that are engraved on the tablets of a man's own nature by the Almighty. No centralization of government, no despotic power of dictatorship, no restraint of police power can ever be an acceptable substitute for the law of righteousness within the individual American.

Memorial Day Address

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

ADDRESS BY JOSEPH H. HIMES

Mr. BYRD. Mr. President, on Memorial Day at New Oxford, Pa., Mr. Joseph H. Himes, of Washington, D. C., delivered a most eloquent address. I ask unanimous consent to have the address printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Once again it is our privilege to turn from daily tasks and meet upon this consecrated ground, openly to honor our loved ones who have gone before. And once again we find words are but futile things to reveal the emotions welling, in such an hour, from our hearts.

We feel but cannot voice their fullness. We are stirred by sweetly poignant memories much as the dark waters of the deep are stirred by strong currents far below the surface. How well we remember many of those to whom we here and now pay tribute! But a few months or fleeting years gone by, and they were here as we are here now. Their feet were on the familiar ways which we now tread; their laughter rang, their tears were shed, as freely as our own. And then in succeeding days they drew aside to sleep in this serene and peaceful spot while we, the living, carry on.

They lived and loved and gladdened us. And when they went into the shadows they left for us rich heritage of memory. No one of us would barter that priceless heritage for all else in the world. Our loved ones resting here have hallowed our homes in memory. Of this community they have made a magnet whose invisible power plays ever on the heartstrings of its sons and daughters, near and afar. And of this spot where we now stand they have made a shrine.

To the men and women of this place whose paths have led elsewhere, as well as to those now living here, New Oxford will always be home. Here cluster our fondest memories. Here some of us spent the days of our youth, some of us our prime, and some life's evening. Here we grew to manhood and to womanhood. Here lived our loved ones. And here, in sadly lengthening lists, they now repose at journey's end. Those lasting ties bind our hearts to this spot above all others in our beloved land. This, indeed, is home.

Today is Memorial Day. It is a day given to sweet memories. Yet for all its peaceful calm, it was spawned in the blood and agony of the Civil War.

Strangely perhaps to northern minds, it originated in the South. The first Memorial Day exercises were held on April 26, 1866, at Linwood Cemetery in Columbus, Ga. By a common sympathetic understanding the graves of Confederate veterans there were decorated with flowers on that day.

The custom quickly spread. In 1868 Gen. John A. Logan, commander in chief of the Grand Army of the Republic, adopted it. He called for a day to be set aside, to be known as Memorial Day, in memory of Union soldiers and sailors who had perished in the Civil War. Their graves were to be decorated with flowers. General Logan designated May 30, because on that day the last Union volunteers had been mustered out of the Army after the close of the war.

And so within 3 years after the last of the battle flags was furled, the healing process had begun in the common devotion, North and South, to fallen heroes on Memorial Day.

To this community Memorial Day comes home with peculiar force and emphasis. For in this setting, so familiar to us, all the course of history was determined.

A few years before the first Memorial Day the peaceful hills and valleys of this neighborhood resounded with the roll of drums, the blare of bugles, the tramp of marching armies, and the thunder of the guns that rose to its death-dealing crescendo on the field of Gettysburg.

Thus, we of Pennsylvania, feel we have a charter interest in Memorial Day. Here the great God of Hosts rolled back the rising tide of gray that we, for a time, called enemy. Here He stamped His mighty seal on the cause for which Pennsylvania shed its blood. And, as we then stammered in hot haste our gratitude to Him, so we reverently thank Him again today while we honor the immortal dead of Pennsylvania—flesh of our flesh, bone and sinew of our own—who gave their lives in the titanic struggle.

Yes, we have a founder's interest in Memorial Day. But the flowers we strew on these flag-decked mounds around us are expression only of a feeling we cherish for them on all other days as well. Down through the dimming years we have met here to give token of our devotion; and up through the coming centuries our children and our children's children will continue to pay reverence to their dust.

The guns have long been stilled and the once crimson earth has now been green for more than two generations. The fierce passions of the Civil War have been quelled like roaring flames that dull to embers and to ashes. The legions of that distant day are now but a corporal's guard. And that small remnant of venerated veterans nears the Valley of the Shadow. All peace and honor to them. They have settled the issue forever. Today there is no North, no South; only a Union, one and indivisible.

Our eyes have seen the healing of those ancient wounds and scars. Slowly but surely the broken ties have knit. The culmination came a year ago when the aged survivors of the Blue and the Gray mingled as friends on the field of Gettysburg in the grand reunion marking the seventy-fifth anniversary of that crucial battle of the Civil War. And few are the echoes of our internecine hatred that come to us across the long span of three-quarters of a century.

Since that far day other issues have arisen and have been met. Other wars have called America's sons to the colors. Men of the North and men of the South have fought side by side, shoulder to shoulder, under the Stars and Stripes. They have breathed their last beneath the torrid sun of Cuba, in the jungles of the Philippines, along that far-flung way from the North Sea to the Alps and beyond.

Down through the years the spirit and sentiment of Memorial Day have broadened. At the turn of the century, fresh graves held valiant dust that had worn the uniform in the War with Spain. And we honored it as we honored the dust of our Civil War heroes. Less than 20 years thereafter the World War reaped its grim harvest of the flower of our land. They, too, came within our Memorial Day devotions when the President of the United States stood with head uncovered at the Tomb of the Unknown Soldier at Arlington.

Memorial Day was then no longer token to the immortal dead of the Civil War alone—it had become a day set apart to honor the dead of all our wars. The change was spontaneous. It was not written in an act of Congress decreeing a national holiday. There is no such act. It is not needed. The law under which we meet today is not written in a Federal lawbook. It is written on grateful hearts of the millions that make up America.

More recently we have come to regard Memorial Day as a fitting occasion to honor not only the dead of our armed forces but all our loved ones who have passed on.

More and more in late years has this feeling spread throughout the land. All honor to the men who served the stars and stripes. Peace to their ashes. Honor, too, to loved ones who served us, not to the music of fife and drum and to the plaudits of the world but those who served us in the lowly, humdrum ways of peace. For they too served well. They too have engraved their names upon our hearts. They too were of noble mien. Peace eternal to their dust.

In such mood have we assembled here today. The luster lying on the thousands dead from the ways of war in no wise is dimmed by our loving memories of the many millions who went to their reward in the piping days of peace. Not all our heroes, and but few of our heroines, have worn the uniform or marched when the bugles blew. Many stayed behind. The wives and mothers, for instance, of those who fell in battle—were they too not of heroic mold?

Theirs was the battle without the glory, the grim grind for peacetime existence without the pomp and pageantry of war. Their ears caught not the notes of martial music, but the cries of hungry children made fatherless in battle. On their bosoms they bore no medals of a grateful nation. Their badges were but furrowed seams of care upon their faces, and callous knots of toil upon their hands.

And when they came to their hard journey's end, no flag-draped caisson bore their dust to its last resting place. No bugle sounded taps above them, no last salute volleyed over them from upraised rifles. For them there was no Arlington. They lay down unsung in myriad peaceful spots like this. And only the purling waters of placid streams, the birds of the air, and the winds of heaven chant their praise.

Here today we see their resting places all around us. Brave men and women of peace, heroines and heroes unproclaimed, we salute and honor you as well. Without our heartfelt tribute to your dear dust Memorial Day devotions would be incomplete, indeed.

We stand here now in memory's quiet hour with eyes fixed on the glorious past. And even as we stand and look our hopes and fears turn to the uncertain future and vainly grope to glimpse it. Another, and related, thought tempers the calm of our devotions.

What of the future's troubled tomorrow, now hid from us? In coming years will there be still other graves at this fair spot to make the grisly toll of battles yet unfought? Will wars to come bring more flags here atop fresh mounds of honored clay? More sobs of orphaned children? More unsung heroines who stooped beneath the burdens of fallen sons and fathers?

God forbid! The words fall in all reverence from my lips.

But is it enough simply to say "God forbid"? From across the seas the rumble of approaching strife comes to us. We pray the storm may pass. And as we pray, deep in our hearts we hold the firm conviction that this mighty, peaceful Nation should never again engage in foreign war. The Stars and Stripes already have been bathed in blood enough to last for all eternity!

We of America want no more of war, least of all foreign war. Let us make that so plain that he who runs may read. Our souls thirst for peace; these honored graves cry out for peace. Nor is the cry a craven call. Let those in high place hear it. For it is the sobered thought of this strong and virile Nation as it works out its destiny with good will to all other peoples and with malice toward none.

We of America would travel our time-honored way. We would walk alone, conscious of our dignity and might, along that road which leads to peace. We seek to tread beside no nation on the way that leads to war. With the bristling camps on the oceans' farther shores we have no quarrel. They are not our camps. We seek no conquests. We desire no entangling alliance that may set our feet on the ruinous road to Armageddon.

Let us make crystal clear our steadfast purpose to have naught to do with foreign wars. In a world unbalanced and torn by reckless passions let us attune our ears to the call of our own people. It is a call for peace. Let us keep our heads and hold our tongues from part in the raucous quarreling elsewhere. It is not our quarrel. On no pretext or excuse whatever should it be made our war, should war come.

Our country is at peace today. Let us so watch our step that it will remain at peace. Let us not provoke hostility.

God grant that war will never come again to America. But should it come, despite our will for peace, then let it not be war of our provocation. Let us ever be ready to repel the invader. Let us ever be ready to rise in our might and overwhelm those who may threaten our liberty. Let us be prepared to meet with unyielding force if necessary any menace to American safety and security in whatever quarter the menace may arise.

Beyond that, let us stay our steps. By that course of conduct we may walk with our children in the ways of peace for the years to come.

The flag-marked dead around us here fought in battle that we might live. Let us live so that our youth may not have to fight in war of our own provocation.

Idle Money and Men

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York Times of last Friday, entitled "Idle Money and Men."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times]

IDLE MONEY AND MEN

The President has recommended that the Temporary National Economic Committee investigate the reasons for the idleness of money with a consequent idleness of men. If the committee undertakes this task seriously, it will have to look into some of the policies of the administration. For while recovery has doubtless been delayed by European political unsettlement, and while certain obstacles to recovery are to be found within the business structure itself, governmental economic policies have also played an important part.

The briefest consideration of some of these policies and, above all, of their cumulative effect, is enough to indicate why American capital is timid. The effect of the undistributed-profits tax has been sufficiently dilated upon. The excessive and one-sided capital-gains tax must alone have an effect of the first importance. When men who are asked to put their money into new business ventures stand to lose the entire amount if they fail, but to retain only a minor fraction of their gains if they succeed, the timidity of "risk capital" cannot be regarded as mysterious.

The stock exchanges of the country recently called the attention of the Securities and Exchange Commission to some of the regulations governing securities which still place excessive obstacles in the way of market stability and new capital issues. The "emergency" money powers granted to the President, and the unbalanced Budget, add to the elements of uncertainty. The workings of the Wagner Labor Act and heavy pay-roll taxes add to the difficulties of employers and place serious obstacles in the way of full employment.

The President, as his letter to Senator O'MAHONEY illustrates, has ignored or underrated these psychological factors. He tends to view "the financial machine" as if the difficulties were purely in "the mechanism." But American capital is idle largely because of understandable timidity, and idle money is certainly one of the major causes for idle men. There is enough ability and independence on the part of some outstanding members of the T. N. E. C. to lead to the hope that a realistic reply to the President's questions may be forthcoming.

Freight Rates

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

STATEMENT OF FORMER GOV. BIBB GRAVES

Mr. HILL. Mr. President, a few days ago the Senate passed S. 2009, the general railroad bill, containing the provisions of Senate Joint Resolution 99, which prohibits unjust, unreasonable, and unlawful freight rates as between regions, sections, and territories, and directs the Interstate Commerce Commission immediately to make investigations and to issue such orders as may be necessary to remove any such unjust, unreasonable, or unlawful rates. On last Thursday arguments were made before the Interstate Commerce Commission in the so-called Southeastern Governors case. The chairman of the Southeastern Governors Conference, when the case was filed, was the then Gov. Bibb Graves, of Alabama, and it was largely because of former Governor Graves' initiative, insistence, and leadership that the case was brought. I ask unanimous consent to place in the Appendix of the RECORD the very strong and able statement that former Governor Graves made to the Commission on last Thursday.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

If the Commission please:

Let me first try to clear some of the misunderstanding that has been gathered around and gotten into this case.

The record shows that the distinguished Governor of Rhode Island on the witness stand, when asked by Mr. Norman, "I will ask you, then, if you do not understand that what we are asking for is only a parity?" replied "No; I do not understand that. I understand that you are asking for an advantage." (Record, 1826.)

Surely the clearing up of such misunderstanding is necessary, not just for the success of this proceeding but primarily for the

welfare of this country. Instead of seeking to obtain or make secure any advantage for any part of our country over any other part, we are, on the contrary, seeking to establish facts and principles that will remove any such advantages as may now exist and make impossible their future existence. Or, to put it the other way, we are trying to remove every man-made trade barrier that in any way, anywhere, interferes with the equality of opportunity for any part of our country to do business with every other part.

The ends we seek are not sectional—they are national.

We are trying to give to every consumer, to every buyer within our Nation, a Nation-wide market in which to buy. The majority of our people live in official territory. Many of their needs must come from without that territory. Yet, under the system which we attack, in order to secure these needs they must pay a penalty in excess freight rates, measured quite often by what somebody thinks "the traffic will bear."

Such a system is untenable in statecraft and in ethics and is at variance with the law of the land as set out in the 1933 amendment of paragraph 2, section 205, of Emergency Railway Transportation Act requiring that, among other factors, due consideration be given to the need in the public interest of adequate and efficient railway transportation service at the lowest cost consistent with the furnishing of such service.

As we see it, the fundamental rights and vital interests of these absent consumers are wrapped up in this cause, and if your honorable body will see eye to eye with us and give to them in fact a Nation-wide market in which to buy, it will follow that producers or sellers will have a Nation-wide market in which to sell and we will be in economic life one nation and no longer in business ways separated into contending freight territories. A nation that is economically part empire and part province cannot be the unity that we must be in order to hold our place in today's nationalistic world.

Let's look back a century and a half; invidious and partial restraints prevented free commercial intercourse between the independent colonies and brought on trade wars between them. The elimination of these trade wars was doubtless the most potent influence in bringing our Nation into being. Yet our present rate walls between great sections are far more destructive than were those petty quarrels that united us.

The testimony in the record sets out the history of this proceeding from its inception some 5 years ago to the filing of the petition herein about 2 years ago.

It will be seen that at the first there were pending bills in the Congress seeking to remedy the territorial freight-rate discriminations by the legislative route. Successful opposition to any such political methods determined the leadership in this proceeding. That leadership made this a lawsuit rather than a political ball game, and has sought to accomplish those things which we believe best for our Nation as a whole, by this orderly presentation to this honorable Commission.

We have throughout avoided all political and sectional matters and adhered to the legal and national aspects of the case.

Our complaint stresses that the freight rates of which we complain violate "the declared policy of Congress that rates shall be so made as to permit the free movement of traffic and the proper development of the country as a whole"; that such discrimination "retards the national development and thus lessens the opportunity of our country to meet the competition of world markets, in violation of paragraph 2, section 205, of the Emergency Railway Transportation Act of 1933." In that complaint we say (p. 14): "It is in the interest of the public, and especially to the interest of the manufacturers and producers in southern territory of the commodities shown in exhibit B, and to jobbers, retailers, and consumers in all of the territories, that commodities so named shall freely move among all the territories."

The same is true of the evidence we have introduced in our efforts to sustain that complaint. The first witness swore (pp. 31–32): "In this case we present to the Commission the question of the right of all the peoples of these States to have a full and fair opportunity to participate in the commerce of the entire Nation; the question of the right of all the people in official territory to purchase the products of other sections of the United States in a Nation-wide market on a basis of free and fair competition to all concerned and the question whether the people of these Southeastern States, who have been many times called upon, along with other sections of the country, to contribute their share toward the maintenance of a national system of railroad transportation, shall be given fair and impartial treatment by this system of rail transportation which the Supreme Court and the Commission itself often said now constitutes a national system.

What complainants are here asking for is something that should be conceded not only to them but to all other sections of the country where the conditions are similar to those between the South and official territory.

We are most anxious to remove such misunderstanding as has been referred to. We respectfully submit that if eyes willing to see will but look they will see that the grounds upon which this cause has been put, and upon which we have sought to have it maintained, are not political, but are legal; that those grounds are not sectional, but are national.

We believe that the complainants in this cause are the champions of every consumer of our country. The fact that these 100,000,000 consumers are inarticulate does not lessen the sacredness of the fundamental right and direct interest of each.

Surely no other cause that has come before your honorable body can have concerned more of our citizens and individuals or can have meant more to the economic solidarity of our Nation than this.

Our economic sufferings in the last decade have been in vain, if we have not learned that there can be no partial prosperity in our country. With us, prosperity must be for all or for none; or, as was said by Franklin at the signing of the Declaration: "We must hang together or separately."

The other economic lesson of this depression is that there is a limit beyond which it is not safe to exploit the consuming mass. Freight-rate differentials, arbitrarily made, based upon arbitrary territorial divisions are, we believe, in this case, unjust, and though made under the law, deny the equal protection of the law to their unfortunate victims; that they are not constructive, but are destructive of values. We believe conditions today demand that Americans stop exploiting one another and present a united front to the world.

This record shows natural resources in the Southeastern States that under present conditions are unusable, which, if used, would add infinite wealth to all of our country. Complainants in this proceeding are endeavoring to open to all this closed store of natural resources.

The railroads of the Southeast, through their accredited representatives, have come into the hearings in this cause and asked your honorable body to grant the relief for which complainants now contend, namely, the recommendations of the distinguished commissioner who conducted these hearings and of the examiner, who joined with him in those recommendations. This fact is a most potent argument in this case.

We are trying to be constructive. We are earnestly trying to help railroads. As to each and every item for which we prayed lower rates, we have reason to believe, and we do believe, that the granting of any or all of those prayers will economically benefit the railroads. We have not listed anywhere anything for a lower rate that we do not believe with reason will benefit the roads if the lower rates are granted. We believe that the great increase in the volume of business which will inure to the benefit of the whole Nation as well as to the railroads will far more than compensate for any loss in rates.

Be it remembered, our prayer is for parity of rates, not equality of rates. We know that generally we are further from the markets, and we expect to pay more to reach those markets. We are not asking for an absorption of geographical handicaps. We expect to pay for this greater distance. We believe that is sound in ethics, in economics, and in law, but we do insist that in addition to our geographic handicap we be not further penalized by an additional take-out because we chance to be in a part of the Nation which our opponents would treat as a satrapy of their empire.

We have undertaken to show that the cost of transporting freight is not greater in the South than in the North, and we believe we have succeeded. We believe that the conclusions set out in the proposed report now before you have been overwhelmingly established by the uncontradicted evidence in the case. True, there is a labyrinth of figures by expert statisticians, such as would bog up, as in a mire, any ordinary mind; but in all of this bog there are spots of solid ground on which we can stand securely. It seems uncontroverted that the density of traffic in official territory is some 114 percent greater than in southern territory, and by these same figures, that its rate valuation per mile of road is some 136 percent greater, showing that this big business has eaten up capital faster by some 22 percent than it has increased business.

We can take as established by these figures that the rate-making value per mile of road in the north is around $148,000 as compared with a like value in the South of around $63,000; the value of the transportation facilities being two and one-third times as much in the North as in the South, of course makes their cost of transportation service greater.

This array of technical figures cannot take away the common knowledge that we possess along with the average man in the street. That man in the street and you and I know that almost any passenger station of any great southern railroad could be hidden and lost in the basement of the station of the Pennsylvania or of the New York Central in the great city. What is true of passenger stations is also true of freight terminals. That man in the street and you and I know that it must cost hundreds of millions to build these great stations and terminals and subways and tubes and tunnels under skyscrapers and rivers; that to build these costs more than to build thousands of miles of cross-country railroads. We know that these great capital outlays were not made on a cash pay-as-you-go plan or a balancing of budgets of income and outgo but were made on a deferred-payment plan for the payment of which the revenues of the present and the indefinite future have been pledged.

Those fortunate sections that have had the enriching benefit of those hundreds of millions of capital outlays cannot both eat their apple and have it, too. Pay day has come and they must pay for the transportation services which they receive—not only for the present actual cost of that service but enough in addition to take care of these capital outlays, because that additional payment was pledged to amortize these bonded debts. These honest debts should be paid by those for whose benefit they were made. Neither roads nor shippers in official territory have any right in ethics, in economics, or in law to have a surcharge put on freight from a southern origin in excess of the charge for a like service on freight from elsewhere, as, from New England. Arguing volume of business as a basis for penalizing the South for furnishing that volume is so absurd as needs no answer.

It will be noted that those who differ most with us in our lower-cost contention (the southern railroads) join in our prayer. This

certainly shows that from the standpoint of the southern roads the cost element is not enough to effect results in this cause.

It will also be noted that of those who oppose our prayer, the northern roads are ominously silent upon this cost of service. If there is enough difference in these costs of service to rightly have any effect whatsoever upon results in this cause, 23 know that these northern roads, with their first-hand knowledge and ample resources, would not be ominously silent upon this point.

I submit that the railroads, both north and south, have taken away every basis of every cost-of-service argument of all of our opponents.

We believe that the testimony of witness Saunders establishes as a fact that the cost of transportation is lower in the South than in the North.

This expert technical proof is substantiated by such things within our common knowledge as those to which some reference has been made; also, by public documents, such as the T. V. A. studies, and especially document No. 271 of the House of Representatives, this Congress.

We ask that your honorable body give to our American southeast and southwest and northwest territories an opportunity to get into our great American market official territory on a basis at least equal to that granted to the industrial districts of the Dominion of Canada.

We ask that you stop these interterritorial and international discriminations, and that you stop them now—that you give us nationalism in our Nation, unity in our Union.

Freedom of Speech and Assembly

EXTENSION OF REMARKS

OF

HON. ROBERT W. KEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

CONCURRING OPINION OF MR. JUSTICE STONE IN THE SO-CALLED HAGUE CASE

Mr. KEAN. Mr. Speaker, June 5, 1939, will stand out as a "red letter day" in the age-old fight to protect the civil liberties which America has stood for since the days of the Revolution; for on that day the Supreme Court, in the so-called *Hague case*, reiterated its firm stand against any attempt to curtail our rights in this respect.

The concurring opinion of Mr. Justice Stone impresses me, as a layman, as an outstanding statement of American principles, and in leave to extend my remarks, I insert his opinion in full:

Mr. Justice Stone:

I do not doubt that the decree below, modified as has been proposed, is rightly affirmed, but I am unable to follow the path by which some of my brethern have attained that end, and I think the matter is of sufficient importance to merit discussion in some detail.

It has been explicitly and repeatedly affirmed by this court, without a dissenting voice, that freedom of speech and of assembly for any lawful purpose are rights of personal liberty secured to all persons, without regard to citizenship, by the due-process clause of the fourteenth amendment. *Gitlow* v. *New York*, 268 U. S. 652; *Whitney* v. *California*, 274 U. S. 357; *Fiske* v. *Kansas*, 274 U. S. 380; *Stromberg* v. *California*, 283 U. S. 359; *Near* v. *Minnesota*, 283 U. S. 697; *Grosjean* v. *American Press Co.*, 297 U. S. 233; *De Jonge* v. *Oregon*, 299 U. S. 353; *Herndon* v. *Lowry*, 301 U. S. 242; *Lovell* v. *Griffin*, 303 U. S. 444.

It has never been held that either is a privilege or immunity peculiar to citizenship of the United States, to which alone the privileges and immunities clause refers, Slaughterhouse cases, 16 Wall. 36; *Duncan* v. *Missouri*, 152 U. S. 377, 382; *Twining* v. *New Jersey*, 211 U. S. 78, 97; *Maxwell* v. *Bugbee*, 250 U. S. 525, 538; *Hamilton* v. *Regents*, 293 U. S. 245, 261, and neither can be brought within the protection of that clause without enlarging the category of privileges and immunities of United States citizenship as it has hitherto been defined.

RIGHTS GIVEN TO ALL PERSONS

As will presently appear, the right to maintain a suit in equity to restrain State officers, acting under a State law, from infringing the rights of freedom of speech and of assembly guaranteed by the due-process clause, is given by act of Congress to every person within the jurisdiction of the United States whether a citizen or not, and such a suit may be maintained in the district court without allegation or proof that the jurisdictional amount required by section 24 (1) of the Judicial Code is involved.

Hence there is no occasion for jurisdictional purposes or any other, to consider whether freedom of speech and of assembly are immunities secured by the privileges and immunities clause of the fourteenth amendment to citizens of the United States, or to revive the contention, rejected by this court in the Slaughterhouse cases, supra, that the privileges and immunities of United States citizenship, protected by that clause, extend beyond those which arise or grow out of the relationship of United States citizens to the National Government. [1.]

That such is the limited application of the privileges and immunities clause seems now to be conceded by my brethren. But it is said that the freedom of respondents with which the petitioners have interfered is the "freedom to disseminate information concerning the provisions of the National Labor Relations Act, to assemble peaceably for discussion of the act, and of the opportunities and advantages offered by it," and that these are privileges and immunities of citizens of the United States secured against State abridgement by the privileges and immunities clause of the fourteenth amendment.

CALLED AN AFTERTHOUGHT

It has been said that the right of citizens to assembly for the purpose of petitioning Congress for the redress of grievances is a privilege of United States citizenship protected by the privileges and immunities clause (*United States* v. *Cruikshank*, 92 U. S. 542, 552, 553). We may assume for present purposes although the step is a long and by no means certain one (see *Maxwell* v. *Dow*, 176 U. S. 581; *Twining* v. *New Jersey*, supra) that the right to assemble to discuss the advantages of the National Labor Relations Act is likewise a privilege secured by the privileges and immunities clause to citizens of the United States, but not to others, while freedom to assemble for the purpose of discussing a similar State statute would not be within the privileges and immunities clause. But the difficulty with this assumption, is, as the record and briefs show, that it is an afterthought first emerging in this case after it was submitted to us for decision, and like most afterthoughts in litigated matters it is without adequate support in the record.

The respondents in their bill of complaint specifically named and quoted article IV, section 2, now conceded to be inapplicable, and the due-process, and equal-protection clauses of the fourteenth amendment as the provisions of the Constitution which secure to them the rights of free speech and assembly. They omitted the privileges and immunities clause of the fourteenth amendment from their quotation. They made no specific allegation that any of those whose freedom had been interfered with by petitioners was a citizen of the United States.

CITIZENSHIP ISSUE DISCUSSED

The general allegation that the acts of petitioners complained of violate the rights of citizens of the United States, including the individual plaintiffs here, and other allegations of like tenor, were denied by petitioner's answer. There is no finding by either court below that any of respondents or any of those whose freedom of speech and assembly has been infringed are citizens of the United States, and we are referred to no part of the evidence in which their citizenship is mentioned or from which it can be inferred.

Both courts below found, and the evidence supports the findings, that the purpose of respondents, other than the Civil Liberties Union, in holding meetings in Jersey City, was to organize labor unions in various industries in order to secure to workers the benefits of collective bargaining with respect to betterment of wages, hours of work, and other terms and conditions of employment. Whether the proposed unions were to be organized in industries which might be subject to the National Labor Relations Act or to the jurisdiction of the National Labor Relations Board does not appear. Neither court below has made any finding that the meetings were called to discuss, or that they ever did in fact discuss, the National Labor Relations Act.

ON ABRIDGEMENT OF RIGHTS

The findings do not support the conclusion that the proposed meetings involved any such relationship between the National Government and respondents or any of them, assuming they are citizens of the United States, as to show that the asserted right or privilege was that of a citizen of the United States, and I cannot say that an adequate basis has been laid for supporting a theory—which respondents themselves evidently did not entertain—that any of their privileges as citizens of the United States, guaranteed by the fourteenth amendment, were abridged, as distinguished from the privileges guaranteed to all persons by the due-process clause.

True, the findings refer to the suppression by petitioners of exhibits, one of which turns out to be a handbill advising workers they have the legal right under the Wagner Act to choose their own labor union to represent them in collective bargaining. But the injunction, which the court now rightly sustains, is not restricted to the protection of the right, said to pertain to United States citizens, to disseminate information about the Wagner Act. On the contrary, it extends and applies in the broadest terms to interferences with the respondents in holding any lawful meeting and disseminating any lawful information by circular, leaflet, handbill, and placard.

If, as my brethren think, respondents are entitled to maintain in this suit only the rights secured to them by the privileges and immunities clause of the fourteenth amendment—here the right to disseminate information about the National Labor Relations Act—it is plain that the decree is too broad.

HELD TOO FAR-REACHING

Instead of enjoining, as it does, interference with all meetings for all purposes and the lawful dissemination of all information, it

should have confined its restraint to interferences with the disseminating of information about the National Labor Relations Act, through meetings or otherwise. The court below rightly omitted any such limitation from the decree, evidently because, as it declared, petitioner's acts infringed the due-process clause, which guarantees to all persons freedom of speech and of assembly for any lawful purpose.

No more grave and important issue can be brought to this court than that of freedom of speech and assembly, which the due-process clause guarantees to all persons, regardless of their citizenship, but which privileges our immunities clause secure only to citizens, and then only to the limited extent that their relationship to the National Government is affected. I am unable to rest decision here on the assertion, which I think the record fails to support, that respondents must depend upon their limited privileges as citizens of the United States in order to sustain their cause or upon so palpable an avoidance of the real issue in the case, which respondents have raised by their pleadings and sustained by their proof.

NOT MATTER OF CITIZENSHIP

That issue is whether the present proceeding can be maintained under section 24 (14) of the Judicial Code as a suit for the protection of rights and privileges guaranteed by the due-process clause. I think respondents' right to maintain it does not depend on their citizenship and cannot rightly be made to turn on the existence or nonexistence of a purpose to disseminate information about the National Labor Relations Act. It is enough that petitioners have prevented respondents from holding meetings and disseminating information whether for the organization of labor unions or for any other lawful purpose.

If it be the part of wisdom to avoid unnecessary decision of constitutional questions, it would seem to be equally so to avoid the unnecessary creation of novel constitutional doctrine, inadequately supported by the record, in order to attain an end easily and certainly reached by following the beaten paths of constitutional decision.

The right to maintain the present suit is conferred upon the individual respondents by the due-process clause and acts of Congress, regardless of their citizenship and of the amount in controversy. Section 1 of the Civil Rights Act of April 20, 1871 (17 Stat. 13), provided that "any person who, under color of any law, statute, ordinance * * * of any State, shall subject, or cause to be subjected, any person within the jurisdiction of the United States to the deprivation of any rights, privileges, or immunities secured by the Constitution of the United States shall * * * be liable to the party injured to any action at law, suit in equity, or other proper proceeding for redress."

RIGHT OF ACTION GIVEN

And it directed that such proceedings should be prosecuted in the several district or circuit courts of the United States. The right of action given by this section was later specifically limited to "any citizen of the United States or other person within the jurisdiction thereof," and was extended to include rights, privileges, and immunities secured by the laws of the United States as well as by the Constitution.

As thus modified, the provision was continued as section 1979 of the Revised Statutes and now constitutes section 43 of title 8 of the United States Code. It will be observed that the cause of action, given by the section in its original as well as its final form, extends broadly to deprivation by State action of the rights, privileges, and immunities secured to persons by the Constitution. It thus includes the fourteenth amendment and such privileges and immunities as are secured by the due-process and equal-protection clauses, as well as by the privileges and immunities clause of that amendment. It will also be observed that they are those rights secured to persons, whether citizens of the United States or not, to whom the amendment in terms extends the benefit of the due-process and equal-protection clauses.

Following the decision of the Slaughterhouse cases and before the later expansion by judicial decision of the content of the due-process and equal-protection clauses, there was little scope for the operation of this statute under the fourteenth amendment. The observation of the court in *United States* v. *Cruikshank* (92 U. S. 542, 551), that the right of assembly was not secured against State action by the Constitution, must be attributed to the decision in the Slaughterhouse cases that only privileges and immunities peculiar to United States citizenship were secured by the privileges and immunities clause, and to the further fact that at that time it had not been decided that the right was one protected by the due-process clause.

The argument that the phrase in the statute "secured by the Constitution" refers to rights "created," rather than "protected" by it, is not persuasive. The preamble of the Constitution, proclaiming the establishment of the Constitution in order to "secure the blessings of liberty," uses the word "secure" in the sense of "protect" or "make certain."

That the phrase was used in this sense in the statute now under consideration was recognized in *Carter* v. *Greenhow* (114 U. S. 317, 322), where it was held as a matter of pleading that the particular cause of action set up in the plaintiff's pleading was in contract and was not to redress deprivation of the "right secured to him by that clause of the Constitution" (the contract clause), to which he had "chosen not to resort." See, as to other rights protected by the Constitution and hence secured by it, brought within the provisions of Revised Statutes, section 5508, *Logan* v. *United States* (144 U. S. 265) in re Quarles and Butler (158 U. S. 532); *United States* v. *Mosley* (238 U. S. 383).

Since freedom of speech and freedom of assembly are rights secured to persons by the due-process clause, all of the individual respondents are plainly authorized by section 1 of the Civil Rights Act of 1871 to maintain the present suit in equity to restrain infringement of their rights. As to the American Civil Liberties Union, which is a corporation, it cannot be said to be deprived of the civil rights of freedom of speech and of assembly, for the liberty guaranteed by the due-process clause is the liberty of natural, not artificial, persons. *Northwestern Life Insurance Company* v. *Riggs* (203 U. S. 243, 255); *Western Turf Association* v. *Greenberg* (204 U. S. 359, 363).

NO VALUATION ON FREEDOM

The question remains whether there was jurisdiction in the district court to entertain the suit, although the matter in controversy cannot be shown to exceed $3,000 in value because the asserted rights, freedom of speech, and freedom of assembly, are of such a nature as not to be susceptible of valuation in money. The question is the same whether the right or privilege asserted is secured by the privileges and immunities clause or any other. When the Civil Rights Act of 1871 directed that suits for violation of section 1 of that act should be prosecuted in the district and circuit courts, the only requirement of a jurisdictional amount in suits brought in the Federal courts was that imposed by section 11 of the Judiciary Act of 1789, which conferred jurisdiction on the circuit courts of suits where "the matter in dispute" exceeded $500 and the United States was a plaintiff, or an alien was a party, or the suit was between citizens of different States; and it was then plain that the requirement of a jurisdictional amount did not extend to the causes of action authorized by the Civil Rights Act of 1871.

By the act of March 3, 1875 (c. 137, 18 Stat. 470), the jurisdiction of the circuit courts was extended to suits at common law or in equity "arising under the Constitution or laws of the United States" in which the matter in dispute exceeded $500. By the act of March 3, 1911 (c. 231, 36 Stat. 1887), the circuit courts were abolished and their jurisdiction was transferred to the district courts and by successive enactments the jurisdictional amount applicable to certain classes of suits was raised to $3,000. The provisions applicable to such suits, thus modified, appear as section 24 (1) of the Judicial Code (28 U. S. C., sec. 41 (1)).

TWO PARALLEL PROVISIONS

Meanwhile, the provisions conferring jurisdiction on district and circuit courts over suits brought under section 1 of the Civil Rights Act of 1871 were continued as Revised Statutes, sections 563 and 629, and now appear as section 24 (14) of the Judicial Code (28 U. S. C., sec. 41 (14)). The act of March 3, 1911 (36 Stat. 1087, 1–91), amended section 24 (1) of the Judicial Code so as to direct that "The foregoing provision as to the sum or value of the matter in controversy shall not be construed to apply to any of the cases mentioned in the succeeding paragraphs of this section." (2) Thus, since 1875, the jurisdictional acts have contained two provisions, one conferring jurisdiction on the Federal courts, district or circuit, to entertain suits "arising under the Constitution or laws of the United States" in which the amount in controversy exceeds a specified value; the other, now section 24 (14) of the Judicial Code, conferring jurisdiction on those courts of suits authorized by the Civil Rights Act of 1871, regardless of the amount in controversy.

Since all of the suits thus authorized are suits arising under a statute of the United States to redress deprivation of rights, privileges, and immunities secured by the Constitution, all are literally suits "arising under the Constitution or laws of the United States." But it does not follow that in every such suit the plaintiff is required by section 24 (1) of the Judicial Code to allege and prove that the constitutional immunity which he seeks to vindicate has a value of excess of $3,000.

MATTER OF JURISDICTION

There are many rights and immunities secured by the Constitution, of which freedom of speech and assembly are conspicuous examples, which are not capable of money valuation, and in many instances, like the present, no suit in equity could be maintained for their protection if the jurisdictional amount were prerequisite. We can hardly suppose that Congress, having in the broad terms of the Civil Rights Act of 1871 vested in all persons within the jurisdiction of the United States a right of action in equity for the deprivation of constitutional immunities, cognizable only in the Federal courts, intended by the act of 1875 to destroy those rights of action by withholding from the courts of the United States jurisdiction to entertain them.

That such was not the purpose of the act of 1875 in extending the jurisdiction of Federal courts to causes of action arising under the Constitution or laws of the United States involving a specified jurisdictional amount is evident from the continuance upon the statute books of section 24 (14) side by side with section 24 (1) of the Judicial Code, as amended by the act of 1875. Since the two provisions stand and must be read together, it is obvious that neither is to be interpreted as abolishing the other, especially when it is remembered that the 1911 amendment of section 24 (1) provided that the requirement of a jurisdictional amount should not be construed to apply to cases mentioned in section 24 (14).

AUTHORIZATION FOR SUITS

This must be taken as legislative recognition that there are suits authorized by section 1 of the act of 1871 which could be brought

under section 24 (14) after, as well as before, the amendment of 1875 without compliance with any requirement of jurisdictional amount, and that these at least must be deemed to include suits in which the subject matter is one incapable of valuation. Otherwise we should be forced to reach the absurd conclusion that section 24 (14) is meaningless and that a large proportion of the suits authorized by the Civil Rights Act cannot be maintained in any court, although jurisdiction of them, with no jurisdictional amount, was carefully preserved by section 24 (14) of the Judicial Code and by the 1911 amendment of section 24 (1).

By treating section 24 (14) as conferring Federal jurisdiction of suits brought under the act of 1871 in which the right asserted is inherently incapable of pecuniary valuations, we harmonize the two parallel provisions of the Judicial Code, construe neither as superfluous, and give to each a scope in conformity with its history and manifest purpose.

The practical construction which has been given by this Court to the two jurisdictional provisions establishes that the jurisdiction conferred by section 24 (14) has been preserved to the extent indicated.

CASE IN POINT CITED

In *Holt* v. *Indiana Manufacturing Co.* (176 U. S. 68) suit was brought to restrain alleged unconstitutional taxation of patent rights. The Court held that the suit was one arising under the Constitution or laws of the United States within the meaning of section 24 (1) of the Judicial Code and that the United States circuit court in which the suit had been begun was without jurisdiction because the challenged tax was less than the jurisdictional amount. The Court remarked that the present section 24 (14) applied only to suits alleging deprivation of "civil rights." On the other hand, in *Truax* v. *Raich* (239 U. S. 33, Affirming 219 Fed. 273) this Court sustained the jurisdiction of a district court to entertain the suit of an alien to restrain enforcement of a State statute alleged to be an infringement of the equal-protection clause of the fourteenth amendment because it discriminated against aliens in their right to seek and retain employment.

The jurisdiction of a district court was similarly sustained in *Crane* v. *Johnson* (242 U. S. 339) on the authority of *Truax* v. *Raich*, supra. The suit was brought in a district court to restrain enforcement of a State statute alleged to deny equal protection in suppressing the freedom to pursue a particular trade or calling.

For the purposes of the present case it is important to note that the constitutional right or immunity alleged in these two cases was one of personal freedom, invoked in the Raich case by one not a citizen of the United States. In both cases the right asserted arose under the equal-protection, not the privileges and immunities clause; in both the gist of the cause of action was not damage or injury to property but unconstitutional infringement of a right of personal liberty not susceptible of valuation in money. The jurisdiction was sustained despite the omission of any allegation or proof of jurisdictional amount, pointedly brought to the attention of this Court.

"EXPERIMENTATION" IS SEEN

The conclusion seems inescapable that the right conferred by the act of 1871 to maintain a suit in equity in the Federal courts to protect the suitor against a deprivation of rights or immunities secured by the Constitution has been preserved, and that whenever the right or immunity is one of personal liberty, not dependent for its existence upon the infringement of property rights, there is jurisdiction in the district court under section 24 (14) of the Judicial Code to entertain it without proof that the amount in controversy exceeds $3,000. As the right is secured to "any person" by the due-process clause, and as the statute permits the suit to be brought by "any person" as well as by a citizen, it is certain that resort to the privileges and immunities clause would not support the decree which we now sustain and would involve constitutional experimentation as gratuitous as it is unwarranted. We cannot be sure that its consequences would not be unfortunate.

Mr. Justice Reed concurs in this opinion.

Thank You, America

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

ARTICLE BY MARGARET E. BROWN, OF ALHAMBRA, CALIF.

Mr. VOORHIS of California. Mr. Speaker, in the midst of all the tumult and the shouting of today the following expression of one young American woman regarding her country is, I think, a good antidote. I am proud that it was written by one of my constituents.

THANK YOU, AMERICA

(By Margaret E. Brown, Alhambra, Calif.)

For more than 28 years America has been giving me: Parents, food, clothing, shelter, education, and inspiration. Thank you, America, for life itself. Thank you, America, for millions of homes with fine idealistic parents; thanks for sanitation; for public highways; street lights; police and fire protection; thanks for the kind of free education nowhere else available in the world—the kind of education offered in Los Angeles, Pasadena, and all of southern California. We American young people just go ahead and accept for granted homes, newspapers, and magazines, enjoying the freedom of the press—so precious to us—radios, schools which offer the opportunity to train for any kind of occupation one chooses, and frequently we forget to say "Thank you."

Thank you, America, for the great American church and its Big Minister, always near at hand; for the freedom to worship God; and for the problem-solving contact with one's minister.

Thank you, America, for the ballot, for the privilege of participating in the campaign that precedes the balloting. I am grateful for the privilege of choosing a big cause, like "peace" or "temperance," or "democracy," to work for while others have the privilege of choosing the other side of these causes. There is always an honest other side, and both can go merrily on working and living while first one side triumphs, then the other side, but eventually the right side wins—but the person on the other side lives on. I am grateful for the privilege of helping a great candidate gain a political office.

For the blessing of living here when the greatest sin of mankind, war, is being squarely faced by the Nation and its youth—the age that is going to do—is doing the work of changing the world from living in war to living in peace—thanks!

For the Presidency, with its guiding hand and heart always trying to help every American; for Congress and the Senate of the United States, with their tremendous task of governing the American people the way the American people want to be governed, I thank you, America.

May America be first to establish the highest kind of a standard of living for all those residing between the Atlantic and the Pacific. May America be first to gain employment for all her working people in work that is valuable to the entire Nation. May America be first to establish the right kind of free trade with all nations. May America be first in spreading the ideals of democracy to the whole world.

Thank you, America, for the vision your teachers and your preachers have given to American young people!

Military Training

EXTENSION OF REMARKS

OF

HON. E. E. COX

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT

Mr. COX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the gentleman from Vermont [Mr. PLUMLEY], delivered at the Georgia Military Academy, College Park, Ga., on May 29, 1939:

I am honored by being asked to address you upon this occasion. My association with your honored president covers a period of 20 years of exceptionally pleasant relations, during which I have come to know about and to appreciate the very great contribution he has made toward the establishment in perpetuity of this distinguished institution.

I am not a militarist and, as an American citizen, I am opposed to war. If that makes me a pacifist, then that is what I am; nevertheless, I have little patience with the attitude of those people who, for selfish, pecuniary, or political purposes, or for any other reason, are ready to strip this country of, or to curtail or limit, our reasonable, necessary, and adequate defense; nor do I agree with those who would throw into the junk heap our plans so carefully worked out in order to insure us a safe, reasonable, and justifiable amount of military preparedness. Anyone conversant with the facts, and anyone may be—and no one who is not has any business to mislead the people of this country—anyone, I say, who knows what he is talking about knows that we are grossly and inadequately prepared to defend ourselves today or to protect ourselves from an attack by foreign foe.

An examination of the roll of graduates of the institutions of our country in which military training is established and wherein the R. O. T. C. units properly function completely refutes the argument that such training produces in them a warlike spirit or makes them militarists. The graduates of these institutions do

not in any considerable number choose the profession of arms. The contrary is true. These young men realize what war means, what it costs, and, above all others, are most anxious that peace shall prevail.

I say to you that every dollar spent in order to diffuse military knowledge among them and to educate them for the discharge of each and all their duties as a citizen in peace and in war is expended in the advancement of the cause of universal peace. I cannot understand the attitude or state of mind of those misled theorists and well-intentioned but misguided and misinformed people who so severely denounce that method and form of education and training which more than all others will accomplish the very end they seek to attain, the outlawry of war. The making of peacetime citizens fitted to serve their country in the event of a time of war is the purpose, the business, and the successful attainment of such institutions.

To be an American citizen in this, so wonderful an age, is the greatest blessing any man or woman may enjoy. To have and play a part in shaping and changing the course of history is the greatest opportunity with which any man or woman of any day or generation can be confronted. The best educated citizen is he who respects the rights of others, recognizes that properly constituted authorities are entitled to be obeyed, and realizes the responsibilities attaching to the rights and duties of his citizenship. A man educated to understand, to accomplish, and to command is the type of citizen such training develops.

Military training of the youth of the land tends to cultivate an honest manly character, hatred of shams and humbugs, an earnest purpose to make the most of one's self, to serve one's time as a man, and one's country as a good citizen and patriot.

I have observed at close hand the exemplification and accomplishment for which this training is responsible. I know whereof I speak when I say that the lessons it teaches are invaluable. It impresses upon the student mind the axiom that no man is fitted to command who has not first learned to obey.

At every formation from the first to the last in his course, everywhere and all the time, it hammers into the head and habit of the cadet the absolute necessity for attention to the business in hand. It shows him, in due course, that real merit is properly recognized; it teaches him to appreciate that with such merited recognition comes the assumption of added responsibility. He learns to meet emergencies, to be prepared for the unexpected, and to assume responsibility as the opportunity and occasion therefor are presented. He is also taught to realize the importance of punctuality, how absolutely indispensable is accuracy, how essential is efficiency, the value of time, and the benefits of brevity. In touching elbows with his equals, saluting his superiors, commanding his inferiors, he is taught the rights and prerogatives of each—what goes with authority and how he may use but never abuse it. He learns to look ahead, to be prepared at any time to have his mettle tried and temper tested, to form his advance guard, but to keep his main strength in reserve. He acquires the knowledge, theoretically and practically, of proper preparation, the worth of his word, and what constitutes honor. He is able fairly, impartially, and impersonally to estimate his own strength and limitations and knows he should not undertake that which he cannot fairly expect decently to accomplish, but should accomplish what he undertakes and that he must find a way or make one.

These are the ideas and ideals set before him in theory and practice constantly as a part of his military training and discipline until they become part and parcel of him—and I doubt if any course of study or plan of training can show better ideas, ideals, or educational theories or, in practical results, better fit those who are taught—citizen, soldier, or sailor, for either private or public careers.

In the older days before the machine became an Iron Man Friday, people obeyed the law: "Work or starve." Today the slogan is: "Think or perish."

I might as well admit, first as last, that I have no patience with those who are living in the past, and to and of themselves and their generation. What old fossils they are to permit themselves to think that the best has been, when everybody knows that the best is yet to be. They live in a past gone glimmering through the dreams of things that were, not realizing that the tender grace of a day that is gone will never come back to them, or that the past is dead, and has no resurrection. They forget that the earth with its scarred face is a symbol of the past.

I say to them and in their interest, that beyond the east is the sunrise, and beyond the west is the sea. There is a realm where the rainbow never fades, where the stars are spread before us like islands that slumber in an ocean, while things and beings that pass before us like shadows, will stay in our presence forever.

Youth is the stream of the new, washing against the rocks of the habitual and the old. It floods in a continual current of enthusiams, of joy in existence, of hope, of fine expectations, of sharp awareness of evil and injustice, of headlong ambition to reap harvests that seem possible. Youth is the idealist. It sees what may be builded out of what is. It is the impetuous engineer knocking at the gates of thought, clamoring to be let in. It is progress, change, alteration, eternal striving ahead, and if it is inclined to trail off the discussion sometimes into poppycock, it has, still, the seeds of vitality. It is that part of life which is irrepressible growth.

Age is the halfway house, where experience fructifies into caution. The aloe has bloomed, but the fruit may be mellowing. Age has met disillusion and knows the garb of that foeman. It has pushed possibilities to the limit and feels ready to cry, "Halt," that it may consolidate its winnings. Crabbed only when defeat has embittered it, or when fear has driven out generosity and implanted greed, it represents the realities which to youth are still touched with haze.

Age is no practical realist when it deadens its ears to the news which the new generation has to tell it. To set oneself against the idealist merely because of a constitutional hatred for change is to prophesy one's own defeat. Hatred for change is not a qualification of the practical realist.

Change is everywhere. It is born into the world with our progeny. Every baby in the cradle is a potential revolution—the end of one epoch and the beginning of another. "Let us keep the keys from the children," cries a woman novelist. Folly! The children are born with the keys in their possession—brains. And if they move to the next village and build up a lure there to draw half of our local populace, are we the gainers?

Change will not be denied any more than youth, its eternal symbol.

The older generations are the steadiers, the stabilizers, and the anchors of this day and generation. So I say to you today, may the joy you get out of bearing your burdens be found in and measured by the accomplishment of all that you would achieve.

When the future looks dark and unpromising, when you cannot reconcile the present with the past, do not be discouraged; learn to say with Martha Haskell Clark:

"Youth will be served; the gods we reared
In faith upon our altar-stone
Now keep their vigil unrevered
In dusty corners, all unknown.
New idols rise at new demands
Above our crumbling overthrow,
They pick and choose with ruthless hands—
As we did in the long ago.

"Youth will be served; we live to see
Our dearest deeds another's boast,
A butt for laughtered ribaldry
The dreams for which we suffered most.
They see no print of bleeding feet,
The heights we won on footsteps slow,
They mount, unwitting of defeat—
As we did in the long ago.

"Youth must be served; one harvest's gain
The seed from which new harvest springs
The fuller yield of golden grain
From our forgotten harrowings.
Their hands shall turn fresh furrow soil,
The bread we eat, they too shall know—
May they find gods to sweeten toil—
As we did in the long ago."

It is mind after all which does the work of the world, so that the more there is of mind the more work will be accomplished. A man in proportion as he is intelligent makes a given force accomplish a greater task; makes skill take the place of muscles, and with less labor gives a better product. It is an insult to our intelligence to suggest a contrary doctrine. Man is bigger and greater than any machine he will ever invent. It is a new era in which we are living. Man will have to adapt himself to the speed of the age and the progress in things mechanical, for which he can hold himself responsible. Because a policy or a principle or a theory is old does not of itself establish the fact that there is not something better to be found. On the other hand, because a policy or a principle or theory is old is not to be taken as a reason or justification for our departure from it.

The astronomer discovers that geometry, a pure abstraction of the human mind, is the measure of planetary motion. The chemist finds proportions and intelligible method throughout matter; and science is nothing but the finding of analogy, identity, in the most remote parts. The ambitious soul sets down his own conclusions before each refractory fact; one after another reduces all strange constituents, each new power to its class and its law, and goes on forever to animate the last fiber of organization, the outskirts of nature by insight.

There are certain laws which in the last analysis are as inexorable and unchanging as those which govern the rising and the setting of the sun, though the time limit within which operations under the law may be completed may change and vary. Man always has turned, and always will, eventually, turn these laws to his advantage and to his own account.

The Old Oracle said: "All things have two handles; beware of the wrong one." And Ralph Waldo Emerson said: "In life too often the scholar errs with mankind and forfeits his privilege." Then he goes on to say: "Every day the sun; and, after sunset, night and her stars; ever the winds blow; ever the grass grows; every day man and woman conversing, beholding and beholden. The scholar is he of all men whom this spectacle most engages."

To the student and scholar, to the individual, there comes a sense of, an appreciation of—what shall I say?—of a something,

a longing which others do not know and cannot comprehend, perhaps as well stated in these words of Moody as anywhere:

"Careless where our face is set,
Let us take the open way.
What we are no tongue has told us:
Errand-goes who forget?
Soldiers heedless of their harry?
Pilgrim people gone astray?
We have heard a voice cry, 'Wander!'
That was all we heard it say.

* * * * * * *

God, who gives the bird its anguish, maketh nothing manifest
But upon our lifted foreheads pours the boon of endless quest."

We go along unblazed trails. We cannot penetrate the final mystery of things, because behind every mystery is another mystery. So it will always be.

Forever apace, never arriving, has been the timeless past and shall be the endless future. "Ah, but a man's reach should exceed his grasp. Or, what is heaven for?" says the poet.

Yes! This is the trail along which travel all human ideals. An everlasting trek from the near to the far horizon sown thick with human bones.

There is no ending and no beginning. There is no limit to space or time, though we make our heads ache trying to think how such can be the case.

This is the journey you are about to take.

You will save yourselves a great deal of needless worry on your journey if you early establish for yourself a philosophy of life, so in conclusion I commend to your careful consideration a brief codification of the philosophy of that stoic philosopher, Epictetus of Rome, who said:

"Is a little oil spilt,
A little wine stolen,
Say to yourself—
This is the purchase
Paid for peace, for
Tranquillity, and nothing
Is to be had for nothing.
Be content to be
Thought foolish and stupid.
Do not wish to be thought
To know—and though
You appear to others
To be somebody—distrust
Yourself!
Remember that
You are an actor
In a drama of
Such a kind as the
Author pleases to make it.
If short, of a short one;
If long, of a long one.
It is your business
To act well the character
Assigned you; to choose it
Is another's."

Social Security Looks to the Future

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

RADIO ADDRESS BY HON. JOHN W. McCORMACK, OF MASSACHUSETTS, JUNE 5, 1939

Mr. BUCK. Mr. Speaker, under leave to extend my remarks, I insert the very able address of Hon. JOHN W. McCORMACK, of Massachusetts, made during the National Radio Forum, arranged by the Washington Star and broadcast over a National Broadcasting Co. network, Monday night, June 5, 1939.

The address is as follows:

LOOKS TO THE FUTURE

Ladies and gentlemen of the radio audience, I want to express my appreciation to the Washington Evening Star for its invitation which enables me to talk over the National Radio Forum in relation to the amendments proposed, which are now pending in the House of Representatives, to the existing social-security law.

A bill making substantial changes in the Social Security Act is now before Congress, a bill in which every man, woman, and child in this country has a personal stake. This means you—as you sit at home tonight listening to this broadcast; as you go about your work tomorrow; as you think and plan for your own future and that of your children.

We have now had a national social-security program for nearly 4 years. Because of this, millions of persons, in every State and county throughout the Nation, know what security means as never was known before.

More than twenty-seven and one-half million persons are covered by State unemployment compensation laws. And because of this protection the gaps between jobs need no longer swallow up the savings of those covered and throw you and your families upon relief, at least during period of payments provided by your State law. Those covered employees who have been temporarily out of work since you had this job insurance protection have shared in the $575,000,000 in out-of-work benefits that have been paid out since a year ago January. You who have benefited do not need to be told what this has added to your security and that of your family.

Benefit payments, as time passes and experience is obtained, will be improved upon. Many States have already liberalized, or are in the process of liberalizing, benefit payments. That is the history of all progressive, humane legislation. As a particular instance, I refer to the Workmen's Compensation Act of the several States which has been improved upon materially from time to time.

Some 44,000,000 persons throughout the United States have accounts under the Federal old-age insurance system. As participants in this great national program of mutual protection such persons have already begun to build toward a retirement income, an income which will be theirs in their old age by right, based on their own thrift and industry, and backed by the United States Government itself. We all know only too well what the tragedy of a destitute old-age means. For millions of Americans the haunting fear of such a future lot will be allayed.

For those who are already old and in need; for those who are blind and cannot work; for children in homes broken by death or another disaster, the Social Security Act has also provided an increased measure of security through a Federal grant to those States which have passed approved legislation. More than 2,500,000 of them are receiving public assistance from the Federal and State funds made available under the act.

In connection with these activities, where need is a condition precedent to payment, there is no Federal investigation of applications, or supervision by the Federal Government. The Federal Government does not determine the amount any person in need among these classes receives. That is determined in accordance with State law. These provisions of the Social Security Act, as well as unemployment compensation, are State administered, benefits being dependent upon the State law. The Federal Government makes its contribution after State or local action has been favorably taken.

It must be remembered that prior to the passage of the Social Security Act there was no national pattern of assistance for the aged, for the dependent children, for the needy blind. A few States made inadequate provisions for the aged, very few for the dependent blind and the children, but the great majority of the States made no provision at all. The Federal Government, through the passage of the Social Security Act, has created a uniform pattern in these fields of relief activities.

And in addition to all this, the act has enabled your State and your community to increase their public health protection, to provide better services for maternal and child health and welfare, and to extend their provisions for the vocational rehabilitation of handicapped workers.

Because the Social Security Act was passed by Congress 4 years ago this coming August all this has been possible. Because Congress is now considering a bill to make the Social Security Act still more effective, you may look forward to increases in immediate protection and benefits and decreases in immediate cost.

This new bill was written by the House Ways and Means Committee, of which I am a member. It has just been reported out of the committee after 4 months of continuous study. Testimony taken at the hearings commenced on February 1 runs to some 2,500 pages. The committee members have labored early and late for 4 solid months day after day. We believe the bill which we are now presenting to the Congress and to the Nation demonstrates our earnest concern for all of you who have a stake in this great humane legislation.

The bill reported will save employers at least $1,500,000,000 in taxes during the next 3 years. It will liberalize the benefit payments to workers, both those made under State job insurance laws and those under the Federal old-age insurance system. It will make more Federal money available for aid to dependent children and to the needy aged. It will simplify administration and materially cut down red tape for the employer, the employee, and the Government.

All of these proposals are important, important not just to something vaguely called the people, but to you as individuals, as wage earners, and as businessmen, as citizens and as taxpayers. I know you will study these amendments in detail as they are reported to you in your newspapers. I want now, however, to highlight some of the points which seem to me of major significance.

First, as to taxes: The old-age insurance tax has been frozen at its present rate for 3 years. This means that the employer and the wage earner will continue to pay 1 percent each on the employee's wages, whereas under the law as it now stands the rate would increase to 1½ percent each January 1, next. I have supported this change because I believe it is sound and because it will benefit both employers and employees. This proposal alone will save them at least $825,000,000 during the next 3 years.

In connection with unemployment compensation, the committee has recommended a plan which I submitted. This would enable the States to reduce their unemployment-insurance contributions, provided they have built up a certain reserve and meet minimum benefit standards. During 1940 alone this provision may save employers from $165,000,000 to $200,000,000. It will result in great savings in later years.

Other changes proposed by the committee with respect to unemployment compensation will save employers an additional $80,000,000 next year.

For example, the committee has recommended that the pay-roll tax on unemployment compensation be confined to the first $3,000 of salary. On present business activity, that alone will result in permanent savings to employers of $65,000,000 each year. In addition, the penalty under the present law of 90 percent for the delay of employers in making returns of the unemployment-compensation tax has been sharply reduced, which will also result in a substantial saving each year.

And now as to the protection offered by the Social Security Act: These have been substantially strengthened. And this is all important; for the whole objective of social security is to provide some income that will be at least fairly adequate for basic needs and that will tide people over when the hazard of want becomes a reality. This protection is necessary not only for the individual but also for his family. After all, a man out of work does not confine his worrying to himself; his worst worries are for his wife and children—how to feed and clothe and shelter them. And no man looks forward to his own old age apart from what the course of life will mean to those who are dear to him and dependent upon him. He wants old-age security for his helpmate as well as for himself. Above all, he wants some assurance that his wife and children will not be left utterly stranded if he himself should die.

My fellow Members and I, of the committee and of Congress, share your concern for family security. We believe that the conservation of family life is the prime purpose behind all our efforts to promote social security. And I think I may say without fear of contradiction that every one of our proposals with respect to insurance benefits and assistance payments represents a genuine step toward this goal—the safeguarding of the American family.

To this end the old-age insurance program has been liberalized and extended. Monthly benefits will begin to be paid in 1940 instead of being postponed until 1942. The "stop date" which now prevents wages earned after age 65 from counting toward benefits will be removed, thus permitting workers to continue increasing their protection until they actually give up working. These two changes will greatly increase the benefits which will be payable particularly to those now approaching retirement age.

Monthly benefits have been increased—first, by basing benefits on "average wages" rather than as at present, on accumulated wages; second, by providing supplementary benefits for the wives of annuitants. Under this new plan beneficiaries, whether married or single, will get more protection than they could buy with their own contributions elsewhere. At the same time the equity and adequacy of the system is increased by recognizing that the need of a married couple is as a general rule greater than that of one person alone.

All of these changes promote family as well as individual security for those who live to reach old age. But death must still be reckoned with and families must still be provided for when the breadwinner dies. And so, in addition to liberalizing benefits for old age, the committee proposes that benefits be provided for the dependents who may survive the worker. The groups most likely to need this protection are aged widows, younger widows with children, orphans, and dependent parents. For widows, the monthly benefit would be three-fourths of the husband's basic benefit, had he lived; for each orphan and dependent parent, it would be one-half of the basic benefit.

Under this proposed plan about $1,750,000,000 in benefits will be paid out in the next 5 years—paid out as a right to those whose working years are over—to their wives, also to widows, and to fatherless children. This represents a very substantial increase in the returns which workers will realize from old-age insurance in the immediate future. By thoughtful long-range planning it has been possible to provide for this change—which I for one regard as most essential—without increasing the future over-all cost of the system.

This is made possible by the elimination of the lump-sum benefits. The present law is operated along the lines of a private insurance company so far as contributory annuities are concerned. The effect of the pending bill in this respect is to change it into a social insurance plan, with the family of the covered employee (instead of an individual employee himself) being the unit of economic security which is sought. A strong and secure family life is an important element in the existence of a permanent form of government.

These logical and liberalized payments should reduce the welfare load of the several States and of their political subdivisions, not only at the present time but also in the future. We must keep in mind that there are two aspects of old-age annuities provided for in the Social Security Act (1) noncontributory, and (2) contributory annuities. The noncontributory pension is based on "need," and is paid out of public funds. The contributory annuity is based on "right," and is paid by employer and employee. Government might have to contribute in future years. The noncontributory provisions are based upon the law of necessity and exigency to prevent as far as possible through payments out of public funds, human distress and suffering from existing among our senior citizens. The several States determine eligibility and payments, and the Federal Government contributes its share, under existing law, one-half of the pension paid up to $15 per person per month; in the bill just reported, up to $20 per month, one-half of the pension paid by a State, up to $20 per month. This does not meet the cause of "need" for old age. The contributory annuity is the method derived to meet the long-range situation, and to provide for an annuity as a matter of "right," instead of receiving public funds based upon "need."

Furthermore, if old-age pensions were to continue wholly to be noncontributory, and paid out of public funds, such a system would ultimately bankrupt Federal, State, and local government.

We must all remember, and particularly our aged folks, that noncontributory payments entirely out of proportion to the ability of all others to bear the expense through taxation will ultimately result in a break-down of such humane legislation and the aged persons themselves will suffer. It is, therefore, essential that common sense be exercised in improving upon the existing law. The success of such legislation is dependent upon the ability of others to bear the expense.

In the amended act, the security of children would be recognized as a most important objective of our social-insurance system. It is also now made an important objective in public assistance. And in proposing changes in the act, I submitted an amendment which would increase the Federal money available to the States for aid to dependent children. Under the present law, the Federal contribution for this program comes to only one-third of the State's expenditures, whereas the Federal Government pays approximately half the cost of aid to the needy aged and the needy blind. The committee now proposes that Federal grants for aid to dependent children also be placed upon this equal, matching basis, and that the age limit should be raised from 16 to 18 when the child is regularly attending school. This would bring the age requirement under both the insurance and assistance programs into uniformity.

There can be no question that these changes would enable the States to take care of more needy children and to care for them more adequately. About 695,000 children are now receiving Federal-State aid. This is two and one-half times as many as were cared for under State-aid laws in 1935. This increase is significant; but so are the known needs which are still unmet. Eight States have yet to provide any aid to dependent children under the act. In addition, through this amendment the State programs already in operation will probably be able to provide for at least 1,000,000 children, who are in need, an increase of more than 300,000 over their present coverage.

Another proposed change in the assistance provisions of the act would increase the amount of Federal money available for old-age assistance. As you probably know, the limit on Federal contributions is now $15 a month to each person aided, provided the State pays a like amount. The amendment would raise this figure to $20 a month and thus allow the States to liberalize their payments to the needy aged if they so desire, and to provide such assistance to other deserving persons who are eligible, but who are not receiving old-age assistance due to lack of State appropriations.

But the committee has proposed no change which would alter the relationship of Federal and State governments in either public assistance or unemployment compensation. These programs, as established under the Social Security Act, constitute the most comprehensive attempt yet made to utilize a system of Federal-State cooperation for the solution of national problems. I believe in the Federal-State cooperative system. Experience has indicated that it preserves local initiative and keeps administration close to the people concerned. I, for one, am opposed to centralization of such activities in Washington. I am opposed to the bureaucracy that would develop. For these reasons I have strongly favored maintaining and strengthening the Federal-State systems embodied in both public assistance and unemployment compensation.

A national old-age pension, based on need, calls for Federal investigation and supervision. Such a system would be intolerable.

In considering unemployment insurance the committee's objective has been to make such changes as would best help to relieve industry of any unnecessary burdens and at the same time to provide those out of work with more adequate benefits. We have sought a way to accomplish this twofold purpose without altering in any fundamental way our present Federal-State system. I think that the plan which the committee has reported out meets all these tests. It preserves the State systems against those who would repeal unemployment insurance and those who want an outright Federal system. My plan will enable those States which are building up substantial reserves to reduce their contribution rates and so to benefit employers. But it also requires such States to maintain at least certain minimum standards so that wage earners will be assured of fair benefits when due, specifically the State must provide for the payment of benefits for at least 16 weeks after not more than a 2-week waiting period and with a minimum of at least $5 a week. It provides for benefits to these partially unemployed. The States may make more liberal benefit payments if they so

desire. The plan thus protects the State and the employer, the employee and his family.

Before I bring this summary to an end there is just one more change that I want to mention. This is the increase of $1,000,000 in the appropriation for vocational rehabilitation. This will bring the total Federal funds available as grants to the States for this purpose to $2,938,000 a year. Small as this sum is, in comparison to some of our other expenditures, it represents a very real contribution to security. Every crippled employee retrained to an occupation represents a definite gain in security, in reducing the cost of caring for him if he remained dependent, in returning him to society and to his family as a useful and self-respecting individual.

The committee's recommendations are substantial steps forward in our march toward social security. There is still much to be done. I would like to see aid to the needy aged and dependent children liberalized still further—to see the old-age and unemployment insurance benefits expanded. I shall continue to work for these additional amendments. In the meantime I shall vote for the amendments which the committee has reported out because I firmly believe they represent another milestone in the struggle for safeguarding human rights.

With this, then, I have covered the main points in the bill to amend the Social Security Act. The changes recommended in all the programs, in old-age insurance, in aid to dependent children, and in unemployment compensation, are part of a common purpose to promote the security of the family and the home.

But though security begins with the family, it does not end there. When families have some basic measure of economic stability—some means of maintaining their status as the purchases of goods and services—then business and industry are also on the way toward increasing stability. And when our families are secure, when they can perform their time-honored functions as the life-giving heart of our social organism, then we need have no fears for our democracy.

I have supported all the changes relative to the conservation of family life throughout the many weeks in which these amendments have been up for discussion. And I have consistently urged increasing protection for children, because I believe our democracy can be kept alive only so long as we assure to children—the citizens of tomorrow—their birthright of wholesome family life today.

This recognition of the relationship between security and democracy is no new discovery. The House Ways and Means Committee did not initiate this point of view when it sat down 4 months ago to consider possible amendments. Nor did Congress and its advisers initiate it when the Social Security Act was originally passed in 1935. No; this relationship is at least as old as our Constitution, wherein "to promote the general welfare" is enumerated as one of the basic functions of our democratic government.

In the Social Security Act—and in these amendments to the act—we are carrying on, for our own time, the precepts and the ideals which were then set forth and which, we believe and trust, will endure for all time to come.

Government is a living organism. Government cannot remain static, particularly when great economic changes are taking place. Government must serve, and to serve it must work in order to perform its essential and necessary functions. Modern economic conditions present many trying and complex problems. One of the foremost problems is unemployment and insecurity. The people of some countries have sacrificed personal liberty—sacrificed the dignity and the personality of the individual in their quest for security, and in the end obtained neither. It is only under democratic processes of government that personal liberty can exist as a right. On the other hand, insecurity resulting from unemployment, dependency in old age, or for any other reason, cannot be permitted to continue without effort to solve the same. The solution of these and other problems is not only the duty of government, but of all persons and of all groups. These problems can be solved without any impairment or loss of our ideals of government—of personal liberty. Tolerance and understanding, with a willingness of proper compromise, are essential to success. Viewing the Social Security Act, and the amendments just reported by the Ways and Means Committee, as a whole, this legislation represents a great step forward in meeting the great problem of insecurity, and in a manner consistent with democratic processes of government.

Gag Rule for Pensions

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. HAVENNER. Mr. Speaker, to Members of Congress who, like myself, have made no promises at any time to support the so-called Townsend bill or any other specific measure dealing with the same subject, but who are profoundly convinced of the importance of establishing without delay an adequate Federal system of old-age pensions, the situation which confronted us in the House of Representatives today was intolerable. Many of us had assured the Townsend plan advocates in our districts that we would vote to give their bill a thorough discussion on the floor of the House, while reserving to ourselves the right to vote as we saw fit after hearing all of the arguments for and against the measure and studying all amendments which might be proposed.

But today we found ourselves circumscribed by an arbitrary, inflexible rule which made a mockery of these promises. Debate on this epochal proposal was restricted to the ridiculously inadequate period of 4 hours. The fundamental right of a democratic legislative body to amend any measure before final action upon it was absolutely prohibited by the rule. The membership of the House faced this arbitrary mandate: Finish debate upon this bill in 4 hours. Do not attempt to amend it. Take it or leave it as it stands.

Against this species of legislative dictatorship many of us rebelled. We knew that we were being deprived of our right to hear the bill discussed fully in all of its aspects, to judge it impartially on its merits, and to consider changes if and when changes appeared advisable. We also realized that it was obvious that no other opportunity would be afforded us during the present session of Congress to vote for or against the establishment of a national old-age pension not based upon indigency.

Having been denied a chance to vote upon the merits of each section of this bill, and knowing that it was marked for slaughter by the opponents of an adequate pension system, I decided to cast my vote for the measure, not solely upon its merits, because, under the circumstances, that was impossible, but partly as a protest against the unfair hearing accorded it and principally as a declaration of my endorsement of the principle of a national old-age pension, which must be the cornerstone of American social security in the future.

H. R. 6450—On Behalf of the Combat Veteran

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

LETTER FROM THE WORLD WAR COMBAT VETERANS' ASSOCIATIONS, INC.

Mr. VOORHIS of California. Mr. Speaker, H. R. 6450 provides that in determining service connection for disabilities of veterans who saw actual combat with the enemy in any war of the United States full consideration shall be given not only to medical records—which are admittedly inadequate in many, many cases—but to service records as well, and that where the conditions under which these men fought "can, in good medical judgment, be considered as causing or aggravating the disability or disabilities on which the claim is based, then and in that event the disability or disabilities shall be considered to have been caused or aggravated by military service."

Perhaps a better argument for this bill than could possibly be made by myself is included in the following letter from the national president of the World War Combat Veterans' Associations, which I have asked permission to include with my remarks:

WORLD WAR COMBAT VETERANS' ASSOCIATIONS, INC.,
Los Angeles, May 29, 1939.

Hon. JERRY VOORHIS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN VOORHIS: Your bill, H. R. 6450, if enacted by the Congress of the United States will correct a great injustice unintentionally imposed on the combat veterans of our armed forces by Congress.

To a very great extent the service-connected disabilities of war veterans is dependent upon entries made in the individual's medical record during his service.

Those veterans while serving in army camps or aboard vessels of the fleet, had the opportunity of answering "sick call" daily, and whenever a man reported on sick call behind the front his medical record was available and his complaints and treatment was practically always entered in his medical record.

On the other hand every man on the battlefront in France ate some food that had been gassed, breathed some gas, was under shell fire, and was covered with lice—things that did not happen to those serving in the rear. A man had to be very sick to quit on the front, and unless he was so sick that he had to be sent to a hospital, he probably only received some pills, and either because the doctors did not have the individual's medical record, or were too busy with wounded, the records of men being sick on the battlefront were not entered in their medical records.

To cite just one example of thousands, my own outfit, Company A, Third Machine Gun Battalion, First Division, on May 28, 1918, had just helped capture Cantigny from the Germans, and were repulsing repeated counter attacks. There was plenty of high explosive ammunition for our artillery but no gas shells. (First gas shells for our guns received July 4, 1918.) The Germans for days kept firing gas shells. Our food, brought up to the front at night in cans, was repeatedly gassed. We threw it away several times, but became so hungry that we afterward ate it anyway. Only about 400 men of the division were bad enough to be sent to hospitals from being gassed, but most of the others were sick from being gassed, yet none of these others have any entry in their medical record to this effect. The record of the regiments and division would show that on certain dates the outfit had been subject to gas attack and the individual's service record would show that he was present with his outfit at the time. By making the service record an official part of the medical record we hope to be able to establish service connection of certain disabilities when the individual's medical record lacks such entries.

Let me say that the combat veterans do not consider themselves any better type of American soldiers than those not on the battle front. We served wherever we were ordered to serve, at home or on the front. However, those who served on the battle front served under conditions vastly different than those not on the front.

On the front and during continuous days and nights of battle it was practically impossible to make entries in medical records. Slightly wounded men went on for days in battle, rather than quit. Others who were very sick kept going for fear that their buddies might think them "yellow" if they quit.

These men who actually served under enemy fire certainly deserve from the people and the Congress the right to prove by their service record that their ailment was due to their particular type of service, as established by their service record, supported by the War Department records of the unit with which they served.

We do not want a regulation or rule of the Veterans' Administration to consider this, which could be changed at any time. We hope that your bill will be enacted into the Federal statutes.

Hoping that the Committee on World War Veterans' Legislation will give H. R. 6450 their approval and that the Congress will enact this bill.

Very sincerely yours,

ADOLPH N. SUTRO,
National President.

Reorganization of the Railroads

EXTENSION OF REMARKS

OF

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

RESOLUTION OF THE UNITED ELECTRICAL, RADIO, AND MACHINE WORKERS OF AMERICA, LOCAL NO. 610, WILMERDING, PA.

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

Whereas two-thirds of our population now live either in dire poverty or in circumstances far below a standard of health and decency; and

Whereas it is essential for the welfare of our community, State, and Nation to avoid the physical and moral deterioration which such living standards inevitably lead to, and, indeed, have led to in many parts of the world; and

Whereas prevailing low living standards in our country are due not to a lack of efficient labor power, machinery, or natural resources, but rather to a tragic failure to make use of these resources; and

Whereas name-calling, buck-passing, and even allowance of presently prevailing meager relief rations, both with and without work, while running into billions of dollars in the aggregate, are yet utterly insufficient to drag us out of the mire of depression; and

Whereas the surest road to prosperity is widespread employment of labor at decent wages, which, of necessity, requires vastly increased production; and

Whereas private industry will not and, under the circumstances, cannot increase production without visible demand for products; and

Whereas our railroads constitute a potential customer for $2,000,000,000 worth of equipment a year to modernize transportation so as to enable the roads to compete effectively with other modes of transportation to serve the Nation as safe and efficient carriers in the event of an upswing in business or national defense emergency, but have not done so because of their absurd overcapitalization which requires the roads to sink all money earned and borrowed into the bottomless pit of interest on bond issues covering equipment long outworn and useless; and

Whereas according to the best informed economists, every dollar put into heavy industry production breeds $2 in purchasing power, thus providing through a potential $2,000,000,000 a year expenditure on railroad equipment a powerful factor for the restoration of prosperity; and

Whereas even the holders of present railroad securities would be better off under a rational reorganization plan than they are now with one-third of the country's mileage in bankruptcy and another one-third on the verge of bankruptcy; and

Whereas such bills as the Wheeler-Truman bill merely places the cart before the horse by providing restrictions upon other modes of transportation without remedying existing evils in the railroad systems; and

Whereas workers of Westinghouse Air Brake Co. depend for their well-being upon the well-being of the railroads and are among the hundreds of thousands of employees who suffer by the present unsound and chaotic railroad situation: Now, therefore, be it

Resolved, That members of Local 610, United Electrical, Radio and Machine Workers Union of America, in Wilmerding, Pa., having exclusive bargaining in the Westinghouse Air Brake Co. plant, which produces three out of every four air brakes used on railroad cars, street-railway cars, etc., recognizing their plight of lack of steady employment and poor earnings, not as an isolated instance but as an example of many other workers similarly affected, go on record as petitioning the President and Congress of the United States—

To promote legislation and regulation to the effect that railroad bondholders submit to reorganization plans whereby they will receive stock in place of their bonds and will share in the earnings of the railroads rather than gobble up all there is or reduce the roads to a state where they are of little good either to them or to the Nation; and

To lend Federal money to the railroads earmarked for the purchase of new and replacement equipment so that they may be able to take advantage of modernized devices, and thereby not only stimulate industrial production but stimulate as well their own earning power, with the net effect that employment will increase, and the Nation as a whole—workers, management, and stockholders—will jointly benefit, and in the long run the Government will not only recover its loans but will benefit through the collection of income taxes besides.

It is recognized that to date these very vital problems were in no way touched by any of the railroad measures considered in the present session of Congress, that they are of so fundamental a character as to require the appointment of a special commission to study them in preparation for proper congressional action at the next session.

Passed unanimously this 25th day of May 1939, at Wilmerding, Pa.

[SEAL] KENNETH JONES,
President, United Electrical, Radio and Machine Workers of America, Local No. 610, Wilmerding, Pa.

General Campbell and His Immortal Four Hundred

EXTENSION OF REMARKS

OF

HON. JOHN W. FLANNAGAN, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

Mr. FLANNAGAN. Mr. Speaker, down in my district in a little known grave close beside the crystal waters of the beautiful Holston that he loved so well sleeps one who, while slightly known to fame, fashioned his name in letters of steel high upon the honor roll of America's immortals.

You ask his name, and I answer, "Gen. William Campbell, of the Holston." And you reply, "Who was Gen. William

Campbell?" Let me answer: "A Virginian by birth, a Scotch-Irish Presbyterian by ancestry and conviction, an innate lover of freedom and liberty, a sworn enemy of the Tories, a colonel in the Virginia Militia out on the fringe of civilization, a border chieftain, and the hero of the greatest military triumph of the Revolutionary War, the Battle of Kings Mountain."

And down in my district, many resting in unmarked graves, sleep the immortal four hundred, all except those who died for freedom's sake and are sleeping for a little while upon the gentle slopes of Kings Mountain, likewise Virginians by birth, Scotch-Irish Presbyterians by ancestry and conviction, innate lovers of freedom and liberty, sworn enemies of the Tories, the men who, under the leadership of their border chieftain, wrought mightily on that October day back in 1780 and in less than 1 hour's time killed or captured a whole British Army and started blazing the trail that led to Yorktown and freedom.

The attributes that make men are not of rapid growth. They are developed and refined from generation to generation over the years, and in order that you may understand and appreciate the noble virtues of these men—their patience, their fortitude, their innate spirituality, their inborn love for freedom, their matchless valor—I crave your indulgence while I briefly recite their genesis.

General Campbell and his immortal four hundred, practically to a man, were Scotch-Irish Presbyterians who had moved down into the beautiful Valley of the Holston from the counties of Rockbridge and Augusta in the Valley of Virginia. From earliest colonial times the Scotch-Irish Presbyterians, in order to escape civil and prelatic oppressions under the Stuarts, had migrated from northern Ireland to the Colonies. They came not for commercial gain, not to advance their own fortunes, but rather to escape civil wrongs and despotic ecclesiasticisms, for conscience' sake. They abhorred station and rank and civil inequalities and claimed the right to worship God according to the dictates of their own consciences. They brought with them the Shorter Catechism which, excepting the Bible, had a more profound influence in shaping the lives of the generations that followed than any other book. It became the working creed of the men who laid the foundations of this Republic. At the time of the Revolution, of the 3,000,000 inhabitants of the Colonies, at least 2,000,000 of them were of the Calvanistic faith. The consecration and devotion of their members, in particular those of Scotch-Irish extraction, to the cause of freedom was equaled by that of no other denomination. They were a great people schooled, as it were, in the miseries and degradations of civil and religious persecutions; and set apart, as it were, by the Almighty for a great cause, the cause of establishing here in the New World a government based upon the proposition that man, in order to enjoy to its fullness the world God has prepared for him, must have civil and religious freedom.

Trained as they were, no racial or religious group was superior to them in spiritual fervor, in devotion to freedom, in moral stability, in a willingness to sacrifice to obtain their goal, in intelligence, and in the capacity to administer justly and fairly the affairs of church and state. Love of freedom brought them over, and that love found fertile soil in the New World, grew into a revolution, and ripened into the greatest democracy that yet has been conceived by the mind of man.

It was these same Scotch-Irish Presbyterians, intrepid lovers of freedom that they were, that kept on agitating freedom and drafting declarations of independence until final and official action was taken by the Colonies on July 4, 1776, and Jefferson's immortal pronouncement became the cornerstone of our liberties. On May 20, 1775, the Scotch-Irish Presbyterians of North Carolina drafted the Mecklenburg Declaration, and about 1 year later, in May 1776, the Scotch-Irish Presbyterians of western Pennsylvania drafted the West Pennsylvania Declaration; but, listen, the fire had already been kindled prior to these pronouncements by Campbell and his gallant southwest Virginians.

Three months before the first shot at Lexington, 4 months before the Mecklenburg Declaration, 5 months before Bunker Hill, 12 months before the West Pennsylvania Declaration, and 18 months before the Declaration of Independence, namely, on January 20, 1775, Capt. William Campbell, Rev. Charles Cummings, Col. William Preston, Col. William Christian, Capt. Stephen Trigg, Maj. Arthur Campbell, Maj. William Ingles, Capt. Walter Crockett, Capt. John Montgomery, Capt. James McGavock, Capt. Thomas Madison, Capt. Daniel Smith, Capt. William Russell, Capt. Evan Shelby, and Lt. William Edmondston, a committee appointed by the freeholders of Fincastle County, Va., Scotch-Irish Presbyterians all, and leaders in the Holston Settlement, addressed a communication "To the Honorable Peyton Randolph, Esq., Richard Henry Lee, George Washington, Patrick Henry, Jr., Richard Bland, Benjamin Harrison, and Edmond Pendleton, Esqs., the Delegates from this Colony who attended the Continental Congress held in Philadelphia," in which they made this bold, stirring, and patriotic pronouncement:

> If no pacific measure shall be proposed or adopted by Great Britain, and our enemies attempt to dragoon us out of these inestimable privileges which we are entitled to as subjects, and reduce us to slavery, we declare that we are deliberately and resolutely determined never to surrender them to any power upon earth at the expense of our lives. These are our real, though unpolished sentiments of liberty and loyalty, and in them we are resolved to live and die.

Is there any wonder that a country with such a background should have adopted as its form of government practically the form of government of the Presbyterian Church.

Walpole was not far wrong when he declared in the British Parliament, "Cousin America has run off with a Presbyterian parson."

I cannot refrain from quoting the eloquent tribute paid by Dr. Lyman C. Draper, secretary of the State Historical Society of Wisconsin, in his History of the Battle of Kings Mountain to Campbell's men:

> In the confronting ranks was a very different class of men. Those from the Holston, under Campbell, were a peculiar people—somewhat of the character of Cromwell's soldiery. They were, almost to a man, Presbyterians. In their homes, in the Holston Valley, they were settled in pretty compact congregations; quite tenacious of their religious and civil liberties, as handed down from father to son from their Scotch-Irish ancestors. Their preacher, Rev. Charles Cummings, was well fitted for the times; a man of piety and sterling patriotism, who constantly exercised himself to encourage his people to make every needed sacrifice and put forth every possible exertion in defense of the liberties of their country. They were a remarkable body of men, both physically and mentally. Inured to frontier life, raised mostly in Rockbridge and Augusta Counties, Va., a frontier region in the French and Indian War, they early settled on the Holston, and were accustomed from their childhood to border life and hardships; ever ready at the tap of the drum to turn out on military service; if in the busiest crop season their wives, sisters, and daughters could, in their absence, plant and sow and harvest. They were better educated than most of the frontier settlers, and had a more thorough understanding of the questions at issue between the Colonies and the mother country. These men went forth to strike their country's foes, as did the patriarchs of old, feeling assured that the god of battle was with them, and that he would surely crown their efforts with success. They had no doubts nor fears. They trusted in God and kept their powder dry. Such a thing as a coward was not known among them. How fitting it was that such a band of men should have been assigned, by Campbell's own good judgment, the attack on Ferguson's choicest troops—his provincial rangers. It was a happy omen of success—literally the forlorn hope—the right men in the right place.

And so, my colleagues, in their names I come to you today to make a simple request. I only ask that back in my district where these lovers of liberty lived, where they first erected the church and schoolhouse, and then felled the timber for the ever-verdant blue grass to grow, where they beat back the red man that the borders of civilization might be extended, where they set up a provincial government under which the teachings of the Bible, the Confession of Faith, and the Shorter Catechism were the laws of the land, where they rallied, 400 strong, when the Macedonian cry came echoing over the hills from their brothers in distress down in the lowlands, left their wives and children unprotected behind, placed their all upon the altar of freedom, and marched

over the mountain fastness armed with Deckard rifles and long knives to Kings Mountain and there snatched freedom from the brink, and where their descendants, through the ensuing years, working upon the foundations laid by their forebears, have builded the most religious and God-fearing, the most patriotic and liberty-loving, the most cultured and refined, the most stable and enduring civilization yet developed by man, you set up a testimonial of their worth, their character, their valor, their piety, their patriotism, a memorial to their memory, that will perpetuate their sterling attributes and heroic deeds and teach the generations yet to come that no sacrifice is too great for freedom's sake.

Oh, I am persuaded that as I present my case, as I unfold the story, your love for freedom will be strengthened, your patriotism renewed, and that you will do now that which should have been done long ago, direct the appropriation of sufficient funds to erect a suitable and appropriate monument to these molders of liberty, these founders of our glorious Republic; and that when the monument has become a realization we long have cherished, you will come down to the land where the air is yet surcharged with freedom, the Tory unknown, stand with uncovered heads before the shaft, renew your love for freedom and faith in democracy, and breathe a prayer of thankfulness and appreciation for General Campbell and his immortal 400.

Having given you the background of these unsung patriots, let me tell you the story. It needs no embellishment to add to its luster, no word pictures to rekindle your patriotism, no flights of rhetoric to impress upon your hearts and minds the great and important part they played in the establishment of our Republic, and so I shall tell it to you in ungarnished language such as befits their rugged souls.

In the fall of 1780 the War of the Revolution was drawing, from all indications, to a pathetic and tragic close. A panoramic review showed: After the skirmishes at Lexington and Concord the patriots lost at Bunker Hill. In the Battle of Long Island which followed the Americans suffered a decisive defeat, with a loss of 970 killed and 1,077 wounded. This battle, fought August 27, 1776, had a sickening effect upon our cause, coming as it did in such a short while after July 4, 1776, the day on which we bid defiance to the greatest monarch on earth by declaring our freedom and independence. December brought renewed hopes with our victory at Trenton, and these hopes were further augmented by the victory at Princeton in the following January. Dark days, however, were in store for our cause. In September 1777 Washington was driven from the field at Brandywine, and this defeat was followed by another at Germantown on October 4, 1777, in which we suffered a loss of 673 killed and wounded and some 400 taken prisoners. In the same month, however, fresh hope came with our victory at Saratoga. Then came Valley Forge, where during the dark, cold, and dreary days of the winter of 1777–78 Washington went through his Gethsemene, and our cause verged upon reaching its zero hour. Came 1778 without any general campaign or important battles until Clark, the hero of the West, made a march of nearly 250 miles through the wilderness and captured the fort at Vincennes, thus breaking the British hold in the West.

With honors divided in the North, and New York in the hands of the enemy, the British now directed their attention to the South. Florida was invaded and subdued, and in the fall of 1778 General Prevost marched out of Florida and in quick succession captured Savannah, Sunbury, and Augusta. On March 3, 1779, when the American forces lost 1,000 men killed and captured at Briar Creek, Georgia fell under the flag of King George. An attempt in October 1779 to recapture Savannah resulted in a decisive defeat and the Polish-born patriot, Count Pulaski, was killed. The militia of South Carolina and Georgia, becoming discouraged, disbanded. During the latter part of December, Sir Henry Clinton and Cornwallis left New York with the fleet of Admiral Arbuthnot and 7,000 men to attack proud Charleston, the queen of the Atlantic, where 4,000 patriots garrisoned the city. On February 11, 1880, the siege commenced and lasted until May 7 when the city surrendered and was sacked. The fall of Charleston brought consternation to the patriots of the South. Lord Cornwallis, Colonel Tarleton, and Major Ferguson moved on through the Carolinas with a butchery that has few, if any, parallels in war. At Waxhaw, Tarleton's butchers practically wiped out Colonel Buford's regiment, 113 of whom were cut down and killed, 152 too badly hacked to be taken from the field, and only 53 taken prisoners. At Camden, Gates met a decisive defeat at the hands of Cornwallis, losing 800 men, among them being the gallant Bavarian-born, French-trained soldier, DeKalb.

In September Cornwallis took Charlotte, the metropolis of Mecklenburg County, whose citizenry back on May 20, 1775, had bid defiance to King George and his men by their bold declaration of independence, and his lieutenants, Tarleton, Ferguson, Rowdon, Balfour, and Brown again went forth on a spree of carnage and gore, terrifying the people by burning and destroying their property, ravishing the women, and hanging the patriotic leaders wherever found. The Tories and weak-hearted natives came in, took the oath of allegiance, and joined in the carnival of carnage. The outlook for the patriots seemed dark and hopeless. It looked like the beginning of the end. Florida, Georgia, and South Carolina had been subdued, and, from all indications, Cornwallis would succeed in his plan of marching on to Salisbury, there to be joined by Ferguson, and with their combined army subdue North Carolina and Virginia. Sir Henry Clinton had returned to New York, declaring "the inhabitants from every quarter declare their allegiance to the King and offer their services in arms;" Lord Cornwallis was boasting that in a short while all the territory south of the Susquehanna would be in his grasp; the magnetic, brilliant Ferguson when offered additional troops declined to accept them, pompously proclaiming "the country was subdued and everything was quiet;" and even the undaunted, unconquerable Washington was murmuring "I have almost ceased to hope."

Today in our security it is hard for us to realize the depths of despair to which the cause of the patriots had fallen, the forlorn hopelessness that seemed to grip their very souls, due to the deeds of infamy and cruelty to which they had been subjected by the British and Tories under the leadership of Cornwallis, Tarleton, Ferguson, and their lieutenants in order to crush their spirit and bring them under the British rule. That they carried on during those days of terror, when all seemed lost except the memories of their dream for freedom, is a more eloquent tribute to their fidelity to the cause of freedom, their courageous hearts, than can be paid by any words of man, however graphic, however inspired, those words may be.

Bancroft, in describing the reign of Toryism in full swing, says:

> The sorrow of the children and women robbed and wronged, shelterless, stripped of all clothes but those they wore, nestling about fires they kindled on the ground, and mourning for their fathers and husbands, were to be witnessed on every hand.

The eloquent Gen. John S. Preston in his address at Kings Mountain in 1855, thus graphically described the conduct of Cornwallis and his butchers:

> This power he was using with cruelty unparalleled in modern civilized conquest; binding down the conquered people like malefactors, regarding each rebel like a condemned criminal, and checking every murmur, answering every suspicion with the sword and firebrand. If a suspected Whig fled from the house to escape the insult, the scourge or rope myrmidons of Ferguson and Tarleton burned it down and ravished his wife and daughters; if a son refused to betray his parent he was hung like a dog; if a wife refused to tell the hiding place of her husband her belly was ripped open by the butcher knife of the Tory. I draw no fancy picture—the truth is far wilder than the fabulist's imagination can feign.

And then came the dawn. Colonel Ferguson, in that spirit of pride that always goes before a fall, sent a fateful message to the patriots beyond the mountains advising them that "if they did not desist from their opposition to the Brit-

ish arms he would march his army over the mountains, hang their leaders, and lay their country waste with fire and sword." Saturated with his own powers, fresh from his revelry of murder, rape, and pillage, little did Ferguson realize that in sending the message he was sealing his own doom and the doom of the British cause in America. Yes, my colleagues, Ferguson's fate and the fate of our Republic was wrapped up in that message because the answer it brought forth was death to the sender, Kings Mountain, Yorktown, and freedom.

The Holston men sensing the seriousness of the situation purposed in their hearts that the reign of terror, of cruelty, of ignomy, and shame should not be extended to the land of the Holston where the British soldier was unknown and the Tory had been driven out, in order to bring their people into submission to the British Crown. Knowing the danger, they waited not for it to come but with all the fury of the panther in the protection of her young, they rushed forth to stamp it out before it became a menace to their homes, their people, and the cause of freedom that was so dear to their hearts. Ferguson's message was delivered to Colonel Shelby, who at once got in touch with Colonel Sevier, and a little later with Colonel Campbell. Campbell, Shelby, and Sevier, the flower and pride of the Holston, Watauga, and Nolichucky settlements. Magic names borne by enchanted men. Campbell, the lover of freedom, the enemy of the Tory, the hero of countless battles, who died ere the morning was yet young, still engaged in freedom's fight, on his way to Yorktown; Shelby, the hero of three wars, the first Governor of Kentucky, and who was appointed Secretary of War under President Monroe, but declined the appointment on account of age; Sevier, Virginia born, affectionately known as "Chucky Jack," the first Governor of the ill-fated State of Franklin, the first Governor of Tennessee, and who died in the service of his Government as Congressman from his adopted State; a triumvirate of ability, talent, courage, and patriotism, not equalled by Caesar, Pompey, and Crassus when they ruled over the destinies of the Roman Empire. It was agreed that each would assemble his mountain clan at Sycamore Shoals on the Watauga, on September 25. Pursuant to agreement, Campbell appeared with his 400 Virginians, and Colonels Shelby and Sevier with about 250 men each.

Early the next morning before the little army fell in line of march, Samuel Doak, the pioneer Presbyterian clergyman of the Watauga settlement, invoked divine blessings upon the patriots, praying for their success and that the God of battle might be with them, and closing with the stirring Biblical words, "The sword of the Lord and of Gideon," and the sturdy Scotch-Irish Presbyterians chanted in religious, patriotic fervor, "The sword of the Lord and of Gideon," and these fighting words resounded down the Watauga, reverberated from hill to hill, in sacred, clarion tones rang in the ears of the patriots during their arduous march, giving them the assurance that they were engaged in a holy warfare for God and country, and became the battle cry during the short, fierce, and bloody struggles at Kings Mountain.

Search the annals of war, turn the pages of history, my colleagues, and I do not believe you will find an army similar to the one that marched from Sycamore Shoals early in the morning of September 26, back in the year 1780. It was really not an army at all, but rather an uprising among the lovers of liberty. There was not a single regular soldier of the American Army enlisted under Campbell's banner. Instead of shining uniforms, bedecked with brass buttons and epaulets, they wore coonskin caps, hunting shirts, home-made shoes, and homespun breeches; instead of a band to play martial music, they carried a song of freedom in their hearts; instead of rifles with glittering bayonets, they carried their trusty Deckards, which they had used alike on the Tory, the Indian, and wild game, and their long knives; instead of tents to shelter them from the weather they carried a blanket; and instead of a commissary, each man carried a wallet of provisions consisting of parched corn meal mixed with maple sugar and a tin cup dangling to his side. Oh, the mountain men were in action! They had taken things in their own hands and were doing them in their own way. They had a purpose in their hearts—the destruction of Ferguson—and the execution of that purpose and not military pomp and display, not "squads right" and "squads left," was uppermost in their minds.

Most of them mounted, the quest in search of Ferguson started early in the morning of the 26th, and the 300-mile search that none but the stout of heart would have undertaken, none but the hardiest could have endured, over the mightiest mountains in the East, some of them covered with snow, all of them covered with primeval forest unfrequented by the foot of the white man, through which no roads had been constructed, continued until the quarry was located on Kings Mountain on the evening of October 7. A difficult march? Yes, an impossible march had not the patriots been men of iron with a purpose of mind that, for the cause of freedom, Ferguson must be destroyed as fixed and resolute as that which animated liberty-loving Cato of old when he stood in the Roman Senate and proclaimed from day to day that, in order to save Rome, Carthage must be destroyed. Knowing the hardships of the march, realizing the danger that awaited them, the patriots were, on more than one occasion, given the right to withdraw from the undertaking and return home. Ah, my colleagues, the love of freedom that sent them forth was too deeply embedded in their very souls to be abated by hardships and dangers and every patriot scorned the offer. On the march they were joined by other patriots from the Carolinas and a few from Georgia. And, after the coming together of the patriots—Ferguson having been located—the hour of selecting those who would actually make the attack arrived. Gideon, in selecting the 300 men of Israel to subdue the Midianites, was no more exacting than Campbell and his fellow officers in selecting the men to subdue Ferguson.

From the 400 men under Campbell, 200 were selected; from the 240 men under Shelby, 120 were selected; from the 240 men under Sevier, 120 were selected; from the 180 men under McDowell, 90 were selected; from the 350 men under Cleveland and Winston, 170 were selected; from the 270 men under Lacy, 100 were selected; from the 70 men under Williams, 60 were selected; and from the 60 men under Hambright, 50 were selected. Every man selected was not only well mounted, well equipped with rifle and knife, mentally and physically fit for the ordeal, but above all every man was a patriot animated by a love for freedom, who put liberty above life, and firmly believed deep down in his heart that God would control the battle and give freedom the victory.

Ferguson, knowing that the backwoodsmen were on his trail, picked the arena for the oncoming conflict with great caution. Stationing his troops, composed of 1,000 Tories and 125 British regulars, on the crown of a spur of Kings Mountain, from 60 to 120 yards wide, the base of which is some 250 yards, and the elevation about 60 feet, for the moment thinking that he was monarch of all he surveyed from the eminence, declared "that he was on Kings Mountain, that he was king of the mountain, and God Almighty could not drive him from it." Such an utterance, no doubt, was caused by the success with which he met in subduing the patriots in the Carolinas. He was beginning to feel secure in his own right, and in such moments proud, boastful man oftimes, failing to appreciate his own limitations, uses extravagant language, forgetting entirely that he knows very little about his own fate, less about the mysteries of God. Had he known a little more about God and the men of the Holston, I believe his boast would have been less extravagant. God had real tools to work with when he used the men of the Holston.

The selection having been made, so eager were the patriots to engage Ferguson that they marched through the rain all night before the engagement, wrapping the locks of their guns in their hunting shirts and blankets to keep them dry. Arriving at Kings Mountain in the evening around 3 o'clock, the order was given to "dismount and tie horses." The plan of battle, which had been mapped out, being to surround the ridge and attack from both sides, the men were so stationed, and before the final orders of battle were given, General

Campbell visited each corps and said to the men that if any of them, men or officers, were afraid, to quit and go home; that he wished no man to engage in the action who could not fight; that, as for himself, he was determined to fight the enemy for a week, if need be, to gain the victory. Standing at the base of that soon-to-be inferno, looking up at death that only awaited their coming, with the cares of their loved ones left behind weighing heavily upon their very souls, the passion for freedom burned so intensely in their breasts that not a single line was broken.

The watchword was "Buford," a word pregnant with meaning, signifying the acme of cruelty, atrociousness, and savagery in war, vividly recalling the vengeance visited upon Buford's brave men and filling the patriots with a determination to avenge the butchery of Waxhaw. And then the final order. Ah, my colleagues, give me your attention while I read it. It was a solemn call to every man to lay his life upon the altar of freedom. Under it there was but "to do or to die." Well that they had been carefully selected, because no faint hearts could have received that order and had the courage to march up hill to meet British and Tory bayonets and bullets. "Fresh prime your guns, and every man go into battle resolved to fight until he dies!"

And so, my colleagues, the battle between freedom and tyranny commenced. On top of the mountain, mounted on his white charger, Ferguson, trained in the science of war, a veteran of the wars of Flanders and Germany, a participant in the Battles of Brandywine and Monmouth and the Tory outrages throughout the Carolinas, magnetic and dashing, intrepid and courageous, full of vain glory and vanity, but withal cool of head, considered by many the flower of the British Army, led the British regulars and Tories, numbering some eleven hundred and twenty-five fighting men armed with rifles upon which glistened the deadly bayonet. Down below, "the red-haired Campbell, the Claymore of the Argyle gleaming in his hands, and his blue eyes glittering with a livid flame," impulsive at times, yet shrewd and calculating in judgment, every inch a warrior, a God-made leader of men, coat off, collar open, baring his breast to the enemy, out in front afoot leading his brave Virginians with the cry upon his lips, "Here they are my brave boys; shout like hell and fight like devils." Waiting not the attack, but pressing the fight, up the mountain he led his brave men right into Ferguson's leaden bullets and death-taking bayonets. Thrice repulsed, thrice he rallied his men at the foot of the mountain, ever out in front leading the way back, his clarion voice sounding the return—"Boys remember your liberty! Come on! Come on! my brave fellows; another gun—another gun will do it! D—n them, we must have them out of this!"

What a conflict! What a battle! In less than 50 minutes Ferguson, the pride of the British Army, lay dead, pierced by 11 bullets; the patriots suffered a loss of 28 killed and 62 wounded, and the whole British Army surrendered, having lost in the engagement 456 killed and wounded. And as freedom and tyranny contended for the mastery, no doubt old Mars enjoyed 50 minutes of supreme bliss as he sat with a smile of sardonic satisfaction upon his face and watched his warriors battle as never men battled before, sparing neither limb nor life, the one to gain freedom, the other to withhold freedom from the sons of men. Ah, my colleagues, during those 50 minutes those battling for freedom wrote glory upon the sides and summit of Kings Mountain in letters of blood that will grow in brilliance during the years as long as there remains upon earth a single freeman!

And thus ended the battle. "The sword of the Lord and of Gideon" had prevailed!

The news of the battle was carried on "the wings of the morning" to the farthest reaches of the Colonies, dispelling the gloom and despair that had been hanging like a pall over the patriots, and renewing their faith and hope and courage. It was like the rainbow heralding the passing of the storm. The clouds had disappeared and the sun was once again in the heavens. Somehow, by that mysterious something that ofttimes brings understanding, there was planted in the hearts and minds of the patriots the conscious knowledge that "The sword of the Lord and of Gideon" would continue to prevail. Armed with this knowledge they were invincible.

Sickening unto death was the effect of the battle upon the British and Tories. From that day on the Tories were crushed and no longer dared rise up against the patriots, and Cornwallis was a defeated man. His plans to join Ferguson at Salisbury and march on in triumph to Virginia being frustrated, there was nothing left for him to do but evacuate Charlotte, a hotbed of patriotism, and fall back into South Carolina. From then on it was only a question of time. The defeat of the British by the gallant Morgan at Cowpens, the draw battle at Guilford, where the undaunted Campbell was still firing when Green sounded retreat, and Cornwallis retired from the field, leaving his wounded behind; his retreat to his base of supplies at Wilmington, and thence his march into Virginia, staking his all upon forming a junction with Sir Henry Clinton on the Chesapeake—marching up and down the Old Dominion with Lafayette, like a bloodhound, ever on his trail; and the end—Yorktown.

For fear you may think I am prejudiced in favor of my people and have told the tale in such a way as to be in keeping with their greatness, let me recall a few substantiating facts gleaned from history.

The Continental Congress, the Senate of Virginia, and the House of Delegates of Virginia all passed resolutions proclaiming the great victory and paying tribute to General Campbell and his men.

General Washington issued a general order declaring the results to be "an important advantage gained," and Generals Gates, Green, and Lee all recognized the importance of the battle and paid the highest compliments to General Campbell and his men.

Washington Irving declares:

The Battle of Kings Mountain, inconsiderable though it was in numbers engaged, turned the tide of southern warfare.

Senator Lodge, in his Story of the Revolution, says:

It proved one of the decisive battles of the Revolution. It turned the tide of war in the Southern States. From that time the British fortunes declined, while the spirit of the southern people rose at a bound.

Of the battle, Thomas Jefferson said:

That memorable victory was the joyful annunciation of the turning of the tide of success which terminated the War of the Revolution with the seal of our independence.

John H. Wheeler, the historian, says:

This was the turning point for the fortunes of America. The decisive blow prostrated the British power for the time, vanquished the Tory influence, and encouraged the hopes of the patriots.

John Fiske, in his War of Independence, says:

In the series of events which led to the surrender of Cornwallis, the Battle of Kings Mountain played a part similar to the Battle of Bennington in the series of events which led to the surrender of Burgoyne. It was the enemy's first serious disaster, and its immediate result was to check his progress until the Americans could muster strength enough to overthrow him.

The historian Bancroft says:

The victory at Kings Mountain, which in the spirit of the American soldiers was like the rising at Concord, in its effect like the success at Bennington, changed the aspects of the war. The loyalist of North Carolina no longer dared rise. It fired the patriots of the two Carolinas with fresh zeal. It encouraged the fragments of the defeated and scattered American Army to seek each other and organize themselves anew. It quickened the North Carolina Legislature to earnest effort. It encouraged Virginia to devote her resources to the country south of her border. The appearance on the frontiers of a numerous enemy from the settlements beyond the mountains, whose very names had been unknown to the British, took Cornwallis by surprise, and their success was fatal to his intended expedition. He had hoped to step with ease from one Carolina to the other, and from those to the conquest of Virginia, and he had now no choice but to retreat.

Listen to what Dr. Lyman C. Draper, who spent years collecting material for his great book on Kings Mountain and Its Heroes, and who, perhaps, had a broader, deeper knowledge not only of the battle but its effect upon our struggle for freedom than any other man, has to say. Dr. Draper spent years accumulating the material for his great book, and this

material is now in the possession of the State Historical Society of Wisconsin. Many original papers, I understand, were turned over to Dr. Draper with the understanding that they would be returned. May I express the hope, in passing, that an effort be made to secure the return of these papers; and if this can be effected, that a suitable repository be erected in Abingdon in which they may be preserved along with other documents and relics relating to the great battle and the men who participated therein.

Says Dr. Draper:

And richly did the heroes who marched under Campbell's banner deserve all the praise so generously bestowed upon them. Kings Mountain paved the way for the successive advantages gained by the American armies at, first, Dam Ford, Blackstocks, Cowpens, Guilford, and Eutaw, and ultimately for the crowning victory of Yorktown, with the glorious fruition of independence forever.

Yes, my colleagues, while the shots fired by the New England patriots at Lexington and Concord were heard around the world, the force of the bullets shot by the mountain patriots from their Deckard rifles at Kings Mountain was not spent until they reached Yorktown. They were fired in the name of freedom and they carried on, growing in velocity and fury day by day, until they accomplished their glorious objects of Yorktown and independence!

The Honorable Lewis P. Summers, himself a descendant of the Kings Mountain immortals and who has contributed so much of his time and talent to the preservation of the history of southwest Virginia, after years of patient work, finally succeeded in assembling a complete roster of the officers and men who marched with General Campbell to Kings Mountain. The descendants of those men now people a large area of my district, and I pause to pay tribute to their sterling worth, their innate religious zeal, their patriotic fervor, and to state to you, my colleagues, that they are in all respects worthy descendants of illustrious sires, and ever stand ready in defense of freedom to reenact Kings Mountain. Moreover, their descendants today are found scattered over our great Republic from one end to the other, and wherever they have located you will find that they have acted as leaven upon their adopted sections, taking the lead not only in business affairs but in affairs of State and church as well. Blessed is the section that can boast the blood of General Campbell and his immortal four hundred!

May I be permitted to incorporate at this point in my address this honor roll of fame?

ROSTER OF MEN WHO ACCOMPANIED COL. WILLIAM CAMPBELL TO THE BATTLE OF KINGS MOUNTAIN, OCTOBER 7, 1780

[Gov. David Campbell's manuscript, State University of Wisconsin]

County Lieutenant of Washington County, Va., Col. Arthur Campbell
Colonel of Militia of Washington County, Va., Col. William Campbell
Major of Militia, Major William Edmondson

CAPTAINS

James Dysart (wounded)
Robert Craig
Andrew Colvill
David Beattie
William Neil
William Edmondson (killed)

LIEUTENANTS

Reece Bowen (killed)
William Russell
Robert Edmondson, Sr. (killed)
Thomas McCulloch (killed)
Samuel Newell (wounded)
William Willoughby
William Crabtree
Robert Edmondson, 2d (wounded)
Andrew Goff

ENSIGNS

Robert Campbell (wounded)
James Corry (killed)
Nathaniel Dryden (killed)
Humberson Lyon (killed)
James Laird (killed)
Nathaniel Guist (killed)

—

A pay roll for Capt. James Dysart's Company of light horse in actual service on a tour to North Carolina under the command of Col. William Campbell.

ROSTER OF DYSART'S COMPANY

[Virginia State Library, Richmond, Va.]

James Dysart (captain)
Joseph Black (lieutenant)
David Ward
William Willoughby (ensign)
Alexander McMullen
James Vance
William McElwee
Mathew Kincannon
John Scott
Solomon Whiteley
Moses Dorton
John Montgomery
Thomas Loveletty
Samuel Oxer
Andrew Boyd
John Boyd (wounded)
Robert Grier
John Vance
James Getwood
Alias Sample
Thomas Grier
William Craig
James McElwee
Andrew Evans
Samuel Stuart
John Stern (or Fern)
John Maxwell
Benjamin Sample
John Sample
Robert Trimble
Magnus McDonald
John Fifher
William Wilkerson
James Skeen
James Hickenbotam
George Puckett
William Neel
John Johnston
Aaron Treadway
John Wallace
John McQuiston
Robert Hickenbottom
John Cusick
Liles Dolberry
William Dorton

DAVID BEATTIE'S COMPANY

A true list of the men which served under me at Kings Mountain:

David Beattie (captain)
Robert Edmondson (lieutenant)
Nathaniel Dryden (2d lieutenant)
William Kilabay
Huch Dalton
James Keys
James Alexander
David Robinson
Andw. Henderson
Wm. Alexander
Jos. Alexander
Jeremiah Alexander
Francis McClung
Samuel Montgomery
Pat Savage
Sam Duff
David Duff (wounded)
John Alley
John Craig
John White
Henry Jones
James McCilley
John Savage
Robert Kennedy
John Cruley
Alexander Montgomery
Alex. Montgomery, Jr.
Sam'l Edmondson
Andw. Edmondson (killed)
Abraham Reed
John Surber
Daniel Barton
Moses Edmondson (killed)
Jonathan Weir
Moses Robinson
John Atkinson
John Cruly
James Corry
Robert McKnight
Wm. Moore (wounded)
Wm. Edmondson
David Lowry
George Gamble
John McCutcheon
James McCutcheon
Saml. McCutcheon
Wm. Taylor
James Taylor
Nathaniel McElwee
James (or Jonathon) Wall
James Phillips (killed)
Andrew Russell
Mat Bishop
John McClung
Wm. McKnight

—(Signed) DAVID BEATTIE.

—

A PAY ROLL OF LIEUTENANT BOWEN'S COMPANY

Company of militia from Washington County, under command of Col. William Campbell, upon the expedition to Kings Mountain in South Carolina.

Reese Bowen, Lieut. (killed)
James Hill
John Sceggs (wounded)
Wm. Garrison
Geo. Asberry
Wm. Green
Jas. Elkins
Jas. Rodgers
Wm. Frame
Chas. Hays

—

A ROSTER OF THE PRIVATES SERVING UNDER

Capt. Robert Craig
Capt. Andw. Colvill
Capt. Wm. Niel
Capt. Wm. Edmondson

—

AT THE BATTLE OF KINGS MOUNTAIN, OCTOBER 7, 1780

Adams, George
Allison, Charles
Anderson, John
Anderson, William
Acklin, Christopher
Barker, Edmund
Barnett, Alexander
Barnes, Alexander
Beattie, John (killed)
Beattie, William
Banning, Benoni (wounded)
Banning, Jas. (wounded)
Berry, James
Berry, John
Bickley, Charles
Bishop, Levi
Blackburn, John
Blackburn, Arthur
Blackburn, Joseph
Blackburn, William (killed)
Blackmore, John, Jr.
Boran, Basil
Bowen, Arthur
Bowen, Charles
Bowen, William
Bowen, Hugh
Bowen, Henry
Bowen, John
Bowen, Robert
Breckinridge, Alexander
Breckinridge, George (12 years old)
Browning, Enas
Bradley, John
Brown, Rice
Brown, Michael
Buchanan, Andrew
Buchanan, Robert
Buchanan, Samuel
Buchanan, John
Buchanan, Mathew
Bullen, William (wounded)
Bowling, Jarrett
Burkhart, Henry
Breckinridge, Robert
Bryan, James
Campbell, Charles
Campbell, David
Campbell, John R. O.
Campbell, John R. V.
Campbell, Patrick
Campbell, John, Jr. (18 years old)
Campbell, Hugh
Campbell, William
Carswell, Andrew
Carson, David
Carmack, William
Caldwell, Thomas
Carpenter, John
Cline, Andrew
Cole, William
Colvill, Joseph
Coulter, John
Cope, John
Casey, William

Cowan, Andrew
Cowan, William
Crane, Aaron
Crabtree, James
Craig, James
Craig, Robt., Jr.
Crow, James
Craig, David
Craig, John
Crabtree, Abraham
Davis, John
Davis, Robert
Davis, Samuel
Davidson, Andrew
Davidson, William
Darnell, David (wounded)
Dickenson, Henry
Doran, James
Doran, Alexander
Davis, James
Douglas, James
Douglas, Jonathan (wounded)
Dryden, James
Dryden, William
Duncan, John
Doak, Samuel
Ely, William
Elliott, James
Elliott, Thomas
Estell, Benj.
Evans, Thomas
Evans, Samuel
Elder, Robert
Faris, Thomas
Finley, George
Fleenor, Micheal
Fisher, Frederick (wounded)
Fisher, John
Fletcher, Thomas
Fowler, William (killed)
Fowler, James
Francis, Thomas
Frazier, John
Freeland, George
Fulkerson, James
Fulkerson, Abraham
Galliher, Joel (horse killed)
Griever, Phillip (fired opening shot of battle)
Gillenwaters, John
Gilliland, James
Gilmore, James
Gibson, John
Gibson, George
Gibson, Thomas
Guist, Richard
Guist, Thomas
Givens, James
Goff, William
Graham, James
Gray, Alexander
Grier, William
Grier, John
Grier, Samuel
Gullion, Hugh
Gilmer, William
Harrell, James
Hays, Samuel
Hayter, Israel (wounded)
Henry, Robt.
Henderson, John
Henegar, Henry (killed)
Henegar, Jacob
Henegar, John
Hensley, Samuel
Hillan, James
Hilliard, James
Hobbs, Ezekiel
Hobbs, Thomas
Hobbs, Vincent
Hyce, Leonard (wounded)
Kendrick, Solomon
Kennady, John
Kerr, Adam
Keane, John (wounded)
Kilgore, Charles (wounded)
King, William
Kennady, John
Kincannon, Andrew
Kincannon, James
Kinkead, John
Kelly, James
Laird, David
Latham, John
Laughton, James
Lawson, William
Leeper, James
Lewis, Walter
Lewis, Micajah (wounded)
Lewis, Aaron
Litton, Solomon
Leonard, Frederick
Leonard, George
Livingston, David
Logan, James
Logan, John
Logan, William
Logan, Benj. II
Looney, John
Looney, Robert
Love, Joseph
Love, Robert
Lowry, Alexander
Lowry, William
Lowry, John
Loyd, John
Lusk, William
Lyon, William
McConnell, Abraham
McClelland, Abraham
McCroskey, John
McClure, William
McCulloch, Alexander
McCulloch, Robert (wounded)
McCulloch, John
Morrison, John
Morrison, Peter
McCormack, John
McCall, James
McCarty, William
Mongle, Jacob
McCutcheon, William
McFerrin, John
McHenry, John
McFarland, Robert
McGuire, William
Martin, John
Martin, William
Mastin, Thomas
Maxwell, James
Maxwell, Isaac
Maxwell, Thomas
Maxwell, George
Maxwell, John
Montgomery, Robert
Montgomery, James
Montgomery, Richard
Neeley, David
Moore, Arthur
Moore, Richard
Outlaw, Alexander
Owens, Robert
Pirtle, George
Porter, James (wounded)
Piper, James
Preston, Robert
Preston, Walter
Prewett, Solomon
Pitts, Lewis
Price, Thomas
Pepper, Elisha (killed)
Prewett, John
Pippin, Robert
Ramsey, Josiah
Reynolds, Bernard
Reagan, William
Rust, John
Roberson, William (wounded)
Ritchie, Samuel
Rosebrough, William
Robinson, John
Rylie, David
Roberts, James
Scott, Joseph
Scott, James
Scott, William
Sharp, Benjamin
Sharp, William
Sharp, John
Sharp, Thomas
Shaw, James
Shote, Thomas
Spelts, John
Smith, Edward
Smith, Jonas
Smith, Daniel
Smith, Henry
Snodgrass, William
Snodgrass, James
Snoddy, John
Starritt, Benjamin
Stovall, Bartholomew
Stewart, William
Stein, Leonard
Sword, Micheal
Topp, Roger
Talbot, Samuel (got Ferguson's sword)
Talbot, John
Talbot, Charles
Teator, George
Tate, John
Vance, David
Vance, Samuel
Vance, Robert
Vanhook, Samuel
Woods, Jonathan
Watkins, Henry
Widener, Micheal
White, Benjamin
Wynn, William
Whitten, Thomas
Whitten, Solomon
Watson, David
Watson, William (killed)
Wiley, Alexander
Wilson, John
Willoughby, Mathew
Young, Robert (shot Ferguson)

Read the roster. It should fill every Viriginian with venial pride. Gen. William Campbell, a Virginian, was the commanding officer; Phillip Griever, a Virginian, fired the opening shot of the battle; Robert Young, a Virginian, shot Ferguson; Samuel Talbot, a Virginian, got Ferguson's sword; of the seven Edmondsons engaged in the battle, all Virginians, four paid the supreme sacrifice and one was wounded; and of the 28 killed and 62 wounded American patriots, 18 of the killed and 21 of the wounded were Virginians, which shows that although the Virginians composed only 22 percent of the officers and men in the engagement they sustained a loss of 64 percent of the killed and 34 percent of the wounded.

Read the roster again. It tells a wonderful tale of valor and heroism among the officers. It shows that none of them "sniffed the battle from afar" but were in the thickest of the fighting, leading their men on to victory and glory. Search your histories, review the unrecorded legends of the past, and find if you can, in history or legend, a record that will equal the record made by the Virginia officers on that fateful day. Listen. Including General Campbell, there were 22 officers among the Virginians. Of this number nine were killed and four wounded. It shows that the officers, those set apart as leaders, not only commanded by word of mouth, but by personal action as well, never asking their men to go where they were unwilling to lead, and were resolute, God-fearing men bent upon protecting, even at the price of life itself, their firesides and establishing here in the New World a democracy resting upon the cornerstones of freedom and liberty.

Being interested, as I know you are, my colleagues, in the preservation of liberty and freedom, I know you have asked yourselves the question, "What made these backwoods Scotch-Irish Presbyterians such lovers of liberty, such zealots for freedom?" If the answer has not already come to you, let me give it to you in one word, "Religion."

Religion is the mother of many things. It is not only the mother of spiritual liberty, it is the mother of civil liberty, and without liberty there can be no democracy. It has made more men free and kept more men free than all other forces combined. And remember the fires of democracy blaze forth or die down as the spirituality of our people rises and falls. Yes, the thermometer that registers the strength or weakness of our democracy is the religious pulse of our people. We are only deceiving ourselves when we assume that any force, save the force of religion, can keep the fires of democracy burning in America. If America ever falls, it will not be from outside forces. It will be because we let our religious fires burn out. Their dying embers will extinguish the spark of liberty that burns in the breast of every American. If you demand proof, then I refer you to the recorded history of the rise and fall of the nations of the past, and in this age of madness and skepticism, particularly to the recent history of Germany and Russia whose present sad and sickening plight only confirms what history has been recording since the children of Israel went off after false gods. When these nations crucified religion, on the same altar they crucified the freedom and liberties of their people.

What the nations of the world need today, more than all else, is a rebirth of religion. Oh, if we would only rekindle the religious fires here in America, fascism, communism, and every other autocratic, destructive, and degrading "ism" would disappear like the frost before the morning sun, and the air of America would become so pure, so wholesome, so free and

democratic that it would stifle those who breed and live down in the quagmires of autocracy, intolerance, and bigotry.

And their religious zeal made them the avowed enemies of all those who stood in the way of freedom and democracy; and so it is not strange we find them the sworn enemies of the Tories. The Tories have ever been the enemies of freedom and democracy. They put nothing into the government of the Colonies but took out a heavy toll. They reaped where they sowed not. In their blood has ever run the extended palm eagerly beseeching governmental favors but giving nothing in return. A favored class in that day that enjoyed privileges and concessions denied the lovers of freedom and country they betrayed the colonial patriots for a mess of pottage dished out by a tyrannical king through his subservient governors.

Though deeply religious, Campbell and his men, like some of the patriarchs of old, did not consider it inconsistent with their innate religious instincts to rid the country of its enemies, the Tories, and so we find that long before Kings Mountain they had run the Tories out of the Holston Settlement and extended their Tory activities over into the New River settlement in Virginia and the headwaters of the Yadkin River over in North Carolina. To impress upon your mind the intense feeling the Scotch-Irish Presbyterians bore against the Tories, may I not relate this interesting incident of the disposal of a famous Tory by the name of Hopkins? Returning from church one Sabbath day, General Campbell and some of his fellow churchmen spied Hopkins as he dashed into the forest. Giving chase, they captured the Tory, quickly disposed of him by hanging him to a sycamore tree, then quietly returning to the women who accompanied them—General Campbell, in answer to a question from his wife, who was the sister of Patrick Henry, "What did you do with him, Mr. Campbell?" laconically replied, "Oh, we hung him, Betty; that's all."

That they were active in their warfare against the Tories, going so far as to hang them now and then, seems to be borne out by the fact that the General Assembly of Virginia in 1779 passed an act reciting "that William Campbell, Walter Crockett, and other liege subjects" in suppressing "divers evil disposed persons" who were "engaged in insurrection and conspiracy" had taken measures which "may not be strictly warranted by law, although justifiable from immediately urgency and imminence of the danger," and relieving the said "William Campbell, Walter Crockett, and all other persons whoever concerned" from "all pains, penalties, prosecutions, actions, suits, and damages on account thereof."

By some they have been criticized for hanging a few Tories. I commend them for it. They were traitors, and why shouldn't they have been treated as traitors? Washington hung them. If other colonial settlements had been as vigorous in stamping out Toryism as the Holston Settlement, many lives and much property would have been saved, countless deeds of cruelty and infamy spared the patriots, and the Revolutionary War shortened several years.

Yes, my colleagues, the Holston Settlement, known today as southwest Virginia, dominated in that day by Campbell and his Scotch-Irish Presbyterians, was no man's land for the Tories, for which fact we apologize to no living man. Rather, we glory in the fact. The Scotch-Irish Presbyterians and the Tories never have and never will be able to live in peace and harmony. Their concepts of government are too far apart. Blood will tell, and I am persuaded that the progeny of those patriots of old still share a kindred feeling for the Tories of today, who still attempt to reap where they sow not, and who would deny the blessings of government to the poor, the humble, the unfortunate, and the underprivileged. Some times I think that what this country needs is not, as Tom Marshall said, "A good 5-cent cigar," but a few more Campbells to look after the Tories.

The past is prologue—an introduction to the present; the present but the reflection of the past. Without knowing the past it is impossible for us to understand the present and build wisely for the future. In retrospection, we should ever search well the pages of the past for the mistakes that retarded our progress, for the virtues that carried us on to higher levels. We should ever remember the struggles and tribulations through which our ancestors have passed, the sacrifices they made, their deeds of heroism and valor—the things upon which the greatness of the present rests—in order to intelligently face the future, dreaming, hoping, and praying, struggling, planning, and working for a greater and more glorious democracy. This is the only way to keep alive the urge for higher attainments. The nation that, while building for the future, heeds and honors not the virtues of the past is destined, sooner or later, to have an inglorious past and a hopeless future.

May we never become so forgetful of the past, so dead and senseless to the achievements of the days that have gone, as not to perpetuate them by monuments and memorials, thus declaring to the world and to the generations yet to come some of the things in which we take pride, some of the things upon which our greatness rests.

That the monument will cost money, may I be the first to admit. But let me admonish you that it will accomplish that which money cannot buy. It will give our people and those who come after, a truer insight into the things worth while, a finer appreciation of the real and lasting virtues. It will teach patriotism, love of country, and love of God, and these things are above and beyond the sign of the dollar. It will teach sacrifice, and patience, and piety, and courage, and these things cannot be purchased in the open market. It will keep the fires of freedom and liberty burning, and the cost sign never hung from the sacred garments that have ever enshrouded the Goddessses of Liberty and Freedom. Any investment that teaches and perpetuates the virtues, no matter what the cost, is not only a prudent but a wise investment.

In leaving my case with you, confidently believing that you will grant my simple request, I pray that as those of tomorrow look upon the memorial and begin to meditate upon the cause back of the greatness of these patriots of old that there may be imparted to them by the Ruler of Men the true answer—Religion.

Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

Amendment of the Social Security Act

EXTENSION OF REMARKS
OF
HON. PHIL FERGUSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 6, 1939

AMENDMENTS INTENDED TO BE PROPOSED BY HON. PHIL FERGUSON, OF OKLAHOMA

Mr. FERGUSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following amendments intended to be proposed by me to the bill (H. R. 6635) to amend the Social Security Act, and for other purposes, as follows:

On page 3, strike out lines 3 to 18 and insert in lieu thereof the following:

"PAYMENT TO STATES

"SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance for each quarter, beginning with the quarter commencing January 1, 1940 (1) an amount which shall be used exclusively as old-age assistance equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan with respect to each needy individual who at the time of such expenditure is 65 years of age or older and is not an inmate of a public institution:

"(A) Two-thirds of such expenditures, not counting so much of any expenditure with respect to any individual for any month as exceeds $15, plus.

"(B) One-half of so much of such expenditures with respect to any individual for any month as exceeds $15, not counting so much of any expenditure with respect to any individual for any month as

exceeds $40; and (2) 5 percent of the amount of the payment under clause (1) of this subsection, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose."

On page 4, line 6, strike out "one-half" and insert in lieu thereof "the State's proportionate share."

States with plans approved by the Social Security Board	Old-age assistance	
	Average paid under present act	Average paid under proposed amendment
Region I:		
Connecticut	$34.16	$29.16
Maine	20.56	25.56
Massachusetts	28.46	33.46
New Hampshire	23.31	28.31
Rhode Island	18.74	23.74
Vermont	14.86	19.86
Region II: New York	24.27	29.27
Region III:		
Delaware	10.85	15.85
New Jersey	19.51	24.51
Pennsylvania	21.25	26.25
Region IV:		
District of Columbia	25.52	30.52
Maryland	17.47	22.47
North Carolina	9.50	14.25
Virginia	9.67	14.55
West Virginia	13.85	18.85
Region V:		
Kentucky	8.69	12.93
Michigan	16.97	21.97
Ohio	22.54	27.54
Region VI:		
Illinois	18.74	23.74
Indiana	16.75	21.75
Wisconsin	20.98	25.98
Region VII:		
Alabama	9.35	14.02
Florida	13.80	18.80
Georgia	8.62	12.93
Mississippi	7.06	10.59
South Carolina	7.61	11.41
Tennessee	13.23	18.23
Region VIII:		
Iowa	19.83	24.83
Minnesota	20.55	25.55
Nebraska	17.37	22.37
North Dakota	17.52	22.52
South Dakota	19.57	24.57
Region IX:		
Arkansas	6.11	9.16
Kansas	19.73	24.73
Missouri	18.62	23.62
Oklahoma	19.89	24.89
Region X:		
Louisiana	10.37	15.37
New Mexico	11.41	16.41
Texas	13.91	18.91
Region XI:		
Arizona	26.14	31.14
Colorado	29.07	34.07
Idaho	21.33	26.33
Montana	20.56	25.56
Utah	20.56	25.56
Wyoming	21.89	26.89
Region XII:		
California	32.47	37.47
Nevada	26.45	31.45
Oregon	21.27	26.27
Washington	22.13	27.13
Territories:		
Alaska	27.59	31.59
Hawaii	12.61	17.61

Experimental Air-Mail Service Opens the Way for the Further Progress of American Aviation

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 23, 1939

Mr. RANDOLPH. Mr. Speaker, it was my privilege on May 12 to participate in appropriate exercises at Morgantown, W. Va., incident to the inauguration of the experimental air-mail service which will soon include approximately 60 communities in 4 States. Speaking at the Morgantown Airport, which, when completed, will be one of the finest in the Nation, I said:

I consider this pick-up air-mail system one of the most forward-looking developments in the history of American transportation.

At that time I stated that I fully believed and felt the 1-year test period would prove the practicability and usefulness of the device, invented by Dr. L. S. Adams, and that the work would be broadened later to cover most sections of the United States.

MANY AVIATION LEADERS PRESENT

Present for the exercises were Dr. Adams; Richard C. Du Pont, president of the All American Aviation, Inc.; Senator James M. Mead, of New York; Clinton Hester, Administrator of the Civil Aeronautics Authority; Charles P. Graddick, superintendent of the air-mail division, United States Post Office Department; Col. Edgar S. Gorrell, president of the Air Transport Association of America, and many others who made the trip by plane from Washington.

At Morgantown we were greeted by the splendid citizenry of that community, who have worked for the development of the program. The editors of the local newspapers, the city manager, civic leaders, and, in fact, all public-spirited men and women have in that section contributed much to the cooperative spirit which has been manifested.

Mr. Graddick, in his remarks at the exercises, said he believed the experimental period would be successful, and from it would develop "the world's greatest air-mail feeder-service system." In that connection I have inserted at this point an editorial from the Washington Star, which was carried in that newspaper just prior to the beginning of the service:

AIR-MAIL PICK-UP

A new chapter in air-mail history is to begin Friday, when the Post Office Department will inaugurate the first regular air-mail pick-up service in history.

For years the railroads have deposited and picked up mail from moving trains as a means of saving time. The air-mail pick-up service, though operating in the same way, is even more important. It will permit direct air-mail service to communities which, because they cannot afford to construct airports, have not had ready access to air-mail facilities.

Following the inaugural Friday, on a limited scale in West Virginia and Ohio, the service will be extended a little at a time until, by July 4, 2 routes will be in operation serving 59 communities, most of which never have had the service, in Pennsylvania, Delaware, West Virginia, and Ohio. When it is considered that all of the existing air-mail routes in the United States provide direct service to only 180 cities, the scope of the new service may be appreciated.

The pick-up device to be used has been in process of development over a period of 12 years, part of the work having been done here at Washington Airport. It now is regarded as perfected, and its use has been approved by the Civil Aeronautics Authority.

MORGANTOWN EDITOR'S COMMENT

The morning following the exercises the editor of the Morgantown Dominion-News carried the following appropriate comment:

Yesterday marked another step in the progress of the development of aviation in the Morgantown trading territory, but there remains much to be done if we are to not only continue our progress upon that which has been accomplished.

The celebration yesterday marked the beginning of another phase of our airport and air-mail development, just as it marked the close of that period not so far behind us in which there were many who believed it folly to attempt such an ambitious program for the city of Morgantown.

There is still much to be done, but, we believe, we have made a start, and a start from whence we may be able to even exceed the dreams and plans of some who not so many years ago were looked upon as a little "cracked" over the possibilities of aviation as a business proposition for the city of Morgantown and the Morgantown trading territory.

All that is needed now is a continuation of the effort that has blasted away three mountaintops in the determination of many to carve out a place in the newest form of proven transportation we have today.

That same afternoon the Morgantown Post carried the following interesting editorial:

USING THE NEW SERVICE

As an example of what the new air-mail service may mean in a business way to Morgantown, we quote from the following letter which we received this morning from Acme Newspictures, of Cleveland:

"We are placing you on our list to receive a week's trial of Acme telephoto and regional mat service free of charge effective with the inauguration of the air-mail pick-up service in your territory on May 12. Mats mailed from Cleveland or New York as late as 8 a. m. will reach you in time for use in that day's issue of the Post, as the pick-up plane will drop Morgantown's mail off at 10:30 a. m. each day.

"We believe you will be amazed at the high-speed coverage which this service will provide. No matter where or when a big story breaks, you will have telephotos of the incident within a few hours after it occurs. Pictures can be transmitted to Cleveland or New York from any section of the country in 7 minutes, matted, and rushed to you by air mail for use on your front page along with your first wire dispatches."

This is an example of how outside business concerns are seeking to develop new business in West Virginia by taking advantage of the new air-mail service.

We can't see any reason why those towns on this new air-mail route should not similarly seek to develop business outside West Virginia.

After all, these air-mail planes do not travel a one-way street. They carry mail out of West Virginia as well as into the State, and if we are as alert as this Cleveland picture service is, perhaps we can find equally promising opportunities to develop our own business.

SERVICE IS JUSTIFIED

Feeling that Members of Congress might desire to be better informed in connection with this new development, I am including the following article, in part, carried in the Sunday Star, May 21, under the signature of Joseph S. Edgerton:

The United States domestic air-mail service, now limited by lack of an adequate national airport system to only 180 cities, is becoming a local service to an unlimited number of communities through the adoption by the Post Office Department of an air-mail pick-up device which makes it possible for a mail plane to deliver and collect mail without landing.

The first pick-up air-mail service, inaugurated May 12 at Morgantown, W. Va., is being extended, a few stops at a time, over two contract air-mail routes authorized by the Post Office Department in Pennsylvania, Delaware, West Virginia, and Ohio. By July 4 both routes will be in full operation, serving 59 communities, most of which never have enjoyed direct air-mail service.

Through the establishment of these routes, involving the use of only 6 single-engined airplanes, the number of air-mail points receiving direct service is to be increased within a period of 2 months from 180 to nearly 240, a highly significant event in view of the fact that more than 20 years had been required to build up the Nation's system to 180 direct points of service.

There seems to be justification for the belief that inauguration of air-mail pick-up service marks a turning point of vital importance in air-transportation history. For years the airport problem has complicated air transportation. Lack of sufficient airports created a bottle neck which threatened to stifle future growth of air commerce.

Only the largest, wealthiest communities can afford to construct and maintain air transport terminals of the type required for the operation of large, high-speed, modern air liners. Few, if any, air terminals pay their way. Most of them are operated at heavy loss. Yet there has been a constantly increasing demand for larger, better-equipped airports to keep pace with aircraft developments. Under this situation it obviously was futile for smaller communities to hope for direct air-mail service.

Perfection of the air-mail pick-up method, however, immediately changes the whole picture. Use of the device adopted by the Post Office Department and approved by the Civil Aeronautics Authority makes it possible for an airplane to deliver or pick up pouches of mail from a roof, a hilltop, or the corner of a field. The ground equipment is foolproof; it can be operated by anyone without training. The cost is negligible. Its use makes it possible for any community or hamlet to become a direct service point on the air-mail map.

The implications are obvious. Air-mail and air-express feeder lines can be established without any limitations other than those of practical economics. Every county and every town with enough business to justify service can be added directly to the air-transport network.

It is easy to envision webs of such local feeder lines radiating from every one of the 180 stops on the existing major air-line routes, tapping sources of business which otherwise never could be developed.

The new routes will be operated by a new aviation organization, All-American Aviation, Inc., of Wilmington, Del., headed by Richard C. du Pont, president of the Soaring Society of America, and former holder of the American soaring record.

The inventor of the pick-up device is Dr. Lytle S. Adams, of Irwin, Pa., who gave up a successful career in dental surgery 12 years ago for aviation. Dr. Adams is well known in Washington. He has made repeated demonstrations and tests of his device, during various stages of its development, at Washington Airport. At one time he employed a device which catapulted the pick-up sack into the air by means of powerful springs to impart initial motion in the direction of flight and ease the pick-up shock. The device, as now installed on the new air-mail routes, is simpler.

The ground equipment consists of two steel masts 40 feet high, topped by 10-foot markers or targets to increase their visibility from the air. The bag to be picked up is suspended by ropes between the masts and is picked up by a special form of grapple lowered from the airplane. It is essentially the method employed by Army observation airplanes for picking up messages in the field from ground units with which they are cooperating, with refinements to make it more suitable for regular air-mail use. The incoming mail is delivered simultaneously with the pick-up, both actions being automatic.

Civil Aeronautics Authority To Designate One or More Schools for the Training of Negro Air Pilots

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

LETTER FROM EDGAR G. BROWN

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written to me by Mr. Edgar G. Brown, president of the United Government Employees, Inc., on the Negro's right to an equal opportunity to serve his country in time of war and to receive proper training for such service in times of peace:

UNITED GOVERNMENT EMPLOYEES, INC.,
Washington, D. C., June 1, 1939.

Congressman ALBERT J. ENGEL,
Appropriations Committee,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN ENGEL: May we again assure you of our great appreciation and gratitude for your most commendable statesmanship and equally encouraging leadership in the national-defense program for our homes and country, particularly as it relates to the Air Corps and the provision in Public, No. 18, Seventy-sixth Congress, section 4, which makes it mandatory on the part of the Secretary of War and the "Civil Aeronautics Authority to designate one or more schools for the training of any Negro air pilots" for service in the United States Army.

The United Government Employees, Inc.; the Improved Benevolent and Protective Order of Elks of the World, Dr. J. Finley Wilson, grand exalted ruler; Dr. Emmet J. Scott, chairman of the Pittsburgh Courier's National Commission for Equality in the Army, Navy, and Air Corps, and former secretary and treasurer of Howard University; the National Airmen's Association, of which I am the Washington representative; and several hundred Negro newspapers and veterans' organizations are likewise profoundly concerned with the just administration of this law passed by Congress and signed by the President to afford the fullest opportunity possible at the very outset of this program on July 1, 1939, to the representative youth of 15,000,000 patriotic and loyal American citizens of the colored race.

We are quite desirous, further, as the testimony presented by the above-mentioned persons and Senator H. H. SCHWARTZ, original sponsor of this legislation, before the chairman on Friday will reveal, to have your subcommittee on the supplemental appropriations for the War Department to earmark $10,000,000 in order to provide adequate funds and to expedite the carrying out of this program, building, if necessary, a second complete air training center at Tuskegee Institute, Tuskegee, Ala., where there is located a special Negro veterans' hospital maintained by the United States Government, and where there is at the present time on active duty the most recent Negro graduate of West Point, Lieutenant Davis, who is in charge of the Reserve Officers' Training Corps for the United States Army. Another site which could be utilized because of the admirable all-year-round flying weather is the Florida Agricultural and Mechanical College, Tallahassee, Fla., where the legislature could, we are informed, grant the necessary land adjacent and available, which is ideally located at the site of this State institution for Negro education. The North Suburban Flying Field, located at Glenview, Ill., is one of the nine civil aeronautics schools designated under the National Defense Act by the Secretary of War a few weeks ago for primary training courses. This school in the past has graduated Negro air pilots who are now licensed flyers, and have met all requirements of the Civil Aeronautics Authority and Department of Commerce.

There does not seem to be anything which could hold up the successful consummation of this program if Congress makes clear its intention in the matter.

It is for that reason these leaders of the Negro race, who believe in our democracy 100 percent, and the national organizations they represent have appealed to your committee with all the earnestness at their command to earmark $10,000,000 of the $100,000,000 Air Corps fund as already authorized by the Congress on the basis the Negro is one-tenth the total manpower of the United States. In the supplemental request of the President for the War Department, before the item $87,700,655 for the Air Corps should either be increased to $97,700,655 or necessary language inserted in this paragraph making available the funds for this purpose.

I am enclosing a copy of the law and supplemental request for your convenience.

We are indeed most grateful to you for your gracious aid and support on behalf of those interested in this important matter.

Very sincerely yours,

EDGAR G. BROWN, *President.*

Clarence Wyly Turner

MEMORIAL ADDRESS
OF
HON. HERRON PEARSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CLARENCE WYLY TURNER, late a Representative from the State of Tennessee

Mr. PEARSON. Mr. Speaker, I desire to pay tribute to the life and memory of my friend and colleague, Hon. CLARENCE WYLY TURNER.

It has been my pleasure to know Mr. TURNER for many years, but most intimately during the 5 years of our service together in the House of Representatives as members of the delegation from the State of Tennessee. This intimate acquaintance and association gave me an insight into his nature and character which all of his colleagues did not have.

I admired him for his sincerity, his unassuming manner, and rugged honesty. He was kind, courteous, and considerate, and he is one of the few men of my acquaintance whom I never heard utter an unkind thing of any friend or acquaintance. He was of the type that made no effort to promote selfish ambition or desires, but seemed to enjoy seeing his friends and associates achieve the successes that came their way without envy or jealousy.

Any man who spends his entire life in a community and at the close of his earthly endeavors enjoys the respect, confidence, and esteem of those who have known him throughout the years has made a genuine success of his own life, and such was the accomplishment of CLARENCE WYLY TURNER.

During his service in Congress he was faithful to every trust, conscientious in the performance of every duty, and at all times did what his best judgment told him was beneficial to those whom he sought to serve.

The day before his death I walked with him from the Capitol to his office. It was early spring and we were discussing our desire to be back in the sunny State of Tennessee, and his last words to me, as we separated at the entrance to the office building, were, "It is very nice to be here for awhile, but for permanency I prefer to be in Tennessee." A few days afterward he returned to his native State to rest permanently in the soil of the county and State which he loved so devotedly and served so well.

I revere and respect his memory.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT L. BACON, late a Representative from the State of New York

Mr. COLE of New York. Mr. Speaker, long before I became a Member of the House of Representatives I had known of the reputation of ROBERT LOW BACON and his high standing both in the Congress and the Republican Party, which he served with distinction for many years. It was, therefore, with no small amount of eagerness that I anticipated meeting him when I first came to Congress in 1935. It did not take long after knowing him and seeing his work as a Member for me to realize the firm foundation upon which his reputation had been built.

Strong in stature, strong in mind, and strong in personality, BOB BACON was a leader of men and, when I came to know him, of a small but determined group of minority Members of the House. That was at a time when it was tempting to temporize with one's convictions of the ideals of government and the public weal. Of them all, let it be remembered, there was none who was more unswerving from the course which he had always followed during his long and distinguished public career, none who was more unyielding in his devotion to the fundamentals of our form of government and none who was more unwilling to compromise those convictions with the exigencies of the times.

Mr. Speaker, it is a sad realization that the services of this devoted public servant have been terminated and yet the ideals for which he stood and which he championed live on, his spirit is still with us. Great is the loss that has come to us through the sudden and untimely death of our beloved colleague and yet great has been our gain and the enrichment of the Nation through his having been here. ROBERT LOW BACON has left his "footprints in the sands of time."

> Gone are the slumbering, moonlit nights of May
> Gone, gone are they;
> Yet not gone, for I have them in my soul.

Great Lakes Regional Conference of Democratic Women

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Wednesday, June 7 (legislative day of Monday, June 5), 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 11, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. James A. Farley before the Great Lakes Regional Conference of Democratic Women at Columbus, Ohio, on May 11, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is my purpose in this address to the Great Lakes Regional Conference of Women Democrats to talk a little practical politics. To begin with, your job and my job is to insure a clean-cut Democratic victory next year. I am mindful of the splendid part your organization played in the campaigns from 1932 onward. An analysis of the vote of any of these elections will show that it was the women of America who gave us those victories. I have nothing but praise for the work you did then, and I anticipate that your efforts will be just as devoted and just as successful as they were in former tests of strength between the liberalism of our party and the conservatism that the minority party seeks to substitute for it.

Let there be no misunderstanding of the purpose of the opposition. Let there be no underestimate of the resources of our political opponents. They have with them the vast force of those tremendously wealthy individuals and organizations that so long fattened by grace of our Government. They seek a return to the good old times, for them, when the Federal policies were devoted to their interests, to the negligence of the welfare and the prosperity of the rest of the country.

Let your minds go back to the summer of 1929, when Mr. Hoover was in the White House and the stock market was pyramided to dizzying heights. They called that era of dazzling speculation prosperity. Millionaires were multiplying their fortunes and new millionaires were created every day. The money was being made for these favored ones, not by real industry, not by excess of ability or enterprise, but simply by opportunity. We know now, though we did not realize then, that the fortunate ones were not risking their own money but the savings of all of us in the banks and trust companies. When the bubble burst, when the natural laws of economy had demonstrated that wealth for the few and poverty for the mass of our people did not constitute prosperity but was merely the forerunner of disaster, we found ourselves with perhaps 15,000,000 unemployed and breadlines in every city.

The spokesmen for the administration which had suffered this calamity to occur told you that it was the result of natural causes. It actually was simple ineptness, cowardice, and indifference to the public welfare that brought us to such a pass. Had the then incumbent in the White House shown anything approaching the wisdom that the Democratic administration dis-

played when it took on the terrific burden of restoring prostrate industry and agriculture, we would not have gone through those bitter years from '29 to '33. The hundreds of banks that closed their doors to the bewilderment and dismay of their depositors should never have been permitted to reach the depths into which our financial institutions were plunged.

It took a long bank holiday to separate the solvent banks from the insolvent, and it was only the people's confidence in Franklin D. Roosevelt that made them take the hardships of that bank holiday with a smile and with faith that the new regime would pull them out of a ghastly predicament. There was no reason in the world that a similar step should not have been taken before the crash; no reason except that those who were profiting most by the speculative spree would not permit the Government, which they controlled, to put on the brakes.

You all remember how these same kings of finance came begging to the new President who took office in 1933 for him to do something, anything, to save them. There were no Liberty Leagues then seeking to hamstring the Government's efforts at restoration. There was no criticism either of the measures the new administration took or the processes by which the new agencies were put to work.

It was only after the efforts of President Roosevelt and a cooperating Congress had set them on their feet again that the old-time backers of the ancient regime turned on the administration that saved them and accused it of communism, sabotage, and planned destruction of American institutions.

Now these same forces are at work doing everything in their power to supplant the regime of intelligent liberalism with the system that brought us disaster 9 years ago.

There is only one method of combating these forces, and that is by keeping people informed, not only as to the purposes of the enemy, but likewise as to the truth and validity of the Democratic program. The women's organization has done an amazing job in this direction in the past. It must continue that good work.

I have seen recently, among other samples of Republican propaganda, an assault on the taxation policies of the administration, which, of course, they couple with the large relief expenditures. I saw a pamphlet the other day graphically presenting that the Government was taking one apple out of four in the form of taxation. This is silly, on a variety of accounts. The price of apples goes up and down as the apple production varies. If a crop failure makes them scarce, the price rises. If, on the contrary, there is a bumper crop, they are cheap. And, incidentally, the Federal taxes, instead of being 25 percent, are practically negligible in the accounts of the ordinary apple grower.

This sort of thing is comparable to the flooding of the country with postal cards and circulars intended to prove that the reciprocal-trade agreements have injured American agriculture. They use figures that seem appalling, because they omit significant facts. I do not mean to bore you with a lot of statistics, but I'll give you a sample. In an effort to influence the farmers, they cite that under the Democratic low tariff, 1,876,000 bushels of wheat were imported in the first 2 months of this year. True, but what they neglect to tell is that practically all of this did not enter our markets at all but came in bond to be ground and exported. Actually, only 11,000 bushels came in for human consumption in the United States. During the same 2 months we sold abroad 19,000,000 bushels of our wheat.

Vermont and other Northern States are invited to get excited because there was a large increase in the importation of maple sugar. Our people like maple sugar and sirup, and the hurricane destroyed a vast number of New England maples. The importations across the Canadian border filled this gap.

So on down the whole list. You will have all the facts to answer this faking propaganda.

Another big element in the Republican campaign concerns our relief program, particularly W. P. A. The answer to this consists of the fine new schoolhouses, and other public buildings; the bridges, dams, sewage plants, street paving, and hundreds of other projects. Is there any community in all this broad land that thinks the money spent on that community's needed improvements has been wasted?

I do not suppose that all of the emergency program has been carried on perfectly. In fact, I do not know of any large enterprise, public or private, that ever was or could be perfect. It has been good enough, however, to bring the country back from a condition of absolute prostration to one in which dividends are no longer a rare phenomenon and bank failures, on the other hand, are so infrequent that they do not cause even a ripple in the tide of industry. The Roosevelt policies have been good enough to save us from such shattering disasters as riot and revolution. In a world trembling at the peril of war, this country has kept the even tenor of its ways, with no more symptoms of that fear than a prudent preparation of our defense agencies. In some quarters, our President is blamed for not taking more definite steps toward curbing the greed of dictators, whose continued progress ultimately threatens our own safety. In other quarters, he is accused of increasing our peril of involvement by speaking man-fashion of the gangster nations which tear up treaties and are seeking to dominate the world by terror and blackmail. Actually, our President has pursued, and is pursuing, an intelligent course which not only has insured respect of our institutions but has made it certain, or at least as certain as anything can be in a world infected by totalitarian views and plagued with Napoleonic ambitions, that the American Continent, or any part of it, will not become the spoil of any foreign war lord.

Of course, those who are anxious to displace our brand of democracy with an old-time plutocracy give Franklin D. Roosevelt credit for none of this. According to the tenets of their political warfare, our President is always wrong.

This, then, briefly pictures the political situation today. Just as it has been deemed necessary to strengthen our Army and Navy to protect us from foreign aggression, so it is necessary that the Democratic forces should mobilize and organize to meet the equally dangerous threat of reactionism. If we do not want to see the work of our great President undone; if we do not want to see the measures repealed which, under his patriotic and courageous leadership, have lifted us from the very depths of depression to an approach to prosperity, we must be prepared to repulse decisively next year the assault of the enemy.

So I bid you to exceed even your great efforts in the past. In preparation for the coming battle you must put forth all your strength, to the end that Democrats will continue to guard the destinies of our country, for in no other way can the Roosevelt principles be maintained.

Confederate Memorial Day Address

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, JUNE 4, 1939

Mr. HILL. Mr. President, on last Sunday, at the Confederate Memorial Day exercises at Arlington National Cemetery, the Senator from Florida [Mr. PEPPER] delivered a very beautiful and inspiring address. I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The sad song of death is ringing in our ears, the muffled cries of pain and the choking sobs of sorrow beat upon our hearts. The associations of this solemn moment draw back the curtain of years and reveal the anguishing picture of suffering death, and the grave; of fair-haired boys with the light of youth and love glowing in their last glances as they dash into the jaws of death; of dying men with muttered prayers for loved ones left behind upon their pallid lips; of mothers, wives, sweethearts, sobbing for those who never came back; of little children orphaned; of beautiful cities, a mass of twisted ruins; of fertile fields desolated by the scourge of war; of a nation torn asunder in fraticidal strike and all that patriots dreamed of here dashed upon the rocks of dissention.

How strange are these thoughts as we stand today in this shrine of a Nation's dead—a shrine which knows no section—where lie side by side in honored sleep the sons of the Blue and the Gray—where only a few days ago the sons of the North gathered to pay their tribute to their own honored dead in blue. When they tell us that the hand of the Master of that noble home over there on the brow of the bill, looking like a sentinel upon the Nation's Capital, could ever have been raised against this Nation's heart, or that this country would turn its sword against the offspring of Light Horse Harry Lee, it seems but a legendary war of some earlier race of which we hear, and not the history of this great and united people.

Yet it is well that we shall not forget this sad epoch in our Nation's life, this tragic interlude in our brotherhood. Human history records no more eloquent testimonial of valor, devotion to duty, and self-sacrifice than that which is written upon the indelible scrolls of memory in the blood of those who died in the war between the North and the South. We of the South, for the ideals and the faith of which the men in gray fought, come here to pay our annual homage to their beloved memories.

In the beautiful traditions of Memorial Day conceived in the loving hearts of the women of the South, we come here to lay our bouquets upon their graves and their honored deeds. The sweet spirit of the faithful women who showered their affectionate devotion, the beauty of their loving kindness, their ever-constant and tender touch upon the warriors of the South, has been preserved all these years by yet other noble women who have kept the ancient faith with a chaste fidelity. No soldier's devotion is more pure than that of the devoted woman who waits the long hours through for her loved one's return and when she finds him only in the cold embrace of the grave kneels and leaves her kiss upon his slab and the sweetest of nature's flowers upon his earthen shroud to drive away the dark shadows of death. No epitaph of

southern heroism can be complete without the highest praise tongue can form or pen devise for the women of the South who gladly would have joined their loved ones in the battle front, but whom Nature assigned the harder task of keeping their lonely vigil behind, praying alone and against hope, keeping alive the flickering flame of home and family and by their courage and intrepid faith, firing with inspiration the heavy spirits of those who fought with guns.

Could they who fought for the lost cause see today the legacy of their sacrifice; could they see this great Nation which they have bound together in inseparable ties; could they behold the South they loved—the glorious States for which they gave their last full measure of devotion; we know that they would feel that they had not died in vain.

Theirs was a holy and patriotic war for liberty—for liberty as they conceived it, in their zeal. It was a struggle for a way of living which so bore upon their hearts and was so essentially a part of all that they held dear that they were willing to die for it. Like a true knight in an age of chivalry, they did die for it without a murmur of protest upon their set lips and with no regrets in their still hearts. No just man will withhold respect from a cause for which another will lay down his life. Nor will a deserving heir squander an inheritance of honor by being less faithful to his ideals than a sacrificial ancestor who dies that his faith might live.

The way of life the men of the South knew and loved was mellowed with age and refinement. It drew upon the rich inheritance of the past for its tempo, its sense of values, its fashion, and its plan. It grew under the inspiration of beauty, of courage, of chivalry, of devotion to duty, of a code of life in which honor was the first precept. It emphasized the nobility of being more than the mere acquisition of things. The warp and the woof of it was a conception of the good life which rested upon the best things of the body, mind, and spirit which civilization has been able to produce. All those who fought upon the battlefield did not share that good life, but they moved in the warmth of its orbit and in their unuttered dreams it lived.

This manner of life appropriate to a time and a section came into inevitable conflict with another which in the flux of time was moving into its place in the habitations of thought. Sponsored by a people equal in courage and conviction, as determined to fidelity to their own sense of the rightness of things, this newer way of life of the North and the old of the South clashed in the crucible of a nation's will in the ghastly amphitheater of war.

The war god smiled upon the new way of life and the old crumbled into honorable ashes.

Upon the ruins of the old is arising a new edifice. It is the architecture of the current day. It is in the spirit of the times. About it is no halo but the sturdy confidence of knowledge and strength.

This new structure will not be completed for a long time yet to come. It must in a manner grow, and no magic builder can in a day fashion it into its ultimate form. But those who loved this old South will help build the new one. They will not let selfish interests prostitute its character, exploit its resources, drain away the reservoirs of its capital and earnings, prostrate its commerce, and blight the lives of its children with enforced ignorance. They will not allow callous indifference to suffering and disease to condemn it to unspeakable misery. They will not countenance a leadership without vision to sink it in a quagmire of isolation and nonconformity. If the times are new and the course of the new South different from the old, we cannot depend alone upon those who know no way but the old way. The pilot must keep abreast of the changes which the current brings about; else he will wreck his ship upon new shoals in the old channel.

Only a brave and an indomitable people could have reversed their way of living, adjusted themselves to a new economic order and a changed social system as the noble South has done to the astonishment of the world. Yet glorious as has ever been our accomplishment, our work has only begun. All of our people must reflect the wholesomeness and healthiness of body and spirit which our God-given climate makes possible. A real war upon disease and upon the cause of disease must be waged with all the fervor of the men in gray under Lee and Jackson. In this land of plenty there must be no undernourishment of children or adults due either to inadequacy of food or ignorance of diet. Hospitals and medical care must be open to all the sick, and those whose ills demand the touch of sympathy and the nurture of science. All of the South's sons and daughters must have as good opportunities for education and vocational guidance as is given anywhere in the Nation, or those who love their children will see them lose their birthright to the better trained whose natural qualities entitle them to no such superiority. From the Nation's wealth the South must, therefore, have a fair share of help for her public schools and for endowments for her colleges and universities. Those loyal sons of forefathers who made the choice of duty to the South must remember their own obligation to the South and their genius and skill they must devote to the South's rehabilitation. Our own peculiar culture we much continue to nourish and build through our own sons and daughters who are taking first rank in the Nation.

There can be no hope of economic stability in the South if it is to cling to an agricultural system which has not given it an adequate standard of living in a century of trial. While much can be done by diversification, intelligent guidance, and Government cooperation for southern agriculture, yet many now on poor land must be moved to good land, new crops and new markets must be developed, and there must be new jobs provided for the excess of people now on the farm. The facilities of electric power with the attendant comforts which it brings to the rural home, substantial and comfortable dwellings, opportunities stimulating and pleasurable, for community life, must be made available to those who till the soil.

The South must reestablish its sovereignty over its own soil and its own resources. A system of absentee landlordship which has drained its wealth is no more appropriate to these times than Negro slavery. Hence capital and credit for the able and responsible businessmen of the South to use in the real development of the South's enormous resources must be made available by the Federal Government, and the shackles of financial dependence which have bound her to an out-of-date banking system or an inappropriate capital market in other sections of the country must be stricken off.

When we are conserving our resources of people and soil, when we are adding to the strength of our citizens' increased knowledge and skill, when we are striking down all manner of discrimination and all forms of unjust restraint and oppression upon our economic system, when we sons of the South serve its larger interests with the passionate devotion of the men in gray, then we are worthy to wear the mantle of those immortal heroes who followed Lee and Jackson and wrote their fame upon the scrolls of history.

There are yet among the living a few who bore arms in this conflict. Like a withered leaf trembling before the fierce blasts of winter, they have clung on to the tree of life. Ere we know it the fragile threads which sustain them will part, and they shall drop into a hero's bed in the sacred earth. While they can still hear our words of honor and praise, while they can yet feel the warm embrace of our love, let us take them to our hearts and hold them so tightly in our affection that even the messenger of death shall pause before it may call their names. And let us turn our memories to these flower-covered graves all over the South, and where they are in the North, and see again those who are there; see them as when they went forth to their country's call, ready, calm, and unafraid; as they bivouacked beside the campfire; as they passed a cup of water to a dying comrade; as at long last the gentle hand of death touched their brow and bade them come to their Father's house. Let us remember what faith they had when they went, what fine eyes they turned upon those behind to see that they carried on, how brave they were when they said good-bye.

They are not ours now; they belong to all mankind; but we are theirs, and in another way we have their opportunity and their obligations.

Our Country, Our Citizens First

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD a radio address which I delivered several nights ago over the Nation-wide red network of the National Broadcasting Co. The title of the address is "Our Country, Our Citizens First."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening ladies and gentlemen, I have just returned from Asheville, N. C., my home. While there for several days I was approached by more than 100 different people. They were all out of employment and sought employment. Of these 100 who talked with me at least two-thirds of them were youngsters, men and women, under the age of 25 years. They were embarrassed, most of them. They didn't like to ask favors. But on account of the fact that they had been out of employment for some time, they had to overcome their backwardness in some instances and ask aid. They asked me to help them secure positions, any kind of work. These young men and women wanted work that they hadn't been able to get. I wanted to help them, and I was glad to listen to what they had to say. I sympathized with them, and I only wish I could provide each and every one of them with a job. But finding so many people in my home town looking for work was not a new experience for me. Here in Washington a day never passes but that I am approached personally by no less than 15 or 20 people who are looking for jobs, and a day rarely passes that a hundred or more do not call at my office, both men and women, seeking Government employment—any kind of employment. The situation, to my mind, is a pathetic one and a deplorable one. The situation presents a problem which must be solved.

Again I say that I wish that I could provide every one of these unfortunate people with positions. Those people who talked with me at Asheville, my home town, and those people who talk with me daily here at Washington, the Capital of our country, are merely a few of those constituting the population of the United States.

Since January 1, I have been in quite a number of States of this Union, speaking here and there, principally in regard to the subject of immigration and deportation, and tonight I am going to talk briefly about the same thing.

There are today more than 11,000,000 men and women out of employment in the United States. By that I mean 11,000,000 men and women who are without any sort of employment whatsoever. Of this number, remember that millions are young men and young women, under 25 years of age. In addition to that, we are told that there are 26,000,000 people in the United States who are only working part time. That is to say, they only have part-time jobs or jobs that consume only a few hours of their time each day. In addition to that, there are approximately 3,000,000 people, both men and women, on W. P. A. rolls; and then, of course, you will recall that we have about 300,000 able-bodied young men in the C. C. C. camps. They are provided with so much money a month, shelter, food, and clothing, and a finer bunch of young men cannot be found anywhere. In addition, there are about 4,000,000 people working for the Federal Government, the 48 State governments, the more than, 3,100 counties, the thousands upon thousands of incorporated villages, towns, and cities; and, by the way, in speaking of this tremendous amount of unemployment, statistics reveal that 80 percent of all the unemployed of the world is to be found within the confines of the United States of America. That really is an appalling situation.

Our American friends, 3,000,000 in number, who are on W. P. A. rolls really don't want to be there. They would rather have work elsewhere, but they have unfortunately been forced to accept this aid of the Government. Not all the young men in the C. C. C. camps really prefer to be there, but in those camps they are at least provided for, and they can earn at least some money for their parents—and so it goes.

Despite this distressful situation in which our friends and neighbors, millions of them, are out of employment and are daily walking the streets in search of employment, there are some people in the United States who are advocating and proposing that we admit more immigrants from foreign shores. I think it the duty of the American people to look after their friends and neighbors first, and I am very happy to be able to state that millions of Americans believe with me that we should provide our American citizens with employment before we provide any aliens with employment

I think that we should put to work every unemployed man and woman in the United States before we admit another single foreigner to this country. Our own people are out of employment, and they need shelter and food and clothing. Let's look after them before we permit our sentiments to run away with our better judgment. Those of you who are listening in tonight have neighbors who are out of employment and who want work and who cannot find it. Well, let's put those neighbors of yours and those neighbors of mine to work before we admit strangers from across the seas, and before we put those strangers to work in this country. Why not tonight make up our minds that from now on we are going to look after the interests of the American citizens and let the other countries of the world look after the interests of their respective citizens? That is one thing we have too long delayed.

I am very happy to be able to tell you that the American people are waking up to this situation and they are demanding that our Government look after the American people before assuming the responsibility to care for the unfortunates of the world outside of the United States.

In conformity with my ideas which have heretofore been generally outlined I have introduced a bill in Congress which would prohibit the immigration of anyone to the United States for the next 10 years, or until such time as our unemployed have been provided with employment. The bill ought to pass. It is in the interest of the American laboring man. It is in the interest of the unfortunate men and women who tonight are out of employment and who tomorrow again will be looking for employment. It is in the interest of the youth of America who tomorrow will be seeking employment. Why admit thousands upon thousands annually to this country who come to usurp the jobs of American citizens? Why not take care of our own first?

My colleague Senator ROBERT WAGNER has introduced in the Senate, and Mrs. EDITH NOURSE ROGERS, Congresswoman, has introduced in the House, a resolution which provides for the admission of 20,000 refugee children, boys and girls, from Germany into the United States within the next 2 years. The bill further provides that these children must each be under 14 years of age and that provision must be made to the effect that they will never become public charges. I am against the passage of this bill. I am against the passage of any bill that will provide more competition and more hardships for the sons and daughters of American mothers. I am against this bill because if 20,000 14-year-old boys and girls from Germany are permitted to enter the United States, it will simply mean that there will be 20,000 more boys and girls in the United States looking for jobs. In other words, if these 20,000 refugee children from Germany are now permitted to come here, it will simply mean that they will be looking for jobs in competition with your sons and daughters.

Well, now, in regard to these refugee children from Germany ever becoming public charges. The proponents of the resolution say that bonds will be made to guarantee their not becoming public charges, but what about these bonds? Who knows what will happen to the bondsmen—and by the way, if you are going to permit the unfortunate children of the world to enter the United States, why not admit an equal number from China who have been orphaned as a result of the war over there? Then, why not permit the fatherless and motherless children of Ethiopia to come to our country for the same reason, and, again, why not permit the admission of at least 20,000 orphaned children from Spain? In other words, if we are going to admit 20,000 children from Germany, why not admit an equal number from other countries of the world where there are to be found orphaned children in destitute circumstances?

If we have in this country people who are financially able to take care of children other than their own, then why don't they make financial contributions to orphans here in the United States? Our orphanages are filled with children. Let's look after our own orphans here, our own unfortunate children, before we assume the responsibility of caring for others.

In conclusion, I want to say that I am thoroughly of the opinion that the time has come when we should think firstly of the people of America. Charity ought to begin at home. We ought to look after our own unfortunates whether they are orphans or whether they are just plain men and women of America, unemployed, before we attempt to take care of the refugee children of the world, or before we attempt to provide employment for the immigrants of the earth who seek residence in America.

Now, I'm going to ask you to do your part toward preserving America for our own men and women—boys and girls. If you believe that America should be preserved for Americans then tonight write your Congressman and your two United States Senators and request them to vote against the Wagner-Rogers resolution which, if passed, will admit 20,000 refugee children from Germany. And in closing may I say that a letter from you to me, personally—ROBERT R. REYNOLDS, United States Senator, Washington, D. C.—will bring to you not only a copy of the Wagner-Rogers resolution but also copies of five bills introduced by me in the United States Senate designed to cure the evils growing out of lax immigration and deportation laws.

Let's keep America for our boys and girls.

Let's give American jobs to American citizens.

Let's empty our prisons of alien criminals and send them back to their native lands.

Let's deport those alien agitators who are eternally advocating a change in our form of government.

Let's do our best to save our country from destruction by alien-enemy forces which are boring from within.

Let's save America for Americans.

Our country, our citizens, first.

The Johnstown Flood

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

ADDRESS BY HON. J. HAMPTON MOORE, MAY 31, 1939

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an authentic and picturesque description of the Johnstown flood, given by Hon. J. Hampton Moore, former Representative, and mayor of Philadelphia, president of the Johnstown Flood Correspondents' Association, at the fiftieth anniversary of the great flood at Johnstown, Pa., May 31, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Mayor, citizens of Johnstown and vicinity, it is appropriate as it is gracious and kind that the mayor and citizens of Johnstown should include the survivors of the Johnstown Flood Correspondents' Association in these fiftieth anniversary exercises. The correspondents are now few in number, but not less than 100 of them were in active service here, as speedily as they could reach the scene of the unprecedented and unforgettable disaster of May 31, 1889. They did not come together, because they could not. There were no automobiles in those days; no airplanes to hover over the scene; no radio to broadcast the news across the continent; even the telephone was in its infancy. Railroad transportation had broken down; telegraph wires were torn away; navigation was impossible; small streams had turned into raging torrents. Death, wreckage, and ruin were everywhere to be reported, if and when the newspaper correspondents and the telegraphers of Pennsylvania and surrounding States could break through, but this they could not do until extraordinary obstacles had been overcome. Washed-out railroad tracks must be restored, bridges over swollen streams rebuilt,

telegraph poles and wires readjusted, and this took time. There were alternatives, such as horses, wagons, and boats, and venturesome men resorted to them.

THEY FINALLY ARRIVED

But finally the newspapermen arrived. They came by ones and twos, but not for several days were they able to satisfactorily establish themselves in what was Johnstown. Meanwhile, there was much speculation in newspaper circles, and many lurid and sensational reports dealing with deaths and property losses, tragedies, brutality, and heroism spread over the country.

The first intimation that anything unusual had happened found its way into eastern newspaper offices late on the evening of Friday, May 31, the day following Memorial Day. As an active reporter on the Public Ledger of Philadelphia, I first learned of the disaster about midnight when the night city editor and I were leaving the office for home. We were told that there had been a flood—something serious to be sure, but not of great magnitude—at Johnstown, a thriving industrial city in western Pennsylvania on the line of the old Pennsylvania Canal leading to Pittsburgh. It was not until Saturday morning, June 1, that we all realized how catastrophic was the disaster, and how suddenly and with irresistible force, it had broken over an unsuspecting and peaceful community of 30,000 people. Saturday was my "day off" at the Ledger but a personal matter took me to the office. Here I learned that I had been sent for and that Roger Walsh, another "day off" man, likewise had been summoned. We were led to the office of the editor in chief and shown a number of telegrams depicting the plight of Philadelphia correspondents attempting to reach the inundated city. As rumors grew more disturbing the night before it seems two of our staff, Peter Bolger, now deceased, and Arthur R. H. Morrow, who happily is with us on this occasion, had been sent west by way of the Pennsylvania Railroad, but found at Harrisburg that all train service from the east of Johnstown had broken down. They were now pressing forward by horse and wagon. The same fate we learned had befallen New York and other correspondents who had taken the Baltimore & Ohio road. They too were being forced to try the mountain roads which involved the fording of streams. Our instant information was that there might be a chance to get through by way of New York, Buffalo, and the Allegheny Railroad.

A LONG WAY 'ROUND

Walsh and I were impressed into the service and responded cheerfully, even enthusiastically, although we had no time to return to our homes for clothing or traveling equipment. Walsh found a pair of boots in the office which he thought would be helpful in the rain and the mud, and I accepted the loan of an overcoat twice my size, thinking it, too, would be of service. We boarded a night train for New York, and proceeded thence to Buffalo, attempting to sleep in an upper berth which was all the ticket office could sell us. Reaching Buffalo we found the situation too dubious to attempt a short cut to Pittsburgh, and proceeded to Cleveland, Ohio, hoping thus to reach Pittsburgh and then Johnstown ahead of our compatriots, who were now crossing streams and cutting their way through the mountains. In Cleveland we held over sufficiently long to pick up some news at the telegraph offices, but the more we got of it the worse the situation became. Estimates of the dead reached as high a total as 12,000 persons. Property losses were a mere guess, although they ran heavily into the millions, and centered around the great Cambria Iron Works. Monday morning, as our train pursued its way along the Ohio River west of Pittsburgh, we obtained through the haze and fog, a glimpse of the flood effects as the waters, flotsam laden, rushed their heavy burdens down stream. Ghouls (of whom we had read) at work, even in the Ohio? Possibly. We observed men watching the drift, drawing some of it ashore and apparently stowing it away. We surmised there were human bodies in that great mass of wreckage.

TWO NIGHTS TO PITTSBURGH

Arrived at Pittsburgh early Monday morning, we sought instructions from home, but the wires did not connect. Pittsburgh, around the railroad stations and telegraph offices, therefore, was the news center. Local newspaper men had reached Johnstown we were told, and were beginning to pour in their dispatches. Workmen's trains were to leave shortly, and our problem was to get on board and cover the 79 miles between Pittsburgh and Johnstown. I dare not now describe the throngs of anxious and excited people, including relatives of the Johnstown dead, nor can I go into the thoughts and purposes of those who hovered around Pittsburgh seeking trains to Johnstown, evidently for no honest purpose. Walsh was to do that, for he remained in Pittsburgh to find telegraph wires and protect the news situation there, while I was to attempt the train with no assurance that it would proceed further than Sang Hollow, about 10 miles west of Johnstown. Crute, of the Philadelphia Press, carrying a grip, joined me before we boarded the train. We decided to increase our luggage by two packages of sandwiches and some apples, being warned that food would not be obtainable on the train or elsewhere. There was a mixed and motley crowd upon that train—sad, sorrowing, profane. They knew not their destiny; neither did we, but there was news, big news, in all they said and did. Finally we passed Sang Hollow, and because of track repairs, were enabled to proceed slowly to a point 4 miles west of our destination. There was excitement—and news—in that motley crew on that rainy, smoky morning, and Crute found some of both, when picking up a torn and sloppy paper which one of the more recent passengers had thrown aside, he exclaimed, "My God, look here." I not only looked, but prepared to take notes. For here were the headlines:

"Sixteen Men Lynched. Summary Punishment of the Robbers of the Dead. Strangers Not Wanted in Johnstown."

A long story (probably written in Pittsburgh) followed. It described the "vigilante" government that had assumed control in the stricken area—men with rifles, some of them wearing tin stars. It was a story of unrestrained regulation set-up by alleged local authorities and intended as a warning to thieves or ghouls in Johnstown—one of the reasons possibly, why railroad men and others were cautioning people to keep away from the flooded district until government had been restored.

NOTES ON THE WAY

Now, for some notes jotted down on the train: "At last," I wrote, as the train lumbered along, "we entered the valley of the Conemaugh, east of Blairsville intersection, which is about 25 miles west of Johnstown. Here the passengers caught their first glimpse of the river wherein so much damage had been done. And such a river! Ordinarily, a harmless mountain stream sufficient to delight a practiced angler * * * but, oh, what wreckage * * * lined its banks and the steep bluffs that overshadowed it. And Johnstown 20 miles away."

Other notes, and then we reached—

"New Florence—People on platform, say 60 or 70 dead bodies picked up here. John Lloyd, a boy brought into car, rescued after floating 16 miles down the river; parents lost; contributions.

"Nineveh—Nine miles from Johnstown—large number of rough pine coffins on the platform—about 100 piled up on the wagon road leading to river * * * logs and household articles piled up in stacks. B. & O. freight truck torn to pieces—dead horses in the mud.

"Sang Hollow—only a signal tower—train was to stop here, but track repairs enabled it to continue—going very slow—like riding on stilts—big stone building at Coopersdale demolished—house lifted on railroad track by water. Railroad track, opposite side, slipped into river. Havoc and destruction.

"At Cambria City train stopped and we all got off * * *. It was after 6 o'clock, still daylight; but raining. (It was now Monday afternoon, and flood occurred last Friday afternoon.) Large number of people, apparently strangers, stumbling along slippery embankment which held up the railroad tracks and ties—some wading through mud. * * * Others were carrying bedding and blankets. * * * A few were intoxicated and boisterous. Crute and I with his grip, my overcoat, and our lunch bundles, proceeding under difficulties, but Johnstown ahead! Our shoes coated with an inch of mud and clay, and our thin summer clothes smoking damp. At what was a street intersection in heart of Cambria City, we stopped to join small group of sorrow-stricken survivors clustered about six rude coffins containing mud-besmeared, lacerated bodies heaped on a pile of wet straw and rags. Another dozen bodies under a wet sheet—all awaiting identification."

JOHNSTOWN IN SIGHT, AT LAST

At last we reached Johnstown, crossing the railroad bridge that withstood the flood, and inhaling the horrible odor and smoke that arose from the smoldering fire in the great drift piled up against the bridge. I again quote from original notes:

"It required but a glance to persuade one, no matter what his errand—that God and humanity now required of him whatever service he could render in a cause, the extent and scope of which he could not comprehend."

Our first move, now that we had at last come within sight of the goal we had been striving to reach, was to visit the telegraph office. A few hurriedly adjusted poles, bearing the weight of a number of wires, served as guide posts, and, following the line of these, we soon came to "headquarters." Headquarters, indeed. They harmonized fully with the scenes of misery we had just witnessed. The great Western Union Telegraph Co.—like the mighty Pennsylvania Railroad—had been reduced to beggary in Johnstown and was no more of a chooser than the meekest inhabitant. The most available place it could find to run in its wires and put up its instruments was this "headquarters"—on the side of the mountain, just above the eastern end of the railroad bridge. The "headquarters" consisted of a frame shanty, the roof and sides of which were boarded in. Its dimensions were about 10 by 12 feet. The floodwaters had not quite reached up to it, or it would have been swept away. But it did not shelter its occupants against the rain which dropped through the roof on the instruments, the writing paper, the oil lamps and candles, and the worn-out telegraphers and correspondents who inhabited it and sent out their news messages to the world, day and night, for days and weeks. Evidently the shanty had been an oil-barrel repository, for there were barrels soaked and greasy inside and outside, but these were serviceable, for the weary correspondents used them as desks and tables. When Crute and I entered this forlorn structure and asked for wires, the operator in charge, Mr. Munson, a polite but careworn fellow, informed us there was a very, very slim chance of getting even a short telegram through to Philadelphia before morning. That meant Tuesday morning, mind you, and the flood had occurred last Friday. The early Associated Press and Pittsburgh boys were holding every wire, and we would have to wait until somebody dropped out, or more wires, instruments, and operators were available. Munson suggested we might be able to get back to Pittsburgh in time to get our dispatches off if we must do so tonight. Knowing our competitors and seeing how poor our chances were, and remembering that Walsh was holding the fort in the Smoky City, I thought

of joining Crute, who was not well and who favored the return to Pittsburgh. I accompanied him back through Cambria City to the train. We arrived when it was making up to go. But the start was delayed because of a scrimmage between the angry train crew and a tramp-like fellow who had no ticket and insisted on throwing himself under the wheels. Then, utterly despairing of the Pittsburgh plan, I said good-bye to Crute and returned alone to Johnstown, arriving long after dark. It had been a heartbreaking experience, but the long and tedious journey was strangely rewarded. I reached "headquarters," found Munson still there, and with "a message for the Ledger."

"One of our telegraphers," said he, "will be free in a few minutes, and you can have his wire."

A WIRE AND A COUP

Glory be! Here was a coup, for even the "over the mountain" boys had not yet arrived. Elated, and writing away on the top of a well-soaked oil barrel, I was feverishly turning out copy, when Bolger and Morrow, who left Philadelphia by rail on Friday night, wound up their "ride of 105 miles over the mountains." Streaked with rain water and sweat, they rushed breathlessly into the shanty. Such a thrill as I experienced at that moment has lingered with me in memory down to this day. General Pershing may have had a thrill when, at the French tomb of America's revolutionary friend, he said, "Lafayette, we are here!" But it was no more of a thrill than I experienced when, for instance, like Mayor Shields greeting the President of the United States in reconstructed Johnstown, I arose and proudly exclaimed, "Welcome to our city!"

Well, we now had the wire not only for our arrival at Johnstown, but for the story of the "ride over the mountains." We were getting our news back to the home office.

That night headquarters remained open until midnight awaiting the arrival of Gen. Daniel H. Hastings, Adjutant General of Pennsylvania, representing Governor Beaver, who had come from his home in Bellefonte to assume military control. We knew the general, and were greatly relieved when after sending off some important dispatches, he consented to confer with us. We needed shelter and food, and the general, who had established himself and his staff in tents on the hillside, promised to do what he could. The night, as we left headquarters together, was not filled with music, but with unwholesome miasmatic odors, gunshots, and occasional shrieks. There were numerous wanderers—most of them grief-stricken men and women, some of them on mischief bent. Few of them knew each other and none knew where they were going. General Hastings said the only place he could think of that we might use for the night was the damaged Pennsylvania Railroad tower. He accompanied us through the dark and the mist, his bodyguard trailing along. John J. Curley, representing the Philadelphia Record, was with us. Unfortunately he fell through a trestle bridge we were obliged to cross, and it took time and effort to find him and bring him back to the party. He was not seriously injured, but that night a number of stragglers were injured at that same bridge. We were informed that one or two had fallen into the turbulent water. At the wet and muddy railroad tower we said good-bye to General Hastings, thanked him for promising to help us to supplies in the morning, and endeavored to sleep on the floor of our noisome abiding place. We had our work to do in the morning and we did it. My assignment was to encircle the town and the valley so far as it could be done on foot. Then, late in the day, hungry, tired, and groggy, we sent off our dispatches and began the search for a new sleeping place.

A PLACE TO SLEEP

I quote:

"Tuesday arrangements were made with a warm-hearted Irish family named O'Connell, on the hill overlooking Millville and Johnstown, by which the Ledger men secured sleeping space in the parlor and the privilege of having such eatables as they should bring, cooked. Daniel O'Connell, the head of the house, was thrown out of work by the damage to the Cambria Iron Works, and his daughter, Bridget, was saved merely by accident. She had left her employment in town, where she had stopped with her uncle, Captain O'Connell, and his two sisters, to return to the hillside home. Then the flood tore down the valley. Captain O'Connell and his two sisters were swept away. Bridget escaped because of her trip up hill. Captain O'Connell, we were told, was worth about $10,000, which Daniel was to inherit, but all this was lost. In Daniel's house he accommodated not only the correspondents but several friends who came to inquire for relatives who were lost."

After the Ledger men made their arrangements with the O'Connells, each of them took his turn at the commissary department to obtain bread, flour, hams, pork, butter, and other provisions necessary for the day's meal. That was their way of paying the bill. There was no other charge. Thus the O'Connells, as well as the correspondents, obtained cooked food. No stores were available for supplies. After the relief committees, especially from Philadelphia, began to arrive, we did a little better.

But details like these would take hours to unfold. For a week we tramped the hills and valley and desolate places around Johnstown, covering headquarters of one kind or another, particularly the morgues, in quest of news. There was plenty of it, and before the week expired and some of us were called back home, there had trooped into Johnstown for the news and experience of it men who afterward attained prominence in literature, law, diplomacy, and statecraft. It would be difficult and maybe unfair to pick out a few of them now, but I may be excused for saying that amongst them was Charles Edward Russell, then of the New York Herald, one of the boys who came "over the mountains," and who is with us tonight.

HARROWING SCENES DESCRIBED

Let me quote a few paragraphs from a "descriptive reading" which I prepared for lantern slides exhibited shortly after the flood. There were 12 scenes which told the story generally, but I shall recall only a few of them:

"Scene 1—P. R. R. bridge—Hunting for bodies. In about 10 minutes the mighty wave which had rushed down the valley carrying everything before it with irresistible force, enveloped Johnstown completely in water, mud, sand, and floating objects. So swiftly and suddenly did it come that all the people in the houses on the low ground were practically doomed. Frame, brick, and stone structures were picked up like chips of wood and hurled against each other with a power that quickly reduced them to fragments. Iron and stone were moved through the waters like so much wood; and the foundations of the town were shifted like sand in the wind. But here the great wave divided and spent its force.

The waters tearing across Johnstown, and rushing against the mountains scattered over the city, one half turning up the valley of the Stony Creek against the grade which eventually checked it, and the other pursuing its way down the valley of the Conemaugh through which all the water had to pass. In the pathway of these streams and of all the freight borne upon their angry waters, at the lower end of Johnstown, stood the new stone bridge of the Pennsylvania Railroad Co. This structure which helped to back the water over Johnstown, caught all the drifting objects that did not force their way over or around it, and when the waters subsided, fully 15 acres of houses, cars, lumber, iron and other material and human bodies rested compactly against it in the bed of the rivers. This picture was taken several days after the flood, at which time workmen had just begun to get the work of removing the drift fairly under way. It was estimated that 500 human beings were caught in this drift, and were there drowned, crushed, or burned.

Passing over the picture, entitled "At Main Street from Franklin Street showing wreckage 40 feet high," the picture of "The west end of Main Street, showing Merchants' Hotel," and coming to the view marked "West end of Johnstown, showing the morgue," we read:

"Johnstown is hemmed in by hills, and for a time while the flood was at its height, those hills held the water over it as in a mammoth bowl. A fair sectional illustration of this is shown by the hills rising in the background in this picture. The water-covered land, houses, and people in the bowl, and the hills, held the water until the damage was done. The objects here shown, settled where they are, after violent pitching and tossing on terrific currents. The schoolhouse in the distance was submerged, but held to its foundations. At the time this view was taken the schoolhouse was being used as a morgue. In the mud, in the foreground, what is left of a square piano is observed, and behind it, bedsteads and bedding are noticed, mixed up indiscriminately with logs, wagon wheels, chairs, and barrels. Thus the home and the workshop were brought to a common level."

A SCHOOLHOUSE MORGUE

Next, a picture of what was called the "Schoolhouse, Morgue, and Wreckage." Here is a closer view of the schoolhouse just referred to. The wreckage consists of almost everything in the way of household goods. Many bodies are still under these ruins, wet and bleeding. As bodies were taken out, they were carried around to the morgue, stripped, washed, and held for identification. Many of them were not recognizable because of their injuries, and they were buried as speedily as possible, to prevent the spread of disease and to make room in the morgue for more bodies. (Note: 777 of such unidentified bodies now lie buried in Grandview Cemetery.)

Skip others of the morbid descriptions and we come to a more cheerful note when "The Relief Station, Johnstown Station, Pennsylvania Railroad" is presented. We read:

"The promptness with which relief poured into Johnstown, as soon as the distress of the people became known, has caused widespread comment. Clothing and food were sent in great quantities, and distributed to the sufferers at convenient stations. This station happens to be the Pennsylvania Railroad station and the main supply station, used partly by the commissary department and partly as a morgue. Here General Hastings, who so endeared himself to the people that he has become known as the hero of Johnstown, has his headquarters. These men and women are now waiting for the distribution to begin. All classes before the flood come as one class now—to obtain food. There is no partiality, no favoritism, and rich and poor are poor alike. All the people, even as they came from neighboring towns, had to depend upon these supplies. Money was useless for weeks, because there were no stores at which to buy."

HUMANE AGENCIES AT WORK

And now, a few words of praise for the relief agencies that were prompt to organize and assemble supplies. States and cities throughout the land organized committees to raise funds and to gather together and ship food supplies and clothing. The weather was hot, but clothing was badly needed for men, women, and children. Food supplies, of course, were essential. Pennsylvania was the greatest contributor. Carloads of material came trooping into the stricken district as soon as transportation facilities by rail and earthen road were sufficiently restored. Philadelphia and Pittsburgh, New York, and the big cities of Ohio contributed large sums of money. Altogether, more than $3,000,000 was raised

and forwarded for relief purposes. When the civic forces were organized under James B. Scott, of Pittsburgh, the food and clothing distribution was systematized, and all classes of people were dealt with generously and without favor. It was a question of reaching the needy, those who, no matter what their previous condition, were now in actual want and going hungry. Those who had been rich and who lived in fine homes had been deprived of everything, even as were those who lived in the poorer sections.

No reference to this humane and charitable work should omit the coming of the Red Cross, headed by the late Clara Barton. The work of the Red Cross in this instance gave it a prominence that led on to its world fame.

The arrival of the newspaper correspondents, and their ability to tell the story of the great disaster, accentuated all these humane and sympathetic activities. Even foreign nations were induced to help. It was an extraordinary outpouring of the heartthrobs of the people. There were no Federal appropriations. The Federal Government was not uncharitable; it simply had not gone into the business in 1889 of using money of the people raised by taxation for relief purposes. Let this be said to the credit of Johnstown and the Conemaugh Valley which lost approximately 3,000 lives and vast property holdings in the great flood of May 31, 1889.

To be sure the policy of the Federal Government has changed since 1889, and the people of the Conemaugh Valley as the people of Pittsburgh, shocked by floods, the latest of which in 1936 was more destructive in a property sense than any other, have joined the country-wide demand that the Congress of the United States give heed here, as in other parts where floods prevail, to the necessity of man-made works, reservoirs, locks, dams, and the like, to regulate or stay the floods that in recent years have had so devastating an effect upon life, property, and national progress. Of such appropriations for preventive and sustaining work the Conemaugh Valley, including Johnstown and the rivers leading on to Pittsburgh, the Ohio and the Mississippi Rivers, should have their share. The Government knows the problem in this valley and will, we hope, pursue it until a people hitherto afflicted and sometimes fearing a recurrence of disaster, are protected so far as human agencies, governmental or otherwise, may be able to do. Such protection is justified—not only because of the "supreme sacrifice" of the great flood period—but in fairness to all the people hereabouts, now numbering 100,000 or more, whose courage and patience in adversity enabled them to surmount the difficulties that confronted them, and proceed successfully with the work of reconstruction. They envisioned a "Greater Johnstown" and over the ruins they have built it.

ORGANIZE FOR THE FUTURE

We, the survivors of the Johnstown Flood Correspondents' Association, came 50 years ago as our departed comrades did, to render service. We came to investigate and to report to the world at large, but we also came to draw attention to the necessities of the people who were stricken, to point out the urgency of remedial works, and to safeguard the future. That is the lesson we present to the younger generation today—these younger newspapermen, for instance, who had their experience during the floods of 3 years ago. We, the original Johnstown flood correspondents, were greatly impressed by our unique experiences 50 years ago. Immediately after the flood we began to fraternize, and before the first anniversary, in 1890, laid the ground work for the organization that has bound us together during the last half century.

Year by year we have met and reviewed our experiences, but we have also joined in the demand for safeguard. We realize that floods will come and floods will go, and that waste and distress will follow them; but we believe they can be regulated; that they can be held in check; that they can be subordinated to the works of man. The community of interest which has prevailed amongst the correspondents since 1889 should not die out. As the spirit of the Grand Army of the Republic was carried on by the sons of the veterans, so should the work of the flood correspondents be perpetuated to meet new conditions, if necessary, by the flood correspondents of subsequent periods, including that of 1936. The object of our organization, as set down in the constitution adopted in 1890, was "to perpetuate in a fraternal spirit the journalistic friendships formed on that occasion" (meaning the occasion of the great flood). We "old-timers" have lived up to this ideal. New flood correspondents may carry on and may extend their influence over wider territory, but they would do well in organizing for fraternal reasons, to hold together for service in whatever emergency may arise.

Loans to Small Enterprise

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. LEE. Mr. President, I wish to have printed in the Appendix of the RECORD a radio address delivered by the junior Senator from New York [Mr. MEAD] in Washington on May 31 last on the subject Loans to Small Enterprise. Today the banks are bursting with money, and small business enterprises are going to the wall for the want of money. This splendid address deals with that subject.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

This morning I appeared at the current hearings before the Senate Banking and Currency Committee and discussed what I consider to be the merits of S. 2343 which I have introduced to meet the credit and capital requirements of smaller enterprise. Tonight I am pleased to have this opportunity to speak to you on this matter. I would like to make it plain from the beginning that I am not advocating the creation of another bureau of the Federal Government, that I am not advocating a measure which will call for large expenditure of public funds, and that I am not advocating the imposition of any added regulatory burdens on private financial institutions. Frankly, I should like to see the end of the necessity for the private citizen to run to Washington in supplication of loans and special favors. I should like to see the end, also, of the public financing of private enterprise and to see that activity undertaken by private agencies specifically designed to carry on that type of endeavor. However, in the latter instance, we must regretfully confess that the promise and hope of attainment is not especially bright at this moment. Federal loans, whether they are for home, farm, or industrial financing, are not extended unless such loan applications have been previously rejected by several private banks. Such applications, rejected by the banks, are considered by the Government under conservative, strict rules and regulations. In many instances, the Government learns that the banks were well justified in declining the loans. In other instances, the Government finds, on a long-term, low-interest-rate-bearing basis, that the loans are not only possible but perfectly sound.

The proof of this contention rests in the fact that the Reconstruction Finance Corporation, although it has granted thousands of loans in large amounts on applications theretofore rejected by banks, has suffered almost negligible losses. The Federal Housing Administration, in insuring private housing loans of the most liberal character, points to an enviable record on the part of its borrowers. The Farm Credit Administration, in refinancing farm mortgages under too liberal terms to be considered by private banks, has proven the wisdom of its policies. Even the Home Owners' Loan Corporation, an agency especially and temporarily set up to extend emergency loans to home owners, in most sections of the country encountered surprisingly few defaults on loans and its foreclosure and repossession of properties has not been in alarming proportions—except, as I stated, in some sections of the country.

The above examples of successful Government financing have been in the "no man's land" of private credit. The small private citizen who has been aided by these agencies had found himself stranded in the fields of private credit with none to extend him a rescuing hand. He had a sentimental attachment to his home or his farm but he found that sentiment played a very small part in his scramble for financial help. The depression had reversed his fortune and he discovered that "character loans" had ceased to exist. A long-term, low-interest loan which he probably would have been able to handle was simply not available. In the meantime, foreclosure, eviction, and bankruptcy were imminent. In some States, moratoriums on foreclosures postponed his catastrophe, but in the end it was the effective aid and intervention of Federal loaning agencies that alleviated his distress and guaranteed him an opportunity for an economic comeback and the possession of his property.

I have recited this bit of history because, in many respects, it is applicable to the plight of small business today. The small-business man, no less than the home or farm owner, has a sentimental as well as an economic stake in his enterprise. He is close to his business—perhaps conceived it, probably built it, and grew up with it. It represents the sum total of his efforts and investment. From the personal viewpoint then, it is vastly important that he be afforded ample opportunity to prosper. Going further than that, from the viewpoints of national employment and community stability, his successful operation is of vital and far-reaching significance.

In cities and villages throughout the United States, over 400,000 small businesses are now in operation. In thousands of instances, one or two of these companies provide the bulk of employment and prosperity for an entire community. When one of these companies unexpectedly fails and closes its doors, the devastating effects of unemployment, uncertainty, and insecurity are immediately evidenced. It is felling blows of this nature that we would like to avoid, whenever it is possible and practicable to do so.

The growing conviction is that far too many small concerns are suffering and failing as a result of the unavailability of private credit and capital. Evidence is piling up to confirm the contention that smaller enterprise is being throttled by an inadequate flow of credit—the most vital and essential element to its progress and success.

Credit and capital are absolute requirements of business because they provide the means for the equipment, modernization, and expansion of business and because they provide means for the meeting of pay rolls, the making of deliveries and the solicitation

of business. When you have choked credit from industry you have signed its death warrant.

Today there is good reason to believe that small business is struggling in a "twilight zone" where neither commercial nor investment banks will help him and where the Government, under its existing law, cannot help him so far as his credit needs are concerned.

We are justified, I believe, in taking some steps to protect the inviolability of thousands of small communities scattered throughout the Nation who are directly dependent upon the economic welfare of these small enterprises. It is in the interest of a sounder national economy that we must now seriously consider providing better and easier credit for small business.

The present plight of the small community and city private enterprise is, in several ways, analogous with the predicament faced by property owners and home builders a few years ago. His local commercial banker does not consider it his business to furnish small business with capital funds or to make loans which are not subject to fairly rapid liquidation. Character loans are no longer extended and even loans on equipment, real estate, and inventories are becoming more and more scarce.

If he cannot obtain his credit requirements through the local commercial banker and if he is too small to consider the issuance of stocks or securities (which might not be easily salable if they were floated), he is left without a single source of long-term credit. The result is, he is without means to modernize his plant, purchase equipment, expand his operations, or solicit greater business. In other words, the credit opportunities which were open to small business only a decade or two ago, are now closing. Our tasks are to learn how widespread these discouraging conditions really are; what has caused them to exist at a time when our banks are glutted with money; and to devise legislation to remedy the evils that exist.

I feel that this legislative task is not impossible of accomplishment. I feel, likewise, that in the solution to this problem we should remain mindful of the important role the banks should properly play in the extension of credit and that we should be cautious of governmental intervention which would involve large expenditures of public funds or which would call for added severe regulatory Government supervision. With this in mind, therefore, let me outline the reasoning behind the legislation I am now sponsoring. My bill devises a system of insurance which I believe could accomplish the following results:

(1) By spreading the risk of loss it will limit the banker's risk of loss.

(2) By limiting the banker's risk of loss it will make possible more liberal lending for business purposes at reasonable interest rates.

(3) By limiting the banker's risk it will make possible the rediscount or sale of insured business loans to the Federal Reserve and private investors and thereby insure the banker a high degree of liquidity to meet his deposit obligations.

Such is the general purpose and operation which I would hope for under the provisions of my bill. Under the bill the R. F. C. is authorized to insure business loans of the banks to the full extent of losses incurred in excess of 10 percent of the principal amount of the loan. Premiums charged for such insurance may be at the rate of not less than one-fourth of 1 percent and not more than 1 percent per annum, depending upon the nature of the loan and the character of the risk involved. To be eligible for insurance a loan to any one firm must not exceed $1,000,000, must not bear interest, exclusive of premium and a moderate service charge, in excess of 4 percent per annum. Insured loans are made eligible for rediscount with the Federal Reserve banks for the full amount of the insurance—that is, 90 percent of the face value of the loan. The Reserve banks are also authorized to buy and sell the notes and other obligations evidencing these insured loans. Government insured notes and other obligations should find a ready market among private investors.

Putting the first risk of loans—the risk of all losses up to 10 percent of the principal amount of the loan on the lending bank—has a number of advantages. It is a safeguard against improvident lending and serves as an automatic check on the abuse of the insurance privilege. It eliminates the expense and annoyance involved in the adjustment of relatively small losses. While deterring a bank from assuming other than a fair business risk, it operates so as to relieve the bank from the fear that even a fair business risk may be a greater risk than a commercial bank can afford to assume.

Experience indicates that in normal times the loss on bank loans is something around one-half of 1 percent per annum. Although the loans that will be insured under the proposed bill may be somewhat different in respect to their maturity from the ordinary and preponderantly short-term bank loans of today, the proper safeguards to prevent a bank from using the insurance privileges only for its more doubtful loans, and with prudent administrative supervision, the rate of loss on insured bank loans ought not to be much greater than on today's uninsured bank loans. High interest rates and stringent loan conditions have not always attracted to the banks the best business risks. The most prudent businessmen have been unwilling to borrow for sound capital expansion on short-term notes bearing a high rate of interest. The low interest rates which the insurance provision of my bill requires and the generous maturities which is made possible should attract many prudent borrowers.

Legislation along the lines which I am proposing would, in my judgment, go far in enabling banks to serve the legitimate needs of legitimate smaller enterprise. It would provide a new avenue of credit and capital for a large industrial group now cramped for such assistance. It would employ a system of Government loan insurance which has already been tried and proved by another agency of Government—the Federal Housing Administration. It would take advantage of the facilities of the Reconstruction Finance Corporation, an active functioning adjunct of the Government, experienced in the credit needs of business. It would be a healthy stimulant to a stagnated credit system and a sensible approach to the solution of small-business ills.

Seventieth Birthday Anniversary of Rt. Rev. Msgr. John A. Ryan, D. D.

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

ADDRESS BY RT. REV. MSGR. JOHN A. RYAN

Mr. GUFFEY. Mr. President, on May 25, 1939, there was tendered to the Right Reverend Monsignor John A. Ryan, D. D., of the Catholic University, a testimonial dinner at Washington, D. C., in honor of the seventieth anniversary of his birth. A notable list of persons were present at the dinner and paid tribute to the splendid services rendered by Dr. Ryan in the field of human welfare.

I ask unanimous consent that Dr. Ryan's address on that occasion be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I like to regard this splendid celebration as fundamentally a tribute to the causes with which I have been associated: Social reform, social justice, the uplifting of labor, the defense of civil liberties, the fight against religious and racial intolerance, and the application of moral principles to social and economic life. These causes and activities are infinitely greater in importance than the years or the achievements of any man or any number of men.

How did I come to enter this field? Significant answers are to be found in my time, my early environment and my inheritance. The year of my birth was within the decade which included the Civil War. Minnesota was still a part of the frontier, and the historian Turner has made us all acquainted with the unique role which the frontier has played in the economic history of America. The neighborhood was rural, and here I wish to cite the man whose writings exercised a greater influence upon my formative years than those of any other author. Archbishop John Lancaster Spalding, in one of his earliest books, refers with approval to the saying of a certain philosopher: "There are 10,000 chances to one that genius, talent, and virtue shall issue from a farmhouse rather than from a palace." My parents were Catholics who had to leave their native land on account of the infamous system of Irish landlordism. My father and mother were heirs, therefore, to all the glorious traditions associated with both their race and their religion. This environment and this inheritance made it easy for me to become interested in the social question.

Subsequent developments nourished, stimulated, and increased that initial interest. About 57 years ago I read, in part at least, Henry George's Progress and Poverty. In 1887 I rejoiced over the success which attended the efforts of Cardinal Gibbons and the other archbishops of the United States to prevent the threatened condemnation in Rome of the Knights of Labor.

Naturally, the most important factor in my early social education was the encyclical of Pope Leo XIII, On the Condition of Labor. This great pronouncement appeared in 1891, about 1 year before my graduation from college. Some 3 or 4 years later I came upon Dr. Richard T. Ely's book Socialism and Social Reform. This was, I am confident, the first work by an American economist which made any systematic or vital contribution to the discussion of modern economic evils and maladjustments.

At this time I was within 4 years of ordination to the priesthood. I had already determined to devote as much as possible of my time and energy to the study of economic conditions, institutions, and problems. I wanted to examine economic life in the light of Christian principles, with a view to making these principles operative in the realm of industry. It seemed to me that the salvation of millions of souls depended largely upon the economic opportunity to live decently, to live as human beings made in the image and likeness of God. That this is proper work for a priest seemed clear to me from the teachings of ethics and moral theology; the moral law governs economic transactions, as well as every other sphere of conduct. In addition to this general truth, I had before

me the specific exhortation and command of Pope Leo XIII. Near the close of his encyclical On the Condition of Labor, he declares: "At this moment the condition of the working population is the question of the hour; and nothing can be of higher interest to all classes of the state than that it should be rightly and reasonably decided." Having pointed out the parts to be taken in this task by the wage earners, by the employers, and by the state, he outlines the contribution to be made by the church. "Every minister of holy religion," he says, "must throw into the conflict all the energy of his mind and all the strength of his endurance. * * *" Clearer or more authoritative encouragement than this no man could have desired.

Almost half a century has gone by since the publication of this great papal pronouncement. How have its doctrines and injunctions been treated in the United States? In attempting briefly to answer this question, I shall divide this period of 48 years into two unequal parts—the 40 years between Leo's encyclical and that of Pius XI and the 8 years that have since elapsed. This division has significance for our economic as well as for our religious history.

Speaking summarily, I observe that the encyclical On the Condition of Labor did not receive adequate consideration until almost 28 years after it had appeared. Then its teaching and influence found expression and recognition in two notable publications. These were the Program of Social Reconstruction, published February 12, 1919, by the bishops who constituted the administrative committee of the National Catholic War Council, and the Pastoral Letter of the Entire American Hierarchy, issued September 26 of the same year. The Social Reconstruction Program was very widely read and approved by both Catholics and non-Catholics. In fact, it obtained more attention and acclaim than all the other 60 plans of reconstruction which appeared in various countries between February 1918 and June 1919.

The year 1921 saw the establishment of the department of social action as an integral part of the National Catholic Welfare Conference. In the first 10 years of its existence this department did more to make known Pope Leo's encyclical than all other agencies combined. Particularly noteworthy among its acts was the holding of anniversary observances of the encyclical for several years before the publication of Quadragesimo Anno on the fortieth anniversary.

During those 40 years, economic reform made little progress in the halls of legislation. The right of labor to organize received some protection, but not nearly so much as the union leaders had expected, in the Federal law known as the Clayton Act. A majority of the States enacted measures restricting night work, requiring the maintenance of safety and sanitation in factories, and providing compensation for injured workmen. A considerable number of our Commonwealths passed laws reducing the hours of the working day for women. About a dozen adopted minimum-wage legislation for women and children.

One reason why more labor legislation was not passed during these 40 years is suggested by that historic interlude sometimes known as the delirious twenties. In that decade, our country became submerged in sodden materialism and pseudoprosperity. These were not favorable conditions for the enactment of laws on behalf of the economically weak. Another obstacle was set up by the Supreme Court. Through declarations of unconstitutionality, it rendered inoperative legislation which restricted the hours of labor for men, which forbade the discharge of an employee for membership in a labor union, and all our compulsory minimum-wage laws. These decisions not only nullified the statutes upon which they passed sentence but discouraged legislators who might have made efforts to enact similar legislation.

The second division of the period that we are considering begins with the publication of the encyclical of Pope Pius XI on Reconstructing the Social Order. This was on May 15, 1931. As most of us are aware, this great papal pronouncement reaffirmed all the main propositions in Leo's encyclical, explained and expanded some of them, and added an entirely new program for the reconstruction of the social order by means of vocational groups. Quadragesimo Anno repeated in even stronger language and in greater detail Leo's exhortations to bishops, priests, and laity to concern themselves with the reform of social and economic conditions. It has received most discussion, study, and approval, not only from Catholics but from non-Catholics, in the 8 years that have elapsed since it appeared than Rerum Novarum had obtained in the preceding 40 years. Moreover, it has greatly increased the interest in and appreciation of Leo's encyclical.

In some respects the encyclical of Pope Pius XI goes beyond the proposals and the language that in years past caused some of us to be stigmatized as "radicals." Since the appearance of Quadragesimo Anno we feel quite safe and respectable. We even think that we have a right to call ourselves "conservatives."

Turning briefly to the subject of social and labor legislation during the years since 1931, I note immense progress. There was the Norris-LaGuardia Act which greatly lessened the abuses of the injunction in labor disputes. This was enacted early in 1932, consequently before the advent of the present national administration. Since 1933, however, more important Federal legislation has been passed for the reform of social and labor conditions than in all our previous history. Out of a very large number of these measures I select only four for brief mention.

Perhaps the most important of them as regards the number of persons affected is the insurance of bank deposits, which has practically abolished bank failures. No one now fears to put his money into a bank. Recalling the 4 years immediately preceding April 1933 we realize that this law produced a veritable revolution. Already we have become so accustomed to its beneficent effects that we scarcely ever mention deposit insurance; we take it for granted. The second of the four reform measures to be noticed here is the Social Security Act, which provides insurance against old age and unemployment. Then there is the National Labor Relations Act, which effectively protects the right of labor to organize. Finally I call attention to the Fair Labor Standards Act, which fixes minimum wages and maximum hours. All four of these laws are in complete accord with the two great papal encyclicals.

The Social Security Act and the Labor Relations Act have already been upheld by the Supreme Court, and the best indications are that the Fair Labor Standards Act will likewise be sustained if and when it comes up for judicial action. In all probability the act providing for insurance of bank deposits will never be attacked in the courts.

In his introduction to the twentieth anniversary edition of the Bishops' Program of Social Reconstruction, Archbishop Mooney enumerates 11 major recommendations in that document and notes that 10 of them have become wholly or partially realized. That much success was probably more than any of us dared to hope for 20 years ago. At the risk of being thought lacking in modesty, I observe that, so far as I know, I was the first person publicly to advocate a family living wage ordained and enforced by law. That was in 1906. Today we have such legislation on the statute books of the Federal Government. While it is not adequate either in its terms or in its scope, it probably goes as far as is practicable at this time.

Yes, there has been progress toward social justice in my lifetime. Those of us who have been active in the movement know that the struggle has been well worth while. It has been interesting, zestful, stimulating, soothing to the conscience, and sufficiently fruitful to assure us that our labors and efforts have not been in vain.

Nevertheless, we are well aware that much remains to be done. We see two economic problems before us which are more perplexing than any of those that have been solved. One of these present problems is immediate and very urgent; the other is less urgent but more fundamental. The first arises out of our enormous and persistent volume of unemployment. In its magnitude and setting it is a new problem. Concerning it, I wish to make one negative and one positive statement. And I know that I am right in both. Our immense unemployment cannot be abolished, nor even notably diminished, by a vast increase in capital investment. Well-meaning persons who advocate this course have failed to realize two developments in our social life which are absolutely new. The first is that our economy has come to maturity; the second is that within a few years we shall have a declining population. What we need now is not more capital instruments but a better distribution of purchasing power, so that those who wish to consume more will have the means to do so and thus to bring about full use of our productive plants, and full employment for our workingmen. More of the national income must go to the farmers and wage earners, and less to the owners of capital. Interest rates must be reduced everywhere, by every effective device. We must have more spending and less saving. In passing, I would observe that if the recommendations of Pope Leo XIII and Pope Pius XI for higher wages, better balanced prices, and a more equitable distribution, had been accepted and put into operation the solution of the problem of unemployment would now be in sight. In the long run, good ethics is good economics.

The more fundamental problem confronting us is that for which the outline of a solution was set forth by Pope Pius XI in Quadragesimo Anno. It is the reconstruction of the social order, the reorganization of our industrial system. As realists we must assume the continuation of the profit motive. As lovers of justice we must realize that historical capitalism cannot and ought not to survive. Private ownership of the great bulk of the means of production should be enabled to continue and flourish, but historical capitalism went far beyond this simple management. Speaking of the economic individualism which became the basis of modern capitalism at the end of the eighteenth century, J. L. and Barbara Hammond declare: "It involved the right to take what interest and profit you could get; to buy and sell as you pleased; * * * (it substituted) for the divine right of kings the divine right of capitalists" (The Rise of Modern Industry, pp. 216, 217). In all the decades since the industrial revolution the spirit of capitalism has sanctioned the lowest practicable rates of wages, the highest possible rates of profit and interest, unlimited economic domination, and unlimited accumulation. To be sure, a large proportion of capitalists and entrepreneurs adopted higher standards than these, but in so doing they were disregarding the spirit of the system.

To change all this, and to change it integrally and fundamentally, is the long-range program before the American people. But this change, the rational reorganization of our industrial system, does not imply communism, nor fascism, nor nazi-ism, nor any other form of totalitarian state. We want an economic reorganization which will be democratic and self-governing from top to bottom, from center to circumference. This means the adoption and adaptation of the guild system, as outlined by Pope Pius XI, in his recommendations concerning occupational groups. This program offers the only escape from the twin extremes of fascism and communism.

In all probability the full actualization of this program will take a long time. It will keep you younger men and women busy for many years. But it holds out the secure hope of larger and wider benefits to labor and the common good than minimum

wages or unionism or any of the other causes that have achieved substantial victory.

To all who are assembled here this evening I am under a very great obligation of gratitude. To the speakers I am particularly and profoundly indebted; to the Honorable Felix Frankfurter, Associate Justice of the Supreme Court, whom I have known for upward of a quarter of a century, and beside whom, in his crusading days, I was privileged to stand in more than one contest for human rights; to the Honorable Frances Perkins, Secretary of Labor, who has never missed an opportunity to show me kindness, and who has always been a devoted, intelligent, and effective champion of social justice; to the Honorable JAMES M. MEAD, Member of the United States Senate from the State of New York, whose long and successful defense of the rights of labor, both without and within legislative halls, has won for him a seat in the greatest deliberative body in the world, and to my academic superior, the Right Reverend Joseph M. Corrigan, rector of the Catholic University, honoring us with his presence and for his very kind observations concerning myself.

I wish to stress in a particular manner my gratitude to the group of more than 100 ladies and gentlemen who have conferred dignity and distinction upon this event by acting as its sponsors. They comprise captains of industry as well as leaders of labor, statesmen, lawyers, journalists, financiers, social workers, clergymen, and bishops. I am thankful to the Right Reverend Michael J. Ready, general secretary of the National Catholic Welfare Conference, for his gracious and efficient performance as presiding officer and toastmaster; and, finally, to my university colleague Rev. Dr. Maurice S. Sheehy and his efficient staff for their exacting labors in making all the arrangements for a delicious dinner, served in a beautiful and spacious hall, under the direction of a kindly and genial host.

The shock of realizing that I am now definitely among those who have been overtaken by old age is considerably cushioned by your touching manifestations of esteem and affection. "My way of life" may be, like that of Macbeth, "fallen into the sere, the yellow leaf"; but, unlike Macbeth, I have "that which should accompany old age, as, honor, love, obedience, troops of friends."

Cotton—Domestic-Allotment Plan

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

RESOLUTION OF REPRESENTATIVE COTTON ORGANIZATIONS AND DEALERS AT MEETING IN DALLAS, TEX.

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a resolution adopted by representative cotton organizations and cotton dealers of the South at a meeting held in Dallas, Tex., May 21, 1939.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

A meeting of the following leading cotton producers and farm-organization officials was held Sunday, May 22, 1939, at which Dr. M. F. Dickinson, of Arkansas, presided: Tom W. Cheek, president Oklahoma Farmers' Union, Oklahoma City, Okla.; Dr. M. F. Dickinson, president of Farmers' Union, Little Rock, Ark.; Col. E. C. Metcalfe, chairman of legislative committee, Arkansas State Grange, Jacksonville, Ark.; Ralph W. Moore, master, Texas State Grange, Granger, Tex.; Peter Loran, president, Texas Farmers' Union, Munday, Tex.; Harold Gaullrapp, representative of Texas Grange, Dallas, Tex.; E. Greene, president, Farmers' Cooperative Gins of Oklahoma, Sayre, Okla.; M. L. Sigman, manufacturer and planter, Monticello, Ark.; J. E. McDonald, commissioner of agriculture, Austin, Tex.; J. E. Edwards, secretary, State Farmers' Union of Texas, Munday, Tex.; E. M. Cook, member executive committee, Texas Cooperative Cotton Growers' Association, Georgetown, Tex.

After considerable deliberation and discussion of the situation from all angles, it was moved by Mr. Moore, seconded by Colonel Metcalfe, that the following resolution be adopted, which motion was put and unanimously carried:

"Whereas the American farmer buys in a protected market and sells his products in an unprotected market; and

"Whereas under this system there exists a great disparity between tariff-protected goods and agricultural commodities, resulting in a minimum exchange of products of the farms and factories; and

"Whereas the minimum exchange of goods results in maximum unemployment on the farm and in industry; and

"Whereas because of the above-stated facts, we realize the importance of immediate action to place farm products on a parity with other goods; and

"Whereas Senator LEE has recently introduced in Congress Senate bill No. 2434, to provide parity or cost of production, whichever may be the higher, and that same was drawn by him after consultation with a large group of farm leaders: Therefore, be it

"*Resolved*, That we go on record as approving the principles of the said Lee bill, providing at least the cost of production on the domestic-allotment plan, but that we would prefer that said bill provide as follows:

"1. Establish a production basis on cotton on every farm for which the owner makes application for cotton basis establishment;

"2. The Secretary of Agriculture to determine and announce the percentage of the total production base of cotton which has been established on all farms that will be needed for domestic consumption, which percentage will be entitled to a subsidy or price-adjustment payment;

"3. Limit the number of bales or pounds of cotton upon which one farm family may receive subsidy or adjustment payment;

"4. Determine the cost of production or parity price for that portion of cotton declared needed for domestic consumption: *Provided, however*, That the cost of production or parity price for ⅞-inch Middling cotton shall be fixed at not less than 20 cents a pound for that portion domestically consumed;

"5. Provide that the landowner may participate in adjustment payments of subsidies as his interest in the tenant's crop may appear."

Draft of Capital in Case of War

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

RADIO ADDRESS BY HON. JOSH LEE, OF OKLAHOMA

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address, delivered by the junior Senator from Oklahoma [Mr. LEE], on the subject of the draft of capital in case of war.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, for 20 years the soldiers of the World War have been asking Congress for legislation that would draft the use of capital in case of war just as the Government drafted the services of men for the World War. This bill (S. 1650) was written in answer to that request.

The purpose of this bill is to keep the United States out of war, if possible, and if not possible, then to make the United States more effective in war.

This plan would have a strong influence for peace by removing the profits from financing war, but if war were forced upon us, this measure provides for a systematic mobilization of the financial resources of the Nation, and thereby would strengthen our national defense.

When we think of the wealth of America, we must think in terms of land, buildings, factories, and goods. Therefore, any proposal to draft the wealth of the United States must provide the means of translating that wealth into credit, and borrowing that credit; and then provide the means of translating that credit into cash.

The proposal we are debating tonight does just that.

In the first place, bear in mind that this proposal does not provide for the seizure of property. It provides for raising money by a series of bond issues. Money would be raised only as it would be needed. In this respect it does not change our present plan of financing war by the sale of bonds. It does, however, apply the principle of borrowing according to the ability to lend, just as we tax according to ability to pay.

How did we finance the last war? It was by the sale of Government bonds. This bill proposes the same system with three improvements. First, instead of the purchase being voluntary, it would be compulsory; second, instead of the amount purchased being determined by patriotism or pressure, it would be determined by the amount of wealth owned by the individual; third, instead of paying high interest rates and promising tax exemption, the bonds would bear only 1-percent interest and would not be tax exempt.

In other words, this plan for financing war is just like the plan we used in the World War, with three major exceptions. First, the purchase of bonds is mandatory; second, each individual must buy according to his ability to buy; and, third, there can be no profits.

Most of the objections to this proposal boil down to arguments of inconvenience. But whoever claimed that war was convenient?

However, under this bill the inconveniences of war are much more equitably distributed than they were in the last war.

For example, during the last war many farmers went to the bank and borrowed money in order to buy Liberty Bonds much in excess of the amount they would be required to buy under this proposal. Soldiers with no property at all bought Liberty Bonds and paid for them out of their soldier's pay. In most of these cases, as soon as the bonds were paid for, the farmers and the soldiers and others needed the money so badly that they sold those bonds at a big discount and at a considerable loss to themselves. The bonds, of course, wound up in the hands of the big bankers who profited on the patriotism of others.

Let us see how this plan would work. Suppose a man worth $100,000 has a factory. Suppose he has no cash, or what little he has he needs for operating his business. Now, because he has no available cash would anyone argue that he should not buy any war bonds at all although he is worth $100,000? I believe all will agree that he should buy some war bonds. Then should we leave the amount that he is to buy to his patriotism, or to a high-pressure committee, or to his desire for profits on the bonds? You will agree with me that none of these are fair criteria for the amount of credit that he should lend to the Government.

But under the proposed plan, we establish a definite schedule very similar to the graduated income-tax schedule which would determine exactly the amount that he should lend as his proportionate share of the money to be raised. For example, a bond issue that required a man worth $10,000 to lend $90 would require a man worth $100,000 to lend $1,890.

In case the individual has difficulty in raising the ready cash, the bill provides that the Government may accept his note, bearing a commercial rate of interest and secured by his property, in return for the bonds. The Government may then convert this note into cash, either by selling it or by issuing money against it. Since the note would be amply secured, the money would be sound.

In this manner the Government could make liquid the nonliquid wealth of America without placing undue strain upon any individual and without issuing one single dollar that was not backed by a dollar's worth of property.

The spokesmen of Wall Street have launched a vicious attack of ridicule and name-calling against this bill. But calling it bad names is only an admission that they have no arguments.

Let me suggest that in order to test every objection that is advanced against this proposal, you ask yourself this question, "Would not that same objection apply with equal or greater force against drafting men?"

The same people who are now objecting to drafting the millionaire's wealth in case of war were perfectly willing to draft the boys and send thousands of them to their death, but now that we are considering a measure that would draft dollars as well as men, we are running into opposition because their precious dollars are too sacred to be drafted.

They argue that a law to draft money in case of war would be unconstitutional. But the Constitution says, "Congress shall have power to raise and support an Army." Here are two grants of authority connected by a conjunction. One says Congress has power to raise an Army. The other says Congress has power to support an Army. The one cannot exist without the other. Of what effect is an Army without ammunition, without guns, without food? The power to equip, feed, and clothe an Army and the power to raise an Army are inseparable ingredients of any war.

But in the last war we had the inconsistent situation of a government that raised an army by compulsory draft laws and supported that army by voluntary appeals for money. We commanded men and begged for money. Yet the Constitution grants us authority to raise funds by methods as equally mandatory as those used to call men to the colors. If the selective-draft law was constitutional, and it was upheld in all of the selective-draft cases, then it is constitutional to draft capital.

If you can draft men, you can draft money. If you can take one man's services, you can take another man's credit. If you can take one man's blood, you can take another man's gold.

REMOVES PROFIT INCENTIVE

This measure will help keep the United States out of war because it will take the profits out of financing war. Normally interest rates run about 2 percent on Government bonds, but during the war it was necessary to pay as high as 4¾ percent in order to coax enough money out of hiding to finance the war.

The men who financed the war in most cases faced no physical danger and received twice as much for the use of their money as they could get in times of peace. This creates a tremendous profit incentive in favor of war.

Mr. Pearson, of the Treasury Department, informed me that up to 1934 we had paid over $12,000,000,000 in interest alone on the war bonds. But we cannot reach this war profit by taxation, because the bonds are tax-exempt.

But under the proposed plan there would be no such profit. Why should any person profit from war? It does not increase wealth; it destroys wealth. Therefore when some make profits out of war others suffer double loss.

It was a shock to our patriotism to come home and learn that 22,000 millionaires were made out of the war that cost the soldiers in blood and money.

The passage of this bill would remove any possibility of profits resulting from financing war. Instead of holding out the tempting incentive of high interest rates for the use of money, it would say to the Wall Street bankers, "If the United States goes to war, you will be compelled to finance it, and that not at a profit." This would exert a tremendous influence against war.

STRENGTHEN OUR NATIONAL DEFENSE

Therefore the passage of this bill would help to keep the United States out of war if humanly possible. But if war were forced upon us, this measure would strengthen our national defense by mobilizing our financial resources.

Under this law our Government would never be delayed, hindered, or embarrassed for the want of finances to carry on the war, but by the passage of this law it would mean that $350,000,000,000 of wealth would be available, if needed, to coin into long, black cannons, war planes, machine guns, and battleships.

When this was known, the psychology would be in our favor. Any foreign nation would think twice before declaring war upon the United States, because this bill would make the financial resources available to the Government on the same basis as manpower.

When the voluntary system of financing war breaks down, as it always does when the war lasts long enough, governments turn to the printing presses for money, with the disastrous results that always follow the issuance of fiat money.

This has been done in nations where the financial resources had not been exhausted but had simply hidden out as they always do in time of war, and because those governments had no legislative machinery for reaching the financial resources in a systematic and equitable manner, the governments broke down within before the armies gave way on the front.

Germany completely destroyed her monetary system by issuing unsecured paper money. The worthless Confederate currency of the South and the depreciated "greenbacks" of the North remind us of the desperate efforts of those two governments to continue fighting after the voluntary system of financing had broken down.

This measure offers a plan for utilizing the full amount of the wealth of the Nation, including all of the nonliquid assets, without issuing one dollar of money that is not secured by more than a dollar's worth of property.

Financial resources have been referred to as the "sinews of war." At least, we know that two things are essential to successfully prosecute war. They are men and money. If we are able to supply the one but not the other, we are still defenseless. In case of war, the United States should be able to supply these two essentials of war in a constant stream. Therefore, the Government should have equal power to raise money as that granted to raise men.

During the World War, it became increasingly more difficult to raise money as the committees who put on the Liberty bond drives will testify. It was also necessary to increase the interest rates on each succeeding bond issue in order to coax enough money out of hiding to support the soldiers who were then facing death in the trenches. This tells the story, the first bond issue bore 3½ percent interest, the next 4 percent, the next 4¼ percent, and then 4¾ percent, and if the war had continued, we would have reached the point where the Government could not have borrowed money at any rate of interest.

In other words, the voluntary method of raising money was breaking down not for the lack of wealth but for the lack of a plan for reaching that wealth.

During the darkest days of the Civil War Abraham Lincoln went to New York to raise more money to feed and clothe and arm the soldiers. He saw that the bankers were holding out for better terms. He stood up with fire flashing from his eyes. He said, "I can draft a widow's only son. I can take her only means of support from between the plow handles and place him at the front of the battle where his life will not last 6 minutes, but I cannot lay my hands on enough money to pay for the food he eats before he is shot."

It was true in the Civil War; it was true in the World War; and unless we do something about it now, it would be true in case of another war.

I thank you.

Convention of Young Democrats of the State of Washington

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON, JUNE 2, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered on June 2 to the convention of Young Democrats of

the State of Washington at Walla Walla, Wash., by the junior Senator from that State [Mr. SCHWELLENBACH].

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On March 4, 1933, President Roosevelt said: "The only thing we need to fear is fear itself." We all remember the fear that filled the hearts and minds of the American people during the frightful 2 months preceding that date. It was a fear which flowed naturally and logically from the events which were occurring. It was the fear of the bank depositor that his savings would be destroyed. It was the fear of the home owner that his home would be lost. It was the fear of the farmer that his farm might be taken from him. It was the fear of the unemployed that his wife and children might starve. It was the fear of the youth that the years ahead would afford no opportunities for advancement. It was the fear of those approaching old age that their last ways were to be spent in the almshouse.

Under the brilliant leadership of Franklin Roosevelt, that fear was dispelled. To the American people there came the faith, hope, and confidence that their Government, which during the preceding 4 years had turned its back upon them, was again recognizing its responsibility to them. Their Government was treating and considering their problems with sympathy and understanding. Employment was given to millions because of the President's determination that the Federal Government would insist upon a program of work relief rather than to submit them to the stigma of the old poor-relief program of the dole. Several million of our youth were rehabilitated physically, mentally, and morally through the constructive efforts of the Civilian Conservation Corps. The bank deposits of our savers were guaranteed by a Federal deposit-insurance law. The Home Owners' Loan Corporation saved millions of homes from foreclosure. The Farm Credit Administration kept millions of farms in the hands of their owners. The specter of dying in the poorhouse was removed from those who were approaching old age by a Social Security Act which, while even yet imperfect and uncertain, does constitute the first substantial step this Nation has seen in the solution of that problem.

For 4½ years we saw a steady improvement in every line of American endeavor. Business of every kind improved. Unemployment gradually but steadily decreased. Farm prices on every commodity increased up to nearly the parity to which the farmer is entitled. Enormous strides were made in the recapturing of our foreign trade. The building industry was rapidly revived as a result of the operations of the Federal Housing Administration. From one end of the country to the other we saw necessary improvements made, improvements that had been neglected through so many nonunderstanding years. Necessary school facilities were provided. Public buildings were restored or rebuilt. Public roads by the thousands of miles were constructed. Great power and reclamation developments, such as our own Grand Coulee and Bonneville came as a result solely and exclusively of the understanding of the needs of the people by the President of the United States. By July 1, 1937, national income had so increased, unemployment had so decreased, the trend in the affairs of business, industry, and agriculture had become so stabilized that appropriations for the ensuing year were made upon a basis so as to provide a completely balanced Budget.

Between July 1, 1937, and November 1, 1937, these gains which had been achieved were largely wiped out and we plunged into what the opposition is pleased to call the Roosevelt depression of 1937 and 1938. From that date until this the people of the country have witnessed the tremendous efforts upon the part of the President to win back for the American people the objectives that we already had conquered.

Fair-minded, thinking people are attempting to analyze the causes behind this sudden reversal in American progress. To anyone who really knows what went on in the country during those years, it need be no unexplainable mystery.

I started out by quoting the President's statement that all we needed to fear was fear itself. Indisputable proof is available that those opposed to the President and his policies took a leaf out of his own book. They determined that the way to defeat the President and his purpose was to reinstate a fear among the people of this Nation. The evidence discloses that this campaign commenced in October and November of 1934. With the coming of the realization that the 1934 election would see the unqualified approval of the administration's policies, the campaign of fear commenced. Organizations by the dozens sprang up over this country. The American Liberty League, the Committee to Uphold Constitutional Government, the Crusaders, the Sentinels of the Republic, Women Investors of America, Inc., American Federation of Utility Investors are typical of the type of organization that flourished in this work. No one has yet ascertained the total amount of money expended in this propaganda program. We do know that the newspapers and magazines were effective instruments in the campaign. The programs of radio commentators were subsidized. From that day until this, a hymn of hate and fear against the Federal Government has been dinned into the ears of the American people. Our people were told that national bankruptcy confronted us, that the debt burden would stifle opportunities for ourselves and our children even unto the second and third generation. They were told that our Constitution was being destroyed. They were told that our President wanted to be a dictator. They were told that our Government was being made either Communist or Fascist depending upon the prejudices of the listeners. Last, but not least, they were told that the President was attempting to lead the American people into a foreign war. It took 3 years to succeed in this campaign. At length, in the fall of 1937, by constant pounding and constant misrepresentation, once again the fear complex was inspired in the American people.

We now ask why anyone in this country should desire to destroy the effective accomplishments of their own government. President Roosevelt realized that as a complement to the program of recovery there must also come a program of reform. He knew that if the vicious and pernicious practices of the 1920's were not stamped out, a repetition of 1929 was only a matter of time. Therefore, he insisted that while we were recovering from the effects of those practices we also provide insurance against and some measure of permanence in our prosperity by preventing their repetition. Legislation restricting and preventing speculation with funds entrusted to the bankers was provided in the Banking Acts of 1933 and 1935. Curbs were placed upon the excesses in stock speculation by the Securities and Exchange Act. Some measure of protection for the right of labor to organize was provided in the Wagner Labor Relations Act. Frauds perpetrated both upon the consuming and investing public by the public utilities and their holding companies were prevented by the Wheeler-Rayburn Act. These are but a few of the necessary, fundamental reforms instituted by this administration. The motive behind the efforts to reinstate the fear complex is their desire to wipe out every reform introduced upon the part of this administration. Those who financed this campaign talk so much about freedom of individual action of the average American citizen. They are not interested in any freedom of individual action except their own freedom to trick and defraud and to stifle and throttle the great mass of the American people.

They say now and they are going to say during this next year that they approve of the principles of the Roosevelt objectives, but they simply want to modify them so as to make them workable. The opposition is going to say, "Just give us our chance and we will really make these policies work. We are efficient. We are practical. We are the ones to whom the task of administration should be entrusted. My first answer to that is that you read the reply given by Chiang Kai-shek and the other Chinese leaders when the Japanese made their charitable offer to go into China and institute Japanese efficiency in the development of China for the benefit of the Chinese people. My second answer is that I don't believe it. If you have any doubt about it, I recommend that you read the policies adopted by the Chamber of Commerce of the United States at their annual meeting on May 4, 1939. There the mask is removed. They just simply advocate the repeal or emasculation of every reform of the Roosevelt administration.

I have no time here to answer in detail all of the charges against this administration. Let me briefly answer three:

First. Is this heavy burden of debt and taxes destroying opportunities for profit so as to prevent opportunities for investment? We hear that statement made on all sides. The fact is that during the last 3 years, including the depression period of 1937 and the depression year of 1938, the net return, after taxes, depreciation, and all charges of industrial corporations of the United States, was 8.3 percent. Under the grand and glorious prosperity years of 1927–29, inclusive, industrial corporations received an average return of 6.5 percent. My authority for that statement is the financial editor of the Chicago American, which certainly cannot be qualified as a proadministration paper. These facts show conclusively that when the American people are told that they must be afraid to invest because the chances for profit will be taken away from American industry that they are being deceived by the campaign of misrepresentation.

Let us become more specific and get down to one corporation. I choose it because it is largely owned by a family which has done more squealing than any other 10 families in the United States. I refer to the du Ponts. Mr. Lammot du Pont a few days ago attacked the administration, saying that it created paralysis of fear in business by levying a heavy burden of taxes. What are the facts so far as the du Ponts are concerned?

During the 4 years of the Hoover administration, including the boom year of 1929, the du Pont Corporation earned an average net of $53,000,000. Under Mr. Roosevelt's 6-year period of no confidence and paralysis, it earned an average of $62,000,000. Du Pont complains that in 1932 his corporation only needed to pay slightly under a million dollars in taxes while in 1937 it had to pay $11,000,000. He forgets to say that while its tax bill went up $10,000,000, the corporation's net income went up to $62,000,000.

We have nothing to fear but fear itself. What these interests fear is not debt nor taxes but the fear that they won't be able again to gain control of the Federal Government and wipe out the necessary reforms enacted by this administration. Last year, when the reorganization bill was up, it was called a dictatorial bill. The country was flooded with propaganda creating fear of the President on the grounds that he wanted to be a dictator. One of the organizations I have mentioned alone sent out over 16,000,000 pieces of literature condemning him as a dictator. They beat the bill last year, but this year we passed it. The President has sent his first two reorganization plans to the Congress. The first one was approved by the House of Representatives by a vote of 265 to 128. The second one was approved by the Senate unanimously. That shows how much substance there was to the charge of dictatorial ambition.

The latest fear-creating bugaboo presented is that the President wants to drag us into a European war. On this issue even the Republicans dared to emerge from their shell of silence, but the evidence of the last few weeks has demonstrated even to them that it was a potato too hot for them to handle. It looks now as if the chances are about even that a European war will be averted. If it is, recognition is being given here in Washington by even the opposition press that President Roosevelt, and he alone, will be entitled to the largest amount of credit in the averting of that conflict. Everyone here recognizes that had it not been for his message to Hitler and Mussolini, delivered on a Saturday morning, a European war would have ensued the next week.

Do you wonder that men even like Senator TAFT, of Ohio, decided that discretion was the better part of valor, and that that is one issue upon which they shouldn't talk for the present at least.

Next year we face a political campaign with a Presidential election. Let there be no mistake about one thing. There will be just one issue in that campaign. Postmaster General Farley was right when he said that that issue would be the record of the Roosevelt administration. The Democratic Party cannot about face now. It came into power promising a liberal administration. We have given a liberal administration. We are not going to get any place after 8 years by saying that we changed our minds, that we have been wrong all along, and that now we want to be conservative. Personally, I have no desire to make an about face. I look forward with pleasure to the time to come next year when, as a candidate for the only office to which I aspire—reelection to the United States Senate—I will have the chance not to defend but to proclaim the accomplishments of our administration.

During the course of these remarks, I have mentioned the word "fear" many times. It is because I consider the presence or absence of fear of such importance that I have been so much interested in and appreciative of the efforts of the organization known as the Young Democrats. The members of your organization to a greater extent than the members of any other group connected with the Democratic Party have had the courage to stand up without fear and fight for the principles upon which we were elected. I believe that the future of the Democratic Party and the future of the Nation as a whole depends upon the strength and the energy and the enthusiasm of the Young Democrats of America. I only wish that I could have been present at your convention. I take this means, however, of expressing my appreciation to you of the work you have done in the cause of liberal democracy in the State of Washington. I not only wish you success in this meeting but success in your future efforts of organization. I conclude by saying that it is upon you very largely that the cause of liberal democracy must depend in the years to come.

Luncheon of People's Lobby

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, June 7 (legislative day of Monday, June 5), 1939

ADDRESSES BY HON. EDWIN C. JOHNSON, OF COLORADO, AND HON. GERALD P. NYE, OF NORTH DAKOTA

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two addresses delivered at the luncheon of the People's Lobby on June 3, 1939, one by the junior Senator from Colorado [Mr. JOHNSON] entitled "A War on Poverty or a Foreign War," and one delivered by the junior Senator from North Dakota [Mr. NYE] entitled "Do British and European Imperialisms Differ?" These addresses were broadcast over the network of the National Broadcasting Co.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO

America must soon choose what war she shall wage—whether it will be a war dealing with real-estate boundaries, bitter industrial rivalries, vicious dog-eat-dog commercial ventures, and selfish imperialism of long standing in contentious Europe, or a war to end poverty in her own land. She cannot win both a foreign war across the Atlantic and a domestic war against poverty, because a foreign war would drastically increase domestic poverty to hopeless proportions. If she loses the war to end domestic poverty, all of her precious democratic institutions will likely crumble about her in the tragedy of that defeat, so the decision is a most serious one.

SHOEMAKERS' CHILDREN GO BAREFOOTED

"First cast out the beam out of thine own eye; and then shalt thou see clearly to cast out the mote out of thy brother's eye" is a timely Biblical admonition for America to heed in determining her future course. She is neither competent nor obligated to move into broader fields until she has put her own house in good order. Unfortunately, we seem deeply concerned over the fate of imperialistic democracies abroad and tantalizingly complacent over the fate of our own glorious democracy at home. Perhaps this is a natural tendency, for have not shoemakers' children gone barefooted and are not the reformers' offspring a serious social problem? Persons who would run the affairs of the whole neighborhood usually live in poorly managed homes themselves.

"HAVE NOTS" AND "HAVES"

The "have not" nations of Europe are in a death struggle against the "have" nations for the right to live, but American "have not" citizens also love life. Should we devote our treasure, indulge our already strained credit, and sacrifice our precious manpower in an effort to save the "haves" from the murderous wrath of the "have nots" in Europe, or shall we direct our energy instead toward bringing about a fair, honest, just, equitable, and realistic reconciliation between American "haves" and American "have nots"?

TROUBLE THE MOTHER OF PROGRESS

"Necessity is the mother of invention" and trouble is the mother of progress. It is well that mankind has problems, for when problems cease, progress will cease. We need have no fears of running out of problems, for there are serious troubles in the Old World and there are serious troubles right here in America. Most of our domestic difficulties grow out of prevailing and persistently low prices for farm produce and widespread unemployment of American labor. These unfortunate conditions in turn curtail buying power until the output of industry does not move, and that results in further unemployment and still less buying power.

HANDICAPPED PERSONS

An inquiring analysis of destitution will reveal that there are two kinds of poverty. Each requires a different treatment. The Bible points out that the "poor ye have always with you." The aged, the sick, the halt, the blind, the physically and mentally handicapped, left upon their own resources in fierce competition with the young, the vigorous, and the able-bodied, sometimes fail. Ancient pagans "liquidated" such unfortunates from a high cliff, but modern humane instincts urge other methods; and individual philanthropists, or society itself, may always have to look after a certain percentage of handicapped persons.

MECHANICAL POVERTY

Modern technology has created another kind of poverty, however, and it is this new poverty which is threatening our whole economy. Its cause may be traced to the maladjustments of the modern application of power machinery and mass production in industry and the striking changes which have been adopted in modes of living. In the old days strong men took care of themselves on the frontiers, but today a strong man is as helpless as an invalid if he be law abiding and without a job. He may be thrifty, industrious, and anxious to work, yet if industry does not need his services, he is condemned to poverty and his poverty begets other poverty when his buying power is no more. If everyone in the world had all the comforts and necessities—to say nothing of the luxuries of life—the case against statesmanship would not be so bad, but the need for goods in our own country and throughout the world is without limitation. If this earth were a barren pile of rocks upon which little could be produced, we might gladly accept short rations, but that is not the situation at all. God has been most generous and even lavish in bestowing upon us the use of an earth capable of supplying every need of every living human being. He has left production and distribution to us, however, and while our scientists have solved the problems of production in a big way we have been almost conquered and defeated by the problem of use.

SOLD INTO BONDAGE

Serious unemployment due to technological causes in this transition era from hand to power machinery became apparent in 1925, and it has increased from year to year until the present hour. Constantly diminishing income, followed by curtailed consumption, as men were replaced by machines, progressively aggravated the whole situation. A downward spiral developed with ever-increasing velocity until 1932, when it reached the stage of a frightful crisis. Out of that terrible experience was born the New Deal, which courageously met the emergency with borrowed money from the Federal Treasury, which it used to artificially bolster the lagging buying power of the Nation. As a stop-gap no one can question the wisdom or the necessity of so drastic a remedy, but to think of the use of borrowed money as a permanent solution to bolster buying power is both fantastic and dishonest. Debts are sometimes justified in an emergency as a last resort, but never must they be considered a permanent solution to any problem. No intelligent man can honestly expect to reap where he does not sow. Financing the buying power of this country through the sale of interest-bearing, non-tax-paying Government bonds is a wicked business that must end in disaster. Bonds and bondage are Siamese twins which can never be separated, for he who issues bonds is to that extent in bondage. Day by day as we live on borrowed money

we place the heavy yoke of bondage upon the neck of posterity. Bonds and debts promote poverty upon the one hand and concentrate riches upon the other.

DEMOCRACY MUST WORK

A vigorous war to end poverty should be waged at once to make the United States of America safe for democracy because our democracy is not safe with widespread poverty rampant on the farms and in the cities of our glorious land. Democracy must be more than a gesture; it must work. We need a modern St. Patrick to drive into the sea the serpent of poverty. The net results of another world war to save world democracy would likely not only place the whole world under dictatorships, regardless of who won, but it would doubtless condemn a large percentage of the world's population to a condition of hopeless poverty. The reactions coming out of the last war spread poverty and developed totalitarian governments in all parts of the world, including the western hemisphere and shook our own democratic country to the depth of its economic and political foundation. The poverty and misery we would reap from another such experience added to the domestic difficulties already at hand would develop a greater problem than our country could bear. Heartbreaking as it would be, patriotic mothers would doubtless bravely bear up under the loss of a million sons, more precious than life itself, and the Federal Treasury might be able to float an additional deficit of 20 to 50 billion dollars to carry on such a war, but when the war was ended the United States of America, the strongest nation in all the world, could not withstand the economic shocks, reactions, and repercussions which would follow. Some of our political leaders now almost brag and gloat about one-third of our people being ill-fed, ill-housed, and ill-nourished. Many students are convinced that this one-third estimate is approximately correct. I am satisfied that if we should engage in another world war without setting our own house in order, this one-third of impoverished souls would become two-thirds of our population. No democracy can hope to govern with so many citizens on public charity. Public charity could not then be financed out of borrowed money from the sale of bonds, for the costs of war would have completely exhausted our credit. It would require a stronger and more severe government than a democracy to cope with such a contingency. The bloody sword would have to rule in the place of the peaceful ballot.

CHANGE STATESMEN IF NECESSARY

It is quite generally agreed that America has a form of government second to none, and if we would encourage a wider adoption of democracy as a good system, we must prove its superiority by solving unemployment and the stubborn problem of use. If policies of government are not being directed by our present-day statesmen in such a way as to cope with the challenge of use in the midst of plenty, then other statesmen with more practical plans must be found who do measure up to that problem. For unless a permanent solution to end mechanical poverty can be discovered, our capitalistic democracy will have to give way to something else. It makes one shudder when he contemplates the evils which would follow such a change, but destitute men will not be patient forever. Lincoln pointed out the futility of mixing freedom and slavery. He wisely observed that our country could not continue half slave and half free. Neither can it continue half prosperous and half impoverished. Today, in spite of our vast natural resources and our intelligent, enlightened population, we are gradually moving away from a widespread prosperity toward a widespread poverty.

END WAR PHOBIA

The time is at hand when an intelligent America should stop flirting with the possibilities of engaging in or financing other people's wars under any pretext whatever and set herself resolutely about the holy task of eliminating poverty from the United States of America. Economic justice, like charity, should begin at home, and war phobia should be destroyed as America would destroy a mad dog.

ADDRESS BY HON. GERALD P. NYE, OF NORTH DAKOTA

It was not any stretch of imagination that prompted the saying not so long ago that American participation in the war that seemed to be in the making in Europe would find us helping so-called democracies to save their imperialism.

Dress up as one will the causes at stake in Europe, talk about the need of a united front against alleged aggressors in defense of democracies if you will, the fact remains that the cause remains one of defense of imperialism against those who want a larger share of the advantages which imperialism denies them, advantages taken from them by other imperialists.

The real cause involved in Europe's uncertainties is the cause that has prevailed through many generations of drifting border lines there. It is definitely the kind of cause that should invite a rather complete disinterest on the part of America. We should have quite satisfied ourselves during the past 22 years that however successful we may be in helping one band of imperialists whip another band of imperialists, we don't help to win solution of the European problem, nor do we stop the drifting of border lines or the desire for change in those borders.

Some of us speak so glibly of the dependence of European democracies upon our American helping hand. Others of us pick up the call and go on echoing the theory that the cause of democracy may be destroyed unless we exercise our influence and lend our strength in ironing out hates, fears, jealousies, and suspicions which never yet have submitted to a successful ironing out. Of course, invariably that dreaming finds us rallying to Britain and France as the only remaining bulwark of democracy in Europe. To them must we give our aid if causes we Americans love and defend are going to be saved.

Now, I am sure that as things stand in Europe today as among those nations counted parties in the next European war, there would be no use in my denying that my sympathies are with Britain and France as against Italy and Germany. The truth is that we can entertain little or no sympathy for such internal and external exploits, such racial prejudices, as the dictator countries have demonstrated. We compare our own freedom with its absence in those particular lands and come up quickly with the conclusion that our advantages as a democracy are preferable. At once we let ourselves be convinced that all governments that count themselves threatened by the dictatorships are governments of form like our own. Consequently the mind quickly is trained to see that we have a common cause with certain European nations, the cause of saving our democracy.

But for the most part we don't know what we are talking about when we accept the European cause as one involving democracy in any serious degree. Definitely England and France do have much at stake in this hour, but neither nation considers the cause of democracy to be the stake. Each entertains as cause No. 1 the saving of its own imperialism.

British imperialism in no degree differs from what is accepted as being the general brand of European imperialism and dreams of imperialism. Oh, Britain may and does in hours like this parade a love for democracy, but the parade is utterly lacking of sincerity and is intended only to win allies to the saving of her imperialism.

Let us have pointed out a single instance when Britain gave response to the cause of democracy in this world. How beautifully she responded, for example, to the defense of democracy in Czechoslovakia, where no part of her own imperialism was involved. Willingly she gave of the possession of a democracy there so long as it called for no giving of that which was Britain's. And what a grand sample of love for democracy was that nonintervention policy which let the arms and men of the dictatorships reorganize Spain and perhaps helped create one more dictatorship to sell to the United States as another threat to democracy.

We say that of all the nations involved in Europe we like best England and France. Are we sure? Don't we, way down in our hearts, have largest respect for the kind of government and attitude expressed by Norway, Sweden, Holland, Denmark, and Switzerland perhaps? These nations are neighbors to those large nations which seem to be drawing up sides these days. Neighbors best know their own neighbors. Why is it that none of these moved in to aid one side or the other in the last war? Why is it made so evident that they intend to stay out of the next war? Don't they love the cause of democracy? They stay out because they see naught but the cause of imperialism the first consideration involved.

I am not prepared to say that there could not be challenges in Europe that might invite American participation in their wars. But we must never permit ourselves to be drawn in so long as the imperialism of nations involved may be the primary cause of combat. British imperialism may be preferable to a German or Italian imperialism under their present leadership. But the conflict between them still is not inviting our participation so long as the cause remains what it is.

What gave Hitler his chance in Germany if it wasn't the Treaty of Versailles? Except for that instrument by those we helped to victory there wouldn't be a breath of chance for him. Why must we feel that another victory in war will certainly not bring another instrument like that written at Versailles, only to make room for more Hitlers and more wars?

Are you feeling sorry for France and England because of their alleged lack of adequate defense against Germany and Italy? If this lack of defense actually exists, then why is Hitler giving them all this time to get ready? The truth is that Britain and France materially helped Hitler build up his strength in armament through these years, profited by it and watched Germany arm. If they didn't keep up with what they were watching and helping why should we get all hot and worried about it?

Of course, we should all want to see Europe cooled off and settled down. Our own stability would be served if that end were accomplished. But the job of cooling it isn't ours. That settling down, to my mind, is wholly dependent upon that day when England is ready to pull her chair up to the table and offer the world a chance, an outlet, a sufficiency. And this is not going to be done by British insistence upon holding everything she has, all that she has gained through generations of aggressions. Saving British imperialism isn't going to save the world. And until imperialism is removed as cause No. 1 abroad there is every reason why the United States should refrain from making the job of halting the drifting border sands of Europe a W. P. A. project for the "relief" of the unemployed and millions of our American sons. There is plenty of work to be done right here within our own borders if we are really eager to save democracy, the kind of democracy we know something about.

Censorship of International Broadcasts

EXTENSION OF REMARKS
OF
HON. CARL HINSHAW
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

LETTER FROM NEVILLE MILLER TO HON. FRANK R. McNINCH

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Neville Miller, president of the National Association of Broadcasters, to the Honorable Frank R. McNinch, Chairman of the Federal Communications Commission:

The Honorable FRANK McNINCH,
Chairman, Federal Communications Commission,
Washington, D. C.

DEAR MR. McNINCH: On May 23, 1939, the Commission promulgated new rules and regulations for the operation of international broadcast stations. These rules included new and unprecedented restrictions and requirements as to program content and were issued without prior public hearing. Of the 9 licensees operating 14 international broadcast stations, the majority are members of the National Association of Broadcasters. This organization has a committee for the study and coordination of international broadcasting and is now accumulating more comprehensive information in this field than has been available. Meanwhile, however, these new rules and regulations precipitate certain fundamental questions which are a matter of vital concern to broadcasting generally and to the entire American public. It is to these more fundamental matters than we address ourselves.

Paragraph (a) of section 42.03 of the new regulations provides that "A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." It is submitted that the question as to whether a specific program reflects the culture of this country or promotes, at any given moment, international good will, understanding, and cooperation, is a matter upon which there may be sharp differences of opinion. A literal interpretation of this regulation would, for example, require a licensee to suppress spokesmen for minority groups if either the licensee or the Commission thought their views would not promote "international good will, understanding, and cooperation." Freedom of speech as an integral part of the culture of this country not only is a cherished tradition, but a living reality. Any requirement that international broadcast stations suppress a speaker because his remarks might not promote "international good will, understanding, and cooperation," would, therefore, seem to be in conflict with the requirement that the service rendered by an international broadcast station "reflect the culture of this country."

We are advised by several licensees of international broadcast stations that foreign listeners rely upon stations in the United States as a source of unbiased and uncensored news of the world. This reliance is based upon the fact that these listeners know that in the United States there is no governmental supervision or control over the matter to be broadcast. In many other countries, broadcasting is an instrument of the government and listeners to their stations are aware of the fact that their programs, including news reports and information on current events, are colored to fit the philosophy and views of the government. The consequent distortion of news into self-serving propaganda has evoked a growing resentment toward the countries from which it emanates, and such resentment has reacted to enhance foreign respect for the present impartial dissemination of programs from the United States. We, therefore, feel that the confidence that has been developed in the independent operations of American short-wave stations will be destroyed when it becomes known that an agency of the Government of the United States has laid down requirements to control the program content of these stations.

Moreover, it is respectfully submitted that the existence of this regulation (42.03–a) needlessly places this Government in a position which we believe to be contrary to our traditional policy in the field of foreign relations. There are abundant examples of instances in which some citizen of the United States has made certain utterances by radio or through the press which have aroused the antagonism of the representatives of foreign powers. It has been the customary reply of our State Department to the protests by offended powers that this country is one in which freedom of speech is an actuality and the Government has no power to abridge this fundamental right. The regulation which we are discussing definitely implies official responsibility for all matter broadcast over international stations. This we believe is unsound policy and incompatible with the operation of broadcast stations by private enterprise in a democracy. It would seem equally appropriate to require government supervision and censorship of all matter contained in American newspapers circulated abroad which use the facilities of the American Merchant Marine or the second class mail for delivery. This analogy, we believe, clearly demonstrates the errors and the immediate dangers of the policy which this new regulation embodies.

We likewise desire to invite your attention to paragraph (b) of section 42.03 which places further restrictions upon program content to the extent that it limits and prescribes the type of commercial advertisement which can be made, the type of commodity which can be advertised and then excludes all commercial or sponsored programs that "are not consistent with the purpose or intent of this section." Such regulations are neither desirable nor necessary nor susceptible to sufficient clarity of interpretation or agreement as to meaning to permit them to be practically applied. If international broadcasting is to be continued as an instrument of private enterprise, we feel that the regulatory authority should confine its functions to questions of technical efficiency, allocation and general performance in the public interest.

It seems appropriate to emphasize that the record of licensees in the international broadcast field has been one of greatly increasing service to foreign listeners. During the past 2 years there has been a marked development of facilities and personnel by the various private licensees. Their programs are being exclusively designed for international audiences. The responses that have been received indicate that foreign listeners appreciate the fact that these programs, reflecting as they do, a living pattern of our democracy, have not undertaken to propagandize any political ideology. This should be continued, because the most effective way to develop and foster international good will by the United States is to avoid copying the tactics of totalitarian governments who supervise and direct all broadcasting.

Finally, we have been unable to find a legal basis for the regulations which we have discussed. It need only be pointed out that the authority for all powers exercised by the Commission must be found in the act itself and that such authority must be expressly conferred or follow by necessary implication from powers expressly conferred. In this case, we can find neither. While the Communications Act of 1934 clothes the Commission with extremely broad powers on matters of allocation and the technical and physical operations of broadcast stations, we can find nothing in the act or in the several decisions of the court which have been based upon this act to support this character of regulation. We have been unable to find any provision of the act or decision of the court which would authorize the Commission to pass upon the content of programs broadcast either directly by prior examination of the program material or indirectly by imposing requirements which will have the same effect.

The Federal Communications Act of 1934 is silent on the subject of program content. Not only does this absence of language support our conclusions that the Commission is without authority to regulate program content as such, whether in the international or domestic broadcasting field, but it should be particularly noted that the statutes expressly prohibit censorship in any form. We desire to emphasize the language in section 326, which states:

"Nothing in this act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication."

If the Commission has the authority to promulgate this character or regulation in the international field, it must have equal authority with respect to domestic broadcasting, as the same provisions of the law govern both classifications. If licensees of international broadcast stations can be required to restrict their programs to any regulatory authority's concept of American culture, it would seem clear that the licensees of domestic broadcasting stations could be required to limit their programs to some "official" definition of culture, education, and entertainment. That this would constitute a violent transgression of the basic principles of American democracy is self-evident. We further submit that the proposed regulations would establish the precedent for such transgression and surely no such dangerous prerogative is contemplated by the Communications Act of 1934 and is in direct conflict with section 326 of the act which expressly prohibits any type or character of censorship or any condition or regulation "which shall interfere with the right of free speech by means of radio communication."

In view of the importance of the subject itself and in further view of the necessary implications to which the adoption of such regulations give rise, we request that the Commission follow the same course selected by it in the adoption and promulgation of rules and regulations governing the domestic operation of broadcast stations and that it conduct hearings on these regulations. We further request that the Commission reconsider its action of May 23, 1939, and postpone final action until such time as an opportunity may be given for the conduct of a hearing upon the questions above referred to and others which are necessarily involved in the consideration of this subject.

Very respectfully yours,

NEVILLE MILLER.

Amendment of the Wage-Hour Law

EXTENSION OF REMARKS

OF

HON. MARY T. NORTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

ARTICLE BY RAYMOND CLAPPER

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Raymond Clapper, from the Daily News of today:

[From the Washington Daily News of June 7, 1939]

EXPERIMENTS

(By Raymond Clapper)

We still have a great deal to learn about handling governmental experiments so that they won't defeat their own purposes, as is shown by the unfortunate situation with regard to the Wages and Hours Act.

Here was an act, highly desirable in purpose, namely to protect the sweatshop worker. As was inevitable in drafting such general legislation, defects appeared after the measure went into effect.

It was found, for instance, that the little country telephone exchanges, often operated by housewives as a sideline, clearing only a few calls each 24 hours, are presented with an overtime pay requirement that makes their operation almost impossible unless dial systems are installed to eliminate the operators. An amendment has been proposed by the Wage and Hour Administration to exempt such workers.

High-paid specialized employes, professional brain workers who are judged by results, not by the number of hours worked, were being required to turn in overtime schedules. Employers are required to pay such workers time and a half for overtime. A highly paid advertising writer, for instance, or a writer like myself, has to work without much regard for the clock. Some produce their best copy at night. Some are stale one day and hot the next, when they can produce a prodigious amount of copy.

The employer doesn't care how little or how much such an employee works. He wants results. It is much the same with the employee. Sometimes he sits at his paper for hours or stares through the window. Again he grinds out his work almost offhand. There is no way for these men to measure their working time because their work is pretty much their life. Anyway, they are paid far above the scales which the Wage and Hour Act was intended to protect.

So the Wage and Hour Administration sought to wipe off this layer of impossible administration by proposing an amendment to eliminate from the scope of the act employees receiving $200 or more a month.

But when these and several other desirable corrective amendments were proposed in the House, farm lobbyists, fronting for fruit and vegetable packers, put their hooks in for amendments which would remove the protection of the act from the miserably paid employees of canneries and other food-processing establishments. Friends of the Wage and Hour Act were fearful of exposing it to the whipsawing of farm and packer lobbyists and have refused, for the time being at least, to go ahead with the program of amendments to eliminate the sour spots in the act. Thus highly desirable perfecting amendments are blocked by the pressure of interests desiring to nullify the act in a considerable area where the need of it is great.

This kind of trouble is encountered wherever an attempt is made to tighten and improve legislation. At the first sign of revision, enemies of the legislation gather around to harpoon it with sabotaging amendments. The result is that the administration stiffens and abandons desirable amendments. Unquestionably that is the reason the administration is not active in revising the Wagner Labor Relations Act.

Thus New Deal measures are frozen when they should be considered still in the experimental stage subject to correction. Social-security amendments are being put through at considerable risk of having undesirable amendments hitched on in the process.

Much more desirable is the method used in trying out the food stamp plan in a few selected cities, employing variations of the basic idea so that the mechanics may be tested. This is the sampling technique used by a business in placing a new article on the market. Various methods of advertising are tried out and the article may be given a trial in a few localities before the national marketing campaign is undertaken.

It is not always possible for Government measures to be thus introduced through restricted testing. But where this technique is possible it helps eliminate prolonged headaches and permits of experiments which could not be risked if they had to be introduced on a national scale.

Insurance Agents

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

LETTER FROM W. D. OWENS

Mr. COLLINS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from an insurance man in my State:

JACKSON, MISS., *June 3, 1939.*

Hon. ROSS COLLINS,
House of Representatives, Washington, D. C.

DEAR MR. COLLINS: It is my understanding that the Ways and Means Committee of the House of Representatives has reported general amendments to the Federal Social Security Act, section 606 (d) being of particular interest to us in that it broadens the definition of the term "employees" in such a fashion as seemingly to include insurance agents and others generally considered in the category of independent contractors.

If this amendment is adopted, it will mean that this company will be required to pay taxes on the commissions paid to our agents, who have already been classified by the United States Internal Revenue Department as independent contractors. We are so hopeful that the amendment will not be adopted and that commissioned life-insurance agents will continue to be classified as independent contractors.

It is practically impossible for a life-insurance company to know what net profits result to an insurance agent out of the commissions paid him for business submitted to the company. The commission is gross income, out of which the agent must pay his business expenses, such as rental, clerical hire, advertising, traveling expenses, and commissions to other agents who assist him in writing the business. You will readily appreciate, therefore, that as a practical thing it would be impossible for the life-insurance company to ascertain the net income to an agent upon which any such tax, if imposed, should be based.

Commissions paid to life-insurance agents may be sold, assigned, or pledged by the agent, while as a general rule wages may not be. The question would arise whether or not commissions sold or assigned would create the relationship of employer-employee between the life-insurance company and the assignee of commissions. It would require a considerable stretch of imagination to see any such relationship between the life-insurance company and the assignee of commissions.

The most difficult thing to determine would be the question, "When is a life-insurance agent unemployed?" A life-insurance agent who is honest and properly qualified and licensed may always obtain a contract from a company to write life insurance, so that he never would be unemployed within the meaning of the statute, although he might work for a long period of time and not write any applications. Would he be considered to be unemployed during the period of time when no business was being written, and employed during the period of time in which he did write business? In other words, the company pays him not for the work he does but for the results he obtains.

The entire history of the Social Security Act, as I understand it, from the President's message recommending the legislation down to the present time, indicates that the act was intended solely to apply to the relationship of employer-employee, an excise tax on the privilege of employment. A tax upon commissions paid to an insurance agent, who is not an employee, would not be a tax on the privilege of employment, but a naked tax on the right to contract with an insurance agent, or an independent contractor.

It seems to me that unless it is the intention of the Social Security Board to extend the act to cover self-employed persons there is no logical reason for the inclusion of insurance agents, who are not employees but rather self-employed persons or independent contractors, and it is my belief that you will agree with the general proposition that if insurance agents are singled out to be brought under the act (and the amendment indicates this to be the case), there is no reason why all other self-employed persons and independent contractors should not also be placed under the act.

I hope that we may depend upon you to resist vigorously this broad amendment, and make an effort to see that the tax is not imposed upon individuals who will receive no benefit from the act.

Yours very truly,

W. D. OWENS.

American Retail Federation

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

EDITORIAL FROM THE BOSTON POST OF MAY 26, 1939

Mr. McCORMACK. Mr. Speaker, it appears to be the custom and the practice among certain organizations when they meet to condemn anything and everything. That is a course that they have a perfect right to take, if they so desire. However, there is grave doubt, in the minds of many, as to the wisdom of an outright course or policy of condemnation instead of constructive criticism or praise. Such organizations seem to feel that it is also necessary to oppose everything and anything, not only objectives but methods of obtaining objectives, particularly along legislative lines.

Judging from results, such a course has not aroused public opinion generally in support of this policy. As a matter of fact, the reaction of public opinion, generally speaking, has been the opposite to that sought and desired by such organizations.

Recently, in the city of Washington, the American Retail Federation held a retailers' forum, attended by its members, other retailers, numerous Senators and Congressmen, and Government officials. In fact, 44 States and 7 foreign countries were represented by those attending the forum. The Federation, whose membership includes 25 State retail associations and 7 national retail associations, is first and foremost a research organization, devoting most of its energies toward the solution of the common problems of all retailers. Even after a careful study of all the facts it takes no position before congressional committees, either of blame or praise, without submitting a referendum to its members and obtaining their unanimous agreement—a most democratic and commendable policy. And so instead of permitting its forum to be used "as a sounding board for political propaganda" the American Retail Federation devoted its sessions to a serious and constructive discussion of the problems of retailers, and of questions of concern to the American people. Instead of passing a number of condemnatory resolutions, opposing anything and everything that has happened from a legislative angle during the past 6 years, the federation adopted a new, unique, and extremely refreshing policy of "no resolutions." The views of the members were expressed briefly through Louis E. Kirstein, of Boston, Mass., the chairman of the board of trustees, an outstanding businessman, and one of the most progessive thinking citizens of the United States.

By this action, the American Retail Federation set an example that other organizations or associations might well follow.

The refreshing and constructive course taken by the American Retail Federation has received favorable editorial comment in the independent thinking press of the country. As evidence of this favorable reaction, I herewith include in my extension of remarks an editorial which appeared in the Boston Post of May 26, 1939, entitled "A Fine Example":

[From the Boston Post of May 26, 1939]

A FINE EXAMPLE

The national forum of the American Retail Federation, which met in Washington with Louis E. Kirstein, of Boston, as chairman, afforded an excellent example which other national trade associations might follow.

Instead of long-winded resolutions and bitter speeches, antagonistic to the administration, and reciting a long list of grievances, the forum, through Chairman Kirstein, emphasized the need for "close, earnest, and intelligent cooperation with Federal, State, and local Governments in striving for a solution of the major social and economic problems of the present day."

That is sincere and helpful language.

Mr. Kirstein's further suggestions were likewise admirable. "Retailers," he said, "should increase the income of the people by reducing costs of distribution. They should recognize the right of consumers to know exactly what they are buying and of employees to bargain collectively with employers. They should oppose monopolistic practices which retard the flow of goods and for the same reason should oppose all forms of trade barriers between the States."

Nor was the consumer cooperative movement opposed. On the contrary, Mr. Kirstein said they should be recognized as a legitimate form of retail distribution, asking only that the Government refrain from subsidies which would give the cooperatives an unfair advantage.

How much better is this helpful, cooperative attitude than one of stubborn refusal to face the facts of the present situation. And how much more likely it is to lead to impressing the administration with the fact that business is willing to be helpful. Also it may lead to a more sympathetic attitude toward business.

While the President in his speech laid great stress on the fact that more than 50 percent of every dollar spent by the Federal Government to provide jobs passes over the counters of the retail merchants, Mr. Kirstein made it plain that he is no advocate of reckless Federal spending.

On the contrary he called upon the Government to formulate a carefully planned and explicit fiscal policy. While he advocated no specific taxation changes he emphasized the need for a corelation of Federal, State, and local taxation that will encourage private investment and increase purchasing power.

This is indeed a helpful attitude.

National Old-Age Pensions

EXTENSION OF REMARKS
OF
HON. PEHR G. HOLMES
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

Mr. HOLMES. Mr. Speaker, having been denied by the limitation of a closed rule an opportunity to discuss on the floor of the House of Representatives my reasons for voting for the so-called Townsend old-age pension bill, officially designated as H. R. 6466, I want now to do so and to point out the principles involved in the proposed legislation which was defeated.

Let me note in the beginning that 97 Members of the House voted for this bill. Under the gag rule imposed upon the House the proponents of this bill were allowed 2 hours in which to express their reasons for supporting this legislation.

With 120 minutes at our disposal, each one of us would have had approximately a minute and a fraction, considering interruptions, in which to express our views on this fundamental economic legislation.

This bill was submitted to the House by the Ways and Means Committee without any recommendation or report whatsoever.

It was brought to the floor under this gag rule for the plain and explicit purpose of preventing an adequate discussion of the measure, because the administration feared that if the bill had a chance for adequate debate on this floor it might pass.

The tactics pursued in presenting this legislation to the House represented a new low in unfair, dangerous political chicanery and trickery. The bill was brought up for consideration under these circumstances for the plain and declared purpose of trying to put individual members of this Congress on a political hot spot; to embarrass them in the discharge of their sworn duty to legislate for the welfare of all the citizens of this Nation.

This exhibition of political trickery is shameful to the last degree and reflects no credit upon the Democratic leadership which aided and abetted its employment.

Mr. Speaker, for 20 years and more Members of the Congress, some of whom are still here, many of whom have come and gone, have given lip service to the cause of old-age pensions in one form or another, and yet for the first time, in H. R. 6466, have we had any chance to vote on the principle of straightforward old-age maintenance.

I, for one—and I believe I speak the sentiments of all those who voted "aye" on this bill—am tired of seeing the poignant and ever-pressing question of old-age security made a political football. I, for one, am not willing longer to let the aged citizens of this country suffer fear, want, and privation, because, in many cases, their savings of a lifetime were swept away in a financial debacle for which they were not responsible, while politicians play a game of hide-and-seek with their misery.

We have involved here, Mr. Speaker, not only a fundamental economic problem; we have here involved a problem of man's humanity for man; it is to the shame of this Nation that this problem has been handled all these years on the basis of political trickery instead of being met frankly, openly, and honestly, as it should long ago have been met, and settled on a sound and equitable basis.

Fundamentally—whether we like it or not—we are faced with this problem: Are we going to provide for the elderly citizens of this country in their declining years, under an orderly, national system, or are we not? Are we willing to let the aged suffer mental agony and physical privation, just so long as they are willing to stay in their hovels, out of sight, and drag out their lives where the spectacle of their suffering will not break our hearts?

I want to say to you, Mr. Speaker, that I did not cast my vote for this specific bill, H. R. 6466. I cast my vote for a principle and an issue. I do not pretend to say whether this bill was workable or unworkable. What I do say is that I was given only a choice to vote for this bill, in order to vote for old-age security on a pay-as-you-go plan, or to vote against it and against the principle involved, because the gag was placed upon my lips by the New Deal administration.

The only opportunity that has been afforded the Members of this House to vote for the principle of old-age security on a pay-as-you-go plan was presented in this bill under these conditions, where the administration and the leaders of this House believed they had so maneuvered that there was not a possibility of the legislation passing.

Mr. Speaker, the very essence of constitutional government, the very essence of the American tradition, the very essence of the American way of settling disagreements, is that of discussion and compromise. There was not in this instance one scintilla of the constitutional way of American Government exhibited. This proposed legislation was not left open to amendment or the American way of discussion and compromise in this forum, where at least the 10,000,000 aged citizens of this country have every right to expect that their welfare, their comfort, their very lives, would be debated openly and frankly and honestly.

I have no criticism, Mr. Speaker, for those who voted against this bill. I attribute to them no inhumanity for their fellow men. What I say is that we have again played politics with a fundamental economic question, and with a question fundamental in Christian philosophy, and I want to say to this House that this question cannot be disposed of by those tactics. Those who voted against the bill believed it was unsound and unworkable. Perhaps it was. Nevertheless it remains a fact that it was the only measure involving the principle of old-age assistance on a pay-as-you-go plan that has ever been brought to the floor of this House. Every member of this body knows, every member of the administration knows, every thinking man and woman in this Nation knows that if this measure had passed the House it would have gone to the Senate, where it would have been adequately discussed and debated, where it would have been amended and perfected, and where time for the reaction from the country at large would have been afforded, after the country had had an opportunity to weigh the debates and discussions and to know exactly what mode of approach, what method of financing, and what means of administration would be the best and soundest to effectuate old-age annuities.

Why was that not done? For exactly the same reason, Mr. Speaker, that we were denied an opportunity to debate this measure adequately on the floor of this House. It was not done because the administration was afraid to meet this issue in fair and open discussion. It was not done because the administration is opposed to the principle of old-age pensions on a pay-as-you-go basis. It was not done because the principle of old-age pensions on a pay-as-you-go basis, financed by direct taxation, would leave no opportunity for political tricksters and bureaucrats to utilize old-age pensions to perpetuate themselves in power at the expense of the people.

The inequities under the present social-security law were clearly and precisely set out by my colleague, the Honorable RALPH O. BREWSTER, of Maine, in a statement before the Ways and Means Committee on Friday, February 10, 1939. At that time he pointed out that:

> Under the present law—the Social Security Act—the average payment is between $19 and $20 per person assisted. But that varies from $6 to $6.50 in Mississippi up to $27 in some States. That is a tremendous spread. It would not seem that that could reflect the needs of the individual concerned—a disproportion of such great amount.
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> Second, in some States 500 out of every 1,000 persons above the age of 65 are getting aid; in Oklahoma, conspicuously. In other States it is as low as 100 or 150. On the average it is 200 per 1,000 of the eligible population. Such tremendous disparities certainly indicate a great difference in administration.
>
> In addition, local abuses are almost inevitable in administration of the needs test. In the first place, you must have a very large group of social-service inquisitors going about to determine the needs of all these people. It is a tremendous job.
>
> If you had it administered by investigators with all the wisdom of Solomon and all the sincerity of a saint, it would be a tremendous problem. And it must be kept constantly up to date, as the recipients change and as the conditions of the individuals change.
>
> In addition, if any sectional or partisan or personal considerations enter, immediately the whole thing is thrown out of gear and tremendous social inequities and political abuses result.
>
> It is for these reasons: First, the problem of the tremendous amount of bureaucracy, investigators, and continued investigation that have led me to question the wisdom of the needs test; and, second, the abuses which it seems to me must inevitably result.
>
> Discriminations on the line of race, or color, or creed, or of a variety of other considerations in the administration of any human responsibility also must be considered.
>
> The contrast is a universal system that gives assistance to everyone over a certain age, so that they have to establish that they were American citizens and show that they were born at a certain date, and they automatically become eligible to participation in this fund.

We know that these inequities and abuses pointed out by my colleague [Mr. BREWSTER] do exist and are inescapable in every department of the Government that has control over the dispensing of funds. They enter into the W. P. A.; they have entered into the P. W. A.; they have entered into the administration of agricultural subsidies and payments; they have entered into every department and bureau of the Government that is administered by a political bureaucracy; and such abuses are inevitable because they are the way of a political bureaucracy. Therefore whatever difficulties may lie in the method of a direct pay-as-you-go old-age annuity plan, based upon the simple formula of citizenship and age, it could not be manipulated by the political bureaucrats, and favoritism or sectional or racial discrimination would be eliminated.

Mr. Speaker, the aged, like the poor, are always with us. Are they being starved to death now? If they are, then shame be upon a nation and a people as rich and as resourceful as this for permitting such a condition to exist. If the old people in this country are not starving to death, then somebody is keeping them. Who is it? Who is it but the taxpayers of this country?

Much was said in opposition to this bill and to the so-called Townsend plan to the effect that it takes from all to give to a special class. What is a subsidy to the farmers, what is a subsidy to the shipbuilders, what is a subsidy to shipowners, what is a subsidy to the cotton growers, what are the pensions we now pay in this country, but the act of taking from the whole to pay to special classes? What is the basis of our present relief program? It is taking from the whole to pay to special classes—those who are unemployed.

Now let me make this point clear. I am finding no fault with subsidies or pensions or relief, as such; I am simply pointing out the fallacy of opposing the principle of old-age

annuities on the ground that it would tax all the people to provide for a special class.

There is another fallacy that I want to nail here and now. It is argued by many that the old-age provisions of the Social Security Act provide an adequate method of caring for our aged citizens. What Member of this House would stand up in his place and say that he would expect his father or his mother to live on a paltry $15 or $20 a month?

Now as to the mode of taxation. It is claimed that the method of financing the old-age-pension plan under the so-called Townsend doctrine is a tax upon the consumer. Let us bring that into the open here and now. Who but the consumers ever pay any tax in the finality? Who pays the employers' tax today under the Social Security Act? The consumers. Who pays that portion of the social-security tax levied upon wages and salaries? The consumers. Who pays for every subsidy and every pension of every character that is being paid in this country today? The consumers, of course. They pay for it in the prices of the things they buy; they pay for it in the nuisance taxes that meet them on every hand; there is no escape for the consumer from the ultimate payment of all of the taxes that are levied, either for the cost of governmental operations, extravagant and otherwise, or for the payment of subsidies and pensions and grants, extravagant or otherwise.

I am a little suspicious, if you please, of this sudden concern for the consumer on the part of the administration. Under the N. R. A. what consideration did the consumer get? Was he effectively represented at the council tables? In all of this wasteful spending by this New Deal political bureaucracy which has grown up in the last 6 years, sitting in air-cooled offices, spending the taxpayers' money, sending up "must" bills to be passed by the Congress without the dotting of an "i" or the crossing of a "t," as has been the practice for 6 years under the New Deal, who, among the new dealers, I say during all those years, wept with bleeding hearts for the consumers?

Now, Mr. Speaker, I want to devote a word or two to Dr. Townsend. It is the fond hope of a good many that the ghost of Dr. Townsend has been laid for all time. It has not been so long since this administration was going to put Dr. Townsend in jail here in the District of Columbia.

Whatever may be the faults and the flaws, the fallacies or the visions that cloud Dr. Townsend's concept of economics, it remains a fact which no Member of this House can deny that Dr. Townsend and his movement were responsible for forcing upon this administration the Social Security Act, with its old-age provisions. Had it not been for the Townsend movement, so-called, this administration, in my opinion, would not have rushed in almost overnight with a Social Security Act at all.

This very week we are going to consider the question of increasing old-age benefits under the social-security set-up. Why? I will tell you why. Because there are several million aged citizens in this country who have been organized under the Townsend banner of whom the administration is fearful. If the administration believes that it has laid the ghost of the persistent Dr. Townsend, let it muse a moment upon the situation in California. Last November the so-called ham-and-egg $30-every-Thursday proposition was referred to a popular referendum. It was defeated by a majority of 240,000 votes. That was last November, mark you. Today California is facing another special election on the ham-and-egg $30-every-Thursday proposal because more than a million citizens of that State signed a petition demanding another election.

The old-age pension issue is going to remain with us not because it is a racket, as some have charged, but because a fundamental economic and philosophical principle is involved, which will never be disposed of until it is disposed of on a sound and honest basis.

There may be racketeers who have imposed upon the aged citizens of this country. Such racketeers ought to go behind the bars if there is any way to put them there, but I would remind this House that the old-age pension movement is not the only movement of a public character involving the economic and philosophical fundamentals into which racketeers have "muscled." Look at your labor situation, for one. Look at your prohibition conditions for another. Look at your relief situation for a third. Are we going to try to evade this economic problem of maintaining our aged citizens because some racketeers have been imposing upon them?

I now want to call your attention to the Republican platform of 1936. Under the title of "Security" the Republican Party said in that platform:

> We propose a system of old-age security, based upon the following principles:
>
> First, we approve a pay-as-you-go policy which requires of each generation the support of the aged and the determination of what is just and adequate.

I voted for that principle when I voted for H. R. 6466.

Let me quote further:

> Second, every American citizen over 65 should receive the supplementary payment necessary to provide a minimum income sufficient to protect him or her from want.

I voted for that principle when I voted for H. R. 6466.

I quote further:

> Third, each State and Territory, upon complying with simple and general minimum standards, should receive from the Federal Government a graduated contribution in proportion to its own up to a fixed maximum.

I voted for that principle when I voted for H. R. 6466, although the bill itself did not contain that provision.

I quote further:

> Fourth, to make this program consistent with sound fiscal policy, the Federal revenues for this purpose must be provided from the proceeds of a direct tax widely distributed. All will be benefited and all should contribute.

I voted for that principle when I voted for H. R. 6466.

Now as to the bill itself. The actual measure which was voted upon was not the real consideration in this House. The real issue was old-age annuities upon a basis such as was set forth explicitly in the Republican platform of 1936, which I have just quoted.

H. R. 6466 may have been unworkable. I do not concede that the principle of old-age pensions is unworkable.

H. R. 6466 may have contained the flaws of a multiple taxation which would have pyramided to a disastrous point by the time they reached the consumer. I do not concede that it is impossible to provide adequate old-age pensions without involving multiple taxation that would wreck the Nation, ruin the taxpayers, or starve the consumers to death.

It may be that H. R. 6466 has difficulties of administration that would have made it impossible to administer. I do not concede that it is impossible to devise an adequate old-age pension system that could be administered soundly and equitably and economically.

The name of Townsend is tacked onto every old-age security measure in order to discredit it because Dr. Townsend may have made extravagant statements opposed to a sound economy. I do not concede that the elderly citizens of this Nation have to continue to suffer the mental and physical agonies of fear, uncertainty, and privation, because any one man or any group of men in this country choose, sincerely or otherwise, to make extravagant, unsound claims or assertions.

The proposed legislation had one virtue that none of its opponents can deny. Under the plan proposed in H. R. 6466, no more money would have been paid out in old-age annuities than could be collected through taxes. Whether that sum, divided among all of the eligible old people, would have amounted to $25 a month, or $50 a month, or $75 a month, or $100 a month, I do not pretend to say; and I do not believe anybody else could give an accurate estimate until the plan was in operation long enough to prove itself one way or the other.

H. R. 6466 and the whole principle of old-age pensions embody some other virtues that cannot be denied by the most bitter antagonists.

Under the principle of old-age annuities, as embodied in H. R. 6466, several million elderly persons would have been removed from active work in competition with younger persons. We are, and very properly, spending a great deal of

money keeping young men in the C. C. C. camps, where we pay them $30 a month, food, and clothing. We are spending a great deal more money for the National Youth Administration under Mr. Aubrey Williams, of "elect your friends" fame. The youth of this country do not want to be recipients of a Government dole in any form. What they want is a chance to work at jobs in private industry and to earn their own way.

Another virtue inherent in the principle of old-age pensions is that it would reduce the relief rolls in many ways. It is unnecessary to go into details on this question. because the very fact that several million elderly people would be retired from active work, making way for younger men, would mean the reemployment of that many people of the younger generation who are now receiving Federal or State assistance in one form or another.

One of the chief arguments against the old-age pension plan is that increased velocity of the medium of exchange does not create new purchasing power. I am ready to concede that there has been much loose thinking concerning the velocity of money on the part of the elderly people and those who were leading them in the campaign for old-age pensions. It is true, I think, that increased velocity of money does not create new purchasing power; but an overlooked fact is that the purchasing power now existent in this country is stagnant. It is not moving, and certainly the old-age pension plan would force into circulation a great deal of the purchasing power that is now stagnant in bank vaults. It was, I believe, the late Senator Thomas J. Walsh, of Montana, who once said that there is "no surplus beyond human needs in the United States, but there is a surplus beyond market demands." As one of my colleagues across the aisle pointed out, something is wrong with distribution in this country, somebody has thrown away the key to distribution. Our markets are glutted with the necessities of life, and at the same time many of our people are hungry, ill-clothed, and ill-housed.

This question of the benefits of increased velocity of medium of exchange under the old-age pension plan was clearly pointed out by the Honorable RALPH O. BREWSTER in his statement before the Ways and Means Committee, which I quoted a while ago, when he stated:

> I rest my opposition primarily upon the effect on our business and economic structure as a whole. It has to be borne in mind that a great deal of our present trouble is at least associated with or indicated in the very low velocity of our money, which rose as high in 1929 in New York as 132 times. That is, each dollar turned over that many times. In 1934 it was down to 22½. In the country as a whole it has normally been around 25 or 30. In 1929 it was up to 45. In 1933 it was down to 16, and is nearly back at that point now. I believe last year—if I remember the figures—the velocity of the dollar reached its all-time low as a result of the almost complete paralysis of business confidence. Any time anybody could get hold of a dollar they hung onto it like grim death.
>
> Certainly the assurance given in a program such as this would lead not only the old people to spend what money they had received, or would receive, but would enable the great mass of our people under the age provided to spend much more freely if they felt assured that their old age was to be provided for.
>
> Business, meanwhile, would go ahead with great confidence if it could feel legislative experiments were at an end and the taxation program was stabilized.

However, the elderly people of this country may have been led into delusions of living in grandeur with an income of $200 or $300 a month, which, of course, was not embodied in H. R. 6466, and which is not the fundamental principle under consideration, it still remains a fact that increased consumption on the part of the elderly people of this country, whether their annuity be $50 a month or whatever a sound plan would provide, would stimulate business and at the same time increase employment.

I for one did not vote for H. R. 6466 with an idea that by some magic of economics we were going to restore prosperity by providing the elderly people with $200 or $300 a month apiece in the hope that the forced turn-over of that amount 12 times a year would take the place of an increased production of wealth as a means of returning to prosperity. It cannot be controverted, however, that the New Deal's celebrated "pump priming" principle is exactly that of Dr. Townsend's doctrine—namely, taking from those who have and are not spending to give to those who have not but who would spend if they had, and thus by division of existing purchasing power and a forced increase of velocity making this an $80,000,000,000 Nation.

In all fairness, we have got to admit that Dr. Townsend is not the only individual in this country whose visions of economic magic have led people astray.

The surest way of keeping this old-age-pension question under agitation, the surest way of keeping alive class hatred and class friction, is to keep this whole issue in the realm of political manipulation, where the shysters and the racketeers and the demagogues and the political opportunists can use it for their own ends and can continue to make illusory promises to the old people of this country. Let me say to those of you whose hearts bleed, so you say, over the way the old people have been mulcted of their dimes and their quarters and their dollars, that the surest way to save them from being preyed upon by racketeers is not to shed crocodile tears in the CONGRESSIONAL RECORD over it but to meet this issue squarely and fairly and settle it and provide an adequate security for the old people of this country; and the day that is done that happy hunting ground of the racketeer and the shyster and the political opportunist and the social chiseler will have been obliterated from the American scene.

Nothing is to be accomplished by wringing our hands in despair and shedding tears of futility over the plight of the old folks. The way to accomplish something is to meet this issue honestly, in fair and open debate, and make such sound provisions for old-age security in this country as will at least give our aged citizens a decent existence and a reasonable degree of comfort.

I want to repeat that those of us who are ready to meet this issue fairly and squarely and frankly and honestly had no other course left us under the conditions under which this legislation came to this floor except to vote for H. R. 6466 in the hope that it would go over to the Senate, where proper debate, discussion, and analysis could be had and the bill could be properly amended or rewritten into a workable measure embodying the principles laid down in the Republican platform—the principles, if you please, Mr. Speaker, to which so many Members of the Congress and so many spokesmen for the administration give ardent lip service while yet moving heaven and earth to prevent those principles from being enacted into the law.

Of all the shameful spectacles of playing politics with human misery, the most shameful is the spectacle of the politics that have been played with the old-age pension plan.

The slimy hand of corrupt politics lost not an instant in reaching into the sacred precincts of unemployment relief in order to clutch and drag out whatever fruits might be used to nourish a political bureaucracy more concerned with perpetuating itself in power, and with drawing princely salaries, than ever it has been with human suffering, good will, brotherly love, or man's humanity to man. That condition is bad enough, God knows, albeit those on relief do have some vestige of hope that sometime, somehow, they will again get a decent job at decent wages, so they can maintain themselves by their own efforts. But in this old-age security issue we have millions of aged citizens who have reached that time in life when they can no longer have a vestige of hope that they can find a decent job at decent wages by which to maintain themselves. Their day is gone.

I would have preferred, Mr. Speaker, that this issue had been brought up in the form of a constitutional amendment in order that the whole Nation, including the old folks, might have had a chance to pass on it and say whether or not we are going to pursue the course of an enlightened Christian nation or whether we prefer to follow the present practice of leaving the aged to their fate. The administration and the powers that control this Congress so far have refused to approach this issue that way. Such a constitutional amendment would either end for all time the Townsend movement, if the amendment were not ratified, or, if it were ratified, would remove from the issue any question of constitutionality.

I would like, however, to remind this House that the question of constitutionality with regard to other measures has

not bothered the administration very much. I recall one instance at least when the President of the United States advised a committee of this House to let no doubts, however reasonable, of the constitutionality of a measure, stand in the way of its enactment.

Since we were denied any chance to vote upon the submission of a constitutional amendment, and since we have been denied any opportunity to vote on any plan whatsoever involving the principle of old-age assistance, there was nothing left for us but to vote for this measure as an opening wedge—a step in the direction, if you please—of an open, fair, and practical consideration of the whole issue of old-age security.

Mr. Speaker, I offer these remarks not as an apology for my vote for H. R. 6466. I submit them for the purpose of clarifying, if possible, for the country the issues which are at stake and of showing the country, if I may, how those issues were obscured and defeated by tactics and methods as unfair and disgraceful as any that ever were adopted in either branch of the Congress.

It may be that a sales tax, or a transactions tax, or a processors' or a manufacturers' tax, is not the best way in which to provide the funds for old-age pensions. But one thing is certain—however old-age pensions are provided, they will be paid by taxation, and in no other way.

The support of the aged, as I said a while ago, is now based upon taxation. The people of this country are now supporting our aged and indigent citizens—after a fashion—and that support is a method of self-taxation. There is no valid argument against a system of taxation to pay for the support of our aged citizens. The question is whether we honestly want to find that proper method and provide that support for the aged citizens, or whether we want to spend another 20 or 30 years quibbling and splitting hairs over questions of constitutionality or methods of taxation or means of administration.

I do not believe those among my constituents who may think that H. R. 6466 was an unsound way of achieving old-age security can or will disagree with the principles for which we voted when we voted in favor of H. R. 6466. I cannot conceive it possible that any citizen in this country would be willing to abandon the aged to their fate.

Therefore I want to say to you and to this House that, so far as I am concerned, I shall continue to favor a system of adequate old-age pensions based upon the soundest economic foundation it is possible to build.

Finally, as to the amount, I have no conclusion to offer at this time. I believe there is a possible and sound level of old-age pensions that will keep the aged in comparative comfort and will not wreck or even damage the economic structure of this country. I believe we ought to move to determine what that level is and then find the proper method of taxation and the soundest means of administration and enact the legislation necessary to effectuate it.

Let my last word be that I criticize no Member who voted against H. R. 6466. I say that for myself I voted not for the bill but for the principle. I voted not for the narrow provisions of the proposed act but for the broad human issue of providing adequate security for our aged citizens in this country.

A Contractor Speaks On W. P. A.

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

LETTER FROM J. GEORGE COSTELLO

Mr. MARTIN J. KENNEDY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter addressed to me by J. George Costello, 25 Vanderbilt Avenue, New York City, under date of June 5, 1939, together with his suggestions concerning employment on W. P. A. I have asked permission to insert this material in the RECORD so that it may be available to the Committee on Appropriations, who are now holding hearings on W. P. A. activities. Mr. Costello is one of the outstanding contractors in New York City, in whom I have confidence, and his constructive suggestions concerning the W. P. A. are worthy of study and serious consideration.

The letter is as follows:

NEW YORK CITY, *June 5, 1939.*

Hon. MARTIN J. KENNEDY,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Although I appreciate that you are exceedingly busy these days, I feel that the purport of this letter is so important that you will forgive me for imposing on your good nature.

I recently read that a committee had been named by the House to investigate and recommend changes tending to improve the operation of the W. P. A. set-up. With this in mind, I submit to you my idea of how one of the worst abuses under W. P. A. operation could be eliminated. This idea is pertinent to the mechanics and common labor used by W. P. A. in their building and construction operations.

If you think that my plan as described in the enclosed pages is feasible, I would appreciate your forwarding same to the committee having this matter in charge.

Trusting that I am not presuming too much, and with my kindest personal regards, I am

Sincerely,

J. GEORGE COSTELLO.

W. P. A. now employs men for about 7 days a month, at a monthly wage of $60 to $85. When this started it was hoped that W. P. A. would be a temporary expedient, and that private industry would recover sufficiently to eliminate same when that recovery took place.

It now seems evident that W. P. A. is more or less permanent, because there will always be a number of men whom private industry cannot absorb.

Suppose, then, that W. P. A. was operated with these frank objectives:

1. To provide a sustenance wage for those not able to find private employment.

2. To provide an incentive for workers to leave W. P. A. at the earliest opportunity for private employment. This incentive would be established by having a distinct differential, as regards wages and hours, between W. P. A. workers and those in private industry. Let the monthly wage to W. P. A. workers remain the same as it now is, but require these workers to put in their full time each month instead of only 7 days.

This would mean that a worker eligible for W. P. A. who could not find private employment could work for W. P. A. at wages of between $15 and $22 per week at full time. Let the higher wages offered by private industry be the factor in keeping W. P. A. restricted to unemployables. Let that higher wage be the incentive for W. P. A. workers to seek an early return to private employment. (The theory is that the W. P. A. worker seeks that return under the present conditions, but it doesn't work out that way; it is only natural for him to want to retain the security of the fixed $60 to $85 per month paid by W. P. A. and to augment this sum by whatever private work he can get on his free time each month.)

It should be recognized that an excessive amount of delay and red tape in securing a return to W. P. A. is a deterrent toward men leaving same. When such a return is unavoidable on the worker's part, and where the worker is eligible for such reemployment by W. P. A., there should be some method of facilitating his return without subjecting him to undue delay or other hardships.

If W. P. A. workers were employed for their full time at wages of $15 to $22 per week it would probably result in the following:

1. An elimination of the practice of quitting private employment each month to return for their 7 days with W. P. A.

2. A gradual sifting of the men, with the more efficient leaving W. P. A. completely and working only for private industry, and the less efficient remaining in W. P. A. at the lower wages. In good times more and more would leave W. P. A for the higher wages obtainable in private industry, leaving always the less efficient in the W P. A.

3. Better maintenance of wages. The W. P. A. worker who now has 10 or 15 free days each month is a disturbing influence on wages. He is free on those days to compete with workers in private industry, and being sure of his fixed W. P. A. wage is willing in many cases to work for whatever wage is obtainable. This invites chiseling and tends to break down and upset the prevailing union wage scale.

4. The incentive to return to private employment because of that better maintenance of wages. A mechanic getting $20 or $22 per week on W. P. A. would only be interested in returning to private employment if he could better himself by doing so. At present the wage-cutting employer can hire these men for $6, $7, and $8 per day, on their free time. If they had no free time, but had to leave W. P. A. completely in order to work for such an employer, they would be disinclined to do so for such low wages because they would not be much better off financially than they would be on W. P. A., and in the bargain would have to work much harder. On W. P. A. they are sure of their $20 or $22 per week; in private employment they would have a certain amount of lost time, etc., so

that, in order to attract them from W. P. A., wages at or near the union wage scale would have to be offered them. With a great number of men able to make their choice between W. P. A. at sustenance wages and private employment at high wages, the wage-cutting employer would be less able to induce men to work for him.

5. In summing up, it seems reasonable to assume that the above plan would produce the following results:

(a) Workers would be unable to remain on W. P. A. and at the same time to compete unfairly with private industry employees.

(b) The elimination of this unfair competition by W. P. A. workers on their free time would effectively block the wage-cutting employer.

(c) There would be less hesitancy on the part of workers leaving W. P. A. for even temporary reemployment in private industry if they knew there would be no unreasonable restrictions against their returning to W. P. A. when necessary.

(d) Private industry would recognize the fact that they could only make private employment more attractive than W. P. A. employment by offering wages considerably above the W. P. A. sustenance wage.

(e) There would be a firming of wages and they would be easier to maintain.

Grand Coulee Project

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

ARTICLE FROM THE PORTLAND OREGONIAN

Mr. LEAVY. Mr. Speaker, during my 3 years in Congress I have been the champion of the Grand Coulee Dam, and it has been a proud privilege to support that marvelous undertaking, initiated by President Franklin D. Roosevelt, and so effectively championed and carried forward by him.

I doubt if any great Government undertaking has ever been more misunderstood by Members of this House on both sides of the aisle than has this mighty, potential, national asset as it has gone forward toward completion and realization.

Mr. Speaker, every conceivable objection—some that might be real and many more that were fancied—have been advanced from time to time in opposition to this undertaking Among some of the objections that really had merit was the one that this would greatly enhance the value of one and one-quarter million acres of arid land that would be made productive by the bringing of water to it, because these lands were largely in county or private ownership. This objection was met and overcome when there was put through the Senate an antispeculation bill by Senators BONE and SCHWELLENBACH, and the same measure, after being passed in the Senate, was put through the House by my able colleague, KNUTE HILL, and myself. This was done in the first session of the Seventy-fifth Congress, and it insures forever that this new frontier, when occupied by settlers, such settlers will be the actual farmers residing on the land. No individual can own more than 40 acres and no family can own more than 80 acres.

While my colleague, Congressman HILL, and I have taken the lead in this fight in this body, due to the fact that the dam itself is partly in his congressional district and partly in mine, and the great storage reservoir, 150 miles in length, is entirely in my district, and land to be reclaimed is almost entirely in Congressman HILL's district, still there is every reason from a broad, patriotic, national viewpoint why every Member of Congress should be fully familiar with this, the world's mightiest undertaking of its kind, because it opens up our last great western frontier to make homes for the hundreds of thousands of homeless.

A few weeks ago in the Portland Oregonian there appeared an article concerning the Grand Coulee project, written by Richard L. Neuberger, the author of a recent book entitled "Our Promised Land." Mr. Neuberger possesses an ability to paint pen pictures and graphically state facts that is outstanding among current writers today. In his own fine style and based upon actual facts he has detailed the story of the Grand Coulee project in his article of March 19, 1939, in the Portland Oregonian, and I take pleasure in making it a part of my remarks:

[From the Portland Oregonian of March 19, 1939]

COULEE WATER DUE IN 1942—IRRIGATION DISTRICTS ANTICIPATE BOUNTIFUL FLOOD AT EARLY DATE

(By Richard L. Neuberger)

Along the Columbia River, where it twists across southeastern Washington, is a great Africa-shaped chunk of land. It is nearly 1,500,000 acres in extent. This is larger than the whole State of Delaware and almost as large as the combined area of all the farms in the State of New Jersey.

Now, this land is barren and arid. Sagebrush dots it like a vast, somber mantle. Crumbling farmhouses and gaunt, silent barns reveal the story of settlers whose hopes were broken in a region of the dead. Rattlesnakes survive here, but not sheep and cattle and the men who own them. This is the sort of ugly waste land Daniel Webster referred to when he said he would not give a silver dollar for all of the Oregon country.

PROGRESS—DAM MORE THAN HALF COMPLETED

But this segment of the Pacific Northwest, shaped like Africa, need not always be desolate. The late Dr. Elwood Mead, United States Commissioner of Reclamation, once described it as "the largest compact body of undeveloped land remaining in the United States and the most fertile." All it needed to live and flourish and support 100,000 farm families, said Dr. Mead, was water.

The water is coming. At Grand Coulee rises the dam that will simultaneously be the biggest power, reclamation, and river-control project ever built. Already the enterprise is more than half completed. It stretches across the Columbia in fortress-like magnificence. And high on the granite cliffs a series of round tunnels look like giant portholes. Through those tunnels will rush the water to make the northwestern desert bloom. The land Daniel Webster said was useless will grow food to feed a million people.

Today Grand Coulee Dam is more than a dream of a structure to dwarf the Pyramids. It is a tangible reality. After 5 years of work it is within easy distance of completion. By 1941 it surely will be finished. The hardest part of the difficult task—the building of the massive foundation—was done more than a year ago. The dam may be completed in 1940. This is the wish of President Roosevelt. Grand Coulee is his favorite project and he wants to dedicate it before he leaves the White House.

"Baron Munchausen, thou wert a piker!" exclaimed a Spokane newspaper when a Wenatchee journalist named Rufus Woods first proposed the Coulee undertaking 20 years ago. But Woods has lived to see his idea come true. He was present a few weeks ago when meetings were held at Quincy and Ephrata and other Washington towns to form the biggest irrigation districts in the world. Columbia River water to drench the wastelands is that near.

The actual preparations to get the Grand Coulee project under way have begun. Workmen at the dam itself have started the enormous tunnels which will send the water to the dry acres. Other workmen are surveying the land to be irrigated. They are classifying the region, noting its contours and undulations and planning exactly where the vast riverlike canals will flow. Congress has passed a law regulating the sale, ownership, and development of the land. As these words are written the State legislature of Washington is adopting supplementary statutes to dovetail with the congressional requirements.

FAILURE—WAS FATE OF EARLY SETTLERS

The President himself has caught the fever. A press association dispatch on his recent birthday commented: "At the moment Mr. Roosevelt is engrossed in the population problem presented by Grand Coulee Dam. When this tremendous project is completed it will irrigate a section of Washington sufficiently large to support 100,000 families—approximately 500,000 persons. The President is interested in what kind of persons would do best in this section, and how to get them there."

Much of the land to be watered by Grand Coulee was homesteaded 30 and 40 years ago. The railroads owned alternate sections of the area as land grants to encourage westward extension. New settlers were traveling toward the Pacific. The migrants knew nothing about the soil. Some of them borrowed money and mortgaged their homesteads. Mainly they failed. The moisture matted in the ground sustained dry farming for a few years. Then the fertility gave out. The desert had been penetrated too far. The settlers moved on.

Now, after almost half a century, the settlers are coming back. Here is old Jack McGrath, from Seattle. "We are going to get the water we couldn't get when we settled 40 years ago," says he. The year Washington became a State, 1889, he trekked into the basin. Bill Wilkins is up from Hiawatha Valley. He settled along the Columbia in 1909. He thinks the time will come when he will have to pay an annual electric bill of $600 for pumping water. But the land will be so fertile, claims he, the paying of that bill will be a pleasure.

RIVER—WAS SO CLOSE BUT UNATTAINABLE

The mechanical operation of the Grand Coulee project must be explained. Long ago, when the settlers knew the land was too arid, they could not get water to save their frontier farms. The Columbia River was 500 feet below in its granite canyon. No windmill could pump water one-tenth that far. The river might as well have been in Afghanistan. The ranchers could pitch stones

into the Columbia, but they could not get water out of it to irrigate their farms.

Now Grand Coulee Dam rises in the wilderness. It will raise the level of the river nearly 500 feet. Tremendous pumps, powerful enough to provide all New York City, will force the water the rest of the way. The water will flow out of its tunnels into the Grand Coulee of the Columbia River. This is a long gorgelike declivity cut by the river during the glacial epochs. From this prehistoric cleft, sharp and gaunt with its smooth cliffs, the water will be coasted via canals and ditches to the 1,500,000 acres which need irrigation.

Congress insists that Coulee water be sold to irrigation districts rather than private individuals. So irrigation districts have been formed. A few weeks ago in the little town of Quincy, returning settlers and homesteaders and landowners voted by a margin of 709 to 34 to form the biggest irrigation district in the world. It will be 500,000 acres in extent. At Ephrata the vote was 191 to 0. In Soap Lake at the lower end of the Grand Coulee, the vote was 141 to 7. The colonists of years ago are ready to develop what the Spokane Spokesman-Review calls "the last great agricultural project of the world."

Special trains on the Great Northern brought back the homesteaders. "It's a great day," said John O'Meara. He settled in 1906, but his farm dried up and he became a school teacher. Axel Jonson staked out a farm in 1903. He dug wells, built barns, and ran out fences. Then the arid desert reclaimed its own. Axel went to Seattle and became a lawyer. He returned to his abandoned homestead to vote enthusiastically for the irrigation district.

Not all the land, however, is owned by people like John O'Meara and Axel Jonson. A peek at the ownership records of typical tracts shows that the Northern Pacific Railroad still has possession of many of the alternate sections it obtained in the land grants of many years ago. Also a lot of the groups which held mortgages on the homesteads got the ranches after the settlers had failed. For example, scattered through the region, are big holdings owned by the Vermont Loan & Trust Co., the Central Bank of Toppenish, the American Mortgage Co., the Union Central Life Insurance Co., and similar organizations.

How can land speculation and profiteering be prevented? The whole country is paying taxes to finance the Grand Coulee undertaking, with the cost divided as follows:

Dam and power plant	$181,101,000
Interest charges	15,000,000
Irrigation canals	208,512,000
Total	404,613,000

Congress believes it has the answer to the question. The antispeculation bill, sponsored by Senators SCHWELLENBACH and BONE, provides (1) that privately owned lands within the area to be served be appraised without reference to the irrigation; (2) that no man can own more than 40 acres in the area and that a married couple be limited to 80 acres; and (3) that any land sold at speculative prices be refused water from the Grand Coulee irrigation system.

POLICY—EXPECTED TO BRING LITIGATION

This may result in considerable litigation, but the Government thinks it can win in court. Similar, although less sweeping, regulations were upheld on the Kittitas and Vale-Owyhee irrigation projects. The Grand Coulee lands will be restricted to comparatively small farms, because the Government believes the region should be a haven for as many families from the Dust Bowl as possible. President Roosevelt emphasized this policy in speeches at the dam both in 1934 and in 1937. It is one of his favorite theories.

The legal problem of dividing up the land is not a simple one. One bank owns 27,880 of the acres to be reclaimed. The average holding is 2,240 acres. Two or three Washington counties own large parcels acquired when tax payments could not be met. A few people are still dry-farming, with fair success, in various scattered parts of the project. Three brothers are cultivating 32,500 acres. The splitting up and purchasing of all these farms will require much courtroom activity. The judicial process in regard to this may eventually reach the Supreme Court of the United States. Never before in American history has a single construction enterprise involved so vast an area of land.

For the past 5 years the people of the country in general and the Pacific Northwest in particular have become accustomed to regarding Grand Coulee as a project of the distant future. Perhaps the present developments will adjust that perspective. The irrigation districts formed at Quincy and Ephrata and other places are functioning already. The landowners are applying for water and the Government is surveying just where the canals will flow.

The irrigation districts are private organizations, so the Government cannot finance them. The railroads have contributed some of the money toward setting up the groups. The land to be watered by Grand Coulee is touched by four railways—the Great Northern, the Northern Pacific, the Union Pacific, and the Chicago, Milwaukee & St. Paul. All these lines expect the project to be a tremendous stimulus to transportation. Department of Interior officials estimate that at least 150,000 people in small towns will be necessary to provide essential services for the men and women on the new farms.

The Washington State Planning Commission has announced: "The Columbia Basin area when fully developed may be expected to produce in agricultural and related products annual wealth to the extent of $150,000,000 or more—wealth that means purchasing power." This sum represents nearly half the total income of the whole State of Oregon for the year 1935. Some economists believe the Coulee development will be the greatest population and income boon ever to take place within a relatively short time in this part of the Nation.

The survey of the lands and other factors in the region have gone sufficiently far to make reasonably accurate the knowledge of conditions under which the great area will be settled. Ranchers taking up 80-acre farms should have about $3,000 in cash. Landowners now are asking an average of $86 an acre. The United States Bureau of Reclamation calculates that the operation of the congressional and State antispeculation laws will drive this down to about $15 an acre on the average. Now, what will the water rights cost? Without water these potentially valuable lands will be as dry as talcum powder and as useless as the sagebrush which covers them. Water here is the difference between life and desolation.

For each acre permanent water rights will amount to between $85 and $90. This will be paid over 40 years without interest. Payments will be staggered out in this fashion. For the first 4 years there will be no charge, thus giving the settler a chance to become established and rehabilitated. For the next 4 years the payment will be $2 an acre. During the next 32 years the rancher will pay approximately $2.50 an acre. This totals about $88 an acre. After these payments have been completed the hinterland settler will own a permanent water right to irrigation from the Grand Coulee Dam.

CROPS—EXPECTED IN GREAT ABUNDANCE

Of course, the water must be pumped. What will this cost? After a careful and exhaustive survey, Government experts announce that the annual charge for pumping and maintaining the canals will be $2.60 an acre. This will be an annual cost, taking place year after year. Bureau of Reclamation officials contend the settlers can meet these costs and still farm successfully. They anticipate that the soil will be bountifully fertile. After 5 years class 1 land at Grand Coulee is expected to support, under intensive cultivation, such a variety of crops as corn, potatoes, barley, alfalfa, oats, peas, and beets. "In fact," pointed out the late Dr. Mead, "the Columbia basin project has an acreage almost one-half as large as that which furnishes the Nation with its present supply of the 19 principal truck crops."

Power, as well as irrigation, will be a function of Grand Coulee. To be specific, it will be by far the biggest power plant in the world. The twin hydroelectric powerhouses will have to be operated by remote control, lest the men doing so be electrocuted. Just as irrigation districts are now getting ready for the surge of Coulee water, power districts are preparing for the flow of Coulee electricity.

Public utility districts to distribute Grand Coulee energy over publicly owned lines have been formed in the Washington counties of Okanogan, Douglas, Lincoln, Ferry, Stevens, Pend Oreille, Chelan, and Franklin. All these counties are near the dam. Ben H. Kizer, of the Washington State planning commission, believes the Coulee power, the greatest chunk of hydroelectricity ever generated at one place, will be almost as important to the Northwest as the irrigation facilities.

Now, construction is under way to connect Grand Coulee with Bonneville Dam. A 230,000-volt transmission line of steel-latticed towers has been begun from Bonneville. Before he leaves the White House President Roosevelt is expected to request congressional approval of legislation which will tie the two big projects into a Columbia River authority similar to the T. V. A. in the South. Senator NORRIS and other White House counselors have long advocated that this be done. Whether Congress will ratify the request is a moot point.

As these words are written the United States House of Representatives has just appropriated the following sums to put Grand Coulee Dam in actual operation: $3,340,000 for the canals and irrigation reservoir; $2,200,000 for the hydroelectric power plant; $800,000 for protection of the salmon runs; and $500,000 for the pumps to force the water into the irrigation tunnels.

Explanation of Bill to Separate Commercial and Savings Banking

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 10, 1939

Mr. PATMAN. Mr. Speaker, the commercial banks of the Nation should go back into the banking business, and my bill, H. R. 6665, which was introduced Monday, June 5, would restrict them to that field.

EXEMPTION

The bill will exempt all banks with assets under $5,000,000, in view of the fact that the smaller banks cannot quickly

adjust themselves to the proposed change and many of them, doubtless, would not have sufficient earnings to justify their continuance, and I certainly do not want to do anything that will deprive any town of a needed banking institution.

Size of banks included and excluded

	Percent of all banks	Total assets	Percent total amount all banks
Number banks over $5,000,000 in assets, 1,126	8.24	$44,754,590,000	78.79
Number banks under $5,000,000 in assets, 12,533	91.76	12,045,664,000	21.21

COMMERCIAL BANK SHOULD BE LIQUID

The prime requisite of a good bank is that it shall be liquid—that depositors may get their money on call. No bank is liquid when its funds, supposedly withdrawable on notice, are tied up in long-term investments. Yet such investments are being made daily throughout the country and now have reached a staggering volume.

Long-term financing belongs to other institutions than commercial banks. Money is deposited in those institutions specifically for long-term investments. Yet commercial banks for several years have been abandoning their own function—depriving business of legitimate financing—to enter the long-term investment field, where they do not belong and where, for the safety of their depositors' funds, they cannot be allowed to remain.

CREDIT WITHHELD BY BANKS

Business needs the credit which can be furnished by commercial banks. Business is stagnant because that credit is withheld. Let it be released into the proper channels and business will have a chance to prosper, and the commercial banks will be back in their proper sphere, supplying funds for enterprises with a rapid turn-over that will mean a new prosperity.

BANKS GREATLY HELPED BY PRESENT ADMINISTRATION

"Calamity howlers" from banking circles have come here time and again with their stories of a paralyzed banking world, of regulatory laws that crippled them, of investment opportunities strangled by fear. What is the truth? The truth is that the Government consistently has subsidized them. The truth is that the Government disbursed billions of dollars to commercial banks through the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, the Farm Credit Administration, and the Federal Deposit Insurance Corporation. Legislative favor reduced the interest they pay on savings deposits. Interest payments on demand deposits were eliminated. Their lending powers were liberalized, adding to the effectiveness of their Government subsidies.

In return, the commercial banks have added charges on checking accounts, assessing customers for accounts on which the banks pay no interest, have increased their disbursements in salaries and wages, and have decreased their traditional services to business and the general public.

GOVERNMENT FORCED TO MAKE LOANS BANKS REFUSED TO MAKE

Because of the failure of commercial banks to meet the credit needs of industry and commerce, the R. F. C. has been forced to grant 7,371 loans, totaling more than $447,000,000, to small business enterprises. Banks participated in only 1,661 of these loans, totaling $61,000,000.

Because of the inactivity of commercial banks, Congress was forced to authorize the Federal Reserve banks to extend direct credit to business for working capital, which they did to the extent of $175,000,000.

Because of the failure of commercial banks to meet the short-term credit needs of farmers, production credit associations were established under the Farm Credit Act of 1933 and made loans aggregating $166,000,000. In addition, the R. F. C. authorized agricultural loans totaling $1,840,000,000 through the Commodity Credit Corporation and supplemented them with nearly $200,000,000 for livestock and similar credit corporations.

Because of the failure of commercial banks to provide credit facilities for foreign commerce, the Export-Import Bank was created by Congress. From its inception in 1933 up to the end of 1937, it had made commitments aggregating $134,000,000 and had disbursed nearly $43,000,000.

INSTALLMENT CREDIT ENCOURAGED BY FAILURE OF COMMERCIAL BANKS TO EXTEND CREDIT

The failure of commercial banks to properly serve their purpose nowhere is better illustrated than in the installment credit field. Thousands of specialized installment finance companies now finance half the purchases in this field, with a total annual business volume of $3,000,000,000; most of the rest is done by dealers, personal loan departments of commercial banks, and personal loan agencies. The importance of strictly commercial banks in this field now is negligible.

PERSONAL LOAN AGENCIES ENCOURAGED BY BANKS NOT MAKING LOANS

For a last indictment of commercial bank policies, we can turn to the personal loan agencies. There were more than 4,000 as far back as 1935, doing a business of $500,000,000—at rates of interest the public ill could afford to pay and which, if commercial banks were extending the proper credit, it would not have had to pay. The expansion of personal loan companies has been paralleled by the growth of credit unions under State and Federal charter; at the end of 1938 there were 7,500 such unions, with assets of more than $120,000,000.

BANKS DRIFTING AWAY FROM BUSINESS THEY WERE ESTABLISHED TO DO

Thus we see that, despite the encouragement and aid of the R. F. C. and other governmental agencies, commercial banks steadily have drifted away from their traditional and proper function of making commercial loans. Figures bear out the general statements made above. In 1928 commercial banks held about 70 percent of the total loans and investments in this country. The ratio now has declined to about 40 percent. "Other loans" representing traditional commercial bank transactions have declined from 30 percent to 20 percent. Total loans of all Federal Reserve member banks dropped from $25,000,000,000 in 1928 to less than $13,000,000,000 in 1938.

COMMERCIAL BANKING ABANDONED

In other words, the commercial banks of this Nation have abandoned commercial banking and deprived business of the credit with which it could expand. But they have entered another field—that of long-term investments—which has been the function of other institutions for more than 100 years.

That invasion rightfully could be resented—the abandonment of one necessary function in our economic life to infringe on organizations performing another—but it is not the most serious phase of the situation.

The truth is that the commercial banks are tying up what should be liquid funds—funds which depositors have been guaranteed are on call—in long-term commitments extending over periods as high as 25 years.

It is useless to say that the Government is insuring such loans as are made on housing. That does not make the process right, nor does it make the loans liquid.

MANY BANKERS APPROVE PROPOSAL

Many bankers share my views. Appearing before the Temporary National Economic Committee, Ralph W. Manuel, president of the Marquette National Bank, of Minneapolis, was asked, "You would prohibit commercial banks from loaning money on a fine house or building?" His answer was, "That is right * * *." "You would restrict commercial banks to legitimate commercial transactions?" he was asked. His answer was, "I would."

Not only Mr. Manuel, but thousands of other bankers know that in making a long-term investment of bank funds, a banker is risking liquidity in times of stress. Such security as homes cannot be transferred readily any time; in troublous financial periods, they are frozen as solid as a North Atlantic iceberg. Just as they represent the safest kind of long-term investment, so are they the most dangerous kind of investment for short-term funds.

It is very obvious that commercial banks have been attracted by the newly popularized amortized or direct-reduction loan, whereby a home builder or buyer reduces his principal with each monthly payment. Certainly this type of loan is the safest kind of home loan. If bankers like the principle, why do they not apply it to their own kind of transactions? Certainly if long-term, direct-reduction loans are safe for them to make, say in the housing field, they can safely be made in business transactions.

NO SAVINGS DEPOSITS IN COMMERCIAL BANKS

My bill provides that savings deposits shall not be made in a commercial bank. This is not a radical proposal. No banks or trust companies in the State of New York have been permitted to advertise for savings since 1934 or to use the word "saving" or "savings" in connection with its name. This law was passed to prevent such banks from deceiving the people.

Had all banks stuck to their business and performed their proper functions in these past few years, they would be better off today. Jesse Jones, of the R. F. C., reports that, after charging off 1 percent for management and all overhead costs, the R. F. C. has made a profit of $200,000,000 thus far—money that well might have gone to the commercial banks.

To come down to cases, commercial banks should be forced to do one of two things.

First. Stay in the commercial banking field, making short-term business loans with short-term money.

Second. Get out of the commercial banking field, accept money only for long-term investments and use it in such enterprises as offer such investments.

They should not be permitted by this Government to operate in a dual field, just because of their size and influence, when the Government knows that they do not belong there and that their present activities well might be regarded as a betrayal of their depositors' trust.

There is a vast commercial banking field in this country, the largest in the world. I propose to restrict the commercial banks to it, in the hope that they will carry out the functions for which they were intended and supply a service the lack of which has crippled business for the past several years.

A FEW MEN CONTROL CORPORATE WEALTH

A few men controlling a few banks control the corporate wealth of the Nation. The present banking set-up gives a few bankers entirely too much power, in fact, a power equal to a dictatorship over business. A New York banker on the board of directors of a concern that owns thousands of busses in a certain city, and also on the board of directors of a large tire company, recently compelled the bus company to remove tires of a certain make from the busses and equip them with tires made by the concern that he was a director in.

An independent paint dealer in my home town was told by the manager of a large concern operating there that he could not patronize him because a New York banker, who was a director of his concern, was also a director of a large paint company which had a retail outlet in this town; therefore he was compelled to patronize this absentee-owned, retail paint store.

The directors of one banking concern in New York City interlock with all the principal national chain stores in America. These chain stores, with the power and influence of these New York bankers, who own and control so many corporate institutions, have a tremendous advantage in their efforts to destroy local business. Will a good banker advance money to anyone to go into the grocery business or into the drug business or variety-store business or shoe business or tire business or any other line of business that chain stores that are Wall Street backed engage in? The answer is "emphatically no," and there is a good reason for it. The local banker knows that as soon as his customer builds up a good business in any locality, the absentee-owned national corporate chain will go into competition with him in that area and having the profits from thousands of other retail stores owned by this concern to support it will sell goods and commodities at a loss until the local merchant is put out of business.

TIME TO CHOOSE

We have reached the time when we must choose between Wall Street owned and controlled concerns or whether we want the kind of business that has built this country to continue.

Senate Bill 1305

EXTENSION OF REMARKS

OF

HON. GEORGE P. DARROW

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

ADDRESS BY WILL H. GIBSON, FORMER SECRETARY OF STATE OF IDAHO

Mr. DARROW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Will H. Gibson, former secretary of state of Idaho, before a Boise service club, April 1939, on Senate bill 1305, now before the Congress of the United States:

Gentlemen, we have a matter before us as citizens which appears to be one of the most far-reaching proposals affecting changes in our present school programs throughout the United States that has ever been presented before the Congress.

Some 70 years ago an act of Congress provided for the appointment by the President of a Commissioner of Education. His duties were very briefly defined in an act comprising some 300 words. His activities were those of gathering statistics concerning the progress of education in the several States, and his duties extended only to the matter of suggestion of betterment of the programs of the public schools of our States, which as we all know are based upon the laws, rules, and regulations of the several States—not interstate.

If there is an institution in America which is entitled to our undivided loyalty in no uncertain terms it is the public tax-supported school systems of the several States of the Union. Our schools are the very foundation of the perpetuity of American institutions. There is no contribution we make in the way of taxation that is more liberally given than to our schools, their maintenance, and the facilities by which our young people are educated in this great Republic of ours.

We have continued for 150 years with this program, expanding our facilities as far as possible for the taxpayers to meet the growing requirements. If you will note your tax receipt in Idaho from the local community on up through to the university requirements, you will note that by far the largest item in that receipt is for public-school purposes.

In the face of the tremendous Federal indebtedness which we have in this country today, bordering on 40 billions of dollars, when we are using every effort possible in the State of Idaho, along with other States, to maintain our educational facilities, it is proposed in Senate bill No. 1305 now before the Congress of the United States, upon which hearings are now being held by the Educational Committee of the Senate, to further burden the taxpayers of the States with a billion dollars of Federal money to be distributed among the States over a term of years, in addition to that which the States are now paying for the support of education.

Who is calling for this legislation? Has the legislature of this State, has our Governor, the board of education or the State superintendent of public instruction, for generations past, asked Congress for the enactment of this legislation? Idaho has never petitioned the Congress for such legislation.

We do not know of a single State in the Union which, through its official authorities, has asked for the enactment of a piece of legislation by the Congress of the United States empowering one man as the so-called Commissioner of Education, sitting in Washington, to have the say in the distribution of a billion dollars of the taxpayers' money among the several States of the Union in the matter of education.

Whence comes this demand? In reading from literature put out by several organizations opposing this legislation, including one known as the Friends of the Public Schools, which is officered by some of the most outstanding educational leaders of the country, we find that this bill is being fostered by a number of educators in this country who seem to be impregnated with the ideas of the totali-

tarian states. The dictator countries of Germany, Russia, and Italy—ideas un-American to the core, taking away from the States their duties and their privileges as to the carrying on of education in our several States and placing an enormous amount of authority in the hands of a Commissioner of Education in Washington, who, by the way, will have during the 6 years beginning in 1940 over $10,000,000 at his individual disposal for the purpose of hiring employees who will swarm over this country and tell us what to do and how to do it in the matter of education.

This billion-dollar appropriation is proposed when millions of our people are out of employment, when hunger and starvation stalk the land. We are to be saddled with this additional billion dollars if this legislation is passed.

Let us examine some of the provisions of this bill introduced by Senator THOMAS of Utah and Senator HARRISON, of Mississippi. The very first clause in the first section of this bill reads, "It is the primary purpose of this act to assist in equalizing educational opportunities, among and within the States." The very first clause under title I reads, "For the purpose of assisting effectively in equalizing opportunities for elementary and secondary education, among the States and within States."

In those clauses not one word is said concerning the type of school that is to be assisted—not even the words "public schools." There was a demand made some years ago that if a bill of this type were to be passed by the Congress of the United States, it should apply to public tax-supported schools and no other. That clause has been eliminated. There is nothing said about tax-supported free public schools in this bill, nor any restriction of the use of this billion dollars exclusively to such schools.

Already a number of our denominational schools in this country are opposing this bill. They do not want such appropriations for their institutions. The Seventh Day Adventists, the Lutherans, having hundreds of thousands in their private schools, have denounced the provisions of this bill. They do not want to see private schools participating in public funds nor their educational programs nationalized.

Does it not appear that any school of a private nature would only need to say, "We will open our doors and do open our doors to any boy or girl in the United States whose parents will provide the means to educate them," and thereby qualify to come under this act? There is no provision of this act that would deny them that privilege.

The amounts appropriated under title I, after payment, shall be made available for disbursement by the States that have complied with all the provisions of the title. In other words, before Idaho could participate in the provisions for the distribution of these funds, we would have to adopt the provisions of this title in toto. Not only that, but this proposed legislation would empower the Commissioner of Education in Washington to define and promulgate such rules and regulations as he may see fit in reference to the use of these funds. Should a State fail, or neglect, to use properly every dollar that may be appropriated to it, the Secretary of the Treasury shall, upon certification by the Commissioner, stop payment. What does this mean? Under rules and regulations promulgated by the Commissioner the State may readily be denied participation in Federal funds.

The bill before Congress is divided into six titles. In brief, the first title has to do with our common schools; the second title provides for adult education; the third title to the extension of library facilities among the several States; the remaining titles pertain to other details.

Under each of these different titles the State Legislature of Idaho would be required to adopt all the provisions of the title and be governed to a large extent by the rules and regulations promulgated by the Commissioner of Education in Washington.

I want to read to you just a few excerpts from the provisions of the bill:

"From the sums made available under this part (sec. 13, title I), the United States Commissioner of Education shall apportion to each State" a certain amount. The Commissioner shall determine for each State. Idaho has no voice in the determination. The Commissioner shall further determine for Idaho the "index of financial need." The index of financial need of Idaho is to be determined annually, and the Commissioner shall promptly notify the Idaho educational authority of the index of financial need determined for Idaho.

Is there any authority conferred in these provisions except upon the Commissioner?

Let us suppose that the Commissioner finds that Idaho is not providing the moneys per person provided by other States. The appropriations in the various States vary from $1 as a basis, up to three or four dollars in some States. Idaho may be 10 or 15 percent below the average of the States of the Union. With a billion-dollar appropriation to parcel out among the several States as the Commissioner sees fit, and with $10,000,000 to spend in sending emissaries to the States to investigate, make surveys, and contact our educational authority, what will be the tendency of the Commissioner as to Idaho being 15 percent below the average? Will it not be his tendency to persuade Idaho to come up to the average before treating with her?

Are there not great powers conferred upon the Commissioner in that connection? The next provision is that of the educational load. The index of the educational load of each State shall also be determined by the Commissioner. The load of Idaho depends upon the number of pupils in the State of Idaho of school age, compared with the total number in all the States.

Next is the index of financial ability of each State to support education. We are to be investigated most thoroughly as to our financial ability to run the affairs of our schools in Idaho. Who is going to determine our financial ability? The State of Idaho? If we adopt the provisions of this bill through our legislature, Idaho will have no voice whatever in determining her financial ability to operate our schools. It is determined in toto by the Secretary of the Treasury and the Commissioner of Education.

I read from the bill: "The index of financial ability of each State is defined as the percentage that the financial ability of that State is of the total financial ability of all the States with respect to the support of public education. The Secretary of the Treasury shall estimate annually the financial ability of the respective States to support education and certify such estimate to the Commissioner." "'In making such estimation the Secretary shall develop an index of the revenue that can be raised in the respective States from a uniform tax plan applied to all the States.'"

What a fine platform upon which to stand to bring Idaho into line, if she should be below the average in school support. Would you need more authority to be a dictator?

The Commissioner, as provided in the next section, "shall annually include in his report to Congress an analysis and summary of the legislative and administrative provisions adopted by each State for the expenditure of funds, and also statistical information showing the degree to which" each State has accomplished equalization of educational opportunity in comparison with previous years, especially as measured for the various local school jurisdictions by length of school term, availability of elementary and secondary education, the proportion of children of school age in average daily attendance, provision for reading and other instructional materials, provisions for pupil transportation, and average expenditures per pupil."

Do not these provisions confer undue authority upon the Commissioner of Education? Why this information? Is it not for the purpose of telling Idaho the standard to which she shall bring her schools before the Commissioner will give us the consideration which in his judgment he may desire to give? Nationalization of education! Totalitarian state! We are making rapid strides in that direction in this proposal.

This bill doesn't have to do only with our children. It embodies the teaching and training of our own teachers now employed. "For the purpose of improving the preparation of teachers and other educational personnel there is hereby appropriated the sum of $30,000,000." In case Idaho wants to accept these provisions, she must do so through her legislature, and having accepted the provisions, and by complying with all the rules and regulations of the Commissioner, we may be privileged to participate in these funds

Again reading from the text, "Separate teacher preparation institutions of more than junior college grade; teacher preparation divisions operated as parts of colleges and universities; and other schools, colleges, and departments operated as parts of colleges and universities," all may participate in the privileges of these funds.

Again, "The Commissioner shall annually include in his report * * * an analysis and summary of the legislative and administrative provisions adopted by each State for the expenditure of funds received through this part and also statistical and analytical information showing the probable need for teachers and other educational personnel in each of the States in subsequent years and the extent to which the needs are being met." Do we have a voice in determining those facts? The Commissioner of Education determines them for us.

There are similar provisions in this proposed legislation in reference to education of adults. The provisions of this bill commence with nursery schools and kindergartens. They go one step further down toward babyhood than kindergartens, and propose to regulate nursery schools.

As I read in a publication of the Friends of the Public Schools, "This bill covers mankind from the cradle to the grave."

There are many other activities to which these funds may be applied, under the direction and rules and regulations of the Commissioner of Education.

During this period of 6 years the Commissioner has $10,000,000 to carry on a program, which would provide hundreds of emissaries, their expenses and subsistence, together with transportation paid, to swarm over this country and tell us what shall be done with reference to our educational institutions.

In conclusion, I want to say to you that the further I make study of this bill the more I find it to be not in support of tax-supported public education, not in support of the schools which we nurture and to which we contribute so liberally, and of which we are so jealous in their undertakings; but this bill is for the purpose of nationalizing, if you please, the public-school systems of the several States. It is the very idea embodied in the totalitarian state's program with reference to the school system. What are Mussolini and Hitler doing today with reference to the schools? Dictating what is to be taught, texts to be used, and literature to be provided. This bill provides for those very things to be handed down from a bureau in Washington.

I want to say further that I think it is imperative that we who are standing by our tax-supported public schools, doing our utmost to support them as citizens and taxpayers, enter our protest against

the passage of any legislation tending to nationalize the public schools of this country.

There are many objections to this bill. It opens the door to a contest between our so-called private schools and tax-supported public schools. The moment that is done we undermine the school system of this country and depart upon the road leading to union of church and state. Its provisions limit the freedom of the States and reposes control and supervision in the Federal Government. It nationalizes and regiments. Section 51 of the bill purports to reserve to the States local administration and control but "not inconsistent with the provisions herein."

Educational load, educational needs, and ability to support education are to be determined by the Secretary of the Treasury and the Commissioner, the States having no voice therein. The money side of the bill is important, but fades to relative insignificance compared with the question of the educational policy of the entire Nation. Every citizen interested in the perpetuity of our institutions should oppose this measure.

This is not the first bill of such nature to be proposed in Congress. The Harrison-Fletcher bill was introduced by Senators HARRISON and Fletcher in two previous Congresses, but failed to pass. Senate bill No. 1305 is a substitute bill, with one new author, and it is introduced in the House and Senate in similar form. We are informed proponents of the Senate bill are urging enactment during this session of Congress.

It is imperative that we protest the passage of this bill by writing our delegation in Congress without delay. Let every friend of our public schools act promptly.

I thank you, gentlemen, for your marked attention in the consideration of this proposal.

The Townsend Bill

EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

EDITORIAL FROM THE GREEN BAY (WIS.) PRESS GAZETTE

Mr. JOHNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Green Bay Press Gazette, of Green Bay, Wis.:

[From the Green Bay (Wis.) Press Gazette]

CLUBBING THE TOWNSEND BILL

"Therefore, prepare thee to cut off the flesh.
Shed thou no blood; nor cut thou less, nor more,
But just a pound of flesh: if thou tak'st more,
Or less, than a just pound, be it but so much
As makes it light, or heavy, in the substance,
Or the division of the twentieth part
Of one poor scruple; nay, if the scale do turn
But in the estimation of a hair,
Thou diest, and all thy goods are confiscate."

The oldsters received the most bewildering and bellowing razzle-dazzle at Washington since Portia talked to Shylock at Venice in the cloudy and forgotten past.

The Townsend bill ran the gamut, straight down the aisle with clubbers on both sides. Alleged proponents and hostile opponents agreed upon one merry feature—there would be nary an amendment.

Those who voted against the measure, therefore, may explain very reasonably that it was the $200 a month to which they objected and that if it had only been $190 or $197.50 it would have been all right with them. And those wily gentlemen who have been nursing this meal ticket of theirs along are greatly relieved for if any sort of bill were passed where would come this stream of dimes and quarters, this veritable river of gurgling gold that bears upon its bosom so many craft forever "coming round the bend" and loaded with jolly crews?

No sawdusted joint on Clark street in the Chicago of 40 years ago ever turned its burly bouncer upon the poor yap who had spent his last nickel and threw him out in the gutter at 30 below zero the way the high-flown politicians and the equally high-flown schemers joined up to put the half nelson, the gag, and the hammer lock on the boys and girls past 60.

Some may call it a classy and delicious piece of work, but it was as raw as the beefstake while the critter still cavorts on the Texas plains.

Why Further Cripple the South by Turning Water Transportation Over to the Interstate Commerce Commission?

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

STATEMENT OF W. C. McCLURE BEFORE THE INTERSTATE COMMERCE COMMITTEE OF THE SENATE

Mr. ELLIS. Mr. Speaker, one of the saddest gestures of this session of Congress has been the attempt to place the transportation of our inland waterways under the jurisdiction of the Interstate Commerce Commission, the same Commission that has sanctioned, fostered, and harbored the abominable freight rate structure which we of the South and West today endure.

Inch by inch for the past 50 years the Congress has enacted laws, the net result of which has been to enslave and colonize the South for the benefit of the industrial East. Shall we now be forced to yield this last bit of freedom, the freedom of plying our own waterways without being forced to levy prohibitive rates?

Mr. W. C. McClure, of Camden, Ark., secretary of the Southwest Valleys Association and of our State flood control commission, is recognized as one of the outstanding authorities of the South on waterways development. Under leave granted me by unanimous consent of the House, I am happy to quote here in full the appeal of Mr. McClure before the Interstate Commerce Committee of the Senate on April 11, 1939:

Without the free and unregulated transportation along our inland waterways it is the fear of many that commerce would become too much the slave of transportation while commerce should be the master of the two.

Our water-carrier lines are not in financial trouble. Water transportation is good for commerce for only one reason—its lower cost. Regulation will not bring lower water rates. Why regulate water carriers under such manifestly plain existence of facts—notably: They are apparently making money and they are saving the public money in their lower rates.

The people I represent have the opinion that a powerful lobby is supporting this proposed legislation, which would put our water carriers under the jurisdiction of the Interstate Commerce Commission. It is further believed that this lobby is a partnership between the money interest of the railroads who seek monopoly and higher rates and the employee interest of the rail lines who are after higher wages. Any sponsor of low-cost modes of transportation via water, in particular, does not necessarily oppose the principle of high wages for labor. It is our opinion that free and unrestricted competition is more conducive to advancing wages than a complete monopoly would be.

The people of this country, the rank and file, the man who is looking down on the hot furrow, and the man who is looking down on the hot forge, are looking up and looking about for a better order of things, and rightly so. But with it all, we cannot escape the idea that "Jones pays the freight."

We wish to cite here the theory of government and the acts of Congress our antitrust laws that would punish the man, organization, or agency that functions in restraint of trade. Such laws manifestly call for the whetting of swords on the doorsteps of any and all advocates of monopoly. Here we find in this measure what appears to be an attempt to form a gigantic monopoly of transportation units and place an agency of the Federal Government at the head of it as "Chairman of the Board."

No sound and forward-looking man would attempt to contradict the argument for regulation of any agency, firm, business, or corporation where the monopoly held was working a hardship on the public. But the question protrudes itself and presses for answer. That is to say, if the public is reaping economic benefits by reason of low-cost, competitive water transportation, how can this service be rendered cheaper to the public if forced into a monopoly with the railroads, one executive of which (when the monopoly was well nigh complete insofar as water competition was then concerned) said not many years ago, "The public

be damned"? But, today, well may we recall the profound words of Lincoln, "With malice toward none and charity for all." And yet, gentlemen of the committee, I need not recall to you the meaning of Jefferson when he said, "The whole art of good government consists in being honest."

All human existence calls for suffering; but we submit that the idea of the American people is that each of us should be willing to suffer for his own sins rather than be so un-American as to expect the innocent to suffer for the sins of the guilty. We further submit that there is a rather general viewpoint at large in this country, that one outstanding trouble with our transportation problem is that we have not as yet enough water under our inland waterways' boats and barges and there is, or has been, too much water in the stocks and securities of some of our transportation companies.

If competition must be destroyed to save our rail lines we face the wise or unwise decision of penalizing our inland waters for their God-given advantage to float cargoes weighing less than the water displaced.

Lachlan Macleay, president, Mississippi Valley Association, expressed the viewpoint of the average layman of this country when he said before the meeting of the National Rivers and Harbors Congress in March last. I quote:

"What is needed is a complete revision of our transportation laws and methods of control with a view to greater freedom for all forms of transportation in the interest of building business and prosperity for the producers and traders of the United States. Make the rules simple and understandable in place of complex, ambiguous, burdensome, and expensive. Let us have a rate system that businessmen can understand and perhaps then we will have one that the Interstate Commerce Commission can explain and administer."

To be free and unregulated we engender private initiative and private enterprise. To be regulated we cannot avoid that human instinct to await results and take things as they come, originate nothing and do more than is necessary to get such pay and rewards as "the law allows."

May the day never come when the laws of supply and demand shall cease to be a factor in things economic, and the solvent of competition be denied its wholesome place in the orderly processes of commerce and business.

It is very doubtful if the American people would long stand for a monopoly of all our modes and avenues of transportation or any centralization of management.

In conclusion, if I should attempt to draw a picture of the mind and heart of the American people, their hopes and aspirations, their strong desire that demoralization of the average citizen shall be held down to the lowest minimum possible, I would find myself completely halted at the foothills of that major development known as water and soil conservation under the principle of upstream control of floods by reservoir construction and for all the incidental benefits to be had from impounded water—not the least of which is the promotion of navigation by streamflow regulation. Such a byproduct will reduce the cost of canalizing our streams. Any move to circumvent such a vision of our people is fraught with the earmarks of unpopular legislation, while the achievement of such objectives calls for our best element of constructive statesmanship

We should make of the water of our inland streams great assets rather than liabilities. We should put to work for us tomorrow the water that destroys us today. It is entirely possible, indeed, most inviting to direct the activities of the United States Government into such a development program as will lower our flood heights, lower our power rates, and lower our cost of transportation. It can be done and no wiser investment of Federal funds could be made.

Hull's Neutrality Policy

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

EDITORIAL FROM THE ST. LOUIS GLOBE-DEMOCRAT OF JUNE 5, 1939

Mr. HENNINGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the St. Louis Globe-Democrat, which, to my mind, as a member of the Foreign Affairs Committee, which has for over 2 months been considering neutrality legislation, is a remarkably succinct and comprehensive analysis of our foreign policy. It might also be of interest to note that the Globe-Democrat has, in general, opposed editorially the policies of the Roosevelt administration over the past two administrations. The editorial follows:

[From the St. Louis Globe-Democrat, June 5, 1939]

HULL'S NEUTRALITY PROGRAM

Secretary of State Cordell Hull has submitted to the chairman of the Senate Committee on Foreign Relations, and the chairman of the House Committee on Foreign Affairs, the outline of a suggested program of neutrality legislation which is entitled to careful and respectful consideration. Secretary Hull is the officer of the Government who is specifically charged with the conduct of the relations of this country with foreign governments. He is perhaps more than any other man thoroughly informed on such relations, and on the laws and rules which pertain to them. His judgment is usually sound, and the integrity of his patriotism is beyond question. Moreover, while he resolutely upholds the rights of this Nation in international intercourse, he is ardently devoted to peace.

Therefore, his recommendations not only have the weight of estimable authority, but the values derived from long experience and highly intelligent study. In the event of war between other nations, he says, "The first concern of the United States is its own safety as well as the desire and intent, which all of us resolutely follow, to remain at peace." We would be faced in that event with the problem of maintaining our neutrality. What we should try to do "for the purpose of keeping this country out of war is to enact measures adapted to the safeguarding of our interests in all situations of which we can conceive, and at the same time imposing a minimum of abnormal and unnecessary burdens upon our nationals and a minimum of disruption of our peaceful economic life." He points out that international law requires that the domestic measures applied by a neutral must be impartially applied to the contending nations, but "it does not require that a neutral nation shall embargo any articles destined for belligerents."

Modern warfare is not war between armies, but war between nations, and, therefore, a nation at war needs everything essential to the life of the nation. It may require cotton and petroleum and food just as much as it requires arms or ammunition. If we are going to be logical, Mr. Hull says, in the matter of embargoes on exports to such nations then we should make the embargo all-inclusive; prohibit the sale or shipment to them of anything. But that policy would be ruinous to our economic life. The present neutrality law places a mandatory embargo upon our sale of arms or ammunition to belligerents and gives the President authority to embargo other products. That, we have repeatedly said, is an unwise provision that might drag us into war instead of keeping us out.

What is it then that Secretary Hull suggests? It is that the embargo provisions of the present law be eliminated, leaving the American people free to sell products of any kind, whether of arms or of wheat to nations at war. But he would provide "that the export of goods destined for belligerents should be preceded by transfer of title to the foreign purchaser." That is to say, the goods would have to be bought and paid for before shipment. He would prohibit American ships or American citizens from entering combat areas. Presumably he would give the President authority to designate such combat areas, but he does not say so in his statement. Certainly such provisions would require a definite statement of the boundaries of combat areas, and only the President would be qualified to define them. Apart from this there would be no restrictions upon American ships or American travel. These are the only changes he would make in the existing neutrality law. The present provisions against loans and credits to nations at war and prohibiting solicitation and collection of funds for belligerents he would continue.

To keep American ships and citizens out of the dangerous areas of combat is the essential purpose of his plan. "Our involvement in controversies is more likely to arise from destruction of American lives," he says. That is undoubtedly true, as our experience from 1914 to 1917 abundantly proved. His proposal differs from that of Senator PITTMAN in that it involves no abandonment of neutral rights, but simply restricts the exercise of those rights in zones of danger. And finally it is designed to impose "a minimum of disruption of our peaceful economic life," which is of the utmost importance.

We repeat again, what Secretary Hull proposes is entitled to serious consideration, and not only because of his office and his character, but because it seems to be a program of common sense.

On the Liberties of Americans

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

Mr. VOORHIS of California. Mr. Speaker, America has always been proud of the fact that the fundamental bases of her national life were strong enough to enable her to allow broad liberties to her people. Liberty is threatened today only to the extent that those fundamental bases of

our national life may be weakened. And liberty will be preserved not so much by denying it to enemies of our institutions as by failing to keep in a good state of repair the foundations upon which our whole free society is built.

One of those foundations is respect for the common man; another is equal justice before the law for all; another is opportunity to work; another is a prosperous and independent farm population; another is a robust faith in democracy; and another is a willingness to be truly patriotic; by which I mean a willingness to make sacrifices in peacetime for the sake of the national welfare.

We have wandered somewhat away from these things. We have gotten tired—some of us—of trying to preserve the opportunity of our people to work. We have become weary of the burden on our consciences which is placed there if we admit that every American is entitled to respect as a man and then remember the poverty and insecurity under which some of them are compelled to live. We find people who apparently are quite willing to say, "If I have to pay taxes higher than I like to pay in order to save the country, then I still am not willing to pay those taxes."

Our adjustment to this age of machines, of vast productive power, has been slow. It has been slow because we have a lot more difficult adjustments to make than we ever had before. It has been slow because the only solution to it is greater consuming buying power and that is an extension of democracy and human rights which some very powerful people just cannot bear to contemplate—even though it is the only salvation of their own profits.

Most serious of all, I think, is the fact that in typical American fashion we are demanding an immediate solution, on the basis of eating our cake and having it too, for our problems. What we need is a robust faith that we can solve this unemployment problem, that we are going to solve it, and that while we are doing so we are going to see to it that the burden of our failure to do it speedily does not fall with crushing weight on any one group of people—the unemployed or the aged or the youth, for example.

I said we were trying to solve our problem on a basis of eating our cake and having it too. What I mean is this: We try to solve the problem of getting an adequate supply of money into circulation without interfering with the monopoly of the creation of the Nation's money by the private banking system. It cannot be done. We have to interfere with that monopoly, and the sooner the better. We try to find a painless way to finance a decent old-age pension. There is not any. It will cost money and be worth it. We try to restore competition without treading on the toes of any monopolies. That, obviously, is ridiculous.

We try to put our unemployed people to work without either letting them produce wealth or unbalancing the Budget. I think it has been amply demonstrated that that cannot be done. The American Government has been giving a very great deal of service, help, subsidy, and so on, not only to the unemployed, the farmers and similar groups, but also to banks, shipping companies, merchants—through W. P. A. wages—and many other groups and classes of our people without requiring so very much—relative to what we all get from our country—in return. We have to learn that no great thing is ever accomplished without paying some price for it. And we have not learned that yet. Until we do liberty will not be safe.

Now liberty is threatened today, first, by a very dangerous tendency on the part of responsible and influential people—Congressmen, for example—to salve their consciences by assuming that poor people, particularly unemployed people, have something inferior about them. From this we proceed to get careless about protecting the liberties of people whose position in our society is a weak one. It has almost come to the place where it is regarded as unpatriotic or radical or something for the poor and unemployed to ask for work or a better chance. The threat to civil liberties in such an attitude is evident.

In the second place liberty is threatened by any and every group of people who are not themselves free. By this I mean that when one group of people get their ideas and have their course of action dictated from Nazi Germany and follow Hitler's line here in America they are bound to be a menace to American liberties. In like manner when another group of people is not free to follow the dictates of their own consciences but must follow the line of the Communist International here in America they are bound to undermine American liberties. Some people who lean to the left or to the right have the idea that we need one or the other of these groups to counteract the influence of the opposite extreme. I cannot subscribe to that. I think what we need is a growing group of really free people who will unite to defend freedom instead of merely using it for the purpose of establishing a system wherein there will be small freedom indeed. Any informed person knows that we have today only one ultimate defense against the various threats to our liberties. That defense is to establish security for the American people in their everyday economic lives. We cannot root out any so-called subversive influences unless we change the soil in which those influences are able to grow. That soil is the soil of unnecessary poverty, insecurity, and unemployment.

My only real concern for American liberties, therefore, is the possibility of inaction by those who are or ought to be devoted to their preservation. Liberty and democracy are not going to be saved by war. They are not going to be saved by suppression. They are only going to be saved by showing up dictatorship and demonstrating that it is possible to have both freedom and security in the same nation at the same time. I know this can be done. I know it because all the pages of human history show me that man has sought freedom and security in the same nation at the same time. I know this can be done. I know it because all the pages of human history show me that man has sought freedom and security continuously. There is no reason to think that we have derived our life from a cynical God who put these basic urges in us only to have them at last frustrated. There is on the other hand every reason to believe that the things that lie closest to the human heart are attainable just because they do lie there.

I have not spoken in detail of a program which I believe would put our people back to work and set our feet definitely on a road out of depression. I have not done so because I know that—given the will to go that way with courage—the program can be worked out. Indeed, a large part of it is, I believe, even now being urged upon us by various popular movements throughout the country. Those movements, if they persist long enough are the surest weather vane of democracy. For democracy holds, if it holds anything, that you can trust the people to be right at least a comfortable majority of the time.

The Gallup Poll

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

ARTICLE BY DR. GEORGE GALLUP

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend in the RECORD a poll released June 6, 1939, prepared by Dr. George Gallup, of the American Institute of Public Opinion, on the question "Do you think business would be more prosperous or less prosperous if we had a Republican President in the White House?" The poll is as follows:

[From the Washington Post of June 7, 1939]

THE GALLUP POLL—MANY VOTERS THINK BUSINESS WOULD BE BETTER UNDER G. O. P., SURVEY FINDS

(By Dr. George Gallup, of the American Institute of Public Opinion)

NEW YORK, June 6.—Important indications that American voters are beginning to link the symbol of prosperity more with the Re-

publican Party than with the Democratic Party are revealed in a survey of national sentiment just completed by the American Institute of Public Opinion.

As the Roosevelt administration casts about for ways to stimulate business recovery in advance of the 1940 campaign, the Institute put the following issue to a cross section of voters throughout the country:

"Do you think business would be more prosperous or less prosperous if we had a Republican President in the White House?"

The largest single group said they thought conditions would be more prosperous—about twice as many as said business would either be worse or about the the same.

The actual vote follows:

	Percent
More prosperous	50
Less prosperous	26
About the same	24

The fact that the largest group voted "more prosperous" has considerable political significance. It meant that the Democrats will have to combat the feeling that prosperity would be made more certain by following the ideas of the Republican Party. Whether this feeling persists will depend a good deal on the success of the new pump-priming program which administration leaders are said to be developing. If, a year in advance of the campaign, half the voters already think business would be better under a Republican, a downswing in the business cycle through 1940 would seriously aggravate the problems of the Democratic Party.

An overwhelming proportion of Republican voters think business would be better under a Republican, while a substantial number of Democrats think it would be worse. However, approximately one Democrat in every four thinks it would be better.

The sharp partisan division on the question is shown in the following table:

	Republicans (percent)	Democrats (percent)
More prosperous	85	29
Less prosperous	3	42
About the same	12	29

DIVISION OF OPINION NOTED BY INCOME GROUPS

The survey reveals that the Republicans would probably have considerable difficulty convincing voters in the lower income level that business would be any better under a Republican. These voters, earning $20 a week or less and including persons on relief, are much more skeptical of a return to prosperity under the G. O. P. than are voters in the upper income levels.

	More prosperous	Less prosperous	About the same
	Percent	*Percent*	*Percent*
Upper-income voters	62	20	18
Middle-income voters	54	22	24
Lower-income voters	40	34	26
Reliefers	37	38	25

Those voters who argue that conditions would be more prosperous under a Republican declare that "businessmen would cooperate more with the Government," that business has "always been better under the Republicans," and that businessmen are "holding back until a Republican gets into the White House."

Those who think conditions would be worse say that a Republican would "undo all the good that Roosevelt has done" or that the Republicans would "cut down on spending so that people would either starve or have less money to spend."

Our American Heritage

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 6 (legislative day of Monday, June 5), 1939

ADDRESS BY H. W. PRENTIS, JR.

Mr. DAVIS. Mr. President, I ask unanious consent to have printed in the Appendix of the RECORD an address dealing with the issues of Moral Rearmament, by H. W. Prentis, Jr., president of the Armstrong Cork Co. of Lancaster, Pa., delivered on May 4, 1939, before the Twenty-seventh Annual Meeting of the Chamber of Commerce of the United States. The address is entitled, "Our American Heritage."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Some years ago while on a business trip to the Pacific coast, I had an experience which left an indelible impression on my memory. One afternoon friends of mine in San Diego took me down across the Mexican border to Tia Juana for the races. Before we returned, we strolled for half an hour through the streets of the village itself. It was a so-called wide open town. The social and living conditions were all and more than that term implies. A few minutes in the car, and again we passed the customshouse and were back in the United States. There was no change in the character of the country; natural resources were similar; climatic conditions were the same; the sun shed its rays equally on both sides of the line; but the conditions under which the population were living on one side and on the other seemed as far apart as the poles. Neat homes, orderly towns, well-clothed people, a general air of prosperity and well-being contrasted vividly with the poverty, squalor, and disorderliness that we had just left. "Why," I said to myself, "this tremendous difference?" The answer was obvious. We to the north of that boundary line were the fortunate beneficiaries of a priceless legacy created through the ceaseless sacrifice of brain and brawn and treasure by generation after generation of our English-speaking ancestors. Ever since that day those words of the Psalmist have had new significance for me: "The lines are fallen unto me in pleasant places; yea, I have a goodly heritage."

It is about that heritage that I want to speak to you this afternoon—that incomparable inheritance that your forebears and mine bequeathed to us in sacred trust a century and a half ago. What steps are we taking to preserve that legacy intact? How are we discharging the trust committed to our care? What are we doing to hand it on in sound condition to the generations that will follow us—you and I and a hundred million other Americans? Little indeed, I fear, so far as fearless personal effort and self-sacrifice are concerned. For if we are honest with ourselves we must admit that, with few exceptions, we American business and professional men have taken the ineffable blessings of freedom for granted for so long, have so completely washed our hands of public affairs, have so neglected the study of politics—in the broad sense of the word—that today we are practically powerless to defend our American heritage against its traducers. In fact, few of us have even the vaguest knowledge of the underlying philosophy on which our system of government was founded.

As a businessman I plead guilty to this indictment. Despite the fact that I was exposed to the opportunities afforded by a university education, I assumed so smugly, until 5 or 6 years ago, that liberty was mine by inalienable right, that I gave little attention to what was going on at our State capital or in Washington. Government, except when I had to make out a tax return, was something remote and apart from my daily life. And so, while I devoted a certain segment of my time to personal and family affairs, some to recreation, a smaller bit to community interests, a still smaller portion to the church, all of the rest was applied to business. There was virtually no place in my life—apart from voting—that was set aside specifically for the duties of citizenship.

In that respect I do not believe that I was any different from the average American. I took government for granted; assumed that free enterprise and civil liberty were sacrosanct; and that there was no need for me to worry my head about any of them. Some 6 years ago, however, I had a rude awakening. Since then I have realized what I should have recognized many years ago, namely, that no system of government—particularly representative democracy—can rise higher than the intelligent interest of its citizens. Meanwhile, as I have observed the spread of doctrines that are utterly subversive of the fundamental principles on which our Government was built; have listened to teachers, preachers, writers, students, and businessmen espouse theories that strike at the very root of the Anglo-American concept of personal freedom, I have wondered, in common with thousands of others, why such things should be; why we should suddenly find ourselves adrift on a storm-tossed sea of political and economic uncertainty; puzzled, afraid, apologetic, and sometimes ashamed of our previous adherence to what we thought were time-tested American principles; ready to snatch at alien political panaceas and eager to follow any economic will-o'-the-wisp that seemed to promise a short cut to prosperity.

This Republic, after all, was not founded by men who sat in their seats and waited for somebody else to do the job; by men who were so engrossed in their private affairs that they had no time to give to public questions. Furthermore, the system of representative democracy, free enterprise, and religious liberty, which they established, is not going to be maintained if our intelligent businessmen continue to work at their private businesses five-sixths of the time and spent the rest of their waking hours playing golf. When I read of the crushing sacrifices made by our Revolutionary forebears, I stand frankly abashed and ashamed.

In the words of a poem that I ran across a few weeks ago by Winona Montgomery Gilliland:

"Our vision is dimmed; we are tired
And long for ease.
We neglect our vital spark—
That burning love for freedom which once lit
Our blackest nights—and now we fumble,
Confused and fearful, hearing our
Foundations crumble.

"Craven, we seek a leader, who will raise
A torch and make our pathway smooth again,
Forgetting that within us sleeps a fire
Sufficient, in itself, to make us men."

Please do not misunderstand me. I am not fatuous enough to think that anything I can do individually will amount to anything, but I do know that if a million American business and professional men resolve to devote a definite amount of their time to the study and discussion of public affairs, there will soon be a profound change in the attitude of the people of the United States toward the critical problems that confront us. Attending meetings like this and passing resolutions is not enough. The time for personal action is upon us. As Dean Inge says: "It is useless for the sheep to pass resolutions in favor of vegetarianism as long as the wolf is not of the same opinion."

We are not altogether to blame for what has happened. Our lack of awareness has been due largely to the sort of education we received. And here I am not criticizing our schools and colleges. Under democracy they have to reflect the current temper of the people. We have simply had our hearts so set on material success that we have virtually forced our educational institutions to teach concrete realities instead of directing our attention to the basic principles which underlie and determine all the facts of human existence. For the last two generations we have practically abandoned the study of classical history, from which our forefathers gleaned the principles which constitute the foundation of our American heritage. Obviously a man who lacks knowledge of what has happened in past ages is simply a creature of the moment, governed by opportunistic considerations. We have, moreover, virtually given up the study of political philosophy. How many of us have read Thomas Hobbes' Leviathan, in which the author portrays government as a huge monster that inevitably devours personal freedom if it be not carefully checked and curbed at every point? How many of us have ever digested John Locke on government? Or John Stuart Mill or Adam Smith? Yet when you examine the history of the Revolutionary period in this country you will find that the vital influences which determined the form of our Government stemmed from two main sources: First, from the philosophy of Socrates, Aristotle, and Cicero as reflected in the thinking of these English political philosophers of the seventeenth and eighteenth centuries; and second, from the British Reformation of the fourteenth century inspired by John Wycliffe. From the merging of these two currents of thought came our concept of personal freedom. That concept is supported by a tripod. One leg of this tripod is representative democracy; the second, private free enterprise; the third, civil—particularly religious—liberty. The history of ancient Greece and Rome, the age-long experience of our British ancestors, and the events of the past 6 months in Europe prove incontrovertibly that if any one of the legs of this tripod be undermined the whole structure of personal freedom soon crashes to earth.

The English-speaking peoples may not have done much for the fine arts—painting, sculpture, and music—but they have made one great contribution to the human race: They conceived and set up this tripod of freedom and made it work in the modern world. That is the reason that Nietzsche, the German philosopher, who hated republican governments, said that he could never forgive the Jews for inventing Christianity or the British for inventing democracy.

The principles on which our Government was based were summarized with exceptional clarity by John Locke. His conclusions directly guided the Founding Fathers of this Republic. The Lockian philosophy of government simmers down to three simple theses: First, that all just powers of government are derived from the consent of the governed; second, that the function of government is to make possible the greatest degree of individual responsibility and initiative; and, third, that the state may properly function only for the protection of life, property, peace, and freedom.

Opposed to this, the Anglo-American concept of government is the collectivistic philosophy of Rousseau, developed and popularized in its more radical form by Marx, Engels, and Lenin. In America its basic ideas are fostered by many estimable but misguided persons under the banner of the "New Liberalism." Such people want planned economy but do not wish to go the whole distance on the road to Moscow. Their philosophy is the antithesis of the philosophy under which our governmental and economic system was established. They hold that it is the responsibility of the state to remove every obstacle that inhibits any individual's development and opportunity for living an abundant life. The collective social will of the people acting as a mass is sovereign at all times under the collectivistic philosophy. Hence the individual is the servant of the state—not the state the servant of the individual as maintained under the Anglo-American concept of government.

To put this in other terms: The philosophy of the English-speaking peoples affirms the sacredness of the individual. It asserts that man is a divine creature made in God's own image and therefore is possessed of certain God-given inalienable rights. On the other hand the philosophy of all the collectivists—whether they term themselves Communists, Socialists, Fascists, Nazis, or American new liberals—either actually denies or tends to deny that there is anything sacred about individual personality. Prof. John Dewey, for example, maintains in one of his books that there is nothing exclusive about the individual; that that idea is simply a hang-over prejudice from the days of aristocracy; that one cannot be really democratic and believe in the spiritual sanctity of human beings. One can agree with that conclusion quite logically if one is also prepared to accept Dewey's thesis that man is simply a physico-chemical combination of conditioned reflexes organized by environment.

Thus, when we get down to the root of our present-day problems, we find these two philosophies in head-on collision with each other. They are irreconcilable. One asserts that the individual is sacred; that every human soul is endowed with a divine, God-given personality. The other maintains that we are all mere cells in the great body politic and that we possess no unique inalienable individual rights whatever. This latter concept leads logically to authoritarianism, despotism, and tyranny. Men who are too weak to govern themselves, who put their economic welfare above spiritual freedom, who are willing to trade their divine heritage of individual liberty for a message of pottage deserve no better fate.

We cannot successfully counter the dynamic drive of collectivistic ideas with a phalanx of fulsome facts, no matter how outwardly impressive those facts may be. The average American is little interested in how many telephones or automobiles we have per capita compared with the people of Russia or Italy. He takes his material blessings for granted, while the authoritarian idea lures his imagination with mirages of untold plenty and security that are to be his, if he will only forget the lessons of history and follow the Pied Piper of collectivism. Such dreams frequently develop into a sort of pseudo-religious frenzy, making men oblivious of their own ultimate welfare in blind allegiance to their cherished cause. In fact, it was just such untiring devotion to the Anglo-American ideal of personal freedom that inspired our forefathers to set up their momentous experiment in representative democracy. But, as the decades have passed, our obsession with business and personal affairs has dimmed the crusading spirit of liberty, while the proponents of the alien and reactionary philosophy of collectivism have become increasingly vocal and active. Today many otherwise intelligent Americans find themselves so puzzled that they even question the soundness of our American heritage. It is your function and mine to help restore the faith of our forefathers, to kindle anew that pride in our American heritage which characterized the early decades of this Nation's history. We must fight ideas with ideas; pie-charts will not suffice. Economic facts are important, but they will never check the virus of collectivism; the only antidote is a revival of American patriotism and religious faith.

We are told today by those who would knowingly or unwittingly destroy our tripod of freedom that one of its legs—our system of private enterprise—is all wrong; that it is not geared to the requirements of our modern industrial age. Any fair-minded man will admit that free private enterprise has its faults. What human institution does not? Representative democracy, organized religion, free enterprise—nothing that relies on human beings can rise to any higher ethical level than the individuals who compose those institutions. The road to real and lasting accomplishment, of course, lies in the slow and tedious process of developing a higher sense of personal responsibility, the individual acceptance of social stewardship. The ethics of free enterprise, however, have shown vast improvement during the past hundred years, notably in the last quarter century. Despite all the criticism aimed at it business generally is conducted in America today on a higher plane than has ever existed in any country in the world's history. Unethical practices that were common a generation ago are today taboo. Further enduring progress will come as individual businessmen apply the precepts of the Golden Rule, the Sermon on the Mount, and the Good Samaritan to the problems that daily confront them. Of course the millennium is still a long way off, but private free enterprise, which is essential if representative democracy and religious liberty are to continue in this country, is infinitely preferable with all its faults to its only alternative—state socialism or what amounts to the same thing under the innocuous designation of "national economic planning" or "social control."

As a great industrial Nation, we have long been accustomed to plan ahead; hence the phrase, national economic planning, has something about it that appeals to almost everyone at first blush. However, national economic planning really rests on a series of delusions. Our national economic planners, in fact, are the modern prototypes of the medicine men of our barbaric ancestors. They actually believe that modern science, if only placed at the behest of all-powerful government, can make the springs of plenty flow for everyone with little work and sacrifice on anybody's part. Economic planners believe that somewhere there actually exist individuals who have the capacity to plan the economic affairs of the whole Nation. As a matter of fact, there is not enough information and ability available today to correlate the activities of any single industry, let alone the infinitely complex interests of the entire country. The stagnation and loss of impetus due to the dilution of personal responsibility and initiative under such a system would be appalling. Furthermore, if the Government once starts planning the economic affairs of our basic industries, the process will inevitably have to be extended to every phase of

our economic life. Our economic processes are so closely interrelated that sooner or later government would have to tell each one of us what we could buy, when and where we could buy it, and at what price; what we could produce, how much we could produce; where we could work and for what wages. There would be no stopping short of the bitter end. As Stalin said in 1934: "Without getting rid of capitalism and abandoning the system of private ownership in the means of production, you cannot create planned economy."

The road to planned economy is the road to state socialism—state ownership of the means of production. Once state socialism is a reality, what becomes of the other two legs of the tripod of freedom—representative democracy and religious liberty? Obviously if a group of men calling themselves government were planning ostensibly for the greatest good for the greatest number, they could not brook interference from any individual citizen, no matter how well intentioned that citizen might be. In other words, the state could not tolerate the throwing of a monkey wrench into any of its well-laid plans. Consequently, government would simply have to control every opinion-forming agency, the radio, the press, the movies, the schools, and the church. In Germany, Russia, and Italy you can see that program at work today. And once you start controlling the press, the radio, the school, and the church, what becomes of religious liberty? Walter Lippmann says in his book, The Good Society, "Dictators are not stupid men. They know that religion and totalitarianism do not mix." The glory of religion is that it emphasizes the importance of the individual and encourages independent thinking. As Christ said, "Know ye the truth and the truth shall make you free." So it does not take any soothsayer or seer to predict what will happen to civil and religious liberty once national economic planning goes into effect.

In contemplating the rosy predictions made by its eloquent advocates, I have often wondered where we would be today as a Nation if a national planning board had been in existence for the past two or three generations. No doubt you recall the remark of the first President to whom the telephone was shown: "This is truly a remarkable thing, but who would ever want to use it?" With the President himself making such an appraisal of a scientific invention, can you imagine any national planning board authorizing the expenditure of the billions of dollars that private enterprise has spent in the past 60 years to give us the marvelous system of telephonic communication that we now enjoy throughout the length and breadth of this country?

Napoleon Bonaparte certainly had unusual vision and autocratic power. In fact, he did a great deal of economic planning for France. However, when Robert Fulton built a submarine and suggested to the Emperor that he authorize the construction of a fleet of such vessels to destroy the British Navy—the only real obstacle that stood in the way of Napoleon's ambition to conquer Britain—the great Emperor said "No." It was finally private individuals and private enterprise that developed the submarine and placed it at the disposal of government.

The Constitutional Convention held its sessions in Philadelphia in 1787. One afternoon a group of distinguished statesmen, including George Washington, were invited by Fitch to come down to the Delaware River and see the steamboat that he had built. With all the vision that Washington possessed, with all his interest in the development of the natural resources of this country, he was so skeptical about Fitch's invention that he concluded that the steamboat was not worth investigating and went to a dinner instead. Suppose that the development of steam navigation had depended on the vision and initiative of a national economic planning board, would it be likely that a *Queen Mary* or a *Normandie* would be crossing the Atlantic today in less than 4 days?

Coming down to modern times, there were 8,000 automobiles in the United States in 1900, which required 80,000 barrels of gasoline annually to operate them. That quantity of gasoline would run the cars now on the roads of this country about an hour and a half. Suppose Mr. Henry Ford had gone to a national economic planning board back in 1900 and said, "I want you to provide gasoline to run 26,000,000 automobiles in 1939." Do you imagine that any governmental body would have followed his suggestion and set about to do what the privately controlled petroleum industry has actually accomplished at the risk of billions of dollars of private capital?

Similar examples could be cited ad infinitum, but perhaps the crowning illustration of governmental lack of vision is that of Commissioner of Patents Ellsworth, who in 1850 counseled a congressional committee against the construction of a new building for the Patent Office on the ground that there were not many more inventions in sight. The total number of patents that had been granted in the United States up to that time were 3,327; since then more than 2,000,000 have been issued.

The fact is that national economic planning means less planning rather than more planning. Today national planning is being done by millions of individuals every day. Our well-being depends directly on the wisdom of these decisions. Fortunately, however, every private decision is relatively limited in its scope; hence those that are wrong are counterbalanced by those that are right. The decision of any single individual or of any small group is not so far-reaching in its effect as to endanger the welfare of the entire Nation. On the other hand, the decisions of a national economic planning board, if wrong, would have devastating effects on the people as a whole, since no countervailing influence would be available, all economic power being lodged in the Central Government.

With suave argument that stresses claims regarding the elimination of waste, the national economic planners have taken us up on a high mountain and shown us the alleged economic security that we can enjoy if we will only follow their fatuous leadership. To millions of our fellow citizens—more interested at the movement in bread than in freedom—this illusory vision makes a tremendous appeal. What can you and I do as patriotic citizens to counter such false propaganda which is undermining free private enterprise and, if eventually successful, will destroy the tripod of freedom?

For one thing, we must publicize the foundations that underlie our American heritage. It has indeed a long and honorable history behind it. In the early fourteenth century—200 years before the German Reformation—John Wycliffe, whose bones were later burned as those of the first British heretic, rendered three outstanding services to the English-speaking people: First, he organized the great middle class, the farmers, laborers, peasants, and yeomen, into conventicles or congregations to discuss religious questions. Out of these conventicles came the Englishman's passion for the right of free assemblage. The town meeting of New England, which played such an important part in the establishment of representative democracy in America, was one of the ultimate fruits of Wycliffe's work. And even you and I, as we assemble here today, owe that privilege largely to what he did among the humble people of Great Britain 600 years ago.

Wycliffe's second great service was to translate portions of the New Testament and to circulate those translations throughout the length and breadth of England. In this day and age you and I can have no idea of the thrill that the English peasant experienced as he pored over the word of God in his own tongue and felt for the first time that he could hear the voice of the Lord Himself speaking. From this religious experience there came the conviction to the ordinary Englishman that no intermediary, no human being, no government, can stand between a man and his spiritual responsibility; that there are some things that every human soul must think out for itself. Thus Englishmen came to believe that the Bible was really their charter of liberty. They grasped and asserted the right of free interpretation of the Scriptures. Transferred later to the political arena, the consciousness of that right led directly to the great doctrine of the right of private judgment which, in turn, abolished persecution and censorship, set the human mind free and made the individual citizen with his consent to be governed, the foundation stone of modern representative democracy.

In the third place, Wycliffe asserted that the sacraments of the church mean nothing unless the individual who accepts them knows what he is doing and what they signify. In other words, man is a free individual with personal moral responsibility in matters of faith. This was one of the outstanding characteristics of the early settlers in America. They came to the shores of a new continent impregnated with the principles of personal moral responsibility, the right of private judgment, and the right of free assembly, which together filled them with a fervent passion and unshakable belief in the inward spirituality of the individual. They based their political philosophy and their economic system on the concept that there is something about the human spirit that is sacred; that there is a place in the human soul that no government and no man may justly enter, where reside those inalienable rights that the Declaration of Independence later asserted in such soul-stirring periods. As John Adams put it: "You have rights antecedent to all earthly government; rights that cannot be repealed or restrained by human laws; rights derived from the great Legislator of the Universe."

The currents of thought generated by John Wycliffe in Great Britain were merged in the minds of the great English political philosophers of the seventeenth and eighteenth centuries with certain concepts of personal freedom that had their origin twenty-four hundred years ago in ancient Greece. The Greeks seem to have had a love of liberty very similar to that which characterized the English-speaking peoples. In Socrates' day they began to ask themselves how man could be most happy, and free to attain a full measure of intellectual and spiritual maturity. Socrates and Aristotle asserted that to attain that objective a man must have a free mind; a mind that can think independently, that can set itself free, that knows not only what it believes but knows how and why. A free man has, as Aristotle pointed out, mastered his passions, tempered his judgment; doubts or believes on the basis of evidence only; neither seeks nor shuns danger and in all relationships exhibits temperance and poise. Wherever that conception of the free man has held sway, human life has found dignity and freedom; mutual responsibility and common council have been substituted for coercion; and democracy has developed.

Cicero, the last great liberal of antiquity, was a great disciple of Aristotle. As consul of the Republic of Rome he crushed the Catiline rebellion. Not long ago I read some of the harangues made to the populace by the leaders of this rebellion, as reported by Sallust. They sounded most familiar. In fact, in their denunciation of capitalists, their description of the plight of the farmer, and their demand for the redistribution of wealth, they might have been delivered in Union Square yesterday. Huey Long with his "Every man a king," or Stuart Chase with his "Economy of abundance" could scarcely have done a better job.

Although Cicero was voted the title of "Father of his Country," he was unable to save the republic from the proletarian party, directed by one of the shrewdest politicians that has ever appeared in human history, Julius Caesar. Caesar's adage, "With money we

will get men and with men we will get money," has its counterpart in a certain alleged remark about taxes, spending and elections in this year of our Lord 1939. To use the striking words of Everett Dean Martin, Cicero was liquidated in a purge fomented by Mark Antony and, after that, no man's life or property was safe. Dictatorship succeeded dictatorship, destroying not only the constitution of the republic but eventually all sense of political responsibility among its citizens. Interest in the ordinary duties of citizenship vanished. So when Marcus Aurelius died in the year 180, Gibbon states that Roman civilization was already in eclipse. More and more planned economy followed, which led to more and more economic confusion. The currency was inflated; there was great unemployment in all the principal cities; no less than 20 percent of the population were on the public pay roll; taxes were so high that the farmers were compelled to turn their lands over to the government. Collective farming was attempted but the government could not get people to work because the proletariat no longer had the desire or habit of labor. The people lost political interest. Few cared to hold office. They would not even fight to save themselves. Finally the border was opened and the barbarians were brought in to raise crops and man the defenses.

It was not until 1,500 years after Cicero that a group of Italians in Florence were able to set up a new republic. There men began again to think and discuss questions as did the free men of ancient Greece and Rome. Interest in Cicero was renewed; they read and reread his inspiring words about liberty. From this center came a new group of scholars—men like Erasmus of Rotterdam—who brought this old but ever new source of intellectual inspiration to the peoples of northern Europe and thus laid the foundations for the revival of learning in the modern world. Erasmus, who came to Oxford University to teach, Thomas More and John Milton carried the philosophy of Socrates and Cicero to Great Britain. Cicero became the great exemplar of patrician virtue in minds of the free-thinking liberals of the seventeenth and eighteenth centuries in England and America. Roger Williams, of Rhode Island, and Thomas Hooker, of Connecticut, were the two men most responsible for bringing the Ciceronian tradition of classical liberalism to America.

It is a significant fact that practically all the prominent New England patriots were educated in the Boston Latin School in Boston; that the Virginia group, Washington, Randolph, Wythe, Henry, Marshall, Jefferson, and Madison, all came directly or indirectly under the influence of Dr. Small of Edinburgh University, who taught logic and literature at William and Mary College in Williamsburg for a decade or two preceding the Revolution. In these schools our forefathers became acquainted with Socrates and Aristotle and Cicero and the great political thinkers of the seventeenth and eighteenth centuries. Nowhere is Ciceronian influence more evident than in the Federalist papers of Hamilton, Madison, and Jay. Jefferson states frankly that the Declaration of Independence contains no new ideas but rests on "the elementary books of public right, as Aristotle, Cicero, Locke, Sidney, etc."

With our lack of education in classical history and political philosophy, we twentieth century Americans have not prepared ourselves to support the American system against those who would destroy it. We are the first generation—perhaps the second—that has ever tried to live without a political philosophy. It cannot be done successfully. Our founding fathers had a political philosophy. They understood it, believed in it, fought for it. They nad a common background against which to measure political ideas and theories. They knew how to defend their philosophy of government. We have grown lazy, complacent and smug in our enjoyment of the heritage of freedom. If we want to pass that heritage down to our children, it is high time that we arouse ourselves from our lethargy, acquire a thorough understanding of the concepts that underlie our American system, and proceed to interpret those principles to our fellow citizens. Old Samuel Adams' warning is particularly timely today: "Remember democracy never lasts long. It soon wastes, exhausts, and murders itself. There never was a democracy that did not commit suicide."

Representative democracy is not merely a piece of paper that we call a constitution. It is something far more profound than that. It is a pattern of thought, a habit of conduct, a way of life, the substitution of ballots for bullets, the willingness to play cricket with the other fellow even when his ideas hold sway at the polls instead of yours. It has taken the English-speaking peoples 700 years to develop the type of spirit that makes representative democracy work. Here is the reason that representative democracy has not been a success in many European and South American countries. Such peoples have attempted to set up republican government without going through the long process of self-discipline and education in national unity, essential to the success of the democratic system which, as Tocqueville said, is the most difficult form of government to work, but which yields far more to its citizens than any form of despotism.

From its very nature, representative democracy obviously cannot be maintained in the face of acute class cleavage. Hence the rapid growth of class consciousness in this country in recent years must be a matter of profound concern to every thoughtful American. If we continue to substitute class interest and sectional interest for national interest, history will repeat itself. National unity will disappear; pressure groups will increase in number and power; the raids on the Federal Treasury will grow steadily more devastating; deficits will continue; the Federal debt will go on skyrocketing. It was $12 per capita in 1916; it is $300 per capita today. Relief, that cost an average of $87,000,000 per month in 1933, $194,000,000 per month in 1937, and $247,000,000 per month in 1938, will continue to mount as the self-reliance and moral fiber of the people disintegrate. Obviously, if such conditions continue long enough, destructive inflation, financial chaos, social disorder, and the destruction of our representative democracy will follow inevitably. I still believe that we can avert such an ultimate catastrophe, but only if you and I and a million like us are willing to do our part in the public service.

Let us keep ever in mind that the real fight is not between representative democracy and fascism or communism. The fundamental issue is between representative democracy and collectivism—whether it be called communism, socialism, fascism, nazi-ism, or new liberalism. All of these "isms" are part and parcel of the same basic concept that the individual exists for the state, not the state for the individual. Remember that Mussolini was a Socialist before he became a Fascist; Hitler was a Socialist before he became the apostle of nazi-ism. Without exception collectivism, regardless of its form, results finally in the overturning of the tripod of freedom—the destruction of representative democracy, free private enterprise and religious liberty.

For many years those who would bring about state socialism by peaceful means have advocated this formula: Select a time of great political and social unrest; then discredit in every possible way those in power during the preceding era of prosperity; blame the ensuing depression on those leaders; then under guise of emergency, enact legislation that prevents confidence from returning. Finally, having destroyed the only basis on which private free enterprise can flourish, say to the unthinking public: "We are extremely sorry to do it, but inasmuch as private individuals will not create prosperity, the state, greatly to its regret, must step in and do so through active intervention in agriculture, industry, banking, and commerce."

Now, just go over the history of events of the past 6 years and see how closely that pattern has been followed. I am not in any sense inferring that those in charge of the administration of public affairs in this country are Socialists or Communists or Fascists or anything of the sort. But I do believe firmly that the pattern that is being followed, if continued much longer, will lead inexorably to highly centralized government amounting to state socialism. The strategy of those who would "make America over" is so clear today that he who runs may read. Their objective is to supplant the voluntary agencies of our free-enterprise system with political boards armed with compulsory powers. Legislation undreamed of 7 years ago—most of which is now validated by high-court decisions—has already centralized in the Federal Government sweeping control of labor relations, wages and hours, the sale of agricultural products, the issuance of securities, public relief and various social-security measures. There are bills now pending in Congress to federalize public education, and the far-flung socialistic implications of Federal control of credit and of the T. V. A. are too obvious for comment. The epoch-making decision of the Supreme Court 3 weeks ago, upholding the power of the Central Government to set quotas and control the marketing—and thereby the production—of tobacco, apparently paves the way for similar control of all other commodities, and strikes at the very roots of our free-enterprise system. So we are confronted not with a theoretical situation but with a whole series of accomplished facts and, as Machiavelli said: "Let no man who begins an innovation in a state think that he can stop it at his pleasure or control it at his will."

Now the question arises, what are we, as patriotic citizens, going to do about our American heritage? Do we still subscribe to the political philosophy of our English-speaking ancestors? Do we still believe in representative democracy? Despite its shortcomings, do we or do we not consider it superior to collectivism? Are we willing to trade our liberty for security, our spiritual freedom for bread? If not, what can we do to stem the tide of this alien philosophy which tends to engulf us—"the coming slavery of socialism" as an English philosopher puts it? Shall we let things drift as they have for many years gone by? Or shall we realize and accept our personal responsibility as American citizens? No one of us can do much, but we need to remember what Spencer said: "How infinitesimal is the importance of anything I can do, but how infinitely important it is that I should do it."

"What can I do?" you ask. Well, here is my answer:

You can take time enough from your business and recreation to study and understand the political philosophy underlying our American heritage of representative democracy, free enterprise, and religious liberty. You can interpret this philosophy to your fellow citizens. You can test every proposed governmental policy against this philosophy—thinking independently and not blindly following herd opinion.

You can take an active part in politics by helping to form policies and by assisting to select and elect the right men to office. Thus you can build respect for political life as a career. You can vote yourself and see that others do so. You can advise and counsel regarding pending public questions with your elected representatives in city, county, State, and Nation. You can seek ways of rendering public service by serving on committees, governmental commissions and, if possible, by holding public office.

You can support personally and financially those civic and industrial organizations that are fighting to preserve our American heritage.

You can interest yourself in education, public and private, in three effective ways: First, by insisting that the curriculum stress

the importance of mental discipline; second, by insisting on the study of classical history where one sees time after time the recurrence of reactionary movements similar to those we are now witnessing in this country; third, by insisting on the study of political philosophy so that the rising generation may understand what the roots of liberty in America are and thereby acquire a sense of pride in our American heritage.

You can practice what you preach by conducting your daily business affairs on a strictly ethical basis. In so doing you will be confounding the critics of free private enterprise and thereby giving your personal support to the tripod of freedom.

You can interest yourself in the church, remembering that our Anglo-American political philosophy is founded on the religious concept of the sacredness of the individual, which collectivism denies. In fact, the more I ponder the problem, the more deeply I am convinced that our American heritage cannot exist indefinitely without a firmly grounded religious faith; for the very same qualities that religion stresses—self-sacrifice, self-abnegation, willingness to give of one's time and effort without hope of material reward, scrupulous regard for the rights of others—are every one essential for the maintenance of representative democracy. As Dorothy Thompson said recently: "The conception of man as the child of God—a soul capable of reason, capable of developing and perfecting himself in the image of the ideal—this * * * is the only philosophical justification of democracy."

Edmund Burke asserted that society is "a solemn compact between the dead, the living, and the unborn." How do you and I propose to discharge our duties under that compact so far as our American heritage is concerned? Are we willing to take up the cudgels and fight for it? Are we willing to show the same indomitable spirit as Thomas Jefferson who, as he lay on his deathbed at Monticello on the 4th of July, 1826, startled those about him with the words, "The Committee of Safety—it ought to be warned." If so, let us sound that warning vigorously. Let us arouse ourselves from our lethargy. From this day forward let us devote a definite portion of our time to public affairs. Let us kindle a new fire of patriotism and religion in the mind and heart of every true American. If we do not, in Lincoln's words, "We shall * * * meanly lose the last great hope on earth."

Author's note: In the preparation of this address, the author has drawn from many sources; but he wishes particularly to acknowledge with gratitude the material assistance he has secured from a series of lectures delivered by Dr. Everett Dean Martin, of Claremont College, before the Graduate School of Banking of the American Bankers' Association in 1938, and from a recent address of Mr. J. Howard Pew, president of the Sun Oil Co.

An Invitation to Bid on a "Treadmill for Dogs" and to Promote the Welfare of the Democratic Party

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

AN INVITATION BY THE PROCUREMENT DIVISION OF THE TREASURY DEPARTMENT

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[G-3—Natl. Inst. of Health—N-984. 19139-SP-6-12-39. U. S. Standard Form 33 (Revised), approved by the Secretary of the Treasury, March 30, 1936]

INVITATION, BID, AND ACCEPTANCE

(SHORT FORM CONTRACT)

TREASURY DEPARTMENT, PROCUREMENT DIVISION,
BRANCH OF SUPPLY,
PROCUREMENT DIVISION BUILDING, SEVENTH AND D STREETS SW.,
Washington, D. C., May 29, 1939.

INVITATION

Sealed bids, in duplicate, subject to the conditions on the reverse hereof, will be received at this office until 10 o'clock a. m., June 12, 1939, and then publicly opened, for furnishing the following supplies, and/or services, for delivery at Director, National Institute of Health, Twenty-fifth and E Streets NW., Washington, D. C.

H. C. MAULL, Jr.,
Chief, Purchase Division.

Item No.	Articles or services	Quantity	Unit	Unit price	Amount	
					Dollars	Cents
57-T-3050-15	Treadmill, for dogs to conform to following specifications: A treadmill for dogs ranging in weight from 10 to 50 pounds, with a mean dog weight of 22 pounds. It should be operated by a motor of suitable power to produce speeds of from 2 to 20 miles per hour. 3 horsepower is the minimum capacity. It should be readily adjustable for running at various inclinations and should have a variable speed transmission. The width should be about 18 inches and of suitable length, with side guards to retain the animal on the treadmill. It is to be equipped with an electric tachometer and should operate with a minimum of noise. All parts should be accessible for cleaning to remove urine and feces passed by dog. It should permit consistent work performance records that can be repeated in experiments on the same animal. All bidders will be required to submit with their proposals detailed plans of equipment of this type now manufactured by the bidder, or detailed plans of the proposed treadmill to be provided by the bidder.	1	Each			
	Quote price only on unit of quantity as specified.					
	The undersigned represents that the prices in this bid are neither directly nor indirectly the result of any agreement with any other bidder.					

BID

_____
(Date)

In compliance with the above invitation for bids, and subject to all the conditions thereof, the undersigned offers, and agrees, if this bid be accepted within _____ days from the date of the opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, f. o. b., _____ and, unless otherwise specified within _____ days after receipt of order.

Discounts will be allowed for payment as follows: 10 calendar days, _____ percent; 20 calendar days, _____ percent; 30 calendar days, _____ percent.

Bidder _____ Address _____
By _____ Title _____

ACCEPTANCE BY THE GOVERNMENT

_____
(Date)

Accepted as to items Nos. _____
Name _____ Title _____

Mr. Speaker, this invitation to bid is a serious proposal on the part of the Procurement Division of the United States Treasury Department. I do not know why they limit a mean dog's weight to 22 pounds. It should be limited to 2 pounds, and only dogs with false teeth be used. The speed limit should be reduced from 20 miles to 2 miles an hour.

I call especial attention to the law under which these bids are made, which reads as follows:

No Member or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract nor to any benefit that may arise therefrom unless it be made with a corporation for its general benefit.

I would suggest that the law be amended in such a way so those benefiting from such a contract may be permitted to contribute to the campaign fund of the Democratic Party or buy Democratic campaign books.

I would suggest that in order that all parts be cleaned more easily and for other sanitary reasons, no dog shall within 24 hours of the time he is used in said treadmill be given any laxative whatsoever.

In order that both the dog and the treadmill may function more perfectly, I would suggest that a line of telephone and lamp posts interspersed by a few trees be set on each side of the treadmill.

So that the Democratic Party may benefit to the fullest extent from the patronage involved in the purchase of said treadmill and its use, both the dogs and attendants should be appointed on approval of the Democratic Members of Congress only or be selected from the so-called Friant list without regard to the classified civil-service laws.

In view of the fact that the United States Government has an interest in the dog pound at Memphis, Tenn., the Memphis dog pound be given preference in the purchase of dogs used.

Clarence Wyly Turner

MEMORIAL ADDRESS

OF

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. CLARENCE WYLY TURNER, late a Representative from the State of Tennessee

Mr. BYRNS of Tennessee. Mr. Speaker, in the death of the Honorable CLARENCE W. TURNER, the Congress sustained loss of a valuable Member, the State of Tennessee a worthy son, and I a valued friend of long standing. I had known Judge TURNER for many years, most pleasantly, and in this course of time had occasion to confer with him on many matters and to solicit his influence and assistance on others. I always found him to be unfailing in his courtesy, and he never spared himself or his time in any matter which concerned his country, his State, his district, or his friends. Judge TURNER was a true example of the finest type of Southern gentleman. I feel that I am a better and a wiser person for having been privileged to know him. During all the years of my acquaintance with him, I never knew him to say an unkind word about any person. His character, his devotion to duty, and his gentle personality will find reflection in those who knew him and loved him while he was among us here below.

Mr. Speaker, I append hereto the resolution unanimously adopted by the Committee on Military Affairs of the House, of which he was a member, and on which I had the honor to succeed him on the occasion of his unfortunate passing:

Whereas it has pleased Almighty God in His mysterious and yet wise providence to call from our midst our esteemed colleague, the Honorable CLARENCE W. TURNER, we, the members of the Committee on Military Affairs, hereby express our sorrow at the loss of one who took an active part in the deliberation of this committee during his membership on this committee; and it is hereby

Resolved, That in the death of Mr. TURNER each member of the committee has all the sense of the loss of a personal friend;

Resolved, That in the death of Mr. TURNER the Congress has lost a Member straightforward, courageous, and honest in his views, and his district a Representative who truly voiced patriotism and devotion to the principles of representative government founded by the forefathers;

Resolved, That the committee sympathizes with the bereaved family in their hour of sorrow;

Resolved, That these resolutions be spread on the minutes of the committee, be made part of the memorial service to our deceased colleague, and a copy be transmitted to the family.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1939

ADDRESS BY HON. JAMES A. FARLEY ON JUNE 6, 1939

Mr. SMITH of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Virginia branch of the National League of District Postmasters, Charlottesville, Va., June 6, 1939:

At the outset I want to express my appreciation for the very kind invitation which I received to come here today and address the Virginia branch of the National League of District Postmasters.

During the past few weeks I have attended similar meetings and conventions in various sections of the middle and far West and everywhere I went I was deeply impressed by the interest in the Postal Service that is so manifest by postal employees in all branches of the Service through their attendance in large numbers at conventions of this kind.

There is much good to be derived from gatherings of this nature, where new plans and ideas for the betterment of the Service are discussed and exchanged by postmasters and supervisory officials of the Department. You are to be commended upon the splendid turnout here this morning, and my only regret is that my schedule will not permit a longer visit with you here in this delightful Virginia community, which is so steeped in the rich background and traditions of early American history.

As postal people I know that you will be interested in hearing something of the present state of affairs of the Postal Service. Postal revenues are now at the highest point in the history of the Service and are continuing to rise from month and month.

For the first 10 months of the current calendar year postal receipts were approximately $10,000,000 higher than for the same period a year ago, a most remarkable increase when we consider that the last fiscal year represented the highest 12-month revenue period in the history of the Postal Service. What has pleased me most by this continued upswing in postal receipts is that the increase has not been confined to the large commercial and industrial areas but, on the contrary, has been evenly distributed among rural communities as well as the large metropolitan cities.

I am pleased to inform you that the Postal Service is keeping its place of leadership among the agencies of the Government and is encouraging all forms of transportation by making use of fast planes, fast trains, and all other speedy transportation methods. The money we pay to the air lines and to the railroads for hauling the mails is of material assistance in the development of these private enterprises. We are using planes to carry mail in all directions in our domestic service. We are sending mail by plane across the Pacific and are now operating regularly scheduled mailings by plane across the Atlantic.

In addition to a vastly improved air service that is making such rapid strides as to make the whole world neighbors, we are witnessing in this country a marked improvement in railway transportation. The facilities of the major transportation agencies are being constantly improved to provide greater safety, greater comfort for passengers, and greater speed. We in the Postal Service are so closely associated with transportation that we sense these improvements and appreciate them more quickly than some of our fellow citizens. The owners and operators of the transportation systems in this country are the real pioneers of progress. They command the respect and admiration of the Nation.

When we compare the present-day transportation methods with those of the early days of the Postal Service we get some idea of how grateful we should be to the men who have had the courage to pioneer and plan and to provide these modern travel conveniences.

In the early days of the post, as it was then known, the function of the post office was merely to receive, transport, and deliver letters and newspapers. Postage rates then were higher than rates prevailing today; the rate for a single letter was 6 cents for a zone distance of 30 miles, while today it is only 3 cents for more than 100 times that distance in many directions. The carrying of the mails was very slow, but as fast as could be expected in those days. The horse was the fastest carrier available. The roadways and lanes were rough. In many instances travel over the trails was hazardous. Yet even under those conditions the mails moved with reasonable regularity from the more populated sections to the remote outposts.

In the early days the mail carriers really blazed the trails—going onward in the march of progress until mail was carried in regular and orderly fashion from coast to coast. Mechanical means of transportation followed; passenger service was combined with the carrying of mail and express, and improvements made from time to time eventually resulted in the amazingly efficient system which is in operation today. An agency that started for the sole purpose of carrying mail matter has developed with the country, and following the improvement of business practices, has introduced special features for the accommodation of the people, such as postage stamps for the prepayment of postage; registered mail for the protection of valuable articles; city, village, and rural delivery; postal money orders; special delivery; postal savings; and the air mail.

The postal establishment occupies an enviable position. It serves all the people at all times. Throughout its long history it has been regarded as the most necessary agency of government. Those who are privileged to serve in it have a rare opportunity to do something really worth while for their fellow man.

Since I have been Postmaster General I have had an opportunity to associate with and observe pretty closely the postmasters and postal employees, and I am proud to say that the personnel of this Department for loyalty, industry, and efficiency is not excelled by any other group in America. There have been brought to my attention so many cases of self-sacrificing service, accounts of men and women who have done things far beyond the ordinary requirements, that I could spend hours relating them to you.

I know that the people of this country appreciate the fine work you are doing, and I take advantage of every opportunity to meet with you at your conventions so I can tell you about it and thank you for your whole-hearted cooperation. Postmasters are doing good work and the postal employees are doing a good job because they are good people, carefully selected, and happy in their jobs.

The Postal Service is well-timed, well-disciplined, and sensitive to the needs of the people. It is a friendly organization. Knowing that we enjoy such a reputation and that we enjoy to the fullest extent the confidence of our customers should make us all assume the full responsibilities of our positions. I am sure that the postmasters of Virginia appreciate the importance of their places and are ready and eager to do their part in keeping up to the high standards set for them. If this is to be accomplished, we must not assume a self-satisfied attitude, take it for granted that we are well-organized, and sit back complacently and watch the wheels go round. What we need is eternal vigilance on the part of everyone. This is a tremendously busy and vitally important communication system, and we dare not relax our supervision even for a moment.

We in the Department adopt policies, promulgate regulations, and in the broader sense manage the affairs of the postal establishment. But you men and women in the field are face to face with the every-day service problems which at times must become monotonous. Some of you may feel that your part in this vast organization is not so very important—but let me assure you that the postmaster in the smallest office, the carrier on the most sparsely settled rural route, the employee in the most obscure position in the Service is just as important as the postmaster in the largest city. Stop and consider for a moment what would happen to the millions of pieces of mail that are deposited with our Service in the principal cities of the Nation if the post offices in those cities did not have means of transporting them to the smaller offices through which they reach the addresses. On the other hand, the big post offices would not be so big if they did not receive mail for delivery to their patrons from the thousands of cities, towns, and hamlets throughout the country. So I say to you in all sincerity that the Postal Service of the United States is an organization which depends for its efficiency on the thousands of small organizations and units maintained within the system itself. So bear in mind always that your part in this organization is most important. Be proud of your opportunity to do your share and be assured that your efforts are greatly appreciated.

We must remember that we are partners in the world's largest business, public or private.

During the fiscal year ended June 30, 1938, we handled more than 26,000,000,000 pieces of mail matter. Of this number more than 14,000,000,000 pieces were first class, in excess of 5,000,000,000 pieces third class, more than 600,000,000 parcels, and more than 200,000,000 pieces of air mail. The remainder was made up of newspapers, magazines, and penalty matter. The handling of that volume of business, of course, requires a huge organization, totaling nearly 400,000 people at this time.

With the exception of the motor-vehicle service in the cities, the Department itself does not own any of the transportation facilities used, but depends upon the air lines, the railroads, steamships, and other forms of service under contract to provide the actual vehicles for carrying this tremendous load across the country and around the world. We buy supplies in the open market; therefore, our operations either directly or indirectly affect a major portion of the industries of the country. For example:

During the fiscal year 1938 we paid out in salaries approximately $585,000,000, paid more than $99,000,000 to the railroads, in excess of $14,000,000 to the air lines, about $11,000,000 for ocean-mail transportation, and approximately the same amount to contractors for star-route and other vehicle service. We also spent more than $7,000,000 for mail-messenger service. We bought more than $10,000,000 worth of miscellaneous supplies used in service operations and $1,600,000 worth of supplies used in the maintenance of public buildings. We paid approximately $15,000,000 for rent for post-office quarters, and the heat and light bill for our public buildings amounted to approximately $3,000,000.

I am proud to be at the head of this business organization of the Government, which collects in the aggregate a staggering sum of money from the public each year, but considering the character of service rendered gives back in that service alone adequate return to those who patronize it. You will also observe from the facts I have just related that in salaries and money spent for work performed we immediately turn back into the channels of commerce, not at any one central point, but through all the cities, towns, and hamlets in every State in the Union, all of the money we collect. We maintain this business on a sound financial basis, for, as you know, in 4 of the 5 full years under this administration we have had a balanced budget; as a matter of fact a surplus from that part of our service which we render to the public for hire.

I know that you, as postmasters, and all postal employees are proud of your connection with the postal establishment, and that you do and should take full credit to yourselves for the contribution you make to the Department's success.

These are a few of the aspects of the Postal Service I felt you would be particularly interested in hearing about today. Of course, we have a great many problems in the Department, and we are always striving to improve the service. The cooperation of the employees everywhere has been most valuable.

In fact, the success that has been achieved in providing better postal service to the people of the country is due chiefly to the earnest efforts and loyalty of those who make up our great organization.

I came here primarily to attend the State convention of postmasters, but since this meeting has been opened to the public, I feel that a few observations on current national affairs might be of interest.

The United States, like the rest of the world, has been going through a trying period of adjustment in social, economic, and political life. This condition was not a creation of the administration now in power at Washington. On the contrary, it was handed down as a form of unwelcome heritage from the administration which preceded it. The task of clearing away the wreckage and then rebuilding is never an easy one. The new edifice does not spring up overnight as if by magic—its construction is the fruit of patience, wise understanding of the problems involved, and long hours of unremitting toil. For more than 6 years now, the Roosevelt administration has been engaged at the labor of rebuilding. During all this time, a lusty chorus of disapproval has come from those who wanted to discourage the builders. Disaster was predicted as each new step was taken. Some people, you know, love to believe that the worst is about to happen. Yet, despite the clamor of the defeatists, the work has gone on until today it may be honestly said that the United States is in the strongest position of any nation in the world.

The Roosevelt administration has based its policies on commonsense principles that should appeal to every right-minded person who has a care for the welfare of his fellow men. The administration has had two compelling objectives—to conserve natural resources, and above all, to conserve human beings. President Roosevelt has never ceased to bring home to the American people the homely fact that a nation which tolerates continuing injustice to millions of worthy citizens is gambling on its own existence. Human lives may be blighted and destroyed in destructive warfare or they may fall the victims of an unjust economic system. There were too many lives being sacrificed to an industrial system that was out of order and badly in need of repair when the present administration took office.

There were too many people living on the verge of poverty and ruin because water-power resources went undeveloped and dust storms and erosion laid waste the soil while the Federal Government did nothing about it.

Now there are two ways to meet an unwelcome situation in political affairs. The first is to turn away and do nothing, in the pious hope that time and nature will effect a cure. The second method is to look at the problem with candid eyes, measure the extent of the damage, and then proceed to correct it with the best tools that are available. President Roosevelt chose the latter course, because he believed that a courageous attack was far more typical of the American spirit than a spineless surrender. His purpose was not to add a blow-out patch that might keep the economic machine running on even keel for a few more miles but to bring about a thorough overhauling that would preserve the machine for many more years of useful service.

This job the President has done ably and well, and the proof of his accomplishment lies in the fact that not a single outstanding political opponent has had the hardihood to advocate the repeal of the Roosevelt measures. They tried to block the enactment of these reforms, not for the public good, but in the furtherance of their own selfish partisan motives. They denounced social security as a menace to the country's fiscal structure; they opposed regulation of the stock market; they tried to halt the insurance of bank deposits; and they opposed every attempt to lift the buying power of the farmers.

They are still fundamentally opposed to these great reforms, but they have come to the unhappy conclusion that it would be political suicide to urge their repeal.

It is always easy to stand on the sidelines and to offer advice and criticism to those who have been given a difficult assignment to carry out. Our Republican friends, of course, are quite dissatisfied. They have established themselves as Monday-morning quarterbacks and bleacher managers. Ignoring the many fine things that have been accomplished, concerning which they find it wise to be silent, they point to the problems that remain and demand to know why they have not been solved. The obvious answer is, Why did they not solve them when they were in authority? Every single sore spot that now troubles the Nation had its inception and grew to maturity in the 12 years of Republican misrule that took place before 1933. And please remember that an ounce of prevention is worth a pound of cure; had these sore spots been treated earlier, the task of removing them would be far easier than it is today.

The Republicans faced the same problems that exist today when they were in office. They had nothing to offer then as corrective measures, and they have nothing to offer now. They have not moved an inch from the position they occupied on public questions during the disastrous period of Mr. Hoover's reign.

The only statesmanlike leadership this country has known in our generation has come from President Roosevelt.

And as time moves onward, and the program of the Roosevelt administration is viewed in its proper perspective, the wisdom of the course pursued by the Chief Executive will be generally appreciated. He has kept the peace; he has diminished the menace of foreign aggression by rebuilding the Nation's defenses; he has given aid and support to agriculture; he has stabilized the banking

system and put a stop to reckless speculation with other people's money.

The reforms instituted by President Roosevelt will never be undone, because they are rooted deep in the American system of fair play and equal opportunity for all. We face the future confident in the knowledge that the great mass of people will continue to demand this kind of government in America.

Allard Henry Gasque

MEMORIAL ADDRESS
OF
HON. JOHN L. McMILLAN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ALLARD H. GASQUE, late a Representative from the State of South Carolina

Mr. JOHN L. McMILLAN. Mr. Speaker, I count as one of the most valued experiences of my life the opportunity I had of serving here as secretary to Hon. ALLARD H. GASQUE for 15 years. I always found Congressman GASQUE ready to see the most humble citizens from his district, and he was never too tired to assist in solving their problems. He was a tireless worker; he spent himself unselfishly in the public service. His services could not be measured, and the loss of his talents will long be felt in the Halls of Congress and the Sixth District of South Carolina.

But, over and above all these things, Mr. Speaker, we who were close to Congressman GASQUE miss his generous friendship, his kindness, his sincere consideration for the opinions and the convenience of his constituents, his fine personal integrity; all these attributes were those which we unerringly identify with one who is properly styled a friend to humanity.

It is a source of pride and gratification to have known Congressman GASQUE and to have been associated with him as his secretary while he was a Member of Congress. Regardless of the many duties vested in him as Chairman of the powerful Pension Committee and vice chairman of the two other important committees, he always had time to offer a helping hand to those who sought his counsel. He was honest and sincere in his beliefs and steadfast in his determination to see that the people of the Sixth District received what they were justly entitled to get from the Federal Government. As successor to Congressman GASQUE, I am well aware of the fact that I will have to work hard in order to please the people of the Sixth District of South Carolina.

His rise from humble beginnings, though accompanied by heavy burdens, was steady and enduring. His unaffected simplicity and friendliness of nature endeared him to all of his acquaintances. Congressman GASQUE was never affected by the Washington society and always wanted to be called plain ALLARD GASQUE.

I would venture to say that Congressman GASQUE never did an unkind act during his lifetime and spent the greater part of his time trying to assist his fellow man. I can pay him no greater tribute than to say that in his passing the Nation lost a great servant in the public good and I shall always want to remember him as a personal friend and one who would go the extra mile for those who deserved his aid.

I shall never forget his kindness to me, his advice, his help in getting me started in my work as secretary, and his solicitude for my success. I shall always remember also his admonition to me to be a doer, rather than a man of many words, and to be interested in the welfare of the people of the sixth district of South Carolina.

Congressman GASQUE secured more for the sixth district of South Carolina than any other Congressman who has ever represented that district. He worked day and night for the veterans, and I, for one, believe that the veterans should erect a monument in his honor. Mr. Speaker, you will well remember that Congressman GASQUE served as a Member of Congress from the sixth district of South Carolina for 16 years.

Let him who thinks that coming to Congress is an easy task attempt it. To be sure, politics, like nature, is at times freakish. Once in a great while at remote intervals, a political storm will sweep, accidentally, some men into Congress, but their residence is temporary and not permanent unless they prove their worth. It is difficult for any person to get elected to Congress, and it is more difficult for him to remain here, but long before he comes here, he has been put to the test. What is the average background of these men? As has been said, the whitest lily often springs out of the muddiest hole, so the greatest men frequently come here from the most unexpected places. I am especially happy to read Congressman GASQUE's biography, as he started from a poor farm boy who was left when a child by the death of his father with a widowed mother and younger children to support. He worked his way through college and from there into the Halls of Congress, where he distinguished himself as a statesman.

It has been said that what you are speaks so loud that it is impossible to hear what you say. Our falling heroes are mourned today not so much for what they said here in Congress, but for what they did while they were here. They are remembered not for their eloquence, pleasing as it was, but for what they were; not by what they possessed, but how they performed, are they today measured. The test is not money, but mind and character. It is good to know in this fair land that these stalwart men, coming from widely scattered regions, reflecting every shade of public opinion and political, economic, social, and religious questions, were here working together in the common cause of our great Nation, working faithfully and tirelessly to keep open wide the door of equal opportunity to all men.

Mr. Speaker, while I was secretary to Congressman GASQUE for 15 years, I learned that it was not an easy or altogether pleasant task to serve as a Member of Congress, and this is particularly true today. The manifold duties and multiplying demands made on Members of Congress in and through the complex and intricate Government departments makes the life of a Congressman, if he attends to his duties properly, very short. To remain sweet when accused falsely, to silence the tongues of slander, to triumph over the strenuous efforts of formidable opponents every 2 years in primaries and general elections taxes one's strength and mind to the limit. A man who has risen to distinction in Congress as our friend Congressman GASQUE did on his own personal work, his mental capacity, and his absolute honesty deserves credit. The path is steep and rugged and is covered with everything but velvet.

Mr. Speaker, I never felt toward Congressman GASQUE as though he were a boss but as a personal and true friend and coworker. Congressman GASQUE passed away in his boots at his post of duty, which was always his wish. I know that he spent days and weeks and months in his office trying to take care of the requests from his district when he should have been a patient in the hospital. I begged him on numerous occasions to leave the office and go to a hospital, but he would always answer by saying that he would be feeling better the next day.

I feel that it will be a long time before the Sixth District of South Carolina will fully realize their loss in the death of our beloved Congressman ALLARD H. GASQUE.

Salmon Industry on the Columbia River

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

Mr. ANGELL. Mr. Speaker, on May 29, 1939, I called attention to the factual study of the benefit of the Bonneville Dam to the salmon industry on the Columbia River. Since that time I have received a tabulation of the count of fish

life through fishways at Bonneville Dam from May 1938 to April 1939, which count was under the direction of the United States district engineer for the district in which Bonneville is situated. The tabulation is as follows:

Number of fish counted through fishways at Bonneville Dam

Month	Species								
	Chinook salmon	Blueback salmon	Silver salmon	Chum salmon	Trout [1]	Shad	"Scrapfish" [2]	Whitefish	Lamprey [3]
1938									
May [4]	22,371	1,025	-------	-------	6,633	------	39,694	16	7,502
June	8,221	17,811	-------	-------	2,409	39	97,842	46	23,831
July	6,556	53,864	-------	-------	19,493	3,185	167,829	56	130,818
August	34,765	2,097	3,070	-------	29,905	1,502	37,907	315	60,821
September	197,294	235	10,995	-------	47,619	527	21,788	563	4,462
October	2,302	6	972	1,245	2,589	21	8,377	1,281	172
November	263	2	141	799	466	------	632	690	19
December	27	-------	7	73	105	------	--------	155	2
1939									
January	6	-------	3	2	34	------	--------	71	-------
February	12	-------	-------	-------	22	------	-------	-------	-------
March	121	-------	-------	-------	585	------	49	86	7
April	51,410	48	-------	-------	8,174	------	30,137	165	750
Total	323,348	75,088	15,188	2,119	118,034	5,274	404,255	3,444	228,384

[1] Mainly sea-run steelhead trout.
[2] Suckers, chubs, squaw fish, and carp.
[3] In addition to these counted, many passed between the bars of the counting stations.
[4] May 7 to 31 only. Formal counting started May 7.

Hon. Allard Henry Gasque

MEMORIAL ADDRESS
OF
HON. BUTLER B. HARE
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ALLARD HENRY GASQUE, late a Representative from the State of South Carolina

Mr. HARE. Mr. Speaker, although we lived in different sections of the State, it was my privilege and pleasure to know the Honorable ALLARD H. GASQUE for a number of years before he was elected to represent the Sixth Congressional District of South Carolina in 1922, to which position he was reelected for seven successive terms, he being a candidate for reelection without opposition, after having served in Congress for a period of 16 years, when called by death at the age of 65. In early life our work and interest were quite similar, both of us having taught in the public schools of our native State for a number of years. It was in this connection that I first learned to know Mr. GASQUE and to recognize his ability and character as a young man. We had many things in common, and I feel, therefore, qualified to properly evaluate many of his outstanding virtues as a citizen as well as that of a legislator.

His early training and experience was that of the usual farm youth in his section of the State. The opportunities for education were in a way limited, but this limitation operated in the end as an asset in his life, because he learned to be a close observer, very thorough and painstaking in his work and relationship to his constituents and the public. Following his graduation at the University of South Carolina at the age of 23, he devoted his time and talent to school work in his home county of Florence. At the age of 24 he was elected county superintendent of education, and served continuously in this capacity until he was elected to Congress. His ability and efficiency in office were reflected by his popularity and the confidence reposed in him by the public, for he served in public life without defeat for nearly 40 years, his service being terminated only by his untimely death. His long recognition as a public servant by the people of his State is not only an index to his ability but a tribute to his character and sincerity in the discharge of his duties as a public official.

When I came to Congress in 1925 Mr. GASQUE demonstrated one of the great virtues of his life in offering to give me the value of his experience and observation in legislative work and in expediting the work incident to a new Congressman. I shall ever feel grateful to him for his unselfish and extremely thoughtful interest at that time. However, this was one of the outstanding virtues of his life and no doubt was one of the great contributing factors to his success as a public servant. He was absolutely unselfish and was alweays ready and anxious to render a service of any kind to his fellow man. He was particularly interested and active in promoting the welfare and interests of the people of his congressional district and no opportunity for service ever arose but that he availed himself of it. He was not the spectacular type of Congressmen we sometimes see but one who was always on duty, working for his constituents as well as the people of the entire country. He was a man possessing that other great virtue in the lives of successful public officials known as gratitude. He never forgot a favor rendered nor did he lose an opportunity to reciprocate same whenever afforded. Mr. GASQUE had all of the virtues incident to the life of a great public servant. That is, he was a man of ability, strong character, courageous in his convictions, unselfish in his dealings with fellow men, and absolutely loyal to his friends and the people of his district.

A Suggested American Menu for the White House Dinner to King George and Queen Elizabeth

EXTENSION OF REMARKS
OF
HON. MARTIN L. SWEENEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

Mr. SWEENEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following:

BALTIMORE OYSTERS
(Fort McHenry style)

WHITE HOUSE CHOWDER
(Well burned)
An old recipe dating from 1814

LAKE ERIE TROUT
(À la Commodore Perry)

VERMONT TURKEY
(From Bennington)
Saratoga Chips Bunker Hill Beans

YORKTOWN PUDDING
(Made with Jackson's New Orleans Molasses)

ENGLISH TEA
(Brewed in Boston Harbor)

WELSHERS' GRAPE JUICE
(From Concord Grapes)

A number of these courses disagreed with George III. They might make George VI cough up.

Wake up, the British are coming. (Paul Revere.)
All men are created equal. (Thomas Jefferson.)
Give me liberty or give me death. (Patrick Henry.)
I regret that I have but one life to give for my country. (Nathan Hale.)
Poor as I am, the King of England is not rich enough to buy me. (Commodore John Barry.)

Hon. Allard Henry Gasque

MEMORIAL ADDRESS
OF
HON. HAMPTON P. FULMER
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ALLARD HENRY GASQUE, late a Representative from the State of South Carolina

Mr. FULMER. Mr. Speaker, on the morning of June 17, 1938, at about 1:30, just a few hours after the closing of

the Seventy-fifth Congress, our colleague, the Hon. ALLARD H. GASQUE, of Florence, S. C., passed away.

My friend and colleague, Mr. GASQUE, was born on March 8, 1873, in Marion County, now Florence County, being the eldest son of Wesley and Martha W. (Kirton) Gasque.

He attended the country school, working part time on a farm during the remainder of his young manhood until he was 17 years of age, after which he taught school, and continued to work on the farm until he reached the age of 23 years. He then entered the University of South Carolina, graduating in 1901 with an A. B. degree.

He was elected superintendent of education, Florence County, in 1902, and served continuously for 20 years, resigning that office after being elected to Congress.

Mr. GASQUE has the distinction and honor of having served his State in the lower House of Congress for about 15 years and 9 months. His record as to length of service in the lower House from South Carolina ranks very high.

Our colleague, Mr. GASQUE, was a man of ability and deeply interested in the welfare of the people of his district and State, and especially did he give full service and attention to legislation in the interest of the great masses of the people who at all times really need a conscientious Representative in the Congress of the United States.

Spanish-American War veterans should always cherish his name, in that he made an outstanding record in looking after their interests, having been able to pass in the Seventy-fifth Congress legislation of great importance in the interest of these veterans and their dependents.

Although having been confined to his bed for a number of days prior to the closing of Congress, up until the last he continued to keep in touch with just what was going on in the House, requesting that he be paired for and against legislation which was under consideration, indicating his deep interest in the merits and demerits of these bills as affecting his people.

Our colleague will answer the call of the House no more. He has answered the summons of the highest of all tribunals, and all of his colleagues can testify that he served his State and his country well.

The influence of his upright, unselfish character, his loyalty to his friends, and his devotion to his country will remain, as will his memory, in the hearts of those with whom he served.

As his friend, along with his loved ones, and his many friends back in South Carolina, I mourn his death and extend to his bereaved family my heartfelt sympathy.

His was always a friendly greeting, and with a smile.

'Tis easy enough to be pleasant,
When life flows along like a song;
But the man worth while is the one who will smile
When everything goes dead wrong;
For the test of the heart is trouble,
And it always comes with the years,
But the smile that is worth the praise of the earth
Is the smile that comes through tears.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. E. HAROLD CLUETT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. CLUETT. Mr. Speaker, one of the saddest experiences of a Member of Congress is to note the departure of loyal friends and colleagues from our midst. As day after day and year after year we join in our political deliberations, these men become a part of our lives. We acclaim them when they fight for principles of clean government under our Constitution and assert themselves in the face of bitter opposition, and our respect deepens when we realize that their fight is not for partisan preferment but for the fundamental principles underlying our democratic form of government. Those who watch from a distance fail to realize the intense devotion and day-by-day hard grind of those Members who give of their very best, even life itself, that laws may be enacted which will provide greater stability to our national life and insure those blessings of freedom and independence granted us by the great lawmakers who have gone before. Not only a great personal loss comes to us, but what is of greater moment is the fact that the country itself can ill afford to lose the services of such men.

ROBERT LOW BACON was one of those who looked upon his congressional duties as a public trust. He gave to the Congress all he possessed of his splendid talents accumulated by hard and intelligent application over a period of many years. Taken away in the very prime of life, we who knew him well are confident that wider fields of usefulness awaited him and that his splendid abilities as a legislator had hardly asserted themselves. His accomplishments as a lawyer and soldier, combined with his natural scholarly attainments, made him an ideal legislator. His friendliness and hospitality knew no bounds, and he held his friends because they had confidence in his sterling character and the ideals of good citizenship which he so eloquently exemplified. In all his dealings with his fellow men, and in all his many activities of his all too brief life, he placed service first and his own personal gain and ambition last. Sixteen years of service in the House of Representatives gave him a wide grasp of national affairs, and his opinions were eagerly sought and generously granted. His whole environment had been that of a gentleman and a true American, and his attitude on public matters bore evidence of a training which fitted him for the responsibilities which he so well and graciously assumed. Today, more than ever, men of his type are needed in our public life, and we pray that others will emulate the fine example he has left behind. We who are left to carry on the ideals of good citizenship which BOB BACON so nobly cherished may well say, Well done, good and faithful servant.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. MERRITT. Mr. Speaker, I desire to pay tribute to one of New York's beloved sons, the Honorable JOHN J. BOYLAN, for many years a Representative of the Fifteenth Congressional District.

During his tenure of office he was always sincere, conscientious, and untiring in his efforts. He had the purpose to represent and serve his people. He was the possessor of splendid ability and the most pleasing personality, possessing a most contagious sense of humor. It is no wonder that the people of his district loved him as well as did his colleagues in Congress.

We who have been privileged and honored to know him have suffered a great loss.

Allard Henry Gasque

MEMORIAL ADDRESS
OF
HON. JAMES F. BYRNES
OF SOUTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, May 29, 1939

On the life, character, and public service of Hon. ALLARD HENRY GASQUE, late a Representative from the State of South Carolina

Mr. BYRNES. Mr. President, ALLARD H. GASQUE represented the Sixth Congressional District for many years in

the House of Representatives. He established friendships with the Members of the House who came to know him as did the people of the district he represented. He did not participate in the debates upon the floor except upon those subjects with which he was familiar by reason of his investigation in committee. In committees where legislation is really drafted he was an earnest worker. Because of his position as chairman of the Pensions Committee, he was particularly active in all legislation affecting veterans of the World War and of the Spanish-American War.

Congressman GASQUE knew the people of his district. He turned aside from the performance of his legislative duties to render personal service to the people who had business with the various departments of the Government. Their faith in him was demonstrated time and again by the large majorities given him in his campaigns for reelection.

He was an efficient legislator and a loyal friend. Those who served with him in the House miss him and will ever cherish his memory.

Under U. S. H. A. Joe Doaks and His Neighbors Are Compelled to Build $21,417 Homes for Others

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 25, 1939

Mr. WHITE of Ohio. Mr. Speaker, it is a fixed concept of the New Deal that the private building industry cannot furnish adequate housing facilities within the means of the lowest income groups and of urban slum dwellers. It bases this concept on its belief that the minimum adequate housing which can be so furnished is at a rental of $9 to $12 per room per month—statements of this general nature have been repeatedly made, of which a typical sample may be found in a brief filed by the National Public Housing Conference at the hearings on the United States Housing Act of 1936 before the Senate Committee on Education and Labor, beginning April 20, 1936, pages 135–142. This would amount to from $324 to $432 per year on a three-room establishment, and in view of the fact that under normal budget standards a family should not spend more than one-fifth of its income for rent—section 2 of the United States Housing Act of 1937 establishes the standard that income should not be more than five times the rent except for families with three or more minor dependents, when it may be six times the rent—it would require a $1,620 to $2,260 income to provide housing for themselves on this basis. Now, in 1934, the Housing Division of the Public Works Administration estimated that 17 percent of the families had an income of less than $800 per year. This means that families in this last category should pay only $160 per year rent, which would be only $3.33 per room per month on a four-room establishment. This is less than half of the amount which it is claimed would have to be paid for the cheapest adequate housing that private industry can profitably furnish, and it means either that low-income families must use far more than one-fifth of their budget for rent at the expense of other necessities of life or must be content with substandard dwelling conditions.

The results of this choice may be visualized in the real-property inventory of 1934 made by the Bureau of Foreign and Domestic Commerce, which reported that in 64 cities 2.3 percent of all residential dwellings were unfit to live in, 15.6 were in need of major structural repairs, and 44.4 percent were in need of minor repairs. In the same inventory it was shown that 8 percent of the dwellings had no interior water supply, 17.1 percent had no private indoor water closets, 1 in 4 had no bathing facilities, and approximately one-third provided only coal or wood stoves for cooking. Buildings such as these constitute our slum areas, and the New Deal has steadily claimed that the clearance of these slums and the providing of their inhabitants with adequate housing within their means cannot be achieved without Government participation in the form of loans, subsidies, and Executive direction.

With reservations relative to the truth of the New Deal's premise as to the total inability of the private building industry to furnish adequate low-income housing, it is our purpose to develop the following: First, a brief account of the administration's activities with relation to housing; and, second, an evaluation of those operations with special reference as to whether they have actually been of aid in supplying low-cost housing for the slum dweller, and, even if so, whether the goal has been achieved at reasonable cost to the taxpayer. In so doing, only the direct activities of those Government agencies—in effect, the United States Housing Authority—which loan and grant money for the building of dwellings are to be considered. Less directly related operations which have to do with home-mortgage loans, the insurance of loans for home repairs and renovation as carried on by the Home Owners' Loan Corporation and the Federal Housing Administration will be made the subject of separate memoranda.

EARLY NEW DEAL HOUSING ACTIVITIES

The Roosevelt administration early embarked on experiments in the field of housing. Its first venture was through the Housing Division of the Public Works Administration, this Division being created under section 202 (d) of the National Industrial Recovery Act, June 16, 1933. Its authorization provided for the "construction, reconstruction, alteration, or repair under public regulation or control of low-cost housing and slum-clearance projects." In view of the fact that under the United States Housing Act of 1937—to be described later—the P. W. A. Housing Division was merged with the United States Housing Authority, its exact methods of operation need not concern us here. Suffice it to say that after lending $11,000,000 between June 1933 and March 1934 for limited-dividend projects to be carried through by private agencies, the Housing Division switched to the policy of constructing demonstration projects with the Government furnishing 45 percent of the cost as an outright subsidy plus the payment of service charges in lieu of taxes, the other 55 percent being in the form of loans repayable in 60 years—this division of costs was finally fixed in the George-Healey Act passed in June 1936. Under this policy 51 projects have been constructed and leased, though in a number of them tenants have yet to be selected, this during the 5-year period commencing in March 1934, a period, be it said, far longer than should have been necessary to complete them. Forty-nine of these projects were turned over to the United States Housing Authority—two projects in Puerto Rico were turned over to the Puerto Rico Reconstruction Administration. They are located in 35 cities in 20 States, the District of Columbia, and the Virgin Islands, and contain 21,447 dwelling units and 76,914 rooms. The total cost of these projects is $127,076,671.93, or an average of approximately $5,925 per dwelling unit and $1,652 per room. In one case at Cambridge, Mass., the cost per family dwelling runs as high as $8,503, and at Harlem River Houses, New York, the cost per room is $2,628, including service charges. The average cost, therefore, is far above that allowed in the United States Housing Act as amended which even in cities of over 500,000 limits the cost per unit to $5,000 and per room to $1,250. Of these 49 projects 27 have been leased to local authorities and 22 are being operated by the United States Housing Authority. Table I attached gives pertinent data relative to the individual projects.

RENTS BEYOND SLUM FAMILIES

In this table it will be noted that the average shelter rent to be charged is given for 42 of the 49 projects. Out of these 42, only 10 have rentals which would enable them to be occupied by a family with an income of under $1,000, and in only two are the rentals low enough for that 17 percent of the families (previously referred to) whose incomes are $800 or

less—these calucations are based on a monthly income five times as large as the amount paid for rent. Thus with an income of $1,000 not more than $16.66 should be paid for rent each month, and with an income of $800 not more than $13.33. All told the average family income of the tenants occupying 41 of the projects is $1,245 per year, which is considerably above the limit for any true low-cost housing program—see report of United States Housing Authority, 1938, page 52. As a matter of fact, out of 14,185 families now occupying these projects we find the following:

	Per year
475 families with incomes of up to	$850
3,160 families with incomes of	850–999
7,775 families with incomes of	1,000–1,439
1,400 families with incomes of	1,440–1,599
500 families with incomes of	1,600–1,799
875 families with incomes of	1,800–2,399

Source: United States Housing Authority as quoted by Senator TYDINGS (Democrat) of Maryland, in CONGRESSIONAL RECORD, March 8, 1939, p. 2427.

Thus, in spite of an amortization period of 60 years—or double the normal amortization period—and a 45-percent write-off of original production costs—we find that only 3 percent of 14,185 families in the P. W. A. houses have incomes of less than $850 and only 25 percent have incomes of less than $1,000. And this takes into consideration several low-rental areas in the South and in the Virgin Islands. In short, no claim can be made that the P. W. A. housing program has supplied true low-cost housing or has afforded any substantial measure of relief to the slum dweller.

Before taking up consideration of the United States Housing Authority, which superseded the P. W. A. Housing Division, brief attention should be given to another branch of the housing activities of the administration. These were centered in the Resettlement Administration, once an independent agency created by Executive Order 7027 of April 30, 1935, but later (January 1, 1937) transferred to the Department of Agriculture where its name was changed to the Farm Security Administration. The housing program of this organization was along the two following lines:

1. Suburban resettlement: This embraced the purchase of land and the construction of three "Greenbelt" communities in suburban areas near Washington, D. C.; Cincinnati, Ohio; and Milwaukee, Wis. A fourth project at Bound Brook, N. J., was contemplated but was halted by a decision of the Circuit Court of Appeals of the District of Columbia—see Senate Document No. 242, Seventy-fourth Congress, May 18, 1936—which declared that the Emergency Relief Appropriation Act of 1935, under which this activity was financed, was unconstitutional chiefly as an invasion of State rights and unlawful delegation of congressional authority. This put an end to experiments of this sort, but not before $30,000,000 had been spent in connection with the three projects just cited at an average cost of about $8,500 per dwelling unit. This put them well out of reach of the low-income families, which these projects were supposedly designed to help.

2. Rural resettlement: The rural-resettlement plan was of much the same character as suburban resettlement, both in conception and execution, the idea being to move farmers and others from submarginal land and settle them on profitable land. There have been some 130 projects of this character involving an over-all expenditure of about $115,000,000. Exorbitant sums have been spent on some of these projects, the cost per dwelling unit at Sioux Falls, S. Dak., for example, being in the neighborhood of $20,000, and in the case of the New Jersey homesteads project nearly $14,700. The average for all the projects is about $6,800, which is well above the low-income range. This rural-resettlement activity is for the moment in abeyance, but may be revived again whenever the administration feels that the opportunity is favorable.

THE UNITED STATES HOUSING AUTHORITY

In spite of the obvious failure of the objectives of the P. W. A. Housing Division, the administration, far from giving up its rosy visions of carrying through a low-cost housing and slum-clearance program, inaugurated its most ambitious attempt along that line through the medium of the United States Housing Act of 1937. This act, approved September 1 of that year (c. 896, 50 Stat. 888; 42 U. S. C., Supp. III, 1401–1430), was amended June 21, 1938 (52 Stat. 820), and as amended supplies the authority for the administration's housing program. Its salient features are as follows:

1. General administration (secs. 3 and 4): It created in the Department of the Interior a United States Housing Authority with capital stock of $1,000,000 under an Administrator appointed by the President for 5 years at a salary of $10,000 per year, subject to confirmation by the Senate. Employees of the Authority receiving more than $1,980 per year are not required to have civil-service status, though they come under the provisions of the Classification Act of 1933.

2. Loans (sec. 9): It empowers the Authority to loan up to $800,000,000 to those local public housing agencies established by State law. As of December 31, 1938, 33 States had passed enabling legislation for the creation of such authorities, and there were a total of 221 such authorities in existence. Each individual loan constitutes 90 percent of the cost of the local undertaking, the other 10 percent being furnished by the local public housing agency. These United States Housing Authority loans carry an annual interest rate one-half of 1 percent greater than the going Federal rate—this means the interest rate on the latest Government bond issue having a maturity of 10 years or more. This interest rate is now about 2½ percent, so the total interest would be 3 percent—at the time the loan is made, and they must be paid back, both as to principal and interest, over a period of 60 years. It should be noted that under a bill (S. 591) offered by Senator WAGNER, Democrat, of New York, on January 12, 1939, the loaning power of the U. S. H. A. would be raised to $1,600,000,000.

3. Subsidies: Besides loans, the United States Housing Authority, under the terms of the act, furnishes outright grants to local public housing agencies, these grants to be used for the purpose of keeping down the rents in the projects in question. These grants may be in the two following forms:

(A) Annual contributions (sec. 10): The U. S. H. A. may give each year to each local public housing agency for the benefit of their projects a sum equivalent to the annual yield at the going Federal rate of interest plus 1 percent upon the development cost of the project to which the contribution is allocated—at the present Federal rate of interest this would make the sums so paid approximately 3½ percent of the development cost. These annual contributions may be made for 60 years, though after the first 10 years and each 5 years thereafter each contribution contract is presumably to be reviewed and then reduced if economic conditions warrant it. Furthermore, the payment of annual contributions is contingent on the carrying out of three obligations on the part of the local public housing agency. These are: (1) The local agency must contribute in the form of cash or tax remissions or exemptions an amount equal to at least 20 percent of the United States Housing Authority contributions—that is to say, for each $100 of U. S. H. A. contributions the local agency must put up $20; (2) the annual contributions must be used first to apply toward any payment of interest or principal on any loans due the U. S. H. A. from the local agency; (3) all housing projects must include the elimination or improvement of a number of unsafe or insanitary dwellings substantially equal to the number of new dwellings to be erected. Under the present act, contributions may total $28,000,000 per year, but under the bill (S. 591) already referred to the amount of contributions which the Authority could make in any one year would be raised to $45,000,000, in addition to the contracts already authorized by the Authority. As these may run to $28,000,000, annual contributions, if the new bill is passed, may reach $73,000,000.

(B) Capital grants (sec. 11): The use of the capital grant form of subsidy apparently has not been found feasible and its use is not contemplated—see House Hearings on Interior Department appropriation bill for 1940, page 121. However, as the Housing Act of 1937 permits its use, and through some change in U. S. H. A. policy it may be employed in the future, the mechanism by which it operates should be briefly ex-

plained. Provided that the local Housing Authority makes a grant of 20 percent of the cost of a project, the U. S. H. A. can make a capital grant of 25 percent and an additional grant of 15 percent from relief funds appropriated by Congress. Thus the maximum Federal grant would be 40 percent, which with the local grant of 20 percent would make 60 percent. The other 40 percent would be financed by U. S. H. A. loans at one-half of 1 percent more than the going Federal rate of interest, payable as to principal and interest over 60 years. Capital grants were limited by section 11 (d) of the act to $10,000,000 a year for the years 1938, 1939, and 1940.

4. Other salient provisions: Other provisions of the act which should be carefully noted are:

(a) Section 2 (2) in which the dwellings constructed under the terms of the act shall be available only to families whose incomes are not more than five times the rental—including heat, light, water, and cooking fuel—except for families with three or more minor dependents the ratio may be six to one.

(b) Section 14 (5) in which the U. S. H. A. cannot loan or grant funds for any project which will cost more than $4,000 per unit, or $1,000 per room, except in cities of 500,000 or over where the cost may be $5,000 per unit, or $1,250 per room. This does not include land, demolition, and nondwelling facilities. In no case shall the average construction cost be greater than that of privately built dwellings constructed under similar labor standards.

(c) Section 16, which seeks to protect labor standards through the requirement of prevailing wages, reports to the Labor Department by contractors as to number of men employed, rates of pay, and so forth.

UNITED STATES HOUSING AUTHORITY OPERATIONS UNDER THE ACT

Administrative: Since the passage of the act, the Authority had assembled by December 31, 1938, a staff of 1,638 persons. Those with salaries of $1,980 or less, and hence with civil-service status comprise 897; while 741 persons, or 45 percent of the entire personnel, all with salaries of more than $1,980 per year, were not drawn from the civil-service rolls though paid in accordance with the Classification Act of 1923. This means that they may have received their appointments through political endorsement—a common defect of nearly all New Deal agencies and one which should be rectified. The administrative expenses amount to about $5,000,000 per year. (See House hearings on Interior Department appropriation bill for 1940, pp. 147–151 and 162–191.)

Loans: The extent of the lending operations of the U. S. H. A. as of December 31, 1938, according to evidence presented in the House hearings on the Interior Department appropriation bill for 1940, page 132, is as follows:

1. Total funds requested to date from 183 cities and 7 counties, including the District of Columbia and Hawaii, $916,738,267.

2. Total amount of earmarkings outstanding and loan contracts executed and approved for 151 cities and 4 counties in 29 States, the District of Columbia, Hawaii, and Puerto Rico, $649,789,000.

3. Total earmarkings outstanding for 120 cities and 3 counties in 27 States, the District of Columbia, Hawaii, and Puerto Rico, $328,803,000.

4. Total amounts of loan contracts executed or approved for 73 cities and 2 counties in 22 States, the District of Columbia, and Hawaii, $320,986,000.

In other words, the U. S. H. A. has received requests for loans amounting to nearly $917,000,000, of which about $650,000,000 has been earmarked; and of this latter sum, $320,986,000 has actually been pledged as loans to local public housing agencies to cover 90 percent of the cost of 140 projects, none of which apparently are as yet open for occupancy, though several are near completion. The other 10 percent has been raised, as the Housing Act directs, by the local public housing agencies, and it amounts to $39,286,466. This would make the total cost of these projects $360,272,466—this figure is the sum of $320,986,000 and $39,286,466. It is $3,577,125 more than the estimated total cost of these 140 projects, which in the annual report of the United States Housing Authority for 1938 (p. 16) is given as $356,695,341. These United States Housing Authority loans, it will be remembered, are to be amortized both as to principal and 3-percent interest over a period of 60 years. Table II attached gives the amount of the U. S. H. A. loan for each project, the interest charges on these loans over 60 years, the total amortization cost, and the annual carrying charges. This table discloses the interesting fact that on the combined loans the interest charges alone over the 60-year period are $54,000,000 greater than the principal of these loans—principal, $320,986,000; interest over 60 years, $374,904,362—so that the local housing agencies will have to pay back $695,890,362 for $320,986,000 at an annual carrying charge of $11,598,173. In other words, the local housing agencies have to pay back approximately $2.17 for each dollar borrowed. Applying this same formula to the entire $800,000,000 which the U. S. H. A. may lend to local housing agencies, we find that the latter will have to pay back $1,736,000,000—or over twice the amount borrowed. This sum, be it said, is in addition to the $88,000,000 representing their 10-percent share plus interest which the local agencies will have to pay back as a result of their local borrowing. In point of fact, the money used to pay back principal and interest on the U. S. H. A. loans will be derived almost entirely from the annual contributions which the U. S. H. A. gives to the local public housing agencies, and these may now be briefly considered.

Contributions: As indicated previously, two forms of subsidy have been authorized under the Housing Act, these being capital grants and annual contributions. The latter method is the only one which has been and is likely to continue to be used. As of December 31, 1938, the U. S. H. A. has contracted to supply $13,864,364 annually to the 140 projects for which loan contracts have been executed and approved.

The local public housing agencies which are required to put up a sum at least equal to 20 percent of the Federal contribution have far exceeded this quota with $9,141,507—or approximately 65 percent of the amount furnished by the U. S. H. A. Table III attached shows the estimated development cost of the projects of each public housing agency by States, the amount of the Federal and local annual payments (based on 3½ percent of the development cost) and what these would amount to at the end of 60 years, provided they are not scaled down at the end of 10 years or any 5 years thereafter. The chief point to note is that by the end of the period the $13,864,364 of annual U. S. H. A. payments will have reached the tremendous total of $831,861,840 and the $9,141,507 of local payments will amount to $548,490,420—making a grand total of $1,380,352,260. The $13,864,364 now being contributed by the U. S. H. A. in annual payments, it should be remembered, is less than half of the $28,000,000 which can be furnished each year under the act and efforts are now being made to raise the total of such payments $45,000,000 each year, which, with the $28,000,000 available to be loaned under existing contracts, would call for total Federal outlays over 60 years of $4,380,000,000 with large local contributions in addition.

There is a certain offset to this situation, however, as explained by Senator WAGNER in a speech before the Senate on March 16, 1939 (CONGRESSIONAL RECORD, p. 2826).

In order to make loans to local housing agencies, the U. S. H. A. sells its obligations to the public. The rate of interest which it is at present obligated to pay is approximately 1⅜ percent. However, the interest which the local housing agencies have to pay to the U. S. H. A. on loans is 3 percent, and consequently the U. S. H. A. makes a profit on these loans represented by the spread between the annual debt service paid by the local housing agency to the U. S. H. A. and the debt service on the money borrowed by the U. S. H. A. for housing loans. As can readily be seen this spread is now 1⅝ percent.

This profit can be used as an offset against the $28,000,000 in annual contributions authorized under the present act. Here is the way Senator WAGNER explains it:

The present program of the United States Housing Authority involves loans of $800,000,000 for slum clearance and low-rent housing. As I have pointed out, these loans are repayable in full with

interest, and on the basis of the present rate at which the U. S. H. A. is borrowing and lending money, they will involve an annual profit to the Federal Government of about $9,240,000. As against this, the present program calls for maximum annual contributions by the United States Housing Authority of not more than $28,000,000. Subtracting the annual profit on the loans from the maximum annual subsidies, we arrive at an aggregate net cost of about $18,760,000 per year. Note this figure—an aggregate net cost to the Federal Government of about $18,760,000 per year for the present slum clearance and low-rent housing program. (CONGRESSIONAL RECORD, March 16, 1939, p. 2826.)

Now, of course, no one knows how long the U. S. H. A. will be able to borrow at 1⅜ percent, nor does Senator WAGNER, as he himself admits. But assuming that the present situation continues to exist and accepting Senator WAGNER's figures it would mean that instead of paying out $1,680,000,000 in subsidies, $28,000,000 times 60, over 60 years, the U. S. H. A. would pay out $1,125,600,000, $18,760,000 times 60, over that period.

Federal loans on the 140 projects considered in the report reached a total of $320,986,000. It is assumed that the U. S. H. A. paid 1.375 percent interest per year on this sum, or at least the greater part of it, or approximately $4,413,557. However, the local housing agencies have to pay 3 percent interest to the U. S. H. A. on this same amount, $320,986,000, or $9,629,580. The profit to the U. S. H. A. will be $5,216,023. This sum should be subtracted from the annual contributions of the U. S. H. A., so that instead of amounting to $13,864,364, these contributions amount to a net total of $8,648,341. Over a period of 60 years the sum total would be $518,900,460, to which should be added $9,141,507 in local subsidies for each year, or $548,490,420.

APPROXIMATELY $3,000 ADDED PER $1,000 OF ORIGINAL COST

This would make a grand total of $1,067,390,880 in Federal and local subsidies over the 60-year period, which would be about 300 percent greater than the original cost of these projects. In other words the taxpayers of the country are being asked to contribute over the next 60 years approximately $3,000 in subsidies for every $1,000 worth of dwellings constructed.

CONSTRUCTION COSTS ADMITTED

This brings us now to a more detailed analysis of construction costs on the 140 projects for which contracts have been approved and executed. It will be remembered that the total estimated cost of these is $356,695,341. Table IV, attached, gives a break-down of these total costs by dwelling units. It will be observed on consulting this table that the average cost of dwelling facilities per unit ranges from a low of $2,353, project No. 2, Austin, Tex., to a high of $4,542, project No. 1, Detroit, Mich. The average is in the neighborhood of $3,500 and all in consequence fulfill the requirement of the act, which, as will be remembered, sets a limit of $4,000 per unit in localities below 500,000 population and $5,000 per unit in cities of 500,000 or more.

CONSTRUCTION COSTS OMITTED

However, these figures cover only the net cost of construction of the actual dwellings, plus a small amount for equipment, architects, and overhead. When the cost of nondwelling facilities is added, as it should be, we find that the costs per unit range from a low of $2,938, project No. 1, San Antonio, Tex., to $6,330, project No. 2, New York City, with an average of approximately $4,801 per unit. Even this does not include the cost of demolition of slum sites, which must be performed under the act, nor of the land, to say nothing of the subsequent expense or annual contributions which add $3,000 for every $1,000 of original cost.

MORE THAN TWICE VALUE OF UNITED STATES HOME

If the above are included, the average cost of the 64,451 dwelling units in the 140 projects is $5,534, or an average of $1,351 for the 264,000 rooms in these projects. These averages to be sure are less by $391 and $301, respectively, than the average dwelling and room cost of the P. W. A. housing division projects. However, in view of the fact that the average cost of the average American home today is $2,282, according to median figures from the United States census of 1930, it means that the families occupying the U. S. H. A. financed projects will reside in dwellings costing on an average $3,252 more to construct than the average house occupied by the average American family. Obviously they cannot do so except for the reduced rent achieved through contributions given by the American taxpayer.

Rentals: While as previously stated, none of the U. S. H. A. projects has yet been opened for occupancy, estimated average monthly rentals have been set for the 140 projects in question. These cover only the shelter rent, which means that no utilities such as heat, light, water, and cooking fuel are included. They appear in table V attached, and it will be noted that they range from a low of $1.75 per room and $7.25 per four-room dwelling per month in certain of the Texas projects to $5 per room and $20.50 per dwelling per month in projects in New York City, the average being $3.55 per room and $14.80 per four-room dwelling per month. These, it must be remembered, are only estimated rentals, although the U. S. H. A. optimistically declares—see table V attached—that it is anticipated that actual rentals will be substantially lower, often by as much as 10 to 15 percent. Furthermore, this is shelter rent only, and to it should be added utilities charges, which in 42 P. W. A. Housing Division projects—now under United States Housing Authority supervision—average $1.73 per room per month and $6.11 per dwelling unit—a table on page 51 of the U. S. H. A. Annual Report for 1938 gives the shelter rent on these projects as $5.51 per room per month and $19.47 per dwelling unit per month, but with the addition of utilities the average rent per room per month is $7.24 and per dwelling unit $25.58. We can therefore assume that the cost of utilities averages $1.73 per room per month and $6.11 per dwelling unit. Using these as a base—for there is no reason to suppose that the charges for utilities in the U. S. H. A. projects will be materially lower than in the former P. W. A. projects, we find that the gross rental per room per month in the cheapest projects in Texas would be $2.90 and per dwelling unit $11.02 and $7.09 per room per month and $27.56 per dwelling unit in the highest-cost projects in New York City. These figures are based on a utility charge of $1.15 per room per month and $3.77 per dwelling unit on the Texas P. W. A. projects and $2.09 per room per month and $7.06 per dwelling unit in the New York City P. W. A. projects.

MISSES TARGET OF SLUM FAMILIES

The average rental would be $5.28 per room per month and $20.91 per dwelling unit, and under the formula that income would be five to six times the rental charged, the family income necessary to occupy the cheapest projects—Texas—should be $661.20 to $793.44 per year, and to occupy the New York projects the family income should be from $1,653.60 to $1,984.32 per year.

The average income would have to be $1,254.60 to $1,505.52 per year. Nevertheless, the U. S. H. A. has fitted the Texas projects to an income range of $450 to $549 per year and the New York projects to an income range of $1,050 to $1,149 per year. They will, as of the present, accept no one with an income of over $1,149, which means, in effect, that the tenants in the Texas projects of the U. S. H. A. will have to pay from 24 to 29 percent of their income for rent and the tenants in the New York projects will have to pay from 28 to 31 percent of their incomes for gross rent—the U. S. H. A. rent and income scale appears on page 6 of its Annual Report for 1938, and is as follows: Average monthly shelter rent per dwelling $8–$9.99, income range $450–$549; average monthly shelter rent per dwelling $10–$11.99, income range $550–$649; average monthly shelter rent per dwelling $12–$13.99, income range $650–$749; average monthly shelter rent per dwelling $14–$15.99, income range $750–$849; average monthly shelter rent per dwelling $16–$17.99, income range $850–$949; average monthly shelter rent per dwelling $18–$19.99, income range $950–$1,049; average monthly shelter rent per dwelling $20–$21, income range $1,050–$1,140. It should be noted that even these rentals, though not including utilities, represent more than one-fifth of the income ranges assigned to them. In other words, the gross rentals in the

U. S. H. A. projects are in no way adapted to the lowest income groups and can be met by them only at the cost of other necessities of life.

TAXPAYERS PAY $215.11 PER YEAR PER FAMILY

And it should be remembered that they are as low as they are only by virtue of the annual contributions furnished by the U. S. H. A. and the local public housing agencies. We have already discussed the question of annual contributions, but it should be pointed out once more that for 140 projects the U. S. H. A. is now furnishing grants of $13,864,364 in addition to local contributions of $9,141,507. This would make the Federal grant alone approximately $99,031 per project per year and $215.11 per dwelling per year. In other words, on the basis of 140 projects for which contracts have been approved and executed, it will apparently cost the American public $215.11 per year to maintain the average family in a U. S. H. A. dwelling, in addition to which the local housing agencies will contribute a further $141.83 per dwelling per year in the form of cash, tax exemptions, or what not. As an editorial in the Washington Post of May 5, 1939, puts it:

> The result is to magnify housing benefits to a relatively small number of families out of all proportion to other forms of public aid and relief. The U. S. H. A. recently estimated that the "economic rent" for an average dwelling in a project it is aiding in Louisville would amount to $42 per month. Federal and local subsidies will reduce this average rental to $16. In effect, tenants of this project will obtain $26 per month rent subsidy from the public purse.

THIS IS ONLY THE BEGINNING

President Roosevelt has declared that "the drive must go forward until every American family has a decent home."—U. S. H. A. release of August 3, 1938. Senator WAGNER (Democrat), of New York, the sponsor of this housing legislation, in a radio speech of October 13, 1938, stated that "this rehousing campaign has only been begun," and because the money so far appropriated "will barely scratch the surface" the program "must and will be expanded." These are theoretically laudable sentiments, and if a truly well-housed nation can be achieved under a realistic program at a reasonable cost it should command the support of all.

CAN UNITED STATES AFFORD $4,000,000,000 PER YEAR?

But consider for a moment the logical conclusion of a program which avowedly has for its goal the housing of low-income families at a cost of $356.94 per year per family, this being the sum of the $215.11 per year in Federal and $141.83 in local subsidies—the Administrator of the U. S. H. A., in a letter to the Washington Post published May 14, 1939, advances the claim that the average U. S. H. A. gross annual contribution is only $158 per family rehoused on the 140 projects. From this he subtracts the interest profit on the U. S. H. A. loans—that is, it borrows the money at 1⅞ percent interest and loans it to local public housing agencies at 3 percent interest—which, according to him, makes the net annual contribution $115.50 per family rehoused. As there are 64,451 dwellings in these projects the gross contribution on this basis should be $10,183,258 and the net contribution $7,444,090.50. However, the annual Federal contribution, according to U. S. H. A. figures, is $13,864,364, which is an average of $215.11 per year for each of the 64,451 dwelling units. The Housing Act, it should be noted, does not define a "low-income family" in terms of any specific range of income, but simply as "families in the lowest income groups and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings" (sec. 2 (2)).

Under these vague standards the United States Housing Administrator can in effect set his own limits as to what constitutes low income under the terminology of the act, and as we have seen in the case of the first 140 U. S. H. A. projects, he has set the upper income limit for the time being at $1,149 per year. Now, we do not know just how many families in urban communities, where the U. S. H. A. projects are and will be located, have incomes of less than $1,149 per year. We are informed, however, by the National Resources Committee—Consumer Incomes in the United States, published August 1938—that there are 16,496,448 families living in urban communities and of these approximately 4,000,000 families have incomes of $780 per year or less, and about 12,000,000 incomes of $1,450 per year or less. Practically all the families in the first group and a very large proportion of the second would be entitled to U. S. H. A. benefits not only on the score of income but because they live in dwellings "of faulty arrangement and design" or are regarded as too crowded or are inadequately lighted and unventilated or do not have a private bath for each family—U. S. H. A. press release, H. A. 52, March 9, 1938—which charges can be brought against many dwellings even in relatively expensive neighborhoods. If the U. S. H. A. extends the benefits of its housing to all the families with incomes of $780 per year or less in accordance with the expressed intent of President Roosevelt and other proponents of the act, and does so at combined Federal and local subsidies of $356.94 per family as at present it will cost the American public $1,427,760,000 per year, or nearly $86,000,000,000 for 60 years. If we assume that these benefits are to be extended to all families with incomes of $1,450 per year or less—only $300 per year more than the present artificially fixed limits—we would have approximately 12,000,000 families housed in U. S. H. A. projects at a total subsidy cost of $4,283,280,000 per year, or the astronomical total of over $256,000,000,000 for 60 years.

Nor would the process necessarily stop here. Naturally the advantages of occupying a dwelling on which the Government pays part of the rent are such that pressure will continually be brought to bear to extend these benefits. Pressure groups will arise to pit their voting strength in favor of bigger and better projects with bigger and better subsidies. It is easy to visualize a situation wherein nearly half of all the families in the country are housed in subsidy-supported projects, part of the rent of which is paid by the American taxpayer.

DRIVE FOR EXPANSION ALREADY UNDER WAY

And lest this should seem too fantastic, let it be noted that clamors for an extension of the program are already being made. We have already called attention to the bill (S. 591) introduced on January 13, 1939, by Senator WAGNER, Democrat, of New York, under which the lending power of the U. S. H. A. will be doubled and the annual contributions will be increased to $45,000,000 in addition to contracts already made, which in effect would permit annual contributions of $73,000,000. If this passes, no doubt requests will soon be forthcoming for still larger lending powers and still larger subsidies in a never-ending cycle.

SUMMARY

The following are the chief points of attack which may be leveled at the United States Housing Act of 1937 and amendments of June 21, 1938, and against the United States Housing Authority created under its provisions.

1. Another bureaucracy has been created nearly half of whose employees, whatever their competence, are outside of civil service and hence may have been selected primarily through political considerations. This number will undoubtedly show a considerable increase, if the U. S. H. A.'s lending and subsidy operations are expanded.

2. The U. S. H. A. loans will constitute a tremendous burden on the local housing agencies to pay back as to principal and interest even though spread over a period of 60 years. Loans of $320,986,000 so far made will require $374,904,362 in interest charges alone, making a total of $695,890,362 over that period and annual carrying charges of $11,598,173. This is approximately $2.17 for each dollar borrowed, and if we apply this formula to the entire $800,000,000 which the U. S. H. A. is empowered to lend, it will place an obligation on the local agencies of $1,736,000,000 to be paid back over a 60-year period—this in addition to $88,000,000 plus interest, which represents the 10 percent which must be raised locally. If the lending power of the U. S. H. A. is doubled, as it would be if Senator WAGNER'S bill is passed, the amount which must be paid back in principal and interest will be $3,472,000,000 in 60 years—again in addition to sums raised locally. This burden would be assumed by the 221 local public-housing agencies created as of December 31, 1938, and presumably loans will not be made to them unless there

is reasonable assurance that they will carry out their part of the contract. One wonders, however, in the light of past experience with relation to Federal loans in other fields, such as relief, for example, whether this debt may not be reduced and the taxpayer left to foot at least part of the bill.

3. The U. S. H. A. projects, according to estimate, are not cheaper to construct than similar dwellings put up by private industry. It is true that the 64,451 dwellings embraced in the 140 projects, on which contracts have been executed, fall within the limits of $4,000 per dwelling and $1,000 per room in localities of less than 500,000 population, and $5,000 per dwelling and $1,250 per room in centers of 500,000 or more. But the average of $4,507 claimed by the Administrator does not include demolition, site improvements, construction for gas, electricity, and water, and so forth, which, if included would bring the average total original cost of these projects to $5,534 per dwelling and $1,352 per room. This is $3,252 more than the $2,282 average values of existing homes in the United States. In other words, the U. S. H. A. must depend on ample grants to bring the level of rents anywhere near within reach of the low-income families it is designed to serve.

Here we come squarely face to face with the question of the Government compelling the average citizen to pay for the home of a public charge on a basis that is more than twice as expensive—for original construction costs alone—as the one he occupies after the years of family toil, thrift, and sacrifice which have been necessary for him to obtain his own home.

HIDDEN COSTS ARE BARED

Then, too, all the way through, it is necessary to remember that the original cost, or the construction cost, only tells part of the story. Those figures do not include subsequent charges. Table III strips the veil off the hidden costs. It shows Congress and the people of the United States the complete costs of the projects in various communities; the costs which have been covered up in a most complicated formula; the costs by which the American people may gage the disproportionate penalty that is imposed upon them by the existing plan and by which they can judge the real worth of the entire undertaking.

AVERAGE OF $21,417 PER FAMILY UNIT

Here we find that the public expenditure for U. S. H. A. dwellings in the final analysis amounts to $12,093 at Austin, Tex.; $21,855 at Detroit, Mich.; and an average of $21,417.08.

In order that the people of the Nation in all walks of life—the laboring man, the farmer, the housewife, the clerk, the merchant—may know what this proposition is doing to them, it is no more than reasonable that they should be informed as to the full costs and be able to compare them again with $2,282 listed in the United States Census Report of 1930 as the average value of existing homes in the country—the homes in which they themselves reside.

Clean, healthy, comfortable, wholesome shelter can be provided for a slum family at more modest cost. This would mean rents within the reach of slum families and also that many more dwellings could be provided.

4. The estimated rentals charged in U. S. H. A. projects average $3.55 per room and $14.80 per dwelling per month, ranging from a low of $1.75 per room and $7.25 per dwelling per month in Texas to $5 per room and $20.50 per dwelling per month in New York. These, however, do not include any utilities such as light, cooking fuel, and so forth. The average charge for these is $1.73 per room and $6.11 per dwelling per month, which would raise the gross rent to $5.28 per room and $20.91 per dwelling per month. This means, in effect, that families occupying these dwellings should have an average income of $1,254 to $1,505 per year, according to the income formula in the housing act prescribing an income 5 to 6 times the rental. Hence, the 17 percent of the people with incomes of $800 or less per year must pay 25 to 30 percent of their income for rent, at the expense of other necessities. As it is, an upper-income limit of $1,149 has been set for families occupying U. S. H. A. projects.

5. The rental charges just described can only be maintained through subsidies which average $215.11 per family per year from the U. S. H. A. and $141.83 from the local housing agencies, or a total of $356.94. This means that annual contributions on the 140 U. S. H. A. projects under contract amount to $13,864,364 from the U. S. H. A. and $9,141,507 from local sources. These contributions may continue for 60 years; at the end of which time they will amount to $831,861,840 and $548,490,420, esrpectively, or a grand total of approximately $1,380,000,000. This is a large charge on the taxpayer even over so long a period, but it is just the beginning. For if the administration intends to provide housing for all low-income families, and apparently they do, there are about 4,000,000 families with incomes of $780 or less, this being $369 under the upper limit now set for families in U. S. H. A. projects. At $356.94 per family per year it would cost in subsidies alone $1,427,760,000. This would come directly or indirectly from the public purse each year and over 60 years would reach the astronomical total of about $86,000,000,000. To be sure, the limit of U. S. H. A. contributions which can be made in any one year is $28,000,000, but a new bill (S. 591) sponsored by Senator WAGNER would raise this total to $73,000,000 and as the advantages of living in homes wherein the rent is partly paid by the Government becomes better known, a new pressure group will be created demanding ever larger loans and grants.

Cutting through all the complicated verbiage, we find that the application of the U. S. H. A. subsidy formula means that the Federal taxpayer actually puts up $3,000,000 for each $1,000,000 of construction.

Despite these tremendous subsidies, the money spent on construction has been so excessive that the rents on these projects are not within the reach of the incomes of slum dwellers.

While all responsive and responsible citizens surely are willing to enthusiastically support any practical and reasonable program of slum clearance these results of the present law are manifestly unfair, because:

1. The rents are too high for slum dwellers even after subsidies.

2. The Federal Government is required to contribute $3,000,000 for every $1,000,000 of construction.

3. Under the present high costs, the program already undertaken barely scratches the surface and indicates the cost of meeting complete demands would be far beyond the most rosy visions of the resources of the Government.

4. The average citizen who lives in a $2,282 home obtained at his own expense is compelled under this program to supply $5,534 homes for others, with additional subsequent costs bringing the total to an average of $21,417 in the final analysis.

TABLE I.—*Public Works Administration Housing Division projects completed and operated, and projects completed, operated, and leased to local housing authorities as of June 30, 1938*

Location	Total estimated development cost	Number of families projects house	Average shelter rent (water included) per unit per month	Rent yield [1]	Total operating expenses [2]
Atlanta, Ga	$2,887,564	604	[3] $21.43	$368,030	$279,097
Do	2,509,727	675	[3] 19.56	206,526	180,628
Atlantic City, N. J	1,485,204	277	[3] 19.89	104,839	73,774
Buffalo, N. Y	4,502,756	658	[3] 23.35	156,110	152,165
Camden, N. J	2,933,353	514	17.44	8,801	19,959
Charleston, S. C	1,243,540	212	[3] 18.61	33,071	30,970
Cleveland, Ohio	3,312,733	650	[3] 21.85	160,854	140,636
Do	3,381,505	579	[3] 19.37	128,620	131,310
Do	3,684,304	620	[3] 23.06	138,432	115,704
Dallas, Tex	948,377	181	[3] 22.36	40,518	32,711
Enid, Okla	538,640	80	[3] 22.63	15,007	15,576
Indianapolis, Ind	3,168,639	748	15.11	46,464	57,201
Jacksonville, Fla	916,845	215	[3] 15.39	39,568	37,807
Miami, Fla	908,703	243	[3] 17.70	63,653	56,792

[1] Includes all shelter rental income, plus any utilities furnished by projects to tenants, to June 30, 1938, or to date of lease to local authority.

[2] Total operating expenses include reserve for repairs, maintenance, and replacements.

[3] Denotes rents fixed under George-Healey Act; all others fixed under United States Housing Act.

TABLE I.—*Public Works Administration Housing Division projects completed and operated, and projects completed, operated, and leased to local housing authorities as of June 30, 1938*—Continued

Location	Total estimated development cost	Number of families projects house	Average shelter rent (water included) per unit per month	Rent yield	Total operating expenses
Milwaukee, Wis.	$2,465,327	518	[3] $23.01	$180,690	$138,808
Montgomery, Ala.	408,154	100	[3] 18.02	20,429	16,584
Do.	503,306	156	[3] 13.46	26,104	21,975
Nashville, Tenn.	1,889,032	314	18.53	18,625	34,818
Do.	1,766,922	398	14.18	294	3,163
Oklahoma City, Okla.	1,956,903	354	[3] 19.92	72,768	57,384
Stamford, Conn.	825,776	146	[3] 21.12	43,193	33,055
Virgin Islands (3 sites)	228,473	126	[3] 4.37	3,428	2,866
Washington, D. C.	1,744,177	274	17.77	10,749	13,005
Wayne, Pa.	338,221	50	15.72	3,003	4,449
Total, 24 projects	44,548,195	8,692		1,889,837	1,650,449
OPERATED AND LEASED					
Cambridge, Mass.	$2,373,652	294	[3] $18.54	$1,138	$5,199
Columbia, S. C.	662,030	122	[3] 15.93	15,869	15,337
Lexington, Ky.	1,610,161	286	16.94	4,454	6,176
Louisville, Ky.	1,230,140	210	17.91	7,819	9,544
Do.	719,093	125	15.22	3,465	5,627
Memphis, Tenn.	3,237,015	633	13.10	10,092	18,288
Do.	3,068,776	449	18.24	10,746	16,564
Philadelphia, Pa.	1,971,317	258	19.64	1,830	6,321
Total, 8 projects	14,872,187	2,377		55,418	81,059
Total, 32 projects	59,420,383	11,069		1,945,255	1,731,509
PROJECTS COMPLETED AND LEASED TO LOCAL HOUSING AUTHORITIES AND NOT OPERATED BY U. S. HOUSING AUTHORITY					
Birmingham, Ala.	$2,420,823	544	$14.06		
Boston, Mass.	6,244,688	1,016	18.97		
Chicago, Ill.	5,306,702	723	18.96		
Do.	1,617,679	304	18.96		
Do.	5,570,304	925	19.09		
Do.	2,865,153	462	20.29		
New York, N. Y.	12,917,362	1,622	22.94		
Do.	4,104,533	574	21.69		
Omaha, Nebr.	1,790,162	284	18.47		
Toledo, Ohio	1,860,961	264	17.37		
Total, 10 projects	44,698,370	6,718			
Total, 42 projects	104,118,754	17,787			
PROJECTS NOT COMPLETED NOR OCCUPIED AS OF JUNE 30, 1938 [All completed and operated or leased as of Dec. 31, 1938]					
Cincinnati, Ohio	$6,794,357	1,039			
Detroit, Mich.	4,783,937	701			
Do.	4,175,655	775			
Evansville, Ind.	862,453	191			
Lackawanna, N. Y.	1,537,130	271			
Minneapolis, Minn.	3,453,390	464			
Schenectady, N. Y.	1,350,992	219			
Total, 7 projects	22,957,917	3,660			
Grand total, 49 projects	127,076,671	21,447			

[3] Denotes rents fixed under George-Healey Act; all others fixed under United States Housing Act.

The first 26 projects are operated by the United States Housing Authority.

Source: Hearings before the subcommittee of the Committee on Appropriations, House of Representatives, 76th Cong., 1st sess., on Interior Department appropriation bill for 1940, pp. 140, 141.

TABLE II.—*U. S. Housing Authority projects: Amount of loan, interest charge, total amortization cost, and annual payments*

State and project	Amount of loan [1]	Interest charge [2]	Total amortization cost [3]	Annual payments [4]
Alabama (3)	$5,477,000	$6,397,012	$11,874,012	$197,900
Birmingham (1)	3,828,000	4,471,017	8,299,017	138,317
Mobile (2)	1,649,000	1,925,995	3,574,995	59,583
California (6)	6,905,000	8,064,883	14,969,883	249,498
Los Angeles County (2)	2,331,000	2,722,555	5,053,555	84,226
Oakland (2)	2,591,000	3,026,229	5,617,229	93,620
San Francisco (2)	1,983,000	2,316,099	4,299,099	71,652
District of Columbia (4)	$6,600,000	$7,708,650	$14,308,650	$238,478
Washington (4)	6,600,000	7,708,650	14,308,650	238,478
Florida (6)	5,113,000	5,971,868	11,084,868	184,748
Jacksonville (1)	1,027,000	1,199,513	2,226,513	37,109
Orlando (1)	548,000	640,052	1,188,052	19,801
Pensacola (2)	1,055,000	1,232,216	2,287,216	38,120
St. Petersburg (1)	959,000	1,120,090	2,079,090	34,652
Tampa (1)	1,524,000	1,779,997	3,303,997	55,067
Georgia (10)	17,672,000	20,640,495	38,312,495	638,542
Atlanta (4)	11,661,000	13,619,783	25,280,783	421,346
Augusta (2)	1,369,000	1,598,961	2,967,961	49,466
Columbus (2)	1,860,000	2,172,438	4,032,438	67,207
Savannah	2,782,000	3,249,313	6,031,313	100,522
Project 1	727,000	849,119	1,576,119	26,269
Project 2	2,055,000	2,400,193	4,455,193	74,253
Hawaii (1)	1,012,000	1,181,993	2,193,993	36,567
Honolulu (1)	1,012,000	1,181,993	2,193,993	36,567
Illinois (2)	11,233,000	13,119,889	24,352,889	405,881
Chicago (1)	8,674,000	10,131,035	18,805,035	313,417
Peoria (1)	2,559,000	2,988,854	5,547,854	92,464
Indiana (5)	3,399,000	3,969,955	7,368,955	122,816
Anderson (1)	880,000	1,027,820	1,907,820	31,797
Delaware County (1)	427,000	498,726	925,726	15,429
Kokomo (1)	634,000	740,498	1,374,498	22,908
Muncie (1)	1,141,000	1,332,662	2,473,662	41,228
Vincennes (1)	317,000	370,249	687,249	11,454
Kentucky (6)	11,632,000	13,585,912	25,217,912	420,299
Covington (2)	1,947,000	2,274,052	4,221,052	70,351
Frankfort (1)	348,000	406,456	754,456	12,574
Lexington (1)	891,000	1,040,668	1,931,668	32,194
Louisville (2)	8,446,000	9,864,736	18,310,736	305,179
Project 1	4,261,000	4,976,751	9,237,751	153,963
Project 2	4,185,000	4,887,985	9,072,985	151,216
Louisiana (6)	25,311,000	29,562,673	54,873,673	914,561
New Orleans (6)	25,311,000	29,562,673	54,873,673	914,561
Contract No. 1 (2)	8,411,000	9,823,857	18,234,857	303,914
Contract No. 2 (2)	9,830,000	11,481,217	21,311,217	355,187
Contract No. 3 (2)	7,070,000	8,257,600	15,327,600	255,460
Maryland (8)	22,069,000	25,776,091	47,845,091	797,418
Annapolis (1)	478,000	558,293	1,036,293	17,272
Baltimore (7)	21,591,000	25,217,798	46,808,798	780,147
Massachusetts (6)	19,567,000	22,853,812	42,420,812	707,014
Boston (4)	16,924,000	19,766,848	36,690,848	611,514
Cambridge (1)	1,815,000	2,119,879	3,934,879	65,581
Holyoke (1)	828,000	967,085	1,795,085	29,918
Michigan (4)	16,564,000	19,346,376	35,910,376	598,506
Detroit (4)	16,564,000	19,346,376	35,910,376	598,506
Contract No. 1 (3)	14,257,000	16,651,852	30,908,852	515,148
Contract No. 2 (1)	2,307,000	2,694,524	5,001,524	83,359
Nebraska (1)	2,243,000	2,619,773	4,862,773	81,046
Omaha (1)	2,243,000	2,619,773	4,862,773	81,046
New Jersey (9)	14,185,000	16,567,758	30,752,758	512,546
Asbury Park (1)	675,000	788,385	1,463,385	24,390
Elizabeth (1)	2,019,000	2,358,146	4,377,146	72,952
Newark (4)	8,199,000	9,576,246	17,775,246	296,254
North Bergen (1)	863,000	1,007,964	1,870,964	31,183
Trenton (2)	2,429,000	2,837,017	5,266,017	87,767
New York (9)	54,620,000	63,794,920	118,414,920	1,973,582
Buffalo (3)	8,424,000	9,839,041	18,263,041	304,384
Project 1	3,643,000	4,254,941	7,897,941	131,632
Project 2	821,000	958,909	1,779,909	29,655
Project 3	3,960,000	4,625,190	8,585,190	143,087
New York City (3)	38,390,000	44,838,649	83,228,649	1,387,144
Contract No. 1 (2)	30,000,000	35,039,319	65,039,319	1,083,989
Contract No. 2 (1)	8,390,000	9,799,330	18,189,330	303,155
Syracuse (1)	3,930,000	4,590,151	8,520,151	142,003
Utica (1)	900,000	1,051,180	1,951,180	32,520
Yonkers (1)	2,976,000	3,475,900	6,451,900	107,532
North Carolina (2)	1,155,000	1,349,014	2,504,014	41,734
Wilmington (2)	1,155,000	1,349,014	2,504,014	41,734
Ohio (12)	27,584,000	32,217,456	59,801,456	966,691
Cincinnati (2)	7,101,000	8,293,807	15,394,807	256,580
Cleveland (3)	9,153,000	10,690,496	19,843,496	330,725
Columbus (1)	1,888,000	2,205,141	4,093,141	68,219

TABLE II.—*U. S. Housing Authority projects: Amount of loan, interest charge, total amortization cost, and annual payments*—Continued

State and project	Amount of loan	Interest charge	Total amortization cost	Annual payments

[1] Source: CONGRESSIONAL RECORD, Mar. 8, 1939, pp. 2434–2438.

[2] Computed by subtracting the "Amount of the loan" from the "Total amortization cost."

[3] Computed by multiplying the "Amount of the loan" by 2.1679773 (the annuity of 1 by 60).

[4] Computed by multiplying the "Amount of loan" by 0.036132955 (the annuity of $1 at 3 percent for 60 years). This assumes repayment in 60 equal installments.

TABLE II.—*U. S. Housing Authority projects: Amount of loan, interest charge, total amortization cost, and annual payments*—Continued

State and project	Amount of loan	Interest charge	Total amortization cost	Annual payments
Ohio (12)—Continued.				
Dayton (2)	$2,624,000	$3,064,772	$5,638,772	$94,813
Toledo (1)	1,644,000	1,920,155	3,564,155	59,403
Warren (1)	960,000	1,156,298	2,146,298	35,772
Youngstown (1)	2,835,000	3,311,216	6,146,216	102,437
Zanesville (1)	1,349,000	1,575,601	2,924,601	48,743
Pennsylvania (9)	36,939,000	43,143,913	80,082,913	1,334,715
Allentown (1)	1,446,000	1,688,895	3,134,895	52,248
Chester (1)	1,948,000	2,275,220	4,223,220	70,387
Philadelphia (3)	15,118,000	17,657,481	32,775,481	546,258
Pittsburgh (3)	16,623,000	19,415,287	36,038,287	600,638
Contract No. 1 (2)	6,746,000	7,879,175	14,625,175	243,753
Contract No. 2 (1)	9,877,000	11,536,112	21,413,112	356,885
Reading (1)	1,804,000	2,107,031	3,911,031	65,184
South Carolina (6)	4,164,000	4,863,457	9,027,451	150,458
Charleston (4)	2,313,000	2,701,531	5,014,531	83,576
Contract No. 1 (2)	1,017,000	1,187,833	2,204,833	36,747
Contract No. 2 (2)	1,296,000	1,513,699	2,809,699	46,828
Columbia (2)	1,851,000	2,161,925	4,012,926	66,882
Tennessee (5)	10,307,000	12,038,342	22,345,342	372,422
Chattanooga (1)	2,262,000	2,641,965	4,903,965	81,733
Knoxville (2)	$2,504,000	$2,924,615	$5,428,615	$90,477
Memphis (2)	5,541,000	6,471,762	12,012,762	200,213
Texas (13)	11,851,000	13,841,699	25,692,699	428,21
Austin (3)	643,000	751,009	1,394,009	23,233
Brownsville (1)	534,000	623,700	1,157,700	19,295
Corpus Christi (3)	845,000	988,109	1,834,109	30,568
El Paso (1)	1,210,000	1,413,253	2,623,253	43,721
Fort Worth (2)	2,028,000	2,368,658	4,396,658	73,278
Houston (2)	3,002,000	3,506,268	6,508,268	108,471
San Antonio (1)	3,538,000	4,190,703	7,778,703	129,645
Vermont (1)	436,000	509,238	945,238	15,754
Burlington (1)	436,000	509,238	945,238	15,754
West Virginia (6)	4,948,000	5,779,152	10,727,152	178,786
Charleston (2)	2,175,000	2,540,351	4,715,351	78,589
Huntington (3)	2,101,000	2,453,920	4,554,920	75,915
Parkersburg (1)	672,000	784,881	1,456,881	24,281
Grand total	320,986,000	374,904,362	695,890,362	11,598,173

TABLE III.—*U. S. Housing Authority projects; total amortized construction cost per dwelling unit*

State project	Number of dwelling units	Total cost of entire project	Total amortized cost of project	Amortized cost per family unit	Total Federal subsidies over 60 years	Total local subsidies over 60 years	Total public funds per family unit during life of project
Alabama:							
Birmingham	860	$4,253,071	$9,220,561	$10,721.58	$9,824,580	$3,592,140	$15,600.83
Mobile	100	453,000	982,094	9,820.94	4,235,700	2,159,700	16,068.84
Do	298	1,381,000	2,993,977	10,046.90			
California:							
Los Angeles County	250	1,287,000	2,790,187	11,160.75	5,982,900	3,392,100	20,695.36
Do	253	1,304,099	2,827,042	11,174.08			
Oakland	400	2,117,000	4,589,608	11,474.02	6,650,700	3,826,520	20,642.48
Do	156	763,000	1,654,167	10,603.63			
San Francisco	118	558,000	1,209,731	10,251.96	5,088,300	2,987,580	19,320.28
Do	300	1,646,000	3,568,491	11,894.97			
District of Columbia:							
Washington	282	1,571,000	3,405,892	12,077.63			
Do	246	1,511,000	3,275,814	13,316.32			
Do	428	2,610,000	5,658,421	13,220.61	16,944,900	8,472,480	20,220.67
Do	301	1,644,000	3,564,155	11,841.05			
Florida:							
Jacksonville	224	1,140,625	2,472,849	11,039.50	2,635,500	1,510,200	18,507.58
Orlando	156	609,000	1,320,298	8,463.45	1,404,900	765,540	13,913.08
Pensacola	120	623,000	1,350,650	11,255.42	2,709,000	3,418,080	25,520.50
Do	120	550,000	1,192,388	9,936.57			
St. Petersburg	242	1,065,000	2,308,896	9,540.89	2,635,860	1,989,840	19,114.42
Tampa	350	1,603,233	3,670,891	10,488.26	4,190,760	3,417,360	21,737.48
Georgia:							
Atlanta	602	3,340,000	7,241,044	12,028.31			
Do	604	3,054,000	6,621,003	10,961.93	29,933,100	15,906,300	18,802.05
Do	634	3,410,000	7,392,803	11,660.67			
Do	598	3,154,000	6,837,800	11,434.45			
Augusta	167	799,800	1,647,229	9,863.65	3,513,300	2,454,000	17,812.83
Do	168	761,400	1,650,698	9,825.58			
Columbus	166	857,000	1,857,957	11,192.51	4,773,300	2,618,460	16,426.13
Do	284	1,210,000	2,623,253	9,236.81			
Savannah	164	868,000	1,751,726	10,681.26	1,864,800	1,454,640	20,240.48
Do	501	2,284,000	4,951,660	9,883.55	5,275,200	4,025,580	18,564.43
Hawaii: Honolulu	220	1,125,000	2,438,974	11,086.25	2,597,700	1,302,120	17,726.45
Illinois:							
Chicago	1,708	9,638,000	20,894,965	12,233.59	22,262,100	20,394,240	24,974.43
Peoria	540	2,863,100	6,163,776	11,414.40	7,036,680	1,884,420	16,520.55
Indiana:							
Anderson	203	978,000	2,120,282	10,444.74	2,257,500	1,248,840	17,272.61
Delaware County	111	475,600	1,029,789	9,277.38	1,096,200	321,360	12,770.81
Kokomo	175	705,000	1,528,424	8,753.85	1,627,500	898,620	14,434.97
Muncie	274	1,238,000	2,748,995	10,032.83	2,927,400	2,065,920	18,223.79
Vincennes	83	353,000	765,296	9,220.43	814,000	690,000	18,150.12
Kentucky:							
Covington	263	1,234,000	2,675,284	10,172.18	5,000,100	2,427,120	17,232.52
Do	168	951,000	2,018,387	12,014.21			
Frankfort	91	387,000	839,007	9,219.86	892,500	376,140	13,941.09
Lexington	206	990,000	2,146,298	10,418.92	2,286,900	1,646,580	19,094.56
Louisville	814	4,734,000	10,263,205	12,608.36	10,935,000	5,340,000	19,993.85
Do	788	4,650,000	10,081,094	12,793.27	11,508,780	6,678,120	23,079.82
Louisiana:							
New Orleans	741	4,845,700	10,505,268	14,177.28	21,588,000	13,100,580	24,830.76
Do	656	4,500,000	9,755,898	14,871.80			
Do	916	5,562,000	12,058,299	13,164.01	25,233,600	24,388,950	27,280.12
Do	903	5,362,000	11,624,694	12,873.42			
Do	644	3,686,000	7,991,164	12,408.64	18,146,100	12,623,100	22,136.11
Do	746	4,170,000	9,040,465	12,118.59			
Maryland:							
Annapolis	100	532,000	1,153,364	11,533.64	1,228,500	657,600	18,861.00
Baltimore	892	3,986,500	8,642,642	12,489.37			
Do	878	5,578,900	12,084,929	13,775.55			
Do	810	4,993,800	10,826,445	13,365.98			

TABLE III.—*U. S. Housing Authority projects; total amortized construction cost per dwelling unit*—Continued

State project	Number of dwelling units	Total cost of entire project	Total amortized cost of project	Amortized cost per family unit	Total Federal subsidies over 60 years	Total local subsidies over 60 years	Total public funds per family unit during life of project
Maryland—Continued.							
Baltimore	259	$1,518,200	$3,291,423	$12,708.20	$55,418,200	$39,065,340	$22,800.03
Do	404	2,385,000	5,170,626	12,798.58			
Do	600	2,931,000	6,354,341	10,590.57			
Do	502	2,598,000	5,632,405	11,219.93			
Massachusetts:							
Boston	1,017	6,214,000	13,471,811	13,246.62			
Do	672	4,088,000	8,862,691	13,188.53	43,440,600	49,794,240	29,854.25
Do	1,092	6,473,000	14,033,317	12,851.02			
Do	342	2,032,000	4,405,330	12,881.08			
Cambridge	328	2,017,000	4,372,810	13,321.74	4,657,800	5,272,860	30,276.40
Holyoke	159	921,000	1,996,707	12,557.91	2,127,300	1,728,600	24,250.94
Michigan:							
Detroit	248	1,450,818	3,145,340	12,682.82			
Do	355	2,064,948	4,476,760	12,610.59	36,592,680	23,424,240	21,855.86
Do	2,150	12,325,234	26,720,828	12,428.29			
Do	440	2,563,511	5,557,634	12,630.99	6,344,700	3,764,340	22,975.09
Nebraska: Omaha	522	2,492,000	5,402,599	10,349.81	6,162,800	4,242,300	20,011.49
New Jersey:							
Asbury Park	126	750,000	1,625,983	12,904.63	1,732,500	1,354,080	24,496.66
Elizabeth	423	2,244,000	4,864,941	11,501.04	5,182,800	2,313,180	17,720.04
Newark	444	2,515,000	5,452,463	12,280.32			
Do	240	1,344,000	2,913,761	12,140.67	21,046,200	27,082,260	29,856.36
Do	463	2,770,000	6,005,297	12,970.40			
Do	465	2,483,000	5,383,088	11,576.53			
North Bergen	170	959,000	2,079,090	12,229.94	2,213,400	3,167,940	31,654.94
Trenton	123	650,000	1,409,185	11,456.79	6,232,800	5,740,020	23,802.82
Do	380	2,049,000	4,442,185	11,689.96			
New York:							
Buffalo	696	4,047,651	8,775,215	12,608.07	9,350,100	8,437,140	25,556.37
Do	172	913,000	1,979,363	11,507.92	2,108,400	1,726,860	22,298.02
Do	771	4,401,000	9,541,268	12,375.19	10,166,100	8,454,900	24,151.75
New York City	2,643	16,592,800	35,972,814	13,610.60	76,998,600	48,600,000	24,181.47
Do	2,551	16,740,200	36,292,374	14,226.72			
Do	1,476	9,323,000	20,212,052	13,693.80	21,535,500	16,945,080	26,670.85
Syracuse	678	4,366,700	9,466,906	13,962.99	10,090,500	6,856,140	24,995.04
Utica	212	1,000,000	2,167,977	10,226.31	2,310,000	2,008,680	20,371.13
Yonkers	545	3,307,000	7,169,501	13,155.05	7,637,700	7,843,800	28,406.42
North Carolina:							
Wilmington	116	572,000	1,240,083	10,690.37	2,967,300	1,864,500	19,173.80
Do	136	713,000	1,545,768	11,365.94			
Ohio:							
Cincinnati	750	4,000,000	8,671,909	11,562.55			
Do	750	3,891,000	8,435,600	11,247.47	18,228,000	9,074,460	18,201.64
Cleveland	554	3,300,000	7,154,325	12,913.94			
Do	627	3,630,000	7,869,758	12,551.45	23,492,700	14,246,640	20,919.81
Do	623	3,240,000	7,024,246	11,274.87			
Columbus	456	2,097,330	4,546,964	9,971.41	4,844,820	1,818,900	14,613.42
Dayton	400	1,936,000	4,197,204	10,493.01	7,217,100	2,432,640	16,082.90
Do	200	980,000	2,124,618	10,623.09			
Toledo	380	1,827,000	3,960,895	10,423.41	4,401,840	1,718,280	16,105.57
Warren	224	1,101,000	2,386,943	10,656.00	2,543,100	955,860	15,531.16
Youngstown	600	3,150,000	6,829,128	11,381.88	7,276,500	2,395,020	16,119.20
Zanesville	326	1,499,000	3,249,798	9,968.71	3,460,800	901,800	13,382.20
Pennsylvania:							
Allentown	322	1,607,000	3,483,940	10,819.69	3,712,200	1,206,660	15,275.78
Chester	396	2,165,000	4,693,671	11,852.70	5,000,100	3,415,740	21,252.12
Philadelphia	620	3,378,700	7,324,945	11,814.43			
Do	1,000	5,283,800	11,455,158	11,455.16	41,576,280	15,097,200	19,011.57
Do	1,361	8,136,011	17,638,687	12,960.09			
Pittsburgh	825	4,943,000	10,716,312	12,989.47			
Do	431	2,553,000	5,538,846	12,851.15	17,315,760	5,917,200	18,497.58
Do	1,758	10,975,000	23,793,551	13,534.44			
Reading	400	2,005,000	4,346,794	10,866.99	25,351,200	7,806,060	18,882.27
South Carolina:					4,630,500	3,734,160	20,911.65
Charleston	126	700,400	1,518,451	12,051.20			
Do	90	429,500	931,146	10,346.07	2,610,060	1,248,000	17,861.39
Do	162	774,000	1,678,014	10,358.11			
Do	128	667,000	1,446,041	11,297.20	3,326,400	1,783,314	17,619.70
Columbia	200	1,046,000	2,267,704	11,338.52			
Do	200	1,012,000	2,193,993	10,969.97	4,752,300	3,130,410	19,706.85
Tennessee:							
Chattanooga	496	2,514,000	5,450,295	10,988.50	5,806,500	2,656,320	17,062.54
Knoxville	244	2,213,295	2,630,396	10,780.31			
Do	320	1,569,176	3,400,420	10,626.31	6,868,680	6,375,780	23,483.01
Memphis	478	2,474,000	5,363,576	11,220.87			
Do	700	3,684,000	7,986,828	11,409.75	14,223,300	7,211,220	18,195.69
Texas:							
Austin	80	346,719	751,679	8,740.45			
Do	60	225,710	489,334	8,155.57	1,650,420	599,040	12,093.87
Do	40	142,043	307,946	7,698.65			
Brownsville	148	594,000	1,287,779	8,701.21	1,371,300	1,440,360	18,997.70
Corpus Christi	85	313,000	678,577	7,983.26			
Do	112	424,000	919,222	8,207.34	2,173,500	1,813,320	16,474.16
Do	45	205,000	444,435	9,876.33			
El Paso	318	1,345,000	2,915,292	9,169.59	3,105,900	3,612,600	19,240.57
Fort Worth	252	1,211,199	2,625,852	10,420.05			
Do	250	1,042,087	2,259,221	9,036.88	5,576,880	4,068,660	19,273.98
Houston	332	1,558,000	3,377,709	10,173.82			
Do	328	1,778,000	3,854,664	11,752.02	7,702,800	4,815,300	18,966.82
San Antonio	1,250	3,986,380	8,642,381	6,913.90	9,866,280	5,209,380	11,964.81
Vermont: Burlington	101	485,000	1,051,469	10,410.58	1,119,300	767,520	18,681.39
West Virginia:							
Charleston	366	1,771,252	3,840,034	10,491.90			
Do	138	645,248	1,398,883	10,136.83	5,980,080	1,867,560	15,570.32
Huntington	80	421,000	912,718	11,408.98			
Do	136	625,000	1,354,986	9,963.13			
Do	284	1,290,000	2,796,691	9,847.50	5,394,900	2,312,100	15,414.00
Parkersburg	152	747,000	1,619,479	10,654.47	1,724,100	715,980	16,053.16
Grand total, all projects	64,451	356,695,341	773,307,402	11,998.38	831,861,840	548,496,420	21,417.08

Source: CONGRESSIONAL RECORD, Mar. 8, 1939, pp. 2434-2438.

TABLE IV.—*Estimated cost of U. S. Housing Authority aided projects covered by approved loan contracts, as of Dec. 31, 1938*

[These costs are preliminary estimates used as the basis of loan contracts]

Location of project	Number of—		Cost of new housing per dwelling unit			Total per unit	Total cost of new housing	(d) Total cost of slum buildings to be torn down on project site [4] [5]	(e) Total cost of land for future development [6]	Total cost of entire project
	Rooms [1]	Dwelling units	(a) Lands [2]	(b) Non-dwelling facilities [3]	(c) Dwelling facilities, total					
Alabama:										
Birmingham	3,394	860	$450	$708	$3,727	$4,945	$4,253,071			$4,253,071
Mobile	442	100	114	859	3,508	4,481	448,122		$4,878	453,000
Do	1,140	296	220	835	3,182	4,237	1,262,691	$104,755	13,554	1,381,000
California:										
Los Angeles County	1,065	250	161	1,406	3,444	5,011	1,252,753		34,247	1,287,000
Do	1,074	253	31	1,638	3,440	5,109	1,292,587		11,413	1,304,000
Oakland	1,640	400	601	597	3,194	4,392	1,756,748	360,252		2,117,000
Do	640	156	604	598	3,195	4,397	685,887	77,113		763,000
San Francisco	493	118	673	653	3,398	4,729	558,000			558,000
Do	1,322	300	232	1,459	3,606	5,297	1,588,995	18,355	38,650	1,646,000
District of Columbia:										
Washington	1,282	282	84	1,398	4,002	5,484	1,546,624		24,376	1,571,000
Do	962	246	661	553	3,652	4,866	1,197,132	313,868		1,511,000
Do	1,724	428	733	773	3,702	5,208	2,229,123	380,877		2,610,000
Do	1,397	301	138	1,250	4,051	5,439	1,637,153		6,847	1,644,000
Florida:										
Jacksonville	969	224	142	973	3,856	4,971	1,113,448		27,177	1,140,625
Orlando	630	156	117	712	2,769	3,598	561,250	43,140	4,610	609,000
Pensacola	518	120	171	754	3,653	4,578	549,361	47,437	26,202	623,000
Do	520	120	125	791	3,443	4,369	523,101	18,358	8,541	550,000
St. Petersburg	986	242	71	706	3,373	4,150	1,004,420	51,186	9,394	1,065,000
Tampa	1,490	350	156	583	3,514	4,253	1,188,307	188,618	16,308	1,693,233
Georgia:										
Atlanta	2,475	602	511	718	3,624	4,853	2,921,698	418,302		3,340,000
Do	2,362	604	485	743	3,280	4,508	2,723,005	330,995		3,054,000
Do	2,588	634	546	654	3,484	4,684	2,969,525	440,475		3,410,000
Do	2,297	598	564	631	3,374	4,569	2,732,544	421,456		3,154,000
Augusta	683	167	64	828	3,620	4,512	753,501		6,299	759,800
Do	728	168	44	741	3,737	4,522	759,633		1,767	761,400
Columbus	746	166	213	784	3,263	4,260	707,189	124,091	25,720	857,000
Do	1,182	284	180	601	3,127	3,908	1,109,881	100,119		1,210,000
Savannah	706	164	250	834	3,476	4,560	747,767	23,132	37,101	808,000
Do	1,956	501	243	591	3,032	3,965	1,986,311	297,689		2,284,000
Hawaii:										
Honolulu	979	220	756	793	3,565	5,114	1,225,000			1,125,000
Illinois:										
Chicago	7,234	1,708	602	735	4,306	5,643	9,638,000			9,638,000
Peoria	2,160	540	297	581	3,774	4,652	2,512,011	331,089		2,843,100
Indiana:										
Anderson	862	203	185	660	3,507	4,352	883,358	94,642		978,000
Delaware County	478	111	41	804	3,250	4,095	454,594		20,406	475,000
Kokomo	758	175	176	572	3,281	4,029	705,000			705,000
Muncie	1,160	274	313	749	3,207	4,269	1,169,593	98,407		1,268,000
Vincennes	377	83	88	744	3,375	4,207	349,193		3,807	353,000
Kentucky:										
Covington	1,207	263	299	901	3,492	4,692	1,234,000			1,234,000
Do	738	168	591	442	3,668	4,701	789,851	141,149		931,000
Frankfort	343	91	163	845	3,245	4,253	387,000			387,000
Lexington	870	206	174	810	3,584	4,568	940,958	49,042		990,000
Louisville	3,298	814	553	682	3,612	4,847	3,945,438	788,562		4,734,000
Do	3,190	788	726	649	3,674	5,048	3,978,191	671,809		4,650,000
Louisiana:										
New Orleans	2,971	741	579	871	4,092	5,542	4,106,625	739,075		4,845,700
Do	2,384	656	766	936	3,833	5,535	3,630,653	869,347		4,500,000
Do	3,458	916	865	702	4,007	5,574	5,105,343	456,657		5,562,000
Do	3,448	903	424	973	3,966	5,363	4,842,411	519,589		5,362,000
Do	2,810	644	542	1,112	4,024	5,678	3,656,319	29,681		3,686,000
Do	3,103	746	289	1,107	3,973	5,369	4,005,471	164,529		4,170,000
Maryland:										
Annapolis	380	100	170	593	3,526	4,289	428,945	93,678	9,377	532,000
Baltimore	2,858	692	494	722	3,916	5,132	3,551,330	435,170		3,986,500
Do	3,621	878	772	688	3,946	5,406	4,746,769	832,131		5,578,900
Do	3,347	810	640	674	3,923	5,237	4,242,178	751,622		4,993,800
Do	1,067	258	561	715	3,918	5,194	1,339,955	178,245		1,518,200
Do	1,669	404	591	772	3,917	5,280	2,132,934	252,066		2,385,000
Do	2,490	600	85	858	3,919	4,862	2,917,317		13,683	2,931,000
Do	2,082	502	85	929	3,923	4,937	2,478,280		119,720	2,598,000
Massachusetts:										
Boston	3,978	1,017	577	570	4,129	5,276	5,366,058	847,942		6,214,000
Do	2,787	672	383	640	4,258	5,281	3,549,027	538,973		4,088,000
Do	4,317	1,092	447	644	4,131	5,222	5,702,840	770,160		6,473,000
Do	1,282	342	732	647	4,072	5,451	1,864,220	167,780		2,032,000
Cambridge	1,341	328	609	642	3,995	5,246	1,720,738	296,262		2,017,000
Holyoke	707	159	388	826	3,985	5,199	826,693	94,307		921,000
Michigan:										
Detroit	1,000	248	691	617	4,542	5,850	1,450,818			1,450,818
Do	1,476	355	401	1,002	4,414	5,817	2,064,948			2,064,948
Do	9,245	2,150	172	1,155	4,406	5,733	12,325,234			12,325,234
Do	1,954	440	306	1,037	4,483	5,826	2,563,511			2,563,511
Nebraska: Omaha	2,374	522	98	742	3,471	4,311	2,250,397	241,603		2,492,000

[1] See definition beginning on p. 1.

[2] Includes cost of land to be purchased and value of land to be donated, excluding cost or value of existing slum buildings to be torn down and land for future development; expenses of acquiring such land; and the local authority's administrative, carrying, and contingency expenses applicable to these land items.

[3] Includes construction cost of site improvements and nondwelling buildings, spaces, and equipment; preoccupancy charges; and the local authority's architectural, administrative, carrying, and contingency expenses applicable to these nondwelling facility items.

[4] Includes the cost of slum buildings to be torn down and properly chargeable to clearing old slums and not to new housing; expenses of acquiring slum buildings; demolition and clearing; and the local authority's administrative, carrying, and contingency expenses applicable to these slum-elimination items.

[5] Does not include any cost for off-site elimination since such cost does not form part of project development cost. For number of dwelling units eliminated on-site and off-site see table VII, Annual Report of the U. S. Housing Authority, 1938.

[6] Includes cost of land to be purchased and value of land to be donated, which is to be used for future development; expenses of acquiring such land; and the local authority's administrative, carrying, and contingency expenses applicable to such land.

Source: Annual Report of the U. S. Housing Authority, U. S. Department of the Interior, 1938, 76th Cong., 1st sess., H. Doc. 140.

TABLE IV.—*Estimated cost of U. S. Housing Authority aided projects covered by approved loan contracts, as of Dec. 31, 1938*—Continued

Location of project	Number of—		Cost of new housing per dwelling unit			Total per unit	Total cost of new housing	(d) Total cost of slum buildings to be torn down on project site	(e) Total cost of land for future development	Total cost of entire project
	Rooms	Dwelling units	(a) Lands	(b) Non-dwelling facilities	(c) Dwelling facilities, total					
New Jersey:										
Asbury Park	527	126	$414	$493	$3,817	$4,724	$595,194	$145,315	$9,491	$750,000
Elizabeth	1,720	423	231	890	3,858	4,979	2,106,185	97,284	40,531	2,244,000
Newark	1,854	444	965	805	3,650	5,420	2,406,525		108,475	2,515,000
Do	984	240	704	566	3,889	5,159	1,238,204	105,796		1,344,000
Do	1,888	463	418	763	3,868	5,049	2,337,604	432,396		2,770,000
Do	1,951	465	614	1,009	3,717	5,340	2,483,000			2,483,000
North Bergen	683	170	497	903	3,725	5,125	871,215	87,785		959,000
Trenton	472	123	327	698	3,773	4,798	590,113	59,887		650,000
Do	1,549	380	253	545	3,960	4,758	1,808,207	240,793		2,049,000
New York:										
Buffalo	2,756	696	457	657	4,172	5,286	3,678,817	368,834		4,047,651
Do	596	172	348	435	3,854	4,637	797,532	115,468		913,000
Do	2,903	771	426	424	4,330	5,180	3,993,737	407,263		4,401,000
New York City	10,875	2,643	411	843	4,642	5,896	15,582,692	1,010,108		16,592,800
Do	10,458	2,551	823	893	4,614	6,330	16,148,504	283,404	308,292	16,740,200
Do	6,018	1,476	966	491	4,021	5,478	8,085,788	1,237,212		9,323,000
Syracuse	2,712	678	724	740	3,777	5,241	3,553,441	813,259		4,366,700
Utica	922	212	145	868	3,704	4,717	1,000,000			1,000,000
Yonkers	2,226	545	331	605	4,020	4,956	2,700,889	606,120		3,307,000
North Carolina:										
Wilmington	498	116	197	731	3,731	4,659	540,456	22,905	8,639	572,000
Do	572	136	223	644	3,644	4,511	613,447	72,266	27,287	713,000
Ohio:										
Cincinnati	3,075	750	101	1,136	3,806	5,043	3,782,416		217,584	4,000,000
Do	3,075	750	135	1,251	3,802	5,188	3,891,000			3,891,000
Cleveland	2,493	554	504	804	4,010	5,318	2,946,066	353,934		3,300,000
Do	2,449	627	836	440	4,098	5,374	3,369,310	260,690		3,630,000
Do	2,528	623	259	888	4,054	5,201	3,240,000			3,240,000
Columbus	1,658	456	203	595	3,122	3,920	1,787,494	309,836		2,097,330
Dayton	1,680	400	267	937	3,636	4,840	1,936,000			1,936,000
Do	840	200	149	1,021	3,636	4,806	961,133		18,867	980,000
Toledo	1,568	380	298	906	3,604	4,808	1,827,000			1,827,000
Warren	936	224	82	996	3,806	4,884	1,094,108		6,892	1,101,000
Youngstown	2,406	600	317	801	3,845	4,863	2,977,649	172,351		3,150,000
Zanesville	1,374	326	71	793	3,480	4,344	1,416,260	70,569	12,171	1,499,000
Pennsylvania:										
Allentown	1,511	322	169	1,128	3,696	4,991	1,607,000			1,607,000
Chester	1,638	396	227	954	3,732	4,913	1,945,455	219,545		2,165,000
Philadelphia	2,358	620	438	946	3,926	5,310	3,292,050	86,650		3,378,700
Do	4,000	1,000	252	977	4,055	5,284	5,283,800			5,283,800
Do	5,119	1,361	634	676	3,920	5,230	7,118,647	1,017,364		8,136,011
Pittsburgh	3,420	825	281	1,448	4,025	5,754	4,747,301	195,699		4,943,000
Do	1,635	431	444	1,176	3,945	5,565	2,398,628	154,372		2,553,000
Do	7,260	1,758	289	1,656	3,879	5,824	10,238,988	736,012		10,975,000
Reading	1,722	400	155	1,030	3,828	5,013	2,005,000			2,005,000
South Carolina:										
Charleston	490	126	644	876	3,282	4,802	605,067	95,333		700,400
Do	384	90	265	1,006	3,501	4,772	429,500			429,500
Do	697	162	348	716	3,068	4,133	669,544	104,456		774,000
Do	532	128	459	573	2,974	4,006	512,759	154,241		667,000
Columbia	844	200	272	881	3,757	4,910	981,985	64,015		1,046,000
Do	780	200	165	857	3,538	4,560	911,980	90,003	10,017	1,012,000
Tennessee:										
Chattanooga	2,096	496	361	683	3,416	4,460	2,211,918	302,082		2,514,000
Knoxville	1,052	244	87	1,385	3,501	4,973	1,213,295			1,213,295
Do	1,391	320	163	871	3,509	4,543	1,453,729	114,747		1,568,476
Memphis	2,095	478	364	749	3,444	4,557	2,178,021	295,979		2,474,000
Do	2,971	700	403	912	3,373	4,688	3,281,638	402,362		3,684,000
Texas:										
Austin	303	86	234	611	2,755	3,600	309,632	19,973	17,114	346,719
Do	196	60	305	1,104	2,353	3,762	225,710			225,710
Do	140	40	191	883	2,416	3,490	139,589		2,454	142,043
Brownsville	660	148	203	783	2,811	3,797	561,913	22,097	9,990	594,000
Corpus Christi	371	85	155	673	2,641	3,469	294,887	18,113		313,000
Do	506	112	117	830	2,684	3,631	406,646	17,354		424,000
Do	195	45	343	855	2,630	3,828	172,241	32,759		205,000
El Paso	1,374	318	325	457	2,870	3,652	1,161,444	157,272	26,284	1,345,000
Fort Worth	1,054	252	308	864	3,287	4,459	1,123,588	87,611		1,211,199
Do	1,047	250	139	754	2,982	3,875	968,710	73,377		1,042,087
Houston	1,350	332	197	892	3,378	4,467	1,483,016	44,415	30,569	1,558,000
Do	1,344	328	419	787	3,338	4,544	1,490,329	247,239	40,432	1,778,000
San Antonio	4,876	1,250	258	278	2,402	2,938	3,671,002	315,378		3,986,380
Vermont: Burlington	445	101	64	800	3,869	4,733	478,093		6,937	485,030
West Virginia:										
Charleston	1,519	366	328	580	3,515	4,423	1,618,831	152,421		1,771,252
Do	579	138	467	699	3,510	4,676	645,248			645,248
Huntington	330	80	412	679	3,700	4,791	383,251	37,749		421,000
Do	553	136	340	581	3,632	4,553	619,165	5,835		625,000
Do	1,135	284	119	890	3,563	4,542	1,290,000			1,290,000
Parkersburg	628	152	288	755	3,723	4,766	724,448		22,552	747,000
Grand total	264,060	64,451					328,555,023	26,751,663	1,388,655	356,695,341

TABLE V.—*Preliminary estimates of average monthly shelter rents per room and per dwelling unit for U. S. Housing Authority aided projects covered by approved loan contracts (as of Dec. 31, 1938)*

[These rents are preliminary estimates made by the U. S. Housing Authority at the time of loan contract, as an assurance that projects will be within reach of low-income families living in substandard housing in each particular community. They are conservative estimates, subject to revision by the local authorities. It is anticipated actual rents will be substantially lower, often by as much as 10 to 15 percent]

Location of project	Estimated average monthly shelter unit [1]	
	Per room [1]	Per dwelling unit
Alabama:		
Birmingham	$4.00	$16.00
Mobile	3.50	15.25
Do	3.50	13.50
California:		
Los Angeles County	4.00	17.25
Do	4.00	16.75
Oakland	4.00	16.00
Do	3.75	15.50
San Francisco	3.50	15.00
Do	3.75	16.25
District of Columbia:		
Washington	3.50	16.50
Do	3.50	14.00
Do	3.50	14.50
Do	3.50	16.75
Florida:		
Jacksonville	3.75	16.25
Orlando	3.00	12.50
Pensacola	3.50	14.50
Do	3.00	12.50
St. Petersburg	3.50	14.75
Tampa	3.50	15.25
Georgia:		
Atlanta	3.00	11.75
Do	2.50	10.25
Do	3.00	11.75
Do	2.50	10.00
Augusta	3.50	13.75
Do	3.00	13.25
Columbus	3.00	13.00
Do	2.50	10.00
Savannah	3.25	14.50
Do	3.00	11.25
Hawaii: Honolulu	3.25	14.75
Illinois:		
Chicago	4.25	18.50
Peoria	4.00	16.00
Indiana:		
Anderson	3.25	14.00
Delaware County	3.00	12.75
Kokomo	2.75	12.25
Muncie	3.00	12.75
Vincennes	2.50	11.75
Kentucky:		
Covington	3.50	16.00
Do	3.50	15.25
Frankfort	2.50	9.25
Lexington	3.00	12.50
Louisville	3.75	15.50
Do	3.50	14.25
Louisiana:		
New Orleans	4.00	15.75
Do	3.50	12.75
Do	4.00	14.75
Do	3.50	13.00
Do	3.00	13.50
Do	3.00	13.00
Maryland:		
Annapolis	3.75	14.25
Baltimore	3.75	15.75
Do	3.75	15.75
Do	3.75	15.75
Do	3.75	15.75
Do	3.75	15.75
Do	3.75	15.75
Do	3.75	15.75
Massachusetts:		
Boston	4.00	15.75
Do	4.00	16.75
Do	4.00	16.00
Do	3.75	14.00
Cambridge	4.00	15.75
Holyoke	3.50	15.00
Michigan:		
Detroit	4.00	16.25
Do	4.00	16.75
Do	4.00	17.50
Do	4.25	19.00
Nebraska: Omaha	$3.75	$17.50
New Jersey:		
Asbury Park	3.75	15.75
Elizabeth	4.50	18.25
Newark	4.75	19.75
Do	4.75	19.50
Do	4.75	19.50
Do	4.75	19.50
North Bergen	4.75	19.00
Trenton	4.25	16.50
Do	4.50	18.25
New York:		
Buffalo	3.50	13.00
Do	3.75	13.25
Do	3.75	14.50
New York City	5.00	20.50
Do	5.00	20.00
Do	4.75	19.50
Syracuse	4.00	16.00
Utica	4.00	17.25
Yonkers	4.25	16.75
North Carolina:		
Wilmington	3.25	14.00
Do	2.75	11.50
Ohio:		
Cincinnati	4.25	17.75
Do	4.25	17.75
Cleveland	4.00	18.50
Do	4.00	16.00
Do	4.00	16.50
Columbus	4.00	15.00
Dayton	4.00	17.25
Do	3.75	16.25
Toledo	4.25	18.00
Warren	3.75	16.00
Youngstown	4.00	16.50
Zanesville	3.50	15.25
Pennsylvania:		
Allentown	3.50	17.00
Chester	3.75	15.75
Philadelphia	4.50	16.75
Do	4.25	17.50
Do	4.25	16.50
Pittsburgh	4.00	16.25
Do	4.00	15.25
Do	4.25	17.75
Reading	3.75	16.50
South Carolina:		
Charleston	3.75	15.00
Do	3.75	16.00
Do	2.75	12.25
Do	2.75	11.75
Columbia	3.50	15.00
Do	3.25	12.75
Tennessee:		
Chattanooga	3.25	13.75
Knoxville	3.50	15.50
Do	3.25	14.50
Memphis	3.25	14.50
Do	3.00	13.00
Texas:		
Austin	2.50	9.00
Do	2.25	7.75
Do	2.50	8.25
Brownsville	1.75	8.25
Corpus Christi	3.00	13.00
Do	2.75	12.25
Do	2.75	11.75
El Paso	2.50	11.00
Fort Worth	2.75	11.25
Do	2.50	10.25
Houston	2.50	10.75
Do	2.50	10.75
San Antonio	2.00	7.25
Vermont: Burlington	3.50	16.00
West Virginia:		
Charleston	3.75	15.75
Do	3.75	15.75
Huntington	3.25	13.50
Do	3.25	13.50
Do	3.25	13.25
Parkersburg	3.50	15.00

[1] See definitions beginning on p. 1, Annual Report of the U, S. Housing Authority 1938, 76th Cong., 1st sess., H. Doc. 140.

Source: Annual Report of the U. S. Housing Authority, 1938, U. S. Department of the Interior, 76th Cong., 1st sess., H. Doc. 140.

German Refugee Children

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, June 8 (legislative day of Monday, June 5), 1939

RADIO ADDRESS BY HON. ROBERT F. WAGNER, OF NEW YORK, JUNE 7, 1939

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address on the subject German Refugee Children, delivered by the senior Senator from New York [Mr. WAGNER], over the National Broadcasting System network on June 7, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends: Somewhere on the high seas tonight, between Habana, Cuba, and Hamburg, Germany, there steams an ocean liner with a tragic cargo. The 900 men, women, and children aboard, seeking escape from the terrors of the Old World, have prayed in vain for home and sanctuary in the New World overseas.

This tragic story has been multiplied in varying patterns over and over again in recent months. The miracles of modern communication have brought home to us, here in the security of our own free land, these nightmare pictures of human misery and human frustration. From time to time, we learn of other bands of refugees, drifting in barges down the Danube, sailing the seven seas, wandering in mountain passes, braving frontier barriers and fortifications—striving, fighting, dying to win freedom and peace beyond the borders of the Third Reich. One by one, these incidents impress themselves on our consciousness, until they disappear from the public prints, and a merciful curtain of obscurity is drawn over their ultimate outcome.

These homeless wanderers on the face of the earth are writing in the pages of history the unforgettable story of an exodus unparalleled in the life of civilized man. The conditions inside Germany which call forth this exodus have made an unshakable impression on the conscience of the world. The most pitiful and helpless victims of these conditions are the children of tender years—treated as social and economic outcasts, denied public education or the use of parks and playgrounds, insulted and beaten on the streets, their lives riddled with fear and insecurity.

The parents of thousands of these unfortunate waifs have been driven to death or lost forever behind the walls of concentration camps. Their ranks are made up of Jewish children, Catholic and Protestant children classified as "non-Aryan," and children of parents with political beliefs out of harmony with those of the Nazi regime.

The events of last November made utterly imperative the rescue of these children by the outside world. Within the last 6 months England has admitted 5,000 and is continuing to admit others as arrangements are made for them. Little Holland has admitted 1,500. Other countries have received and cared for many more who have made their way unattended in terror-stricken flight.

The suffering of these children and the example of other nations stimulated in our own country the sympathy and helpful understanding that have always characterized the American people. Long before there was any plan or thought of legislation to aid these children, 1,400 American families in 46 States had expressed to our religious and welfare organizations, without solicitation of any kind, their willingness to take into their homes these victims of religious and political persecution. When Congress convened last January, 50 of our outstanding Catholic and Protestant clergymen presented at the White House a moving plea that the American Nation give refuge to some of these children "as a token of our sympathy and as a symbol of our faith in the ideals of human brotherhood." From the labor movement and from men and women in every walk of life came prompt expressions of support and cooperation. The press in every part of the country echoed their interest and applauded their efforts.

To effectuate these indications of national sentiment, I introduced in the Senate, and Mrs. EDITH NOURSE ROGERS introduced in the House, a bipartisan plan within the framework of existing immigration laws. Without modifying immigration quotas for adults, the resolution authorized the admission during each of the next 2 years, of 10,000 German refugee children outside of quota restrictions. The resolution has been unanimously approved after exhaustive hearings by a joint subcommittee of the House and Senate.

The plan has been carefully devised not only for the safety and care of the children to be admitted, but also for the protection of every American interest. The selection of the children abroad will be carried out, subject to immigration regulations, by private American agencies already on the ground, including the splendid Quaker organization which has done such responsible and constructive work to alleviate distress in every part of the world. The children will be of every race and creed, and must meet the requirements of our immigration laws, as to mental and physical fitness, and political beliefs compatible with American democracy. Their transportation care in American ports of entry, and admission into American homes of their own faith, will be supervised by a group of leading child-welfare experts. The entire plan will be financed by responsible private citizens and organizations in the United States.

Coordinating all these efforts will be a volunteer nonsectarian committee, comprised of such outstanding Americans as His Eminence Cardinal Mundelein, represented by Bishop Shiel, of Chicago; Dr. Anson Phelps Stokes, canon of Washington Cathedral; Herbert H. Lehman, Governor of the State of New York; William Allen White, editor of the Emporia Gazette; Helen Taft Manning, dean of Bryn Mawr College; Frank P. Graham, president of the University of North Carolina; Owen D. Young, leading New York industrialist and humanitarian; and Clarence E. Pickett, of the American Friends Service Committee.

There is no danger that any of these children will become public charges, for not a single child may be admitted unless assurances satisfactory to the Secretary of Labor are given in advance that it will be cared for at private expense. Moreover, these children, ranging from about 6 to 14 years of age, will be consumers of American products, not competitors for American jobs. Certainly organized labor would not be unanimously behind this plan if it threatened our workers' security or broke down the quota system which labor was instrumental in establishing.

I want to emphasize especially that the resolution if adopted would not contribute to the breaking up of families abroad. It is the present Nazi regime which is tearing children and parents asunder. This resolution would alleviate, not aggravate, that tragic situation. It would bring help only where help is urgently wanted—for orphans and for those children whose parents are willing to place them temporarily in friendly hands, beyond the reach of the terror and oppression they are themselves unable to avoid. It merely affords an opportunity for thousands of American citizens to respond to the call of humanity.

The cause which unites these citizens, and the millions of others who stand ready to lend aid and strength to their efforts, is deeply rooted in our national heritage. By long tradition, America has been the "mother of exiles," a haven for the oppressed and persecuted of all lands. It is literally true that we are a nation of refugees. The brave men and women who first colonized this continent were political and religious refugees. Over the years that have intervened, millions of every nationality and creed have entered our portals to breathe the air of freedom, to assume the responsibility of citizenship, and to do their full share toward the development of the America we know and cherish.

In the light of the problems confronting world civilization today, the enactment of this resolution would be the most immediate and practical contribution by the American people to the cause of human freedom. Because the resolution is in keeping with the finest precepts of Americanism, I am confident that our people will make that contribution.

Refugee Children From Germany

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 8 (legislative day of Monday, June 5), 1939

LETTER WRITTEN BY WILLIAM B. GRIFFITH

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter addressed by Mr. William B. Griffith, chairman of the Immigration Restriction League, of New York City, to the editor of the New York Times under date of May 2, 1939, re the Wagner-Rogers resolution pertaining to refugee children from Germany, and I call particular attention to the statement of fact that we in the United States have admitted more refugees for permanent residence than have all other countries of the world.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 2, 1939.

To the EDITOR OF THE NEW YORK TIMES.

SIR: There is so much misrepresentation and so much misinformation about the Wagner so-called refugee resolution that it ought to be corrected. In your editorial of February 18, 1939, you erroneously state, obviously misled by all this well-organized misleading propaganda in favor of the resolution, that it would admit "a certain number of German refugee children," when not a single child who, or whose parents have, been persecuted because of race, or religious, or political views, need be admitted under it, and every one of the "20,000 children under 14 years of age" could be Nazi children, and no one of them a refugee child. The language of the Wagner-Dingell-Rogers resolution after the enacting clause, and only the language following the enacting clause is enacted into law, reads as follows, and in no way mentions refugee or persecuted children: "Children 14 years of age or under who reside, or at any time since January 1, 1933, have resided in any territory now incorporated in Germany."

Not only would it not apply to only refugee children but the equitable national origins fundamental proration of quotas among 68 countries in the 1924 Quota Act would be violated by its enactment.

Germany has an enormous, disproportionate annual quota of 27,370, and last year used only 17,199 of its quota. If refugee children should come first, then reserve 20,000 quota numbers of next year's 27,370 for them, instead of increasing Germany's enormous quota of 27,370 this and next year.

During the past 12 months we have received more refugees for permanent residence than all the rest of the countries put together. England, Holland, France, Switzerland, and European countries are receiving them only temporarily and "in transitu." During the past 4 years the German Children's Aid, Inc., has brought to the United States and placed in desirable homes annually from 200 to 300 persecuted German refugee children. I understand the H. I. A. S. has also been on the job, as well as other Jewish welfare corporations. It is a gross slander on Americans and the Jewish people, who always look after their own, to intimate that they and America have not been doing even more than their share in bringing here German refugees.

With the United States "neglecting our own native-born children," as the President told the Fourth White House Conference on Child Welfare last Thursday, and the United States having, according to the League of Nations statisticians over 70 percent of the world's unemployed employables, I submit the Wagner resolution, which, if enacted, might not admit a single refugee German child and might admit 20,000 Nazi children, ought not pass. Neither the Department of Labor nor the Department of State has recommended the Wagner resolution, and both Cabinet Secretaries have written both congressional Immigration Committee chairmen that no recommendation is made. Their attitudes are significant and so is the fact that the Department of State says it would cost $150,000 to administer the Wagner resolution if it becomes law. The Wagner resolution should be defeated.

Yours truly,

WM. B. GRIFFITH.

Lake Charles Deep-Water Channel

EXTENSION OF REMARKS

OF

HON. RENÉ L. DeROUEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 11, 1939

STATEMENT BY HON. RENÉ L. DeROUEN, OF LOUISIANA, BEFORE THE HOUSE APPROPRIATIONS COMMITTEE, MARCH 24, 1939

Mr. DeROUEN. Mr. Speaker, I am addressing myself to the completion of the Calcasieu River and Pass, La., project, the short ship channel from Lake Charles, La., to the Gulf of Mexico.

The present water route from Lake Charles to the Gulf, via the Calcasieu River, Intracoastal Canal, and Sabine River, is 75 miles, and the project now under construction—the Calcasieu River and Pass, La., channel—will shorten the distance to approximately 33 miles, and result in a great saving not only to the shippers, steamship companies, and buyers, but to the public itself. At the present time it requires a whole day to navigate the distance through the channel from the Gulf of Mexico to Lake Charles, and the large steamships arriving at the Sabine Pass after midday are forced to tie up for the night and wait until the following morning, as it is impossible to navigate the existing narrow channel after dark. Such waiting is both inconvenient and expensive.

It was our understanding when this project was initiated that this was to be a 3-year program; and unless sufficient funds are allotted for the continuation of the dredging work this year, the work on the channel and the development of the port of Lake Charles, La., and the area it serves will suffer. The channel should be completed this year and the work on the jetties begun the following year, 1941, as to undertake both phases of the work during 1940 would result in confusion and retard the use of the new channel, thereby depriving southwest Louisiana and Arkansas of the economic benefits which will accrue when this channel is completed and open to the public. The channel, it seems to me, should be completed before the work of repairing and extending the jetties in the Gulf of Mexico is undertaken, as ships could use the channel even though the jetties were not complete.

In other words, this channel could be producing revenue, helping the economic condition of the area served for at least a couple of years, and national and international commerce benefited before the jetties are completed. Bear in mind that new jetties are not being constructed; the old ones are merely being repaired and extended. Common sense and business acumen point to the completion of the new channel first and the later improvement of the jetties if this project is to be completed at an early date and opened to commerce and the public.

[Statement of Hon. RENÉ L. DeROUEN, of Louisiana, before the House Appropriations Committee on the hearings on the War Department civil functions appropriation, 1940]

LAKE CHARLES DEEP-WATER CHANNEL—STATEMENT OF HON. RENÉ L. DeROUEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. SNYDER. We have with us this morning Representative DeROUEN, of Louisiana. Mr. DeROUEN, you may proceed in your own way and give us such information as you desire.

Mr. DeROUEN. Mr. Chairman, at this moment, I want to address myself to the river and harbor appropriation recommended by the Bureau of the Budget, and, in that connection, I want to insert in the record this table showing the estimates made by the Chief of Engineers and the amounts allocated by the Bureau of the Budget for flood control and river and harbor improvements.

Mr. SNYDER. It may be inserted at this point.

The table referred to is as follows:

Estimates (76th Cong., 1st sess.)

	The Budget	Chief of Engineers
Flood control:		
General	$110,000,000	$195,525,500
Mississippi River	31,000,000	50,000,000
Sacramento River	2,000,000	1,754,400
Mississippi River, emergency	800,000	1,000,000
Power plant:		
Bonneville Dam	7,000,000	----------
Fort Peck Dam	2,000,000	----------
Rivers and harbors:		
Improvement	30,000,000	102,975,800
Maintenance	41,135,000	51,738,210
Total	223,935,000	402,993,910

Mr. DeROUEN. May I say to you, gentlemen, that we of the Rivers and Harbors Committee are amazed at these estimates. I happen to be one of the ranking members of the committee. Mr. MANSFIELD is ill, in a hospital, and is not able to appear. We were amazed at the tremendous cuts made to $30,000,000 for the entire United States, for improvements for rivers and harbors. It is simply impossible, and you might as well have no money for that purpose.

Throughout the entire country, on the Atlantic, Pacific, and the Gulf, there are projects under contract that should go forward.

At this moment may I quote what the President of the United States said yesterday to the National Rivers and Harbors Congress. He said, "I congratulate you on what you have achieved in the past"; and he then went on to recommend the continuation of projects which, by vision and foresight, and after due consideration, have proved to be good and worthy projects.

Certainly we cannot carry on these projects with this amount. If they are carried out, as intended, they would serve to create a condition of reemployment of people all over the country.

I now address myself particularly to those projects on the Gulf coast, such as the Calcasieu River and Pass, La., project; the new ship channel to Lake Charles, La.; and those on the coast between Louisiana and Texas, connecting all of the great ports on the Gulf, including Lake Charles, Houston, Beaumont, Orange, Galveston, etc. These waterways carry today 50,000,000 tons, nearly as large as the tonnage of the Great Lakes, which ranks

as No. 1, so far as tonnage is concerned. The Lake Charles or Calcasieu River and Pass project was approved in 1872.

Mr. SNYDER. By the Army engineers?

Mr. DEROUEN. Yes. It was of great importance because of the potential volume of raw material located in this area and valuable for purposes of national defense. In this area you find the great sulfur deposits, in Louisiana and Texas, which is used today in the manufacturing of TNT and many of our other explosives.

Mr. SNYDER. Is that the only place it is found?

Mr. DEROUEN. I mean this is the largest sulfur-producing area in the United States. There is some small production elsewhere, but I am talking about the greater volume of sulfur, as bearing on the necessity for continuing these improvements. This is one reason why we should complete this improvement as expeditiously as possible.

The port of Lake Charles was developed through local interests at an expense of $6,500,000. The report I have here indicates that it was built by local interests and turned over to the United States. This is the report of the Army engineers, approved by the Secretary of War. On page 2 of Document No. 299, Seventy-fifth Congress, covering the Lake Charles deep-water channel, ship channel, and Calcasieu River and Pass, La., you will find this statement:

"The Board of Engineers for Rivers and Harbors, after considering the reports of the district and division engineers and the additional information submitted by local interests at a hearing before the Board, finds that the substantial and growing ocean commerce of the port of Lake Charles is now handicapped by the restricted dimensions of the existing channel and by the heavy and increasing barge traffic therein. The construction of the channel direct to the Gulf as recommended by the reporting officers will afford a new and shorter route for this commerce, with substantial savings in transportation costs; and provide an emergency outlet for the ocean commerce of the entire Sabine-Neches area, which in 1935 exceeded 32,000,000 tons. The prospective benefits of the improvement to the extensive water-borne commerce, especially the petroleum industry of the locality, warrant its prosecution at Federal expense."

Mr. SNYDER. What was the tonnage in 1938?

Mr. DEROUEN. About 50,000,000 tons.

Mr. SNYDER. How does that compare with the tonnage in 1933 or with 1928?

Mr. DEROUEN. There has been a 200-percent increase.

Mr. SNYDER. Since 1928?

Mr. DEROUEN. Yes; it has continually increased, even during the depression. Instead of the volume diminishing it increased during a period when commerce in other parts of the Nation was at a standstill.

Mr. SNYDER. How do you account for the fact that the volume of traffic increased during the depression years?

Mr. DEROUEN. I can well understand that. This is the only section where sufficient petroleum supplies could be found to carry them over, or to meet the great demands resulting from the development within the last 10 years of automobiles, airplanes, and other petroleum-consuming motors. A condition was created where we did not have sufficient transportation facilities for the traffic involved. Consequently, barges and tankers were pressed into service in handling the agricultural and petroleum products, and as Lake Charles is the natural outlet to the sea of this area, the commerce of the port increased by leaps and bounds.

We were carrying full loads of petroleum products during all of that time. That is about the explanation of it. The East was buying raw materials, while prices were low, and storing them. This accumulation of material, particularly of petroleum, sulphur, naval stores, etc., resulted in increased traffic through the port of Lake Charles and its ship channel as water transportation offered the cheapest and most accommodating method of moving these products. Manufacturing, particularly in the East, has also played an important part in the development of the port. For instance, the Mathieson Alkali Works, of New York, built a plant at Lake Charles, La., costing about $15,000,000, and was busily engaged in the manufacture of caustic soda and many other ingredients that are used in the manufacturing of munitions. In an effort to find ways of protection, they were storing these products in the East, which accounts for barge movements during the depression period, especially in the movement of oyster shells and chemicals. Further, world-wide commerce emanated from the port; cargoes of oil, cotton, rice, grains, naval stores, petroleum, etc., going forward to Central and South America, Europe, Asia, and Australia.

In Document 172, Seventy-second Congress, containing the report of the Chief of Engineers on preliminary examination and survey of Lake Charles deep-water channel, dealing with the question of enlarging the channel, making it 250 feet wide instead of 125 feet, with a depth of 30 feet, the Secretary of War said, in recommending the improvement, the following:

"Based on the comparative freight rates, submitted under the appendix II, and the cargo tonnage handled through the port of Lake Charles during the calendar year 1929, the saving in freight accruing was $1,169,458.40, as compared with the rates through the nearest competing port in the instance of each commodity. This saving does not include 137,030 tons of miscellaneous cargo, principally shells, sand, and gravel for which there is no comparative rate. However, it may safely be said that these materials could not be marketed were it not for the water transportation provided by the deep-water channel."

In Document 299, Seventy-fifth Congress, the recommendation was made that it should be a 3-year program. Now, do not forget that the people have contributed $6,500,000 and an additional $3,000,000 for rights-of-way, or practically $10,000,000, already. This 3-year program contemplates straightening of the channel, shortening the distance through the river and lakes to the Gulf, and the repair, extension, and improvement of the jetties at the mouth of Calcasieu Pass in the Gulf of Mexico.

Mr. SNYDER. How many miles is that?

Mr. DEROUEN. It is 33 miles to the Gulf by the straight channel, and if we followed the present route it would be 75 miles. The engineers conceived the idea of shortening this for two reasons: One was that when a large ship came from the Gulf it could not enter the small channel at night, therefore it would have to remain in the Gulf until daylight before entering the channel, which raised the cost per ton-mile exorbitantly high. Secondly, the contemplated improvement would be a saving of 42 miles in the distance from the port to the Gulf of Mexico. We still have now from this point, indicated by the yellow streak [indicating] over here, 40,000,000 yards of material to be removed at this time. The first amount appropriated was the $1,000,000 last year, whereas the Army engineers had recommended $1,955,000.

Now, there are right here in this area three dredging boats, one of which is the largest dredging boat in the world, dredging material and removing it to a point a mile away. You can imagine what would happen if we do not have sufficient money to carry on this operation. These contractors would have to move away, and that would mean a loss of at least $1,000,000 to the contractors and, in addition, it would throw out of employment all of the men who are working on this channel. Of course, they would be thrown out of employment.

Mr. SNYDER. How many are there?

Mr. DEROUEN. They have about 895 men at work. I am not counting the Government officials who would be paid whether they were working or not, but I am speaking of the laboring class who would be forced on relief, also the thousands who are employed in producing the tonnage shipped through this port. We ask you to provide the $1,500,000 recommended for this year and an additional $1,000,000, making a total of two and one-half millions. I would like to say now that we had a conference with the Chief of Army Engineers, and he said this: "You ought to have more money, but my hands are tied because I have to make allocations within the Budget recommendation."

The district engineer, Col. R. W. Crawford, on March 5, made the statement in New Orleans that this work should be done at once. He said that the project was needed right now.

Mr. KERR. How much would it cost to complete this channel?

Mr. DEROUEN. About $6,000,000, but this figure applies only if completed in 3 years. And here is what Colonel Crawford said:

"NEW ORLEANS, March 4.—Oil to power the battle fleets of the United States in times of national crisis will find another exit into the Gulf of Mexico when the short-cut channel connecting Lake Charles to the Gulf is completed, Col. R. W. Crawford declared here today.

"'At present,' Colonel Crawford, who is United States district engineer for the first New Orleans district, said, 'stoppage of the Sabine Pass would temporarily shut off the movement of fuel coming out of Port Arthur, Beaumont, and Orange, Tex., as well as those from Lake Charles, La.

MORE DIFFICULT TO BLOCK

"'Another entry to the Gulf, such as the project which links Lake Charles directly to the Gulf through Calcasieu Pass and gives the Texas ports access there through the Intracoastal Canal, would make it more difficult to block off oil supplies.'

"Citing other advantages for the new straight-line waterway, which is being constructed through a straightened Calcasieu River and out through Calcasieu Pass, Crawford said:

"'In addition, oil that came originally from the Lake Charles district and was intended either for the Atlantic seaboard or a battle fleet, could move to the Gulf with more speed than it can over its present route—by way of the Lake Charles deep-water channel and the Sabine Pass.

SEVENTY MILES SAVED

"'On that particular trip, about 70 miles or approximately 10 hours' running time would be saved.

"'Under all conditions,' the Colonel continued, 'the new channel will serve as an alternate pass for some 30,000,000 tons of petroleum products shipped annually to the refineries along the Atlantic seaboard.'

"Other advantages which the new channel will offer in times of national emergency, the Colonel envisioned as:

OUTLET FOR FOOD

"'To provide a relatively speedy outlet for food from the cattle and grain sections around Lake Charles to Atlantic ports or to ships at sea.

"'In event of chemical developments in this region, to provide faster movement of such cargoes destined to points in the Gulf of Mexico.'

"The Lake Charles channel, according to report, should be completed during 1940 or 1941."

I have here a recent report, just out, by the Corps of Engineers and the Maritime Commission, on the port of Lake Charles. This report is signed by the Chief of Engineers, and it is entitled "Port Series No. 31, 1938," covering the Port of Lake Charles, La. This report indicates the necessity of completing the project at this time.

Within this area are located plants of the Mathieson Chemical Co. of New York, and a number of the big oil companies, including the Gulf Refining Co., the Mellon Oil interests of Pennsylvania, the Continental Oil Co., and many others. Here are located their main storage and loading plants. In addition to that, Swift & Co. have acquired 640 acres there, and have one of their largest plants located there. That has been done during the last 2 years, and they are employing about 1,000 men. There is a glass factory planned, which is in course of being built, and there are some alkali works also. Those people, in those industries, are seeking an opportunity to spend hundreds of millions of dollars there, and they will do so if proper port facilities are provided, thus creating new employment, thereby reducing the relief rolls. I have letters from them saying that they will have to abandon their plans unless these facilities are provided. They say, "we are ready to put men to work when these facilities are provided." All of those investments are predicated upon the completion of the work within 3 years, because the Government said to them, "you can go ahead and build your manufacturing plants, and we assure you that the facilities will be completed in 3 years." Now, if we do not complete the work in 3 years, I think those people will move away and seek other places in which to operate, and that would mean a great loss to all those States in the South bordering on the Gulf.

We had at the meeting down there representatives of some of our greatest financial and industrial institutions, including the vice president of the Missouri Pacific, the president of the Louisiana & Arkansas, and executive officers of the Texas & Pacific, Kansas City Southern, and Southern Pacific railroads, Mr. Dan Moran, president of the Continental Oil Co., of Ponca City, Okla., and many other representatives of leading financial and industrial institutions, and they all wanted this constructed at once. Now, we have been inviting those people to come there and build factories so as to put more men to work, and then we find ourselves defaulting on the promise, or we find that there is a default on the promise that the Government made to us. That is the situation there.

Mr. STARNES. How much money do you recommend for that project?

Mr. DEROUEN. We should have $1,000,000 more, or $2,500,000. That would keep the construction companies going.

Mr. STARNES. Would that complete the project in its entirety?

Mr. DEROUEN. No; that would only be carrying out the promise of the Government to complete it in 3 years. We of the State of Louisiana did the first job on it. In doing the first job we spent $10,000,000. The Government has said, or the report of the Chief of Engineers, approved by the Secretary of War, has recommended a 3-year program. The Government has promised to complete it within 3 years. Assurance was given to the world that it would be completed in 3 years, but now we are defaulting on that. It is a serious situation. Here is an instance where we could put men to work. The large petroleum companies want to operate in our section; they are seeking material that is produced there, and they have built many large boats and tankers for the transportation of oil, but if they are cut off because of the lack of these facilities, they will operate in other localities.

But for the operations down there you would be paying 38 cents per gallon for gasoline right now. That is what we have been saving to the country as a result of those operations. But for that you would be paying 100 percent more for sulfuric acid than you now pay, and that saving is largely attributable to water carriage or water transportation. This channel will be an integral part of our national defense and as such the project's speedy completion should be further assured by the allocation of sufficient funds to carry on the dredging work planned for the year 1940.

I am glad to have this opportunity of appearing before you, and I do hope you will see fit to grant this increase. When we do this we provide employment for men who would otherwise be out of work. It seems strange to me that in one breath we say, "Let us put men to work," and then in another breath we say, "No; we will not do that—we will not put men to work." I do not see how we can expect industry to put men to work when we say to them, "You cannot invest your capital in a way that will permit you to put men to work." We cannot expect that result when we cut off not less than $75,000,000 for projects under construction and which should be completed. Of course, there are a great many projects that should be completed, and certainly we should continue in employment those who are now on the job.

Mr. SNYDER. We thank you for your statement, Mr. DEROUEN, and you will have the privilege of revising and extending your remarks.

Mr. DEROUEN. Thank you, Mr. Chairman.

National Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. JESSE P. WOLCOTT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

Mr. WOLCOTT. Mr. Speaker, when H. R. 6466, the so-called Townsend old-age pension bill, was presented to the House of Representatives for action last Wednesday, it was under circumstances almost unprecedented in the annals of this body.

It was reported out of the Ways and Means Committee, with no recommendation, no report, no discussion of the merits or demerits of the bill itself.

It was brought to the floor by the Rules Committee under a closed rule, which in popular parlance is known as a gag rule.

Four hours of debate were allowed, 2 hours for the proponents and 2 hours for the opponents of this measure—4 hours in which to discuss its merits or demerits and in which the Members of the House had to find, if possible, an opportunity to explain their reasons for voting either for or against the bill.

Manifestly, it was impossible for the greater number of those voting on the bill to have any opportunity to say anything at all, and it was impossible for those who did have a chance to speak to do much more than explain the merits and the demerits of the bill in the most superficial and cursory fashion.

Therefore, Mr. Speaker, I want at this time to sum up the reasons why I found it impossible to support this legislation. Let me say in advance that I favor whatever pension plan can be worked out on a practical and constitutional basis to provide for the support in reasonable comfort of our aged citizens. I am not willing to have my hands tied, my ankles ironed, my lips gagged, and my eyes blinded, and then be compelled to vote on a measure as far-reaching as this measure was; and I believe that any fair-minded man or woman who will read the record and acquaint himself or herself with the conditions and circumstances under which this bill was brought to the House will agree with those who refused to enact such fundamentally important legislation under any such conditions.

I resent the way this bill was brought to the floor of the House. It was brought in under the conditions which prevailed because the administration and those who control the proceedings of this body wanted to avoid a fair and open discussion of the proposed bill or any chance for its amendment; the open and declared purpose was to try to put many Members of this body in an embarrassing political position. It was a disgraceful and vicious procedure that is to be condemned by every citizen who values constitutional government and constructive, intelligent methods of legislation.

Here was a situation, Mr. Speaker, which was admitted by the Democratic chairman of the Ways and Means Committee [Mr. DOUGHTON] to be an unusual procedure. He said:

> It is a fact that this is an unusual procedure, and so far as I recall this is the first bill that has ever been reported in this manner by the Ways and Means Committee since I have been a member of that committee, some 14 or 15 years, and certainly the first bill that has been reported in this way since I have been its chairman. * * *
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> Scores, and I may say hundreds, of Members of this House, some for and some against the measure, some favorable and some unfavorable, have said to me that this bill is of sufficient importance to the membership of the House and to the entire country that the Members should be given an opportunity to vote on it.

Mr. Speaker, here we have the chairman of the great Ways and Means Committee himself stating that the Members of this House, some for and some against the proposed legislation, had asked that the bill be brought to the floor, and yet the Ways and Means Committee submitted the bill without any recommendation, without any report, without any discussion of the merits or demerits of the bill, and then the Rules Committee reported the bill under a gag rule that prevented any amendment whatsoever and precluded any adequate opportunity even for reasonable debate and discussion. It is a performance of which those who control the proceedings of this House certainly cannot be proud.

The whole situation was well stated by the gentleman from Michigan, the Honorable CARL MAPES, a member of the Rules Committee, when he said:

> Let me emphasize the statement that the distinguished chairman of the Committee on Ways and Means made, that this is the first and only time in his experience in the House of Representatives that the Committee on Ways and Means has ever reported a piece of legislation to the House without recommendation.

In that connection, I call attention to the fact that the distinguished chairman of that committee has been a Member of the House of Representatives for 30 years.

In order to keep the record straight, let me say at the outset, as one member of the committee, I voted against this rule in the Committee on Rules. It is a gag rule and ought to be defeated. It provides for 4 hours of talk, 4 hours of balderdash only, and then compels a vote on the bill as it is without any opportunity to amend or perfect it. I am opposed to being gagged and bound that way.

Under this rule * * * the House can do nothing more than go through the motions of considering a piece of legislation which has been characterized as "one of the most far-reaching revenue measures that has ever been presented to the American people," without its ever having been seriously considered by the Committee on Ways and Means, to which it was referred, and without the benefit of any recommendation on it by that or any other committee of Congress. Indeed, it is more accurate to say that the rule not only compelled consideration of it under those circumstances, but required that the bill be voted up or down without any opportunity to consider it seriously even on the floor of the House * * * What a travesty on legislative procedure.

The bill before us is not H. R. 2, which the Townsend people have been writing us about. It is a new bill.

No one knows how much anyone would get if this bill should be enacted into law. Townsendites are looking for $200 per month. Everyone concedes that they would get no more than a small fraction of that amount under this bill * * *.

This bill was never even considered by the Committee on Ways and Means. The draft which we are asked to vote upon was not introduced until the day before the committee washed its hands of it by reporting it without recommendation. It was available in printed form only an hour or so before the committee took the action it did. No one familiar with legislative procedure and with Congress has any expectation or hope that it will be enacted into law. It is not here for that purpose. It is here for political purposes only. Everyone knows that. The purpose is so clear that it is transparent. There ought to be some better reason for the passage or consideration of legislation so vital to the welfare of the Nation and to those whose hearts are set upon getting legislation which will provide them with reasonable security in their declining years. * * *

In this connection it must be remembered that the Democratic Party is in control of the Committee on Ways and Means, as it is of all other committees of the House. It determines what legislation will be considered and what will not.

The friends and advocates of legislation to provide adequate security for old people in their declining years cannot help but be greatly disappointed over the situation with which the House is confronted. Regardless of the merits of the legislation, the procedure adopted to bring it up is a hoax pure and simple. No one can be proud of it. No one can defend it. We are asked to pass a gag rule, which will permit of no amendment, to consider legislation of vital importance which is full of loopholes, imperfections, and ambiguities, and which is not recommended by the committee to which it was referred, nor any member of it, as far as the record shows.

Now, Mr. Speaker, keeping in mind that picture of the procedure under which H. R. 6466 was brought to the floor of the House, and with the observation that the majority party of the House voted to support the gag rule, let me now proceed to quote some of those who could and did get the time to discuss some of the provisions of the bill and their probable effects not only upon the Nation as a whole but upon the elderly citizens of the Nation particularly.

The chairman of the Ways and Means Committee, Mr. DOUGHTON, is to be regarded, I think, as one of the most authoritative sources to which to refer for the facts concerning the proposed legislation. As chairman of the Ways and Means Committee, he sat for months considering at various times different plans proposed by the Townsend group. He discussed H. R. 6466 on the floor, in part, as follows:

This bill will not only impose a new tax but the heaviest tax ever levied in the history of this or any other country. The primary purpose of this tax, as expressed by the proponents of the measure, is not to pay pensions to aged people but to promote recovery—business recovery and permanent prosperity. In other words, the first purpose is not to pay pensions to aged people but is to bring about the enrichment of all people.

It will impose not only a tax, the heaviest tax in all history, but it would impose a tax without any reference or regard whatever to ability to pay, and pretending, I say, to promote business recovery. It is also claimed that this bill, if enacted into law, would abolish poverty, would banish the poorhouse, eliminate courts and jails. * * *

Since 1933, when the first petition was filed with Congress to pay pensions of $200 a month to aged people, the money to be raised by a transactions tax, the Townsend plan has undergone many changes, mutations, and about-faces. But there is one respect in which it has undergone no change, and that is constantly dangling in the faces of the old people and drumming in their ears $200-a-month pensions * * *. Two hundred dollars a month is to be paid, regardless of need, regardless of income, or regardless of wealth.

Said Mr. DOUGHTON further:

Funds to finance this program are to be obtained by levying a transaction, or gross-income tax, of 2 percent upon individuals, corporations, firms, partnerships, or other entities on each and every transaction, with a few exceptions, except that producers, manufacturers, and wholesalers only pay one-half of 1 percent. It has been reliably estimated that the 2-percent tax would apply to 70 percent of the transactions in dollars and the one-half of 1 percent would only apply to 30 percent of transactions in dollars.

* * * Both taxes would apply on every article over and over again, because it is a multiple tax. It multiplies itself with every transaction. This pyramiding adds enormously to the iniquitous effects of the tax. No tax that I can conceive of is so unequal, so unjust, so unsound, so fanatical, so intolerable, and so inequitable. * * * We must not lose sight of the fact that this multiple sales pay-roll tax is a superimposed tax, imposed upon all other taxes.

Mr. DOUGHTON continued:

We must not lose sight of the fact that this multiple-sales and pay-roll tax is to be superimposed upon our present tax structure, or is in addition to all of the taxes levied by the Federal Government, States, counties, and local taxing units. At least, it will have the effect of doubling our Federal tax burden, and if sufficient funds are obtained from the tax to pay the $200 per month, and which Dr. Townsend testified was only a "starter," it will more than double the tax collections now made by all Government units. Dr. Townsend even says that $300 per month is the ultimate goal. He also suggests that ultimately the national debt may be paid off out of this tax. It would impose an average tax burden upon each man, woman, and child in the United States, in addition to all other taxes now paid, of $185 per year, or more than one-third of our present per capita income of $547.

The chairman of the Ways and Means Committee said further:

This tax would give an enormous advantage to large distributors who distribute directly to the consumer, as the total tax payable with respect to any commodity varies with the number of hands through which it passes. Also to chain stores who buy direct from the manufacturers or produce their own goods. Middlemen, in many cases, will be eliminated. Small jobbers and small merchants will be wiped out, thus fostering monopoly, as independent small businesses will be crushed and unable to compete with the producers who have sufficient capital to develop retail outlets. Even Dr. Townsend admits this and states that they ought to be wiped out.

As to the actual consequences of such a plan, were it placed into operation, I desire to refer you to the testimony of outstanding economists, businessmen, farm and labor organizations, and those who are qualified to judge as to the economic effect of the Townsend program. Among the large array of witnesses brought forward by the Townsend organization during the course of the hearings, there did not appear a single economist or recognized tax expert to support their plan. Among those appearing voluntarily before the committee and taking the position that the bill was unsound, impracticable, unworkable, and dangerous were the following:

Dr. Slichter, of Harvard University; Dr. Frank Graham, of Princeton University; Dr. Frederic Dewhurst, of the Twentieth Century Fund; Prof. Paul Haensel, of Northwestern University; Dr. Albert Hart, of Chicago; Prof. Paul Studenski, of New York University; Dr. Harold G. Moulton, president of the Brookings Institution; Dr. Francis Tyson, of the University of Pittsburgh, and John T. Flynn, and David Cushman Coyle, both economists and nationally-known writers.

Representatives of business included Gerard Swope, president of General Electric; Marion B. Folsom, of Eastman Kodak Co.; also Matthew Woll, vice president of the American Federation of Labor—he made it clear that labor did not favor the Townsend bill or the principle underlying it.

As to its effect upon agriculture, Dr. John Lee Coulter, probably the most outstanding agricultural economist in America today, stated, in effect, that the adoption of the Townsend plan would be ruinous to the farmer and destructive to the entire agricultural system.

Mr. Speaker, I now desire to note some of the written protests which reached the Ways and Means Committee against H. R. 6466 and other measures which have from time to time been proposed by the promoters of the Townsend plan.

On May 25, 1939, William Green, president of the American Federation of Labor, wrote to the Ways and Means Committee at length, and among other things stated:

We are convinced that to pretend to offer up to a maximum of $200 a month to all old persons regardless of need, as is done by H. R. 6466, is both dishonest and undesirable. It is dishonest because no such large sums could be paid to individual annuitants even with the burdensome taxes proposed. The amounts actually paid would be very much under the maximum and would fluctuate

from month to month, so that no real security could be achieved for those who really need it, while others would receive sums entirely unnecessary in their economy.

It is undesirable because it taxes wages and gross incomes with practically no regard for ability to pay, and because it offers tremendous incentive to integration of producing and marketing units at the expense of small independent business. The independent retailer, the consumer, and the wage earner will be the losers under this program. A gross-income tax of a flat percent cannot be other than regressive in effect; it is a thoroughly bad form of taxation. * * *

The American Federation of Labor believes in enlarged social security for the Nation but achieved by reasonable methods. It condemns H. R. 2 and even more H. R. 6466 as wholly unreasonable devices and as unable to fulfill the implied extravagant promise of large pensions on the basis of which they make their appeal.

The American Farm Bureau Federation, through its president, Edward A. O'Neal, wrote the committee from Chicago, Ill., May 29, 1939, submitting a detailed analysis of the Townsend old-age pension plan and of H. R. 6466, and said:

It would be fiscal suicide for this Nation to undertake to pay old-age pensions provided for in H. R. 6466.

* * * Every farmer, every workingman, every businessman, and every person receiving income of any kind from any source would be subject to this gross-revenue tax. The only exemptions are the revenues derived from national banks, fraternal organizations, religious and educational organizations, nonprofit cooperatives, building and loan associations to a certain extent, life-insurance policies, Federal tax payments, and Federal benefit payments.

Every time a commodity is sold, every time it is transported commercially, every time a wage or salary payment is made, every time an income payment is received, a tax would be levied on the total gross amount of the sale, wage payment, or income payment, with no deductions for losses, expense, or cost of any kind.

This means that the tax would be pyramided over and over again in the channels of trade and distribution, so that its total effects would be cumulative and would be manyfold what appears on the surface.

It would be especially burdensome to agriculture. For example, in the case of wheat, a tax would be levied on the total wages of farm hands employed in producing the wheat; the farmer would pay a tax on the total sales value of the wheat sold to the local elevator; the elevator in turn would pay a tax on the total sales value of the wheat when sold to terminal agency; and the latter in turn a tax on the total sales value of the wheat when sold to the mill. The mill processing the wheat into flour and byproduct feeds would pay a tax on the total sales value of these products—likewise, the wholesaler, then the local jobber, and then the retailer. Each time the product is sold the tax on the entire amount must be absorbed and the tax is thus compounded again and again. It should also be borne in mind that every time the commodity is handled by labor and wages are paid, a tax is paid on the full amount of such wages; also that every time the commodity is transported by rail, water, or by truck for hire the tax is paid on the cost of transportation.

All these cumulative taxes are compounded together like compound interest. To the extent they can be passed on, the consumer will pay the bill in his loaf of bread; to the extent they cannot be passed on, such taxes would be passed back to the farmer in lower prices for wheat. * * *

According to the United States Bureau of the Census, there were 10,110,000 American citizens 60 years of age and over in 1935, or about 8 percent of the total population.

It is estimated that by 1945 the total number of persons 60 years of age and over will be 15,710,000 and 24,980,000 by 1965 (Scripps Foundation for Research in Population Problems).

To pay a pension of $200 per month to 10,000,000 persons would require an annual revenue of $24,000,000,000. In order to pay such a pension to 25,000,000 persons in 1965 would cost $60,000,000,000 annually. In establishing a pension system, it is necessary to take into account not only present costs but probable costs in the future.

It should be carefully noted, Mr. Speaker, that one of the most dangerous inequities of this legislation lies in the fact that a tax would have to be paid by each individual on his losses just the same as on his gains. If on a transaction he lost $100 or $1,000 he would be taxed to the same extent and in the same way as though he had gained $100 or $1,000.

The National Grange, the Railway Labor Executive Association, the American Association for Social Security, Inc., all were unalterably opposed to H. R. 6466 and to any other similar plan of multiple taxation.

Mr. Speaker, it is both illuminating and startling to see in tabulated form just what the tax burden which would have been imposed by H. R. 6466 would have been upon each State. The chairman of the Ways and Means Committee included in his remarks a table prepared by W. L. Price, of the staff of the Joint Committee on Internal Revenue Taxation, showing the estimated additional tax burden necessary to pay maximum pensions of $200 per month to 8,000,000 and 10,000,000 persons, based upon per capita and computed on population of 130,000,000. I desire to include that table in my remarks at this point in order that anyone may see for himself just what it would cost the taxpayers of the Nation for an old-age pension of $50 a month, $100 a month, $150 a month, $200 a month, or any figure above that amount.

The Townsend plan—Estimated additional tax burden necessary to pay maximum pensions of $200 per month to 8,000,000 and 10,000,000 persons, based upon per capita cost computed on population of 130,000,000

MAXIMUM PENSION, $200

Pensioners	Annual cost	Per capita cost
8,000,000	$19,200,000,000	$147.69
10,000,000	24,000,000,000	184.62

COST OF TOWNSEND PLAN BY STATES

[On per capita basis—1936 estimated population 128,884,000]

State	Actual internal-revenue collections 1938	Estimated additional cost, maximum of $200 per month	
		8,000,000 pensioners	10,000,000 pensioners
Alabama	$16,929,203.24	$422,984,160	$528,751,680
Arizona	4,513,075.19	59,962,140	74,955,720
Arkansas	8,046,468.34	298,776,870	373,488,260
California	315,570,028.00	894,853,710	1,118,612,580
Colorado	34,282,573.53	157,437,540	196,804,920
Connecticut	96,310,529.35	256,094,460	320,131,080
Delaware	80,717,110.47	38,251,710	47,816,580
District of Columbia	35,760,942.29	91,420,110	114,279,780
Florida	42,959,445.41	242,506,980	303,146,040
Georgia	33,724,693.09	451,931,400	564,937,200
Idaho	4,362,441.74	71,619,650	89,540,700
Illinois	497,963,517.42	1,158,628,050	1,448,343,900
Indinia	114,163,319.54	510,859,710	638,600,580
Iowa	24,593,358.38	375,575,670	469,488,660
Kansas	24,637,081.03	278,543,340	348,193,320
Kentucky	122,200,619.24	425,790,270	532,259,460
Louisiana	45,786,260.99	313,398,180	391,763,640
Maine	15,075,260.28	125,979,570	157,483,830
Maryland	108,973,372.02	247,233,060	309,053,880
Massachusetts	186,277,559.11	653,528,250	816,943,500
Michigan	308,182,920.50	706,401,270	883,037,460
Minnesota	71,466,304.30	389,163,150	486,473,700
Mississippi	6,610,539.32	296,561,520	370,716,960
Missouri	134,617,025.97	584,704,710	730,910,580
Montana	6,000,459.32	78,423,390	98,033,220
Nebraska	20,991,112.10	201,449,160	251,821,680
Nevada	4,925,530.06	14,769,000	18,462,000
New Hampshire	9,196,853.32	75,026,520	93,786,960
New Jersey	210,509,618.66	639,202,320	799,035,360
New Mexico	2,958,951.78	62,325,180	77,909,640
New York	1,244,298,641.03	1,910,370,150	2,388,059,700
North Carolina	327,018,171.48	510,564,330	638,231,340
North Dakota	1,579,263.21	103,826,070	129,787,860
Ohio	335,417,098.89	991,442,970	1,239,354,060
Oklahoma	62,661,773.46	373,360,320	466,719,360
Oregon	14,939,960.63	150,200,730	187,758,540
Pennsylvania	475,316,900.31	1,496,985,840	1,871,308,320
Rhode Island	32,478,532.75	100,576,890	125,726,220
South Carolina	12,101,084.27	274,703,400	343,393,200
South Dakota	1,970,673.23	102,201,480	127,757,040
Tennessee	32,142,317.67	422,984,160	528,751,680
Texas	139,526,049.31	903,419,730	1,129,320,540
Utah	8,138,003.37	76,208,040	95,263,920
Vermont	4,735,769.45	56,122,200	70,155,600
Virginia	202,403,845.49	394,479,990	493,124,020
Washington	35,395,703.22	251,811,450	314,777,100
West Virginia	24,348,370.55	270,272,700	337,854,600
Wisconsin	96,981,214.96	429,482,520	536,874,960
Wyoming	3,352,877.76	34,411,770	43,016,460

Estimated additional cost of paying pensions of $100 per month is one-half of above estimates—$50 per month one-fourth of above estimates.

Mr. Speaker, there is probably no abler economist and student of taxation in the world than Dr. Harold G. Moulton, of the Brookings Institution, of Washington, D. C. In discussing the legislation, he said:

Two percent on transactions sounds like an innocent enough tax rate, but, if applied as intended, it would really mean a tax that would absorb from 25 to 30 percent of the total national income.

I think the point that I want to emphasize most in connection with this is the magnitude of the expectations held forth to the old people. Even though the figure of $2,400 is not a provision of the act, that is the figure that is in the minds of the people. That is the way it has been sold to the country. The point is this, that $2,400 a year for each person, or 10,000,000 people, roughly speaking, means $24,000,000,000 of additional taxes.

Of course, that is absolutely fantastic on the face of it. The total revenue, with all the tax machinery that we have—Federal

State, and local—is $12,000,000,000. This is double that total. It is an impossibility. It would wreck the economic system if you undertook to collect such a tax.

My distinguished colleague, the Honorable CLIFFORD HOPE, of Kansas, stated the position of those who felt compelled to vote against this measure very concisely when he said:

One of the reasons why I felt it imperative to make my position clear on this matter from the very beginning was because of the fact that I did not want to be a party, either actively or passively, to the deception, either wittingly or unwittingly, in good faith or bad, which has been carried on in behalf of this measure among the fine elderly people of this country. The growth of the Townsend pension program offers perhaps the most conspicuous example of the power of skillful propaganda that has ever been afforded in this country * * *.

Since the introduction of the first McGroarty bill early in 1926 there have been at least four other bills which have been sponsored by the Townsend organization, to say nothing of the bills sponsored by other pension groups. These new bills have been introduced because even the sponsors of the earlier legislation conceded that it could not work. Yet the Townsend organizers and lecturers have, on the occasion of the introduction of every one of these bills, informed the members of the organization that they were perfect bills and that they should importune Members of Congress to pass them without amendment.

The publicity and discussion which has occurred throughout the country with respect to these measures has, of course, demonstrated clearly that there is no possible way by which a tax can be levied upon the American people which would result in payment of $200 a month to all those over 60 years of age.

* * * Members of the organization, when questioned concerning the matter, frankly admit that the taxes provided for in the present bill will not raise enough money to pay even one-fourth of such an amount. * * * It is wrong to deceive the splendid elderly people of this country in such a fashion. Congress ought not to be a party to it. * * *

Any fair analysis of the present bill, or any other of the bills embodying this plan, will quickly demonstrate that the plan is unsound, that it is unworkable, and cannot possibly do what its sponsors claim for it. * * * From the very beginning, the paid organizers and workers for the plan have based their arguments on the theory that the plan would cost nothing and that it is possible to pay out to the elderly people of this country as much as $20,000,000,000 per year without its actually having to come out of anyone's pocket.

The theory of the bill as expounded by its supporters is that by levying a tax it is possible to accelerate the circulation of money. Strangely enough, if this is the theory, the tax is to be levied not upon idle money or hoarded money which is out of circulation but upon money which is already actually in circulation. It is a tax to be levied upon business transactions so that every penny which would, by means of this tax, be diverted to pension payments, is a penny taken away from someone who is actually preparing to spend it at the time it was taken away by taxation. In other words, all the transactions tax does is to take the dollar that is being spent for goods and commodities and divert a part of it to the Federal Government in the form of a tax. * * * The only difference is that in one case it would have been spent by the man who worked for it and earned it, and in the second case it is spent by the man to whom it is paid as a pension.

Mr. Speaker, I desire to include at this point in my remarks a very illuminating table inserted in the RECORD by my colleague [Mr. BUCK]. This is a table compiled by Dr. J. Frederic Dewhurst, of the Twentieth Century Fund, showing an estimate of the average monthly pension under H. R. 2. This gives a very clear idea of the most that could be expected under H. R. 6466 if it were enacted into law. Following is the table:

Estimated tax yields and pensions payable under H. R. 2

GROSS TRANSACTIONS AND TRANSFERS

1. Total gross transactions (or gross income) 1936	$449,000,000,000
2. Estimated transfers of money by devise, bequest, etc. (1935)	2,500,000,000
3. Estimated transfer of money by gift (1935)	1,100,000,000
4. Estimated total transactions and transfers	452,600,000,000

ESTIMATED EXEMPTIONS AND DEDUCTIONS UNDER H. R. 2

5. Payments for personal service of employees	37,368,000,000
6. Gross income to Government (1937) total	12,500,000,000
7. Estimated sale of Government securities	3,000,000,000
8. Shrinkage in security transactions resulting from 2-percent tax	76,288,000,000
9. Shrinkage in sales of tangible goods resulting from 2-percent tax	14,483,000,000
10. Total exemptions and deductions	143,639,000,000

Estimated tax yields and pensions payable under H. R. 2—Con.

11. Total transactions and transfers	$452,600,000,000
12. Total exemptions and deductions	143,639,000,000
13. Theoretical taxable balance	308,961,000,000
14. Yield of 2-percent transactions tax	6,179,220,000
15. Number of persons over 60 years old	12,600,000
16. Number of persons who would accept H. R. 2 pensions	10,100,000
17. Average annual pension under H. R. 2	$612
18. Average monthly pension under H. R. 2	$51

Now, as to the question of constitutionality. It is my opinion that H. R. 6466 was unconstitutional in several particulars; as an example, section 11 of the bill provided:

* * * the Secretary of the Treasury is hereby authorized and directed to pay from the money or moneys available in said general welfare fund, the money necessary to cover the expenses of administration of this act and the monthly annuities to the qualified annuitants * * *.

This is clearly in violation of clause 7 of section 9 of article I of the Constitution, which provides:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Delegation of the appropriating power of the Congress to the Treasury of the United States is obviously not in keeping with these constitutional provisions.

Mr. Speaker, I could go on for hours quoting economists, businessmen, educators, organizations of various sorts, including labor organizations, agricultural organizations, all unanimous in their verdict that the Townsend plan is, unfortunately, unworkable.

All of this evidence has been presented over and over again. All of these arguments have been made over and over again.

I do not say that all of those who have led in the Townsend movement or who have aided it have been dishonest or insincere in their efforts. I do not hesitate to say that I believe, and I think it has been amply proved time and again, that some of those active in the promotion of the Townsend plan have been motivated by impulses other than honesty and sincerity.

The tragic aspect of this whole proposition is the fact that fine, elderly citizens who have lived useful lives are now, in the sunset of their years, faced with a hopeless quest of an annuity which it is utterly impossible for the Government to collect from the citizens and pay to them.

I now want to make an appeal to the reason of the elderly citizens of this Nation. I hope that this appeal will reach each one of them. I hope that they will call upon their own reason and good common sense as they ponder this appeal and realize the sincerity and the truth of it.

To the old folks of America I want to put these propositions:

You realize that many Members of the Congress have aged living parents. You realize that many economists, many individuals who opposed H. R. 6466 have aged parents and other relatives.

Do you, the elderly citizens of this country, believe that every Member of Congress, that every economist, that every businessman, that every individual who opposed that bill is in a conspiracy—some great national plot—to prevent you, including their own aged relatives, from receiving a pension which would keep you and them in comfort to the end of your days?

Do you honestly believe that all the Members of the Congress, all the economists of the Nation, the businessmen, the labor leaders, the leaders of the agricultural organizations, of the educational institutions, of the churches, who are seeking earnestly for some solution to this depression which is working hardship on all of us actually would have rejected the plan if there were even a reasonable hope that it would restore prosperity to this country by such a humane and pleasing method as paying you old folks $100 or $200 or $300 a month?

Do you elderly citizens of this Nation believe that the opposition to the plan was based upon some widespread and deep-seated enmity or hostility to you on the part of your

own relatives and friends, your own Representatives in the Congress, your own neighbors and associates?

Can you not see, each one of you, that if the plan would work, as you were persuaded that it would work, that we in Congress would be eager to enact it into law and put it into operation as soon as possible?

Do you elderly citizens believe that only the leaders of the plan, and none others of all the people in the United States, have any knowledge of economics or of the effects of taxation or of the relationship between the velocity and the quantity of money in circulation?

Do you believe that an entire Nation is so hard-hearted, is so dead to all kindly human impulses, is so lost to all love and affection, that it would refuse any workable plan that would give to its own fathers and mothers past 60 years of age the comfort and luxury in their declining years that would not only make of their lives a happy round of pleasure but would rescue the Nation itself from the depths of a depression?

I say to you that there is not a Member of this Congress, that there is not a single economist who opposed the plan, that there is not an individual anywhere who would not gladly see enacted into law a plan that would give you elderly citizens the greatest possible annuity the Nation's economy could support. You must know that this is so. You must realize if you will think this over carefully that this is true. You must realize, if you will ponder the questions I have propounded to you, that it is grotesque, incredible, and fantastic, that everybody in the Nation under the age of 60 is in a conspiracy to deprive those of you who are 60 years or older of any pension or annuity that could be given you, particularly if the granting of such a pension or annuity would operate to improve the condition of all of the rest of us.

In conclusion, Mr. Speaker, I want to say that I shall, without reservation, support any legislation that can be shown to be sound, practicable, and workable, and constitutional to provide the greatest possible annuity for the aged citizens of this country under whatever plan can be demonstrated to be the most sound and workable and which can be most quickly put into effect.

Water Power in Nebraska

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, June 5, 1939

ARTICLES BY V. T. BOUGHTON

Mr. NORRIS. Mr. President, I hold in my hand two articles written by Mr. V. T. Boughton, managing editor of the Engineering News-Record, which is a national engineering magazine. Mr. Boughton is neither a friend nor a foe of the projects about which he writes. So far as I know, he has not been in consultation with either side of the controversy that has raged more or less in Nebraska about these projects. He neither praises nor condemns, but gives his technical judgment as to the merits of the subject about which he is writing. The subject is Water Power in Nebraska. I ask that these articles be printed in the Appendix of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Engineering News-Record of April 27, 1939]

WATER POWER IN NEBRASKA

(By V. T. Boughton, managing editor, Engineering News-Record)

Five years ago Nebraska began the public development of the State's water-power resources with money from the Public Works Administration in the form of loans and grants. To date the Federal Government has made commitments totaling about $60,000,000 to three public power and irrigation districts having water-power development as a major part of their programs. These are the Platte Valley public power and irrigation district, the central Nebraska public power and irrigation district, and the Loup River public power district. Local people have contributed about $200,000 for promotional work in these districts.

Widely characterized as Nebraska's "little T. V. A.," these public power and irrigation projects have been the subject of much adverse comment by those who are opposed to their construction. Total costs have been declared to be so high as to put the unit cost of power and irrigation water beyond reason; question has been raised as to whether any considerable amount of firm power can be produced because of the uncertainty of the water supply; power markets have been declared to be lacking, and the operating difficulties of the two completed projects have been held up as evidence of the impracticability of the undertakings. As a consequence, unbiased information concerning the undertaking is hard to obtain.

Opposition to the projects is both local and national. Locally, the opposition is due chiefly to factors peculiar to the region in which the projects are being built. In the first place, water in Nebraska is a valuable commodity which is jealously guarded by those who need it to irrigate their lands. People on existing irrigation projects who have seen the Platte River go dry and their crops burn up are violently opposed to further drafts for any new combined power and irrigation project. Quite naturally, the privately owned power companies are opposed to the projects, but it is rather surprising to find the power companies supported by town officials in communities having municipally owned power plants. The reason for this is found in the fact that the relatively high rates charged by these plants bring in a tidy income which carries a large part of the municipal expenses, and the town officials see in the public power districts a move to confine surpluses to a general reduction in domestic rates.

But for engineers the Nebraska undertakings hold out much wider interest than those that lie in the controversial subject of public versus private power development. First, there are completed or under construction three hydroelectric power undertakings that are unique both as to design and as to cost of construction; and second, there are questions of water conservation and use which are important for all concerned with development of the water resources of the arid regions of the West. To date, three diversion dams and two reservoirs have been built, 88 miles of power canals have been dug, and three power plants of moderate size have been put into operation. Now under construction is the Nation's second largest earthfill dam, a fourth diversion dam, 67 miles of power supply canals, three more power plants, 102 miles of main irrigation canals, and 540 miles of small laterals.

POWER AIDS IRRIGATION

Nebraska's climate ranges from subhumid along the eastern edge to semiarid in the west, with a wide central area where there is insufficient rainfall for crop production. Dry farming has been practiced extensively in this area, a large section of it having been put under cultivation in the war days, when wheat prices were high, but there is evidence everywhere that the record has been one of frequent crop failure, especially in the recent dry years.

Irrigation of land in the wide flat valley of the Platte River was begun in a small way as far back as 1866, and has gradually expanded to include about 200,000 acres now under irrigation canals. But the flow of the Platte River is so uncertain in the central part of the State that these bottom lands have not always been able to obtain from direct flow as much water as they needed, and stored water has not been available. Lands at higher elevations never have been reached, and yet they need little water in normal years to make them suitable for a wide variety of crops. Rainfall in Phelps, Kearney, and Adams Counties, where the lands now being irrigated lie, averages 24 inches per year, while 36 inches is needed to carry crops to maturity. Hence the irrigation system is designed to supply 12 inches per acre, or about 200,000 acre-feet, for the work now in hand, which combines storage with use of any available direct flow.

Schemes for providing irrigation water for the fertile lands lying south of the Platte River in the central part of the State have been actively promoted for many years, but as the low flow of the North Platte River—the principal source of water for the south-central area—is overappropriated, these schemes were largely based on storage and use of floodwaters which come down both the North and South Platte in large quantities every spring. Storage, however, was difficult to obtain. Because the river bottoms are wide and the underlying material porous, the construction of on-river reservoirs long appeared too costly. On the other hand, the off-river storage sites were neither large nor numerous, and the amount that can be diverted into them during the short flood season is limited by the amount that can be carried through long supply canals. Some of these studies of off-river sites indicated that power could be developed in bringing water down into the valley from storage reservoirs in the hills, but in all cases costs appeared prohibitive.

This was the situation when, in 1933, the National Recovery Act was passed, and it soon became evident that liberal Federal aid would be available to foster construction of projects that could not be financed if required to repay their full cost out of earnings. The same year the Nebraska Legislature passed an act providing for the establishment of public power and irrigation districts and authorizing the district to borrow money from the Public Works Administration on loans secured by the potential earnings of the district.

POWER DISTRICTS FORMED

Among the first power districts to be organized was the Platte Valley Power and Irrigation District to build what is commonly known as the Sutherland project. It was followed by the formation of the Loup River Public Power District for construction of the Columbus project, a power project without irrigation features on the Loup River, and subsequently by the formation of the Central Nebraska Public Power and Irrigation District, to build what is commonly known as the tricounty project, a project that then was expected would be able to supply irrigation water to about 500,000 acres and would develop a large amount of power. Also organized were two smaller irrigation projects on the North and Middle Loup Rivers. Neither of these latter included the development of power as part of its undertaking but both were authorized to buy or generate and distribute power.

The basic scheme around which the three major projects were designed is the same. The valleys of all the rivers in central Nebraska are wide and flat and are flanked with low hills of loess or fine sandy material. The valley slopes are gentle and the only way in which heads for power development can be obtained is through the use of long canals leading water out of the bottomlands into the hills and then carrying it downstream many miles to some point where the river swings close enough to the hills to permit the water to be returned to the river channel through a power plant. This results in long canals through loess and sandy material—too many miles to make lining feasible—and calls for many structures to take care of cross drainage. Storage reservoirs must be formed in shallow basins by the use of long and fairly high earth dikes. The general drop of the rivers is about 7 feet per mile; that of the canals, 2 to 3 inches.

Construction of the Sutherland project was begun in August 1934, and it was put into service in December 1935, but trouble with ice developed almost immediately and the project did not begin to produce power commercially until February of this year. Details of its design and of its troubles with canals and structures will be given in a subsequent article. Its power plant develops an average head of 204 feet and contains two units of 18,000-horsepower capacity having an output of 13,000 kilowatts at 90 percent power factor and using 900 second-feet of water.

The water used by the Sutherland project belongs to irrigators below the tailrace of its power plant. Flood waters stored in Sutherland Reservoir are to be sold to those irrigators to help pay for the project.

Construction of the Columbus project was begun early in 1935. The Loup River on which it is built has a much more uniform flow than the Platte, hence water supply was not a major question, but a most difficult problem was presented by the fact that the river carries a large quantity of silt. The silt problem will be taken up in the subsequent article.

The Columbus project has two power stations designed to use a uniform draft up to 3,000 second-feet, supplemented by pondage for peak loads. The Monroe station contains three 3,200-horsepower units, developing a head of 32 feet, and the Columbus station has three 18,000-horsepower units, developing a normal head of 112 feet. The system has been in operation since September 1938.

Work on the tricounty project of the Central Nebraska Power and Irrigation District was begun in the spring of 1936, but active construction was held up for many months by legal questions. The project differs from the other two in that it includes construction of a reservoir of 2,000,000-acre-feet capacity near Keystone, above the intake of the Sutherland project, for the storage of floodwaters of the North Platte. The district has rights only to floodwaters. Water released at the dam is to be picked up below the tailrace of the Sutherland power plant and run through the three power stations of the district before it is delivered to irrigators down in Phelps, Kearney, and Adams Counties.

Work on the tricounty project is now well along; it is scheduled for completion in 1940. Its three power stations are designed for a flow of 1,800 second-feet, supplemented by poundage and some off-river storage. They will have an installed capacity of 54,000 kilowatts.

WATER SUPPLY

Water supply was a major problem of the Sutherland project and still is for the tri-county project. Now that the tri-county district is building its big storage reservoir just above the intake of the Sutherland project a water supply is assured for the irrigators whose water the district uses for power development because they have first claim to enough water to meet their authorized appropriations. And while there is no question but that the storage of 2,000,000 acre-feet behind Kingsley Dam (formerly called Keystone) would meet both the needs of these and other power appropriations and would still leave ample to irrigate the lands under the canals of the tricounty project there is question as to whether there are enough floodwaters in the North Platte River to fill such a reservoir and keep it replenished annually. Studies of records for the past 20 years indicate that such a reservoir would have been filled to overflowing in all but 4 years. Current studies show that from October 1 of last year to March 1 of this year, 584,700 acre-feet passed the gaging station at Overton, Nebr. Of this amount, 150,000 acre-feet would have been released to meet the needs of the water-power plant at Kearney leaving 434,000 acre-feet that could have been stored in 5 months, with the period of melting snow yet to come.

A major cause for uncertainty arises from the fact that the United States Reclamation Bureau is now beginning to store water behind Seminoe Dam for the irrigation of 66,000 acres in the Kendricks project near Casper, Wyo. The Seminoe Reservoir has a capacity of 1,070,000 acre-feet. What effect this storage will have on the flow of the North Platte is unknown, as the flow in central Nebraska will depend in some part upon the return flow from the irrigated land in the Kendricks project. Officials of the tricounty projects hold that their rights to the waters of the North Platte are superior to those of the Kendricks project.

On the other hand, a favorable factor in the water-supply situation will be the start of the diversion of water from the headwaters of the Colorado into the headwaters of the South Platte River, as planned for the Colorado-Big Thompson project now under construction in Colorado. This diversion should add to the low flow of the South Platte River, aiding the irrigators below the confluence of the South and North Platte and so making possible the storage of more water in the Kingsley Reservoir.

Another factor favorable to the success of the present undertaking is a finding by the Nebraska Supreme Court to the effect that the central Nebraska district may not take water out of the Platte River Valley for the irrigation of lands lying over in the Republican River watershed, as was proposed when the district was organized. This reduces the land under the tricounty irrigation canals from 500,000 acres to 220,000 and materially reduces the amount of water that will have to be drawn from the Keystone Reservoir. Thus the carry-over will help to offset any shortage in dry years.

SUTHERLAND POWER

The Sutherland project began commercial sale of power in February of this year and since March 1 the average daily output has been 115,000 kilowatt-hours, the peak being about 70 percent of the capacity of one of the two generators in the power station. Power goes to local private power companies, to municipalities, and to other public power districts. This load is about 40 percent of the designed capacity. Within a few weeks the contractors at Kingsley Dam will begin hydraulic fill operations, which, when the dredges are up to capacity, will require about 240,000 kilowatt-hours per day. That work will continue until September 1940, and by 1941 the district officials believe that they will have built up a sufficient market to take over that power.

The total amount advanced by the P. W. A. in the form of loans and grants is $11,226,000, of which a considerable sum is still available for working capital during the load-building period. About $700,000 annually is required to pay interest, amortize the loan, and operate the plant. Of this, $100,000 will come from water users as soon as water can be stored in Sutherland Reservoir. The power output of the system should be about 100,000,000 kilowatt-hours annually. Deducting line losses, this power can be sold for about 7½ mills per kilowatt-hour and yet produce enough income to provide the remaining $600,000.

LOUP RIVER POWER

Last year the two power stations of the Columbus project produced 46,000,000 kilowatt-hours, as against 188,000,000 kilowatt-hours estimated as the average annual output of the project. It is expected that the output will be up to about 90,000,000 kilowatt-hours by the end of this year.

The district has $9,000,000 in bonds outstanding. Interest, amortization, and operating cost amount to about $870,000 per year, which means that the average income from the power should be 4½ or 5 mills. The district has had an offer of 5 mills from private power companies for all the power it can produce, but its officers believe that one of their functions is to build up the local use of power, especially in the rural areas. Consequently the district is doing all it can to help the local districts of the Rural Electrification Administration, of which there are now 28 in the State. At the present time 2,500,000 kilowatt-hours of the Columbus output is going to the R. E. A. districts throughout the State, power being sold to the various districts at 1 cent per kilowatt-hour average. The Loup district has 378 miles of rural line built and contracts let for 170 miles more. Lines are built where an average of 2.2 customers per mile can be obtained. Of the 830 customers already signed up, 305 are connected to the system. Average sales were 66.3 kilowatt-hours to purely rural customers in January.

TRI-COUNTY POWER

A study of the flow of the Platte River between 1895 and 1909 shows that there was sufficient water, supplemented by storage in the Kingsley Reservoir, to have operated the three power plants of the district at 100-percent capacity factor for the whole period. From 1910 to 1916 an average of about 90 percent could have been maintained; from 1917 to 1931, 100-percent-capacity factor would have been possible, and from 1931 to the end of 1937 a reduction to about 50-percent-capacity factor would have been necessary due to the long drought. The average annual generation of the district over the 43½-year period studied would have been 353,368,000 kilowatt-hours. These figures are based on assumed evaporation losses from the reservoir 25 percent higher than available data would indicate will occur, and on the assumption that the reservoirs and canals are full at all times. Losses from the canals which were being seasoned last year were somewhat less than one-tenth of 1 percent per mile, which is lower than the loss figure used in this study.

Under normal conditions there is a considerable increase in the flow of the river between the site of Kingsley Dam and the diversion dam just below North Platte. This pick-up amounts to 1,500 second-feet during the nonirrigation months, and to 2,500 second-feet during the irrigation months, but these figures were reduced

by 50 percent in making the flow studies. Due to the conformation of the river valley, seepage losses from the Kingsley Reservoir are expected to reappear downstream.

With the bonded indebtedness of the district being $19,793,000, 40 percent of which is charged to irrigation and 60 percent to power, and with annual power operating costs estimated at $196,000, the district expects to be able to sell its power at 7 mills per kilowatt-hour.

POWER INTERCHANGE

Negotiations are now nearing completion for an interchange of power between the Platte Valley project, the Loup project, and the tricounty project, by which it is hoped to be able to make the most advantageous use of the water resources of the three districts. Upon completion of Kingsley Dam it will be possible to about double the firm power of the Sutherland system by diverting water for the tricounty project through its canals and power station. But without this added water, the Sutherland project is expected to be up to its designed capacity by 1942. Officers of the Loup River Public Power District estimate that upon completion of the pending agreement for the interchange of power with the other two power districts they will be able to build up their load to a paying basis by 1943.

If a projected plan for setting up a State-wide public power system through the purchase of existing privately owned power companies by the public power districts is consummated, the Loop district should be on a paying basis by 1942. Late last year it looked as though the State-wide scheme would soon be an accomplished fact, but uncertainty as to what the State legislature will do has postponed further action until it adjourns.

ECONOMIC JUSTIFICATION

From the economic angle, it would probably be easy to show that for the total investment—including both P. W. A. grants and loans—these projects never can pay on a purely bookkeeping basis. But it must be recognized that they were undertaken as part of the Nation's great program of creating employment through the construction of useful projects, and that as such they have created a large amount of continuous employment for a great many people. And having been carried out by normal methods as undertakings of the public power districts, the work being let out by contract under the supervision of regular engineering forces, rather than as relief operations, the employment created has been altogether normal in character. And one cannot traverse the area in which this work has been carried out without seeing on every hand the evidence of intangible benefits which cannot be easily evaluated on a dollars-and-cents basis.

Charging off the P. W. A. grants against the intangibles, there is substantial evidence that income from the power developments and from the sale of irrigation water will repay the loans from the Federal Government. And it should be noted that the Government subsidies do not bring the power costs down to the point where the public power districts can take business away from the private companies by undercutting their rates; the success of the public power development schemes appears to rest on the ability of the districts to build new business.

Looking upon these Nebraska projects as pioneering attempts to promote and coordinate the development of natural resources as public undertakings, little can be found to criticize and much will be found to commend. Though fostered by Federal aid, their major virtue lies in the fact that they are essentially local in character; unmistakable evidence of the willingness on the part of local people to risk something in the development of the region in which they live.

[From the Engineering News-Record of May 25, 1939]

ENGINEERING PROBLEMS OF NEBRASKA POWER

(By V. T. Boughton, managing editor, Engineering News-Record)

Seepage, bank slumping, and ice were the chief sources of early trouble in Nebraska's water-power developments that were described in the issue of April 27, page 546. They still are major sources of trouble, but the engineers are confident that their worst troubles are behind them and that such as remain can be eliminated. Silt was expected to be a big source of trouble on the Columbus project, but, due to the success of the silt-handling facilities put in when that project was built, silt disposal has become largely a matter of routine.

SUTHERLAND PROJECT

The Sutherland project of the Platte Valley public power and irrigation district was the first to be built. Its supply canal takes water from behind a diversion weir across the North Platte near Keystone, carries the water through a winding canal of 1,750 second-feet capacity along the south side of the valley, then through a cut 140 feet deep to a 7,400-foot concrete siphon 14 feet in diameter which crosses under the South Platte at Paxton. The siphon discharges into an open canal in the hills to the south of the river which carries the water east again to Sutherland Reservoir, a total distance of 32.3 miles. The reservoir is a basin of 175,000 acre-feet capacity formed by rolled fill dikes. It was designed for a draw-down of 55 feet, that depth being used to store floodwaters to supplement the limited supply of irrigators taking water from the river below the confluence of the North and South Platte.

From the reservoir a canal of 1,400 second-feet capacity, 19.2 miles long, leads to a smaller regulating reservoir from which water is drawn for the Platte Valley power plant where an average head of 204 feet is developed by two hydroelectric units of 13,000-kilowatt capacity. Below the power plant a 2½-mile tailrace returns the water to the river below the town of North Platte. Thus the water taken out at the diversion dam travels about 55 miles through canals and reservoirs before it is returned to the river.

One of the obvious difficulties of this long canal system is the light and porous nature of the soil through which the canals were to be built. The canals were too long to be lined throughout, hence seepage losses were expected to be large during the early period of operation, and slumping of banks at some points was anticipated. In sections where physical conditions called for a slope steeper than 1 on 1½, the canal was lined; in the other sections it was hoped that deposits of the fine silt carried by the river would reduce seepage losses to a negligible quantity within a few years after putting the project into service.

TROUBLES DEVELOP

The project went into service in December 1935 in a limited way to season the canals and reservoirs, but it soon had to be closed down due to partial failure of the drop structure in which water from the supply canals goes down into the Sutherland Reservoir. During the 3 following years the project was out of operation most of the time due to numerous troubles, including two breaks in the siphon under the South Platte River, difficulties with ice in the canal and at the control structures, and seepage from the canal in regions where it is built above ground.

Ice troubles in the supply canal were due chiefly to the rapid changes that occur in the rate of flow of the North Platte River in winter when practically the whole volume of the river is diverted into the canal. Thus it often happens that a flow of 1,500 second-feet drops to 200 second-feet in 2 or 3 hours, and increases occur just as rapidly. Without control of the water level in the canal, ice that formed on the surface would drop to the bottom of the canal. The ice in falling pulled loose much of the 2-inch shotcrete lining in the lined sections. With an increase in flow it was picked up and carried downstream to form ice jams.

CAUSED PAXTON FAILURE

It was such a jam that was responsible for the failure of the Paxton siphon on February 3, 1937. Ice, piling up behind a control structure, caused a surge that overtopped the banks at the south end of the siphon scouring out the bank, undermining the siphon, and causing the collapse of its southern end. This break was repaired and the system put into operation again on March 3, only to have the southern end of the siphon collapse again on March 30. The cause of the second collapse never was definitely fixed, there having been no ice in the canal and no abnormal hydraulic conditions. One theory put forward is that a large quantity of ice from the initial break fell into the hole scoured under the outlet end of the siphon, was buried there by the wash from the siphon, and was not discovered when the hole was refilled. Melting of this ice with the warmer weather resulted in settlement and collapse of the siphon.

The original control structures consisted of a series of openings about 6 feet wide in which operators could place stoplogs to keep the water surface nearly constant. As the piers between these openings checked the movement of ice they have been removed and levels now are maintained by the use of hand-operated steel gates placed in the wider openings.

In places where the canal banks have slumped badly the slope has been reduced from 1 on 1½ to 1 on 2, curves have been protected against erosion by a gravel blanket and where bad seepage developed clay blankets have been placed. Silt deposits are slowly reducing the minor seepage losses.

The damaged 2-inch shotcrete lining has been replaced with thicker slabs of concete poured in place on the canal slopes.

SEEPAGE FROM RESERVOIR

The high embankments forming Sutherland Reservoir were built of carefully controlled rolled fill and were lined with concrete, but seepage developed when filling of the reservoir began. It was of such magnitude as to interfere with cultivation of land below the reservoir, hence the reservoir never has been filled to within 30 feet of its top.

Silting of the reservoir bottom is slowly checking the seepage. When visited this spring, the flow from under the main embankment amounted to about 2 second-feet.

Seepage may yet add materially to the cost of these projects, as the State supreme court recently upheld an award of $7,100 damage to a farmer whose land was put out of use by seepage from the Sutherland Reservoir.

Diversion of water into Sutherland Reservoir was resumed in November 1938, and the power plant was put into operation in December of that year. Production of commercial power was begun in February of this year and has been uninterrupted since then despite partial failure of the lining of the stilling basin at the outlet of Sutherland Reservoir late in March. The lining has been repaired temporarily.

LOUP RIVER SILT

Silt has long been recognized as a major obstacle to the development of power on the Loup River because the stream carries from 0.05 to 2 percent of silt and it is planned to use almost the entire flow during periods of low water.

The Columbus project of the Loup River Public Power District consists of a low diversion dam and skimming weir about 5½ miles above the town of Genoa, a desilting basin 200 feet wide, 10,000 feet long, and 16 feet deep, and a second skimming weir at its

lower end from which a canal 11½ miles long and having a capacity of 3,000 second-feet extends to a power station just north of the town of Monroe. This station contains three hydroelectric units of 3,200 horsepower each, developing a head of 32 feet. From this plant the low-line canal extends 13 miles to a regulating reservoir 3 miles north of Columbus having a total capacity of 11,000 acre-feet, of which 6,000 acre-feet is usable for power generation. A supply canal 1½ miles long and having a capacity of 4,800 second-feet extends from the reservoir to the Columbus power station, which contains three hydroelectric units of 18,000 horsepower capacity each. Below this station a tailrace 5½ miles long carries the water to the Platte River just below the confluence of the Platte and the Loup.

Water is drawn into the Loup River over a long skimming weir along the north bank of the river. This provides the first step in the desilting operation. Sluice gates in the main river weir at the lower end of the skimming weir make it possible to flush silt from in front of the skimmer. The second and final stage of desilting is in the long stilling basin, which, according to the first plans approved by the P. W. A., was to be equipped with a dredge mounted on a gantry spanning the basin and capable of traveling its full length. This dredge was to pump silt from any point in the basin to a concrete and steel flume on the river side of the basin which would discharge it along the river bank below the dam at points where it would be carried away during high water. As now operated, a 28-inch floating dredge of the "dust pan" type has been substituted for the gantry dredge. A flexible discharge line carries the dredged material to the flume, but at the present time it is being discharged over the bank to fill low land along the river.

Present practice is to operate the dredge from March to December on one 8-hour shift per day. This is with a diversion of about 600 second-feet, or about one-quarter of the proposed rate of 2,400 second-feet when the power plant is up to capacity. Pumping 65 cubic feet per second, the dredge removes about 1,200 cubic yards per hour. As power is used during off-peak periods, the cost, based on a plant output of 200,000,000 kilowatt-hours, is about $0.00054 per kilowatt-hour.

To date the much-discussed silt problem of this project has given the operators little trouble. Samples taken from the canal below the desilting basin have a silt content of one-tenth of 1 percent.

Ice piled up in front of the intake last November and for a time reduced the amount of water that could be taken in. However, it did not cause a complete shut-down of the plant. An ice boom was installed in December and no further ice trouble developed.

Little trouble has been experienced with the canals of the Columbus project. Learning from the difficulties of the Sutherland project, the engineers made the canal slopes flatter and avoided sharp changes which would disturb the ice cover. The results so far have been very satisfactory.

SEEPAGE LOSSES

A major problem in the operation of the Columbus project is seepage in areas below the regulating reservoir back of Columbus, and at some points below the supply canal. Parts of the canal system have been in service now for 3 years. In these sections the seepage has reduced materially each year and little further trouble is anticipated.

Borrow pits that were full of water at first are now dry and some meadows that were too wet for crops the first year were used for crops last year. Water has been in the reservoir for 2 years but has been maintained at a low level to minimize seepage losses. About 1,000 acres of land in areas lying to the north and south of the reservoir have been affected by seepage, but here also the blanketing of the reservoir bottom with fine silt is materially reducing the seepage loss. Much of the area affected had little natural drainage. A drainage ditch, cut by the district, has materially helped the situation and little trouble is anticipated during the growing season this year. Farmers whose lands are put out of production are paid on the basis of what the land would have produced in good years, which has been a very satisfactory arrangement for the farmers in the past two dry seasons.

LESSONS PUT TO USE

Lessons learned on the Sutherland and Columbus projects are being put to use on the tri-county project now under construction. Most notable is the location of the canals far enough back into the hills to get the flow line below natural ground level, thus avoiding the long wet embankments of the Sutherland project that resulted from efforts to do the work at the lowest possible cost.

By carrying the canal back into the hills it has been found possible to use natural valleys for considerable lengths of the canal, closing off the lower end of valleys with a dam, taking the local drainage into the canal, and cutting through to an adjoining valley at the upper end. Flumes and siphons have been avoided wherever possible, as they are sure to cause rise or fall in the water surface of such long canals as are required for that project. Control structures have been designed to present the least possible resistance to the movement of ice that may be freed in the canal. The natural stilling basins where valleys are used for the canal are expected to be useful in controlling ice.

ENGINEERING

In the previous article the economic aspects of these power and irrigation projects were discussed. The projects also are interesting from an engineering angle as demonstrating what can be done in developing power on rivers having as flat slopes as the Platte and the Loup, and as showing the pitfalls to be avoided. Much has been said about the engineering mistake and failure of structures during the early stage of this work. Even those most directly concerned are frank to admit that mistakes were made, but they were due almost entirely to the speed that was demanded by the P. W. A. in order to get the work under way and to the consequent lack of adequate knowledge of underground conditions, soil behavior, and the like. Preliminary designs had to be hastily made and yet could not be extravagant on the side of conservatism because it was known from the start that costs would be high at best.

Taken as a whole, the engineering work has been skillfully done and there are many ingenious examples of doing what engineers are supposed to do, make a dollar go further than it would in the hands of untrained men. Skillful planning of the grading and earth-handling operation has resulted in remarkably low bids for the vast amount of earth moving involved in the tri-county project.

One fact that impresses the outsider visiting the project is the extent to which the engineering work now is being directed by local men. In the past, Nebraska had few engineering projects, hence it was to be expected that outside engineering talent would be brought in on these large projects when they were first begun. Thus the firm of Parsons, Klapp, Brinckerhoff & Douglas, of New York, was engaged for the Sutherland project and the Harza Engineering Co., of Chicago, was engaged to handle the engineering work of the Columbus project. But now the engineering is largely in the hands of native Nebraskans. Hence the engineering set-up also serves to emphasize the local character of the undertaking as contrasted with the T. V. A., where all the money and most of the engineering talent has been and still is imported.

On the two projects that have passed from the construction of the operating stage, I. B. Jones, long associated with irrigation work in the arid West, is now in charge of civil-engineering work of the Sutherland project and Fred C. Albert, a native Nebraskan, is in charge at Columbus. On the tri-county project the engineering has been chiefly local since its start, but the district staff has had the advice of the Fargo Engineering Co., of Jackson, Mich., and numerous consulting engineers in special fields. George E. Johnson, former State engineer of Nebraska is chief engineer and general manager, and R. O. Green is assistant chief engineer in charge of the field work. George N. Carter is resident engineer at Kingsley Dam, D. A. Buzzell was hydraulic engineer until a few weeks ago, W. J. Turnbull is soils engineer and I. W. Barber is materials engineer. On the electrical side, E. E. Chilberg is electrical engineer, and Andrew McCall is resident engineer in charge of powerhouse construction. Johnson, Green, Turnbull, Carter, and Buzzell all are men who gained part of their engineering training in Nebraska.

The Death of Hideyo Noguchi—A Tribute to the Distinguished Japanese-American Scientist and Physician

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 6, 1939

ADDRESS BY HON. WILLIAM I. SIROVICH, OF NEW YORK, MAY 24, 1928

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech which I delivered in the House of Representatives on May 24, 1928:

Mr. SIROVICH. Mr. Speaker, ladies, and gentlemen, yesterday there died on the golden coast of Africa one of the most eminent and distinguished scientists of the twentieth century, Dr. Hideyo Noguchi, born in Japan, yet belonging to the citizenship of the world.

America, the land of liberty and of his adoption, gave him the laboratory of opportunity to demonstrate his profound and scientific knowledge, so that his genius could explore those mysterious realms which harbor virulent organisms that have been responsible for the causation of the terrible plagues, scourges, and diseases that have afflicted and ravaged humanity the world over for thousands and thousands of years.

If life is but a dream and death be its awakening, then in the world of dreams the work, the fame, the name of Hideyo Noguchi will forever endure.

His contributions to the service and knowledge of humanity will immortalize his name and bequeath a heritage of scientific and useful service to a grateful posterity for having been able to force from the unyielding bosom of Nature those mysterious secrets that for centuries Nature has held inviolate and unbroken, until the

fertile imagination and persistent efforts of the genius of Noguchi forced Nature to surrender its secrets to the microscope of science. [Applause.]

The Supreme Architect of the Universe reveals Himself to humble and lowly man in three mystical and inexplicable ways. First, through the life of the universe, which we term Nature. Second, through the thoughts of man, which we term art. And third, through the precision and exactness of the mind, through correct observation and thinking, which we term science.

In this great arena of life intellectual man worships at the shrine of nature, science, and art. Here in this temple of culture are seated side by side to each other nature, science, and art, presided over by God Almighty Himself, to whom we graciously bow our heads in humble submission as the great All-Powerful from whom all life and goodness flows. [Applause.]

The disciples of nature, art, and science recognize no distinction in race, creed, and color. The world is their country. The brotherhood of mankind is their shibboleth and watchword, and love and service to humanity everywhere is the cement that binds them together until the curtain of life falls upon them. [Applause.]

Who are the men who have immortalized their names on the altar of medical service? Hippocrates the Great was the father of medicine. He lived 300 years before Christ was born. The oath that every physician subscribes to, ere he is permitted to embark upon his medical career, is named after him and is known the world over as the "Hippocratic oath."

Four hundred years after the death of Hippocrates there flourished in Rome the greatest commentator on the 60 books written by Hippocrates, a physician whose name was Galen. For 15 centuries Galen was worshiped by the medical fraternity as the foremost figure on the medical firmament, whose skill and ingenuity in the field of medicine was revered and honored by the countless legions who were his devoted followers.

In the year 1132 there was born in Cordova, Spain, the most eminent physician of his time, Moses Maimonides. He was educated in Tripoli, Morocco, and Algiers. He was physician to Saladin the Great of Cairo, Egypt, who sent him out to treat Richard the Lion-Hearted when he led the second crusade to redeem the Holy Lands from the infidels. Maimonides was the outstanding figure in medicine, in science, in art, and in philosophy during the Dark Ages of our world.

During the period of the Renaissance, the years 1500 to 1600, Italy gave to the world five of the greatest anatomists the world has ever known—Jacobus Sylvius, the uncanny genius whose work on the human brain is immortalized by the great Sylvian fissure of the brain that is named after him—Andreas Vesalius, the distinguished and learned pupil of Sylvius, who discovered the fact that veins have valves, and whose anatomical clinics were crowded and packed with students from all over Europe who came to pay tribute to his phenomenal knowledge of human anatomy—Fallopius, the adroit and expert scholar after whom the Fallopian tubes of the female generative organs are named—Bartelemo Eustachius who was the first to describe the Eustachian tube, that runs from the back of the nose to the middle ear, whom posterity has honored in naming the Eustachian tube after him, and last but not the least—Francois Rabelais, one of the greatest anatomists of the world who lectured on every phase of human anatomy, demonstrating his lectures on the dissected body to crowded, enthusiastic, and overawed audiences.

Paracelsus, who was contemporaneous with these brilliant anatomists, was born in Switzerland in 1493, and was the pioneer in anticipating the field of infection and contagion, and the first doctor to introduce mineral substances in the treatment of disease as professor of medicine in the University of Basle. Associated with him in his investigations was Ambrose Pare, professor in the University of Paris, who through his indefatigable zeal, skill, and technique laid the foundation of modern surgery and was the greatest surgeon of his time.

From the years 1600 to 1700 three mighty characters held the center of the stage in the field of scientific medical endeavor—Jean Baptiste Van Helmont, born in Brussels, Belgium, considered the father of biological chemistry, and the first physician to ever examine chemically the blood and urine of human beings to definitely determine the causative factor of disease. Helmont was considered one of the greatest masters of his day.

The year 1628 commemorates forever the outstanding contribution of England to the science of medicine. That period will forever remain famous as the year that William Harvey discovered the circulation of the blood, that revolutionized the concept and the function of the heart and blood vessels because Hippocrates and his ancient disciples thought that the air was transported throughout the blood vessels of the body in order to feed the innate heat.

Dr. Thomas Sydenham was worshiped by his contemporaries and by the public at large as one of the greatest clinicians and diagnosticians of his time.

From the year 1700 to 1800 England contributed the greatest public benefactor to humanity in the person of Emil Janner, who in 1796 discovered the principle of vaccination, a discovery of the highest importance to civilization that has made it possible through vaccination to drive that malignant and pestilent scourge of smallpox from the face of the world.

The years 1800 to 1900 find every nation of continental Europe, including our own beloved country, America, all vying with each other to subjugate sickness and disease, so that longevity might be prolonged and the health of humanity bettered.

In America the versatile, talented, and gifted author and doctor, Oliver Wendell Holmes, the father of our distinguished Judge Holmes, of the United States Supreme Court, was first to write upon the subject of puerperal sepsis. He felt that motherhood was paying too great a penalty upon the altar of childbirth. He proved that puerperal sepsis was caused by dirt infection. He was laughed at and jeered at for his views. But 50 years later Dr. Semmelweiss, an obstetrician, of the University of Budapest, confirmed his views. The medical fraternity treated Semmelweiss as the American doctors treated Oliver Wendell Holmes. Semmelweiss, keenly sensitive to this terrible criticism, became insane and died in a madhouse. Today a monument stands in his memory in the principal square of Budapest, a statue that rightfully belongs to our own beloved scholar and scientist, Dr. Oliver Wendell Holmes. [Applause.]

The Battle of Bunker Hill and Lexington did not bring as much amazement to the citizens of Boston as did the newspaper announcement in the spring of 1846 that Dr. William Morton had discovered a gaseous substance called ether, that could anesthetize any human being and make him unconscious to the knife and scalpel. This drug revolutionized surgery, for prior to its discovery victims of surgical intervention had to be subjected to the deadening effects of opiates and saturated with liquor to deaden their anguish and pain.

Millions of human beings were literally dying every year from infection following operations, until in 1866 Guerin invented absorbent cotton dressings, which formed a barrier to the spreading of this condition.

Two years later, in 1868, the world was electrified by the announcement that the great Lord Lister had solved the cause of infection by practicing the methods of antisepsis before, during, and after operations, which reduced the frightful morbidity and mortality following operations, and made surgery safe and sound when applied to any condition in which the knife had to be used in order to save life or limb.

It was just about this time that the greatest scientific genius of the nineteenth century, Pasteur, came upon the horizon of science. Within a short time he demonstrated to a skeptical and amazed world that infection was due to a bacterial invasion. To a dazed and dumbfounded world he revealed these new organisms—cocci, bacilli, spirillae, fungi, yeasts. A new world. A conquest of chemical culture and the microscope. These discoveries of Pasteur completely resurrected surgery and chiefly transformed the treatment of modern diseases.

Thus far Egypt, Greece, Italy, Spain, France, England, and America had blazed the trail of medical and surgical pioneering. Teuton culture and civilization became inspired by these intrepid soldiers of the microscope, the agar culture, and chemistry, and finally Germany gave to the world the peer and master of all bacteriologists of all time in the person of Dr. Koch, who thrilled and bewildered an amazed world when he announced the discovery of the tubercle bacillus that was responsible for the causation of tuberculosis and led the mortality tables of the world in the causation of death from consumption.

Ehrlich, the wizard of biochemistry, is Germany's and the world's greatest contributor to the successful treatment of modern disease. His "606," known as salvarsan, is an absolute specific in the treatment of syphilis, that had ravaged the world for centuries and made syphilitic treatment the curse of the possessor and the bane of the physician.

From time immemorial the organism that caused syphilis was unknown. Only a decade ago a great German savant and scholar isolated this frightful assassin of human life under the field of the dark microscope and to perpetuate his memory the scientific world named this reaction after the founder in the examination of human blood and calls it in his honor "the Wassermann test."

In this, the twentieth century of civilization, America ranks in the forefront as the proud possessor of the greatest scientists of the world. Behold its roster in Public Health Service—men who have distinguished themselves in arduous and dangerous research to promote the interests and happiness of mankind.

Where is there a patriotic man or woman who will forget the courageous heroism of Dr. Lazar, who, under the supervision of Dr. Walter Reed, gave up his life upon the altar of science in order to have himself infected with the mosquito to prove to the world that the mosquito is the cause of malaria and yellow fever.

It was this wonderful experiment in which Lazar gave up his life that gave the knowledge to Dr. Gorgas to eradicate yellow fever and malaria from the Panama Canal, which made it possible for American engineers to build the canal.

DR. HENRY R. CARTER

World-recognized authority on yellow fever and malaria. In 1900–1901, by purely epidemiological studies, demonstrated that yellow fever must be conveyed by an intermediate host, and measured with accuracy the periods of incubation in that host and in man, thus laying a solid scientific basis for the subsequent experimental verification.

DR. CHARLES WARDELL STILES

Discovered the American species of hookworm, demonstrated its great prevalence, worked out its epidemiology, devised methods for the control of the disease, and inaugurated the successful campaign against it.

DRS. MILTON J. ROSENAU AND JOHN F. ANDERSON

Pioneers in the study of anaphylaxis, concerning which they contributed many of the fundamental facts. This phenomenon is of great importance in the modern conception of disease processes.

DRS. GEORGE W. M'COY AND C. W. CHAPIN

Discovered and cultivated the bacillus tularence, making methods available for its further study. They did their work in 1910 on California ground squirrels.

DR. EDWARD FRANCIS

Contributed nearly all that is known concerning the disease tularemia in man. Showed its methods of transmission and what to do in order to avoid it.

DR. R. R. SPENCER

Worked out a vaccine against Rocky Mountain spotted fever. Demonstrated its efficacy in experimental animals and its harmlessness by injecting himself first. Showed by use in hundreds of persons who are exposed by occupation that it confers a large measure of protection. The preparation of this vaccine involves a new principle of immunology. Vaccine used on humans, 1925.

DR. JOSEPH GOLDBERGER

Showed the dietary origin and cure of pellagra. This is a most notable achievement since this dease has baffled the best European talent for centuries. At times it has threatened to become seriously prevalent in the United States, but with this new knowledge the threat has been permanently removed. Study of pellagra begun in 1912, and is going on at the present time.

DR. WADE H. FROST

Planned and conducted the first thoroughgoing and fundamental investigation of the problems offered by the pollution of streams in this country. In view of the increase of population and manufactures along our streams this has been a most valuable activity. Investigation of the pollution of the Ohio River began under his direction July 1913.

DR. JOHN M'MULLEN

Demonstrated the practicability of virtually eradicating trachoma and preventing blindness therefrom in mountainous areas of Kentucky and other States by the establishment of small hospitals and the employment of skillful treatment.

BACTERIOLOGIST ALICE EVANS

In 1918 she showed similarity of causes of Malta fever and contagious abortion and occurrence of latter infection in people. Now increasingly recognized as a cause of human illness.

DR. VICTOR HEISER, CHIEF QUARANTINE OFFICER, PHILIPPINES, 1903–15

Demonstrated the possibility of establishing effective health service in a large tropical country with diverse aboriginal population.

DR. M. A. BARBER

Originated single cell culture method which he first used in 1902. This opened up a prolific field of investigation. The use of Paris green control of mosquitoes in 1921. This cheap method has made malaria control feasible in many areas where it was formerly impossible because of the expense.

In the science, skill, and technique of surgery, America leads the world. Where are the surgeons that are comparable to the Mayo brothers, of Rochester, Minn.; Crile, of Cleveland; Ochsner, of Chicago; Cushing, of Boston; Deaver, of Philadelphia; Kelly and Wilmer, of Baltimore; Blake, Brewer, Albert A. Berg, John Erdman, John J. McGrath, Howard C. Taylor, George Schwartz, John Pollack, and John Prescott Grant, of New York City—men of the highest caliber and ability, whose very names are household words in the cities from whence they come, where thousands of their benefactors are praying for their health and happiness? [Applause.]

Within a radius of a mile from the Fourteenth Congressional District, which I have the honor to represent, is the greatest medical research center in the world. It is called the Rockefeller Institute. It is a monument to two of the greatest philanthropists that the world has ever known, John D. Rockefeller and his wonderful and gracious son, who is emulating his father in devoting his fortune to the best service of his fellow man. This brilliant institute has become famous through three of nature's noblemen—a triumvirate whose name and fame will persist as long as time endures.

These distinguished scholars thus far represent the three greatest scientists of the twentieth century—Alexis Carrell, Simon Flexner, and Hideyo Noguchi.

Alexis Carrell won the Nobel prize a few years ago for his brilliant discoveries in the realm of physiology, biology, and collateral subjects. He is the outstanding genius of our present time.

Simon Flexner, a great name to conjure with, internationally famous. He will live in the memory of generations that are to come for having isolated the infantile-paralysis virus, for his cure of snake venom, and, above all, for the serum that he has perfected that helps to cure and save the lives of thousands of sufferers from epidemic meningitis. As long as anywhere the tradition of science survives, Flexner's work will always endure. What conqueror has ever had such victories attached to his name as Flexner has in his service to mankind? [Applause.]

Hideyo Noguchi—the great son of Nippon—came to this country in 1900 and subsequently became associated with Professor Flexner and Dr. Carrell. He devoted his supreme and brilliant talent to ferret out the causes of terrible diseases which baffled medical skill, and whose treatment made no impress upon the nature of the disease. Seldom did he fail in his accomplishment; success usually crowned his efforts.

Through his genius the organism that caused paresis was isolated. Paresis was filling the insane institutions of the world with the victims of this unfortunate malady. He localized the organism in the brain and through the microscope forced it to reveal itself to the amazed scientific world. Noguchi proved that paresis was caused by the spirochita pallida, the organism that caused syphilis.

The versatility and genius of Noguchi further manifested itself in his brilliant discovery of the organism that was responsible for the causation of trachoma—an eye affliction and disease that caused more blindness in the world than any other condition known to mankind.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent of the House to proceed for 2 more minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIROVICH. Mr. Speaker, ladies, and gentlemen, Hideyo Noguchi was not content with his extraordinary and brilliant conquests in this his adopted land; he was looking for new fields of endeavor, new lands for conquest. In the name of science he set sail for South America to determine the cause of yellow fever in that land. In a short time the world was again thrilled by his announcement—he had again triumphed. He isolated the yellow-fever organism in South America. To determine whether the yellow fever of Africa was caused by the same species as South America he set sail for that pest hole in Africa.

In a short while Noguchi had himself infected with the dreaded organism that caused African yellow fever. Chills and fever raked his body fore and aft. His militant and brilliant mind refused to surrender to the hosts of yellow fever's organism. The battle waged on. At last Noguchi isolated the organism and gave to the world the knowledge that the yellow fever of South America and Africa was caused by two different hosts. Science triumphed, but Noguchi fell a victim to this dreadful disease. He died a martyr to duty. He will live in the memory of humanity and mankind. Greater love hath no man, than to give up his life for another. God bless his soul!

Mr. Speaker, ladies, and gentlemen, if the grave is the end of all life, then Hideyo Noguchi's name will forever remain immortal through the great contribution he has given to mankind; but if the grave be the gateway to some future state of existence, then Hideyo Noguchi, in conjunction with the great illustrious immortals that have gone beyond the Great Divide to sleep in eternal rest, will forever be revered, honored, and remembered by grateful mankind for having given of his today that others may have their tomorrow. [Loud applause.]

Puerto Rico

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

RESOLUTION OF THE LEGISLATURE OF PUERTO RICO

Mr. IGLESIAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution of the Legislature of Puerto Rico:

GOVERNMENT OF PUERTO RICO,
BUREAU OF TRANSLATIONS,
San Juan, P. R., April 15, 1939.

George W. Roberts, chief of the bureau of translations of the Legislature of Puerto Rico, hereby certifies to the Governor of Puerto Rico, and Luis A. Deliz, assistant chief of the said bureau, certifies to the president of the Senate and to the speaker of the House of Representatives of Puerto Rico, that each of them has duly compared the English and Spanish texts of a certain act (S. Con. Res. 9) of the third session of the Fourteenth Legislature of Puerto Rico, entitled: "Concurrent resolution to set forth the very acute crisis now experienced by the island of Puerto Rico; to make urgent demands upon the President of the United States of America and the National Administration for a remedy for this situation," and finds that the same are full, true, and correct versions of each other.

GEO. W. ROBERTS,
Chief, Bureau of Translations.
LUIS A. DELIZ,
Assistant Chief, Bureau of Translations.

Senate Concurrent Resolution 9

Concurrent resolution to set forth the very acute crisis now experienced by the island of Puerto Rico; to make urgent demands upon the President of the United States of America and the national administration for a remedy for this situation

Whereas the exports of Puerto Rico have fallen from $114,953,827 in 1937 to $82,077,178 in 1938, i. e., a decrease of 28.5 percent. In 1938, imports amounted to $93,314,783, which showed a trade balance against Puerto Rico of $11,237,605 in the year 1938;

Whereas due to the restrictions resulting from the quotas assigned to Puerto Rico for this year, there can be no new plantings of sugarcane, the sugar-grinding season will close in May, it being one of the shortest there has ever been in Puerto Rico, and at the close of the grinding season there will be over 200,000 laborers out of work;

Whereas according to reports of the administrator of P. R. R. A., the number of cases certified for relief reached 222,606 unemployed in November 1938, a figure which represents, counting their dependents, 1,121,035 persons without means of subsistence;

Whereas Puerto Rico has suffered considerable reductions in the export values of its agricultural products during the year 1938 as compared with 1937, reductions which are distributed approximately as follows: Sugar, $21,240,000; coffee, $1,059,000; tobacco, $1,631,000; fruits, $691,000; needlework, $9,199,000;

Whereas, in accordance with the agreement entered into with Cuba on September 3, 1934, by virtue of which the tariff on canned and fresh pineapples was reduced, the Republic of Cuba bound itself to furnish seeds to Puerto Rico, an obligation which it has refused to perform, thus violating the conditions of said treaty;

Whereas these reductions (with the exception of coffee) have all been due directly to acts, both legislative and administrative, of the National Government, to wit:

(a) Sugar Act of 1937, which in the distribution of quotas allots to Puerto Rico a ratio of only 11.94 percent out of the total estimated consumption of the Nation;

(b) The Wage and Hour Act which prescribes wages at a rate that the most important of the industries affected cannot withstand;

(c) Trade agreement with France whereby the duty on bay oil was reduced from 25 percent to 12½ percent, which caused our sales of this oil to the United States to drop from $29,181 in 1937 to $17,223 in 1938.

(d) Trade agreement with Cuba, dated September 3, 1934, reducing the duty on cigars from $3.60 a pound, plus 20 percent ad valorem, to $2.25 a pound, plus 12½ percent ad valorem, which caused a drop from $1,453,340 in 1934 to $42,813 in 1938 in the value of Puerto Rican cigars in the United States.

(e) Trade agreement with the United Kingdom, dated January 1, 1939, reducing the duty on coconuts from $5 a thousand to $2.50 a thousand, which reduction is likewise applicable to coconuts imported from Panama, Colombia, Venezuela, Cuba, and Santo Domingo, under the "most-favored-nation" clause in their commercial treaties with the United States, which has resulted in such a drop in the price of coconuts that it is hardly worth while to ship them.

(f) Trade agreements with El Salvador, Guatemala, and Canada, dated May 31, 1937, June 15, 1938, and January 1, 1939, reducing the import duty on honey from $0.03 to $0.02 a pound, for which reason the sales of honey from Puerto Rico in the United States have dropped from $75,175 in 1936 to $47,924 in 1938.

(g) Trade agreement with Switzerland, dated December 15, 1936, which on pages 375–410 reads as follows: Handkerchiefs, wholly or in part of machine-made lace; handkerchiefs embroidered (whether with a plain or fancy initial, monogram, or otherwise, and whether or not the embroidery is on a scalloped edge), tamboured, appliqued, or from which threads have been omitted, drawn, punched, or cut, and with threads introduced after weaving to finish or ornament the openwork, not including one row of straight hemstitching adjoining the hem; any of the foregoing, finished or unfinished, which contain no hand-made lace and which is not embroidered or tamboured in any part by hand: Composed wholly or in chief value of cotton, 2 cents each and 30 percent ad valorem. Composed wholly or in chief value of vegetable fiber other than cotton: If finished and valued at 80 cents or more per dozen, 2 cents each and 30 percent ad valorem.

If unhemmed and without any finished edge, and valued at 45 cents or more per dozen, 2 cents each and 30 percent ad valorem.

"The Treasury Department decided that, inasmuch as paragraph 1529 (b) above cited, specifically exempts only handkerchiefs, which are not embroidered or tamboured in any part by hand, but does not specifically exempt other hand-made ornaments such as applique, works from which threads have been omitted, etc., handkerchiefs on which such handwork has been done shall be included under the new tariff rate of the treaty."

The above did not favor Switzerland but instead favored China, which totally invaded the handkerchief market of the United States to the detriment of the handkerchief market of Puerto Rico.

(h) Competition with China, the Philippines, Portugal, Japan, Italy, and Madeira, subject to this tariff under the most-favored-nation clause caused a drop in the value of our sales of needlework to the United States from $20,811,000 in 1937 to $11,612,000 in 1938; this when the wage rates fixed by the National Wage and Hour Act were still to be prescribed;

(i) Trade agreement with Cuba, of September 3, 1934, lowering the tariff on cucumbers, peppers, canned and fresh pineapples, as follows: Cucumbers, from $0.024 a pound to $0.012 a pound; peppers, from $0.02 a pound to $0.015 a pound; canned pineapples, from $0.016 a pound to $0.008 a pound; fresh pineapples, from $0.40 a crate to $0.20 a crate. These reductions in the tariff on cucumbers and peppers are aggravated by the fact that such reductions are effective from December 1 to the last day of the following February in the case of cucumbers, and from January 1 to April 30 in the case of peppers, and it is between these dates for which the reduction has been granted that Puerto Rico ships these products to the continent, when the other producing areas of the Nation have finished selling their crops, thus giving the advantage to Cuba exclusively at the expense of Puerto Rico, while complete protection is afforded to the other producing areas of the continent. As a result, the sale of Puerto Rican cucumbers to the United States has dropped from 2,923,230 pounds in 1935 to 2,562,450 pounds in 1938; and sales of peppers have dropped from 149,845 pounds in 1935 to 78,255 pounds in 1938. Even though this reduction is not of the greatest significance, it is important, however, that a business which, if it enjoyed adequate protection, could increase in importance and perhaps become a leading factor in our sources of wealth, has been brought to a standstill:

(j) As regards fresh pineapples, the agreement with Cuba will practically do away with the cultivation of this fruit in Puerto Rico, considering that Cuban exports of fresh pineapples to the United States have increased from 52.7 percent of the total pineapple imports in 1935 to 55.4 percent in 1936 and 64.6 percent in 1937, while Puerto Rican shipments decreased during the same period from 34.2 percent in 1936 to 28.3 percent in 1937. As a result of competition, furthermore, prices dropped from $2.66 a case in the New York market in 1935 to $2.47 a case in 1936, to $2.24 a case in 1937, and to $1.94 a case in 1938, and the prices on canned pineapples likewise dropped from $0.066 a pound in 1935 to $0.064 a pound in 1936, to $0.058 a pound in 1937, and to $0.057 a pound in 1938; and the whole situation is now further aggravated by the fact that the canning and packing of pineapples for the market is now made enormously expensive through the application of the Wage and Hour Act. Agreements similar to that made with Cuba in regard to pineapples, made with Honduras, Guatemala, Haiti, and Costa Rica, have reduced the duty on fresh pineapples from $0.50 a crate to $0.35 a crate, and the agreement with the United Kingdom of England dated January 1, 1939, now also fixes the duty at $0.35 a crate;

(k) Trade agreement with Cuba (September 3, 1934) and Haiti (June 3, 1935) reducing the duty on rum from $4 to $2 a gallon in the case of Cuba and from $5 to $2.50 a gallon in the case of Haiti. Through these concessions the expansion of our liquor industry has necessarily been checked, which with the effective protection previously enjoyed, could have developed into a source of income of almost as much consequence as the sugar industry;

(l) Trade agreement of September 3, 1934, with Cuba, making reductions in the duty on unstripped tobacco; agreement of February 1, 1936, with Holland, lowering the duty on cigar wrappers; agreement of January 1, 1939, with the United Kingdom, lowering the duty on cut tobacco; agreement of September 3, 1934, with Cuba, lowering the duty on fresh tomatoes and grapefruit, all of them to the grave injury of the price of our tobacco, our tomatoes, and our grapefruit;

(m) Trade agreement of June 15, 1936, with France, lowering the duty on vanilla from $0.30 a pound to $0.15 a pound, a reduction which deprives Puerto Rico of the protection offered to this product the cultivation of which was being promoted for the purpose of creating the vanilla industry, in view of the fact that Puerto Rico needs diversification of agriculture and the development of new industries;

(n) Under the security offered by a protective tariff of $0.02 a pound, we essayed the promotion of the planting and cultivation of citron as a suitable crop to supplement the coffee crop in the interior of the island. It grew well, and the cultivation of this crop acquired ever greater importance, but the Congress of the United States removed the tariff and now, selling at prices of 3 and 4 cents a pound in the New York market, Italy, with great strides, displaces Puerto Rican producers who cannot compete at these prices, for in Italy this product is salted with sea water and lower wages are paid, and, in addition, the Government subsidizes producers.

(o) The exportation of manganese, the only mineral that we mined on a commercial scale, has had to be stopped because Congress took away the tariff protection it previously enjoyed;

Whereas the Department of State now proposes to lower the duty on Cuban sugar from 90 cents to 75 cents a hundredweight, according to a notice dated November 30, 1938, and this will be another blow aimed at our economy and affecting our chief agricultural product, inasmuch as the mere announcement of the reduction in the duty brought the prices down, which forced the Secretary of Agriculture to cut down on his estimate of consumption for the purpose of maintaining prices, which will work fresh injury on us, inasmuch as the market quota originally allotted to us will have to be cut down in proportion;

Whereas in making the agreement with Czechoslovakia, Puerto Rican coffee did not receive adequate consideration and was allotted a minimum quota smaller than that of any of the other countries that sell coffee in that market, despite the fact that Czechoslovakian coffee importers are desirous of buying it, and such action has prevented the increased importation of Puerto Rican coffee;

Whereas the application of the provisions of the Sugar Act of 1937 has reduced the income derived from sugar out of all proportion to the needs of the country and has injured the interests of the producers and laborers of Puerto Rico, a situation made worse through the discrimination of which Puerto Rico has been made a victim, for while continental areas have had the benefit of quotas which represented no reduction of their normal crops, while neither Hawaii nor the Philippines have filled the quotas allotted to them, while Cuba is allotted a quota twice as large as that allotted to Puerto Rico, and Puerto Rico has always filled its quota to excess, our island is allotted a grinding quota for 1939 that amounts to a restriction of 21.5 percent on its 1938 production which totaled 1,077,128 tons, notwithstanding the fact that sugar is the foundation of our economy, the mother industry on which we depend for paying wages to 150,000 of our laborers;

Whereas it will not be allowed during this year 1939 to manufacture sugar in excess of the quota assigned for the continental market and consumption in the island, which will mean a difference of 108,139 tons less sugar manufactured by us this year, and for this reason the grinding season will last 3 months only and sufficient cane will remain standing in the fields to meet the requirements of practically the whole of the next grinding season, a circumstance this that will prevent new plantings and will, as a consequence, leave over 130,000 industrial laborers without work and create a state of unemployment after the end of May which will have no parallel in the history of Puerto Rico, while the continental areas, Hawaii, and the Philippines will be able to use all the sugar beet and all the cane there may be in their fields;

Whereas the right of Puerto Rico to promote and develop all the industries for which favorable conditions exist here was arbitrarily violated and restricted when the said Sugar Act of 1937 imposed a fixed permissible quantity of sugar to be refined in Puerto Rico;

Whereas we are being arbitrarily sacrificed through the provisions of the Sugar Act while neither the continental sugar-beet States nor the sugarcane States of Florida and Louisiana have filled their quotas, with the sole exception of Louisiana in the crop year 1935–36, in which year, however, through redistributions made by the national administration, Louisiana was permitted to sell its excess production;

Whereas the Sugar Act of 1937, which, in defining "liquid sugar," expressly excludes "the sirup of cane juice produced from sugarcane grown in the continental United States," produces the effect of not charging against the quotas of Louisiana and Florida the sirup manufactured in those States, while the sirup produced in Puerto Rico is charged against the quota of this country; and those States are free to turn into sirup any cane in excess of their fixed sugar quotas, while Puerto Rico is denied the right to do so;

Whereas these discriminations against the Puerto Rican sugar industry have no justification and can well be branded inhuman and selfish, if the relative importance of the said industry in the economy of the States of the American Union and in Puerto Rico is considered, and one thinks of the number of human beings affected in one case and the other;

Whereas, through enactments of the Congress of the United States which have removed the customs duty on many of the products produced in Puerto Rico; through the Sugar Act of 1937, which inhumanly restricts our production of sugar; through the Wage and Hour Act, which increases the cost of production of a great many industrial products to a point where, for purposes of competition, they cannot withstand the wage rates fixed; through the agreements made with various foreign nations; which have affected our sugar, our tobacco, our cucumbers, our peppers, our tomatoes, our fresh and canned pineapples, our citrons, our vanilla, our coffee, our needlework, our manganese, and our grapefruit, the decrease in the value of our exports and the consequent decrease in our purchasing power has been so enormous as to cause a frightful unemployment crisis which is a very serious menace to the peace and the welfare of our country;

Whereas these acts on the part of the Congress of the United States and of the national administration will undoubtedly cause the total ruin of all our sources of wealth, and they now discourage all the initiative of the businessmen of Puerto Rico and kill all hope of promoting the creation of new industries;

Whereas the United States of America contracted, with the whole world as a witness, the solemn obligation to govern Puerto Rico democratically and to insure the liberty and happiness of the Puerto Ricans: Now, therefore, be it

Resolved by the Senate of Puerto Rico (the house of representatives concurring):

(1) To petition the President of the United States to create as soon as possible, in view of the critical economic condition of the island and the need of a prompt and effective remedy, an interdepartmental board having sufficient authority to discuss and consider at a round-table conference with a duly accredited representation of the legitimate interests of the island, the present condition of Puerto Rico and its problems and needs, and also to study and agree upon measures leading to their solution, including the modification of the administrative and financial laws and measures that are adversely affecting our economy.

(2) To demand that sufficient power and authority be granted to the Legislature of Puerto Rico to create a board to regulate wages and hours in accordance with the possibilities and financial potentiality of the industries and the need of our laborers to enjoy fair wages, both in industries engaged in local business and in industries engaged in interstate commerce.

(3) To demand from the national administration and from the Congress of the United States that the sugar quota of Puerto Rico be increased by 125,000 additional tons of sugar.

(4) To request from the Congress of the United States legislation to restore the import duty on those products of Puerto Rico which have been detrimentally affected by the removal of the tariff or import duty previously existing.

(5) That all such provisions of commercial treaties with foreign countries be denounced and amended as cause the ruin of our agriculture and of our sources of wealth, plunging Puerto Rico into a chaotic financial situation, and our laborers, through unemployment, into a condition of unbearable penury and starvation.

(6) That as our excess of population, one of our most serious problems, establishes a state of unbalance between production and consumption, it be demanded from the Government of the United States of America that it negotiate for the colonization of large areas of land in Santo Domingo and Venezuela by 30 or 40 thousand Puerto Rican families, a step that would contribute toward the decrease of unemployment and would tend to reestablish to a great extent the balance between production in the island and consumption by our population.

(7) That a certified copy of this resolution be sent to the President of the United States of America, the Honorable Franklin Delano Roosevelt; to the Committee on Insular Affairs of the Senate and of the House of Representatives; to the Committee on Territories of the House of Representatives; to the Secretaries of all the various departments of the national administration; to every Senator and Representative in the United States Congress; to all the Commissioners and Delegates of all the possessions and Territories of the United States, and to a great number of the leading newspapers edited on the continent.

We, Enrique González Mena and Antonio Arroyo, Secretaries of the Senate and the House of Representatives of Puerto Rico, respectively, do hereby certify:

That the foregoing concurrent resolution was unanimously approved by the Senate and the House of Representatives of Puerto Rico, on April 10 and April 14, respectively, 1939.

In witness whereof, we have hereunto set our hands and caused to be affixed the seals of the Senate and the House of Representatives of Puerto Rico, in our offices at San Juan, Puerto Rico, on this the 15th day of April A. D. 1939.

ENRIQUE GONZÁLEZ MENA,
Secretary, Senate of Puerto Rico.
ANTONIO ARROYO,
Secretary, House of Representatives of Puerto Rico.

Aproved:

RAFAEL MARTÍNEZ NADAL,
President, Senate of Puerto Rico.
MIGUEL A. GARCÍA MÉNDEZ,
Speaker, House of Representatives of Puerto Rico.

Do W. P. A. Workers Refuse Jobs in Private Industry?

EXTENSION OF REMARKS
OF
HON. JOSEPH E. CASEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 8, 1939

RADIO ADDRESS BY HOWARD O. HUNTER, JUNE 2, 1939

Mr. CASEY of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by Howard O. Hunter, Deputy Administrator of the Works Progress Administration, over the Mutual Broadcasting System network from station WOL, Washington, D. C., Friday, June 2, 1939:

Have you heard the latest W. P. A. story? It is being told all over the country, and it is very popular because it seems to be what people want to believe. Have you heard it? It goes like this: W. P. A. workers are a lazy, good-for-nothing bunch of bums who spend their time leaning on shovels. They are so dead set against working for a living that if anyone offers them a job they turn it down quicker than they can straighten up from the shovel handle. The story may refer to a specific type of worker—usually farm hands or housemaids—and it always claims that there are good jobs in the vicinity if only the lazy W. P. A. workers could be persuaded to take them. But they always turn them down. They'd rather be supported for doing nothing. They intend to stay on W. P. A. for the rest of their lives.

Now, I think that story flatters W. P. A. altogether too much. We may be good but we're not as good as that. As a matter of fact, any W. P. A. project supervisor will tell you that the greatest

production problem he has is caused by the fact that his men always leave the rolls the minute they get a chance to get back into private industry. Every month over a hundred thousand workers leave the W. P. A. to take private jobs. Since the W. P. A. began in 1935 nearly four and a half million workers have left the rolls. Of course, the rolls have had to be cut from time to time because of Budget requirements, but the vast majority of workers who leave W. P. A. do so voluntarily to take jobs in private industry the minute they can get them.

Here is another interesting fact. A survey recently made on duration of W. P. A. employment shows that the average period of continuous employment for all workers on W. P. A. is just a fraction of a month over 1 year. Nearly two-thirds of the workers on the rolls were found to have been put on since the beginning of the recession period in the fall of 1937, less than a year and one-half ago. Only one out of six has been employed continuously for 3 years or more by any Federal agency. And of those who had been on for the longer periods, the greatest proportion were older people—people who were above the age limit tacitly set by private industry and yet who had to go on supporting their families just the same. Over seven and one-half million different persons have had jobs on the W. P. A. since 1935. This means that 26,000,000 people, or 20 percent of the population, have at one time or another been dependent on the W. P. A. For myself I would think twice before I made the statement some people make that 20 percent of the American population are shovel leaners and bums.

Why is it, then, that the same old story about W. P. A. workers refusing private jobs keeps bobbing up? It's getting to be a national folk tale, spread by word of mouth, letters to the newspapers, complaints to Congressmen—wherever rumor has a chance to spread you will find it.

Now, as a matter of routine, the Works Progress Administration makes it a practice to investigate every single one of these stories of job rejection by W. P. A. workers wherever it turns up. Wherever possible the local administrator sends a notary out to take affidavits of testimony in the case. You may say that nothing will come of investigations made by W. P. A. about itself. But think for a minute. If we don't investigate these charges, who else is going to bother? Who else cares? If you are libelled, aren't you the person who sets to work to establish the facts? If you have a good case, don't you bring those facts out in the open where anyone can refute them if they are wrong?

Well, here are the facts. We have received hundreds of complaints involving thousands of workers. The complaints are always to the effect that the W. P. A. is creating a labor shortage in a given area and that nobody can get workers for the jobs that are available. We have investigated every one of these complaints, and we have a complete file of every case of so-called job rejection by a W. P. A. worker. When a man writes to the papers about a case he knows of, a W. P. A. investigator calls on that man. When someone writes a column or a magazine story or an editorial or a telegram telling about lazy W. P. A. women who won't take positions as housemaids at excellent salaries, or about lazy W. P. A. men who refuse to take jobs in the fields in harvesting season, we get in touch with the writer of that story or editorial or telegram. When a constituent writes a Congressman and the Congressman calls for the facts, we get them for him.

Now, we have found one single overwhelming fact in all these cases—as soon as we ask for concrete details, with names and dates, the stories melt away into nothing but idle rumor. Out of all the complaints that have come to us, less than one-tenth of 1 percent have had any validity. But in those few cases, the W. P. A. workers involved were immediately fired.

The other 99.9 percent of the cases were the most amazing collection of rumors, wish fulfillments, ax grindings, and idle dreams you ever saw. I want to give you a few examples out of the many which are on file with photostatic copies of all the evidence, at W. P. A. headquarters for anyone to investigate who cares to. This material is also available to the newspapers and the magazines that print the original complaints, but they usually lose interest as soon as the facts are discovered.

Case A: In Collier's magazine for April 15 of this year, the editor published part of a letter from a Mr. J. C. Richaberger, of Vinton, Tex., in which it was stated that a friend of the writer's had tried to hire a woman named Maria to do housework for him, but couldn't get her because she was on a W. P. A. sewing project at $40 a month. Not only that, but her daughter was also working for W. P. A. at $38 a month, her son was in the C. C. C. and was getting $30 a month, and her husband, whose name was Miguel, was also working for relief at $12 a week. Furthermore, Miguel said he was thinking of becoming a citizen so that he could vote against such niggardly treatment.

Now, Collier's magazine gave so much weight to this letter that it commented on its as "a hot symptom" of what was wrong with America. Did Collier's investigate first? No. The story went out all over the country and no doubt there were hundreds of thousands of people who believed it. Score another black eye for W. P. A.

But one Congressman received a letter from a constituent indignantly quoting the Collier's story as evidence that a purge of ineligibles on W. P. A. was needed at once. The Congressman asked us to investigate. And we did.

Here is what we found, and we had affidavits made on the spot as to all the facts. Upon direct examination Mr. Richaberger, who had written so boldly to Collier's, owned up to a complete hoax. The names in his letter had been made up. He heard the story from somebody else and had passed it on. He said he was sorry that his story had caused so much trouble. He had no evidence that any housemaids or any other workers on W. P. A. had ever refused any jobs offered to them.

Our investigator tracked down the man who was supposed to have discovered the family in the story, and he said it had never happened to him, it was just a sort of legend in the district, based on something that was supposed to have happened several years ago, before there was any W. P. A. in existence. He couldn't give the names of the original cases or of any others. The whole thing had just been "a good story," that was all.

Very well, we sent the evidence in the case to the editor of Collier's asking for a retraction and that the evidence be printed. Did he reprint it? He did not. It wasn't "a good story" any longer. Maybe he thought his readers wouldn't be interested in the truth about W. P. A., but only in attacks upon it. That attitude is rather general among some who wish to use smear tactics by taking the most convenient method—spreading rumors that make front-page headlines, making "news" out of baseless allegations, and then passing on to the next "good story" that comes to hand.

Here are a few more examples of the kind of complaints that are made. A financial columnist named B. C. Forbes recently claimed that a New York department store wanted to hire 2,000 part-time clerks but was unable to get them because of W. P. A. competition. We wrote to Mr. Forbes on April 17, asking for the name of the store. You would think that on so important a matter we would have got a telegram right back, and we wouldn't have minded if it had been sent collect, either. Up to the present time we have received no reply from Mr. Forbes.

Here is another interesting case. On November 20, 1937, the New York Times published a letter from a Mr. David P. Gaines telling of "several farmers" in his district who were unable to get help, although they offered high wages and good living conditions, because workers preferred to remain on W. P. A. When the investigator called on Mr. Gaines he turned out to be from Waterbury, Conn. He was very polite, but when asked to give the names of the "several farmers" he had mentioned, he could not give a single one. The investigator told Mr. Gaines that any W. P. A. worker who refused a job would be dropped from the rolls. Who were the workers known to him who had refused the jobs he had written the Times about? Mr. Gaines couldn't say.

Now take the question from another point of view, and see what happens when actual jobs are offered. Why people break down the doors to apply for them. I have here three clippings which tell the story. Last February, when 12 jobs were offered by the city of New York for laboratory helpers, a mob of women started forming 30 hours before the dead line. They sat up all night long, singing songs and waiting for morning to come. By 9 o'clock there were over 4,000 of them, and 90 policemen had to be called out to handle the crowd. Incidentally, the salary for the jobs was $80 a month. A second clipping, from a Boston paper, tells how 7,000 men swarmed into the Boston Navy Yard last April to apply for 25 jobs. They had to call out the police to keep order there, too. A third case occurred in Washington, D. C., on October 12, 1938. The Civil Service Commission there announced that applications would be taken to build up an eligibility list for Federal charwomen. There were no jobs open at the time, mind you—the Commission had enough people already on its lists to take care of any job vacancies that might occur for a year. All it advertised was a chance for a place on a waiting list. Twenty thousand women stampeded the Fourth Precinct Station trying to get their names on that waiting list. The officials finally had to shut up shop and be taken from the place in patrol cars. Traffic had to be detoured for three blocks. Even after the officials had gone away, that mob of women refused to vacate the vicinity and remained there milling around for hours. That is what happens when jobs really are available.

Then why do I bother to quote from complaints of job rejection at all? Because they are repeated over and over until people believe them—even the people who made them up in the first place.

It is an interesting fact that a large percent of these complaints come from farming communities. We seldom get them from industrial centers. Since only 8 percent of W. P. A. workers are agricultural laborers, it is obvious that complaints of job rejection concern only a small percentage of total W. P. A. employment, and a very special kind of employment. Yet even here, when we investigate the complaints, we find that they are all alike. They don't concern specific people who refuse specific jobs—they are just the same old rumors we have tracked down before and have proved to be without any foundation. Let me give you an example that will do for all of them.

One day Harry Hopkins received a telegram, collect, addressed to him personally, signed by six gentlemen of Dexter, Ga. They weren't content with sending one telegram, though. The Secretary of Agriculture got one, too, also collect. The telegram said that farmers in that section were threatened with loss of crops because W. P. A. had all surplus labor. The grain was falling down in the fields and the grass was taking the crops. Couldn't some arrangement be made, the telegram asked, to get W. P. A. labor back to the farms?

This looked urgent. We sent some telegrams ourselves. The six gentlemen were visited by an investigator right off the bat. Three of them were very much surprised. They said they'd never signed any such telegram. Two said that they'd signed a petition in anticipation of a temporary shortage of cotton pickers in the fall. All five

said that there was no shortage at the present time. Then none of them needed workers, the investigator asked? No; none of them needed workers. As for the man who had really sent the telegram, a Mr. Clayton Nicholson, he was out of town and couldn't be reached. Did he need any workers? the investigator asked his wife. No. He had needed some the year before, but didn't want any now.

So with all the stories. They are told by somebody who has an ax to grind. They are a form of wish fulfillment.

If you don't believe this, suppose you put the matter to a test. The next time you hear any complaint of lazy W. P. A. workers refusing jobs in private industry ask for their names. Ask where the jobs are. A certain banker, who wrote to us complaining of labor shortages in his district caused by W. P. A., has a lot of fun doing just that now. When we investigated his complaint he said he knew of no specific cases of job refusal, but that the farmers in his district had told him that W. P. A. workers wouldn't take jobs. He asked if we would give a list of names of W. P. A. workers in the district who were available for private employment. We were delighted to give him such a list. Now, whenever this banker hears any complaints from his friends he says, "All right; here's a list of W. P. A. workers ready and waiting to be hired." He finds that people don't complain about job rejections to him any more.

Any time private industry wants any workers from the W. P. A. it can have them for the asking. The minute private industry needs any type of skilled or unskilled labor, down go our projects in private industry's favor. We stand ready to send out one man, a hundred men, a thousand, a million, any time private industry wants to speak up and ask for them.

Shall private industry have the responsibility for the millions of workers who make up the labor surplus? And remember that there are just as many unemployed workers who are not on W. P. A. rolls as there are on the projects. Can private industry handle them? It would be a happy day for the United States if it could, and I hope it can soon. Meanwhile, who has to take the responsibility? The Federal Government itself takes this responsibility because unemployment is a national problem beyond the control of any local community or any particular industry. Obviously the Federal Government does not blame a business or an industry for unemployment, and neither should business blame the Federal Government for giving jobs to the unemployed.

The people who administer the W. P. A. program, as well as the people on W. P. A. rolls, would be delighted if all these stories of good jobs being turned down were really true, for they would show that there were actually jobs to be had. The workers are anxious to get off the W. P. A. rolls. They are tired of being blamed for everything that goes wrong, tired of being called lazy bums and shovel leaners, in spite of the thousands of miles of roads they have built, the schools and hospitals they have constructed, the innumberable useful public works and public services they have furnished. W. P. A. workers want jobs.

The next time you hear of a W. P. A. worker turning down a job let us know about it. Ask the person who tells the story if he has a job to offer. Does he know of anybody who does have a job to offer? Do you know of a job? Do you know anybody who might know of one? What W. P. A. workers want are private jobs, not rumors of jobs. Does anybody have a job to offer? We have 2,600,000 people on the W. P. A. rolls. They are waiting anxiously to hear where these jobs are.

Increased Pensions for the Aged

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

Mr. COLMER. Mr. Speaker, under leave to extend my remarks, I desire to call the attention of the Members of the House to the developments that have taken place in the last 24 hours with reference to the concerted effort that is being made by those of us who are interested in seeing benefits for the aged needy liberalized.

Mr. Speaker, there is a disposition upon the part of this Congress to liberalize these benefits to the aged needy. The bill as reported out by the powerful Ways and Means Committee, with all due deference to the distinguished gentlemen of that committee, does not in any sense liberalize these pensions over and above that provided in the existing law. The increase granted from $15 of Federal contribution to $20 is at the most a gesture. The truth of this statement can readily be verified by glancing at the chart which I placed in the RECORD on June 6, showing that at present there is only one State in the Union that matches the present $15. So far as the aged needy are concerned, the Ways and Means Committee could just as well have provided a Federal contribution of $100 provided the States matched it.

The membership realizing this status of affairs, and desiring to see these benefits increased for these aged people, is giving this matter considerable thought and study. In response to a few hours' notice which I gave from the floor yesterday, and by letter this morning, there were 86 Members who met in the caucus room of the Old House Office Building this morning to consider this proposition of liberalizing the old-age pensions. In spite of the short notice and the fact that Their Majesties the King and Queen of England were expected on the Capitol Grounds this morning, this large number appeared and discussed this momentous question.

After a discussion thereof the following things were done. The group—

First. Adopted a resolution favoring the Colmer amendment.

Second. Resolved itself into a steering committee to foster a liberal amendment.

Third. Elected a chairman and a secretary, WILLIAM M. COLMER (Mississippi) and JOHN J. DEMPSEY (New Mexico), respectively.

Fourth. Authorized the chairman to appoint a committee of not less than 15 members from the steering committee to serve as an executive committee.

The following Members of the House were present and constituted the steering committee:

Alabama: Sam Hobbs, Pete Jarman, John J. Sparkman, Joe Starnes.
Arizona: John R. Murdock.
Arkansas: W. F. Norrell, David D. Terry, Wade Kitchens, E. C. Gathings, Clyde T. Ellis.
California: Lee E. Geyer, Richard J. Welch, H. Jerry Voorhis, Harry R. Sheppard, Thomas F. Ford, Thomas M. Eaton, Leland M. Ford, Albert E. Carter.
Connecticut: Thomas R. Ball.
Florida: Millard F. Caldwell.
Georgia: Robert Ramspeck, Paul Brown, Stephen Pace.
Illinois: Frank W. Fries, Anton J. Johnson.
Indiana: Gerald W. Landis.
Iowa: Henry O. Talle.
Kansas: John M. Houston.
Kentucky: John M. Robsion.
Louisiana: René L. DeRouen, A. Leonard Allen, Overton Brooks, John K. Griffith.
Maine: James C. Oliver.
Michigan: Clarence J. McLeod.
Minnesota: H. Carl Andersen.
Mississippi: John E. Rankin, Aaron Lane Ford, Dan R. McGehee, Will M. Whittington, William M. Colmer, Ross A. Collins, Wall Doxey.
Missouri: C. Arthur Anderson.
Montana: James F. O'Connor.
Nevada: James G. Scrugham.
New Hampshire: Foster Stearns.
New Mexico: John J. Dempsey.
New York: Pius L. Schwert, Caroline O'Day.
North Carolina: Harold D. Cooley.
North Dakota: William Lemke.
Ohio: John F. Hunter.
Oklahoma: Jed Johnson, Phil Ferguson, Sam Massingale, Jack Nichols, Will Rogers, Wilburn Cartwright, Mike Monroney.
Oregon: James W. Mott, Homer D. Angell.
Pennsylvania: Guy L. Moser, Ivor D. Fenton, Charles L. Gerlach.
South Carolina: Hampton P. Fulmer, Butler B. Hare, Joseph R. Bryson, James P. Richards.
South Dakota: Karl E. Mundt.
Tennessee: J. Will Taylor, Joseph W. Byrns, Jr., Herron Pearson.
Texas: Wright Patman, W. R. Poage, Clyde L. Garrett.
Utah: J. W. Robinson, Abe Murdock.
Virginia: Howard W. Smith.
Washington: Charles H. Leavy, Knute Hill.
West Virginia: Jennings Randolph, A. C. Schiffler.
Wisconsin: Merlin Hull, Lewis D. Thill.
Wyoming: Frank O. Horton.

Many others who did not have an opportunity to attend due to the shortness of the notice and other unavoidable circumstances have expressed a desire to foster this legislation and be considered on the steering committee. Their names will be added to the list and will appear in a future issue of the RECORD.

Unfortunately, we have not been able to get an accurate figure as to what the additional cost to the Federal Government would be if this amendment is adopted. The best figures obtainable upon the basis which the Social Security Board is now operating indicate that the additional cost to the

Federal Government would be $114,000,000. Of course, if more people qualified it would cost more just as it would cost more if more people qualified under the bill as reported out by the Ways and Means Committee. But in no event will the additional cost amount to more than the additional cost of the present bill under consideration, providing for a $20 Federal contribution, if the several States matched that $20 Federal contribution. In fact, it would not amount to nearly as much.

Mr. Speaker, for the benefit of the membership and the country at large, I have secured a statement, which was prepared by an officer of the Federal Social Security Board, which shows how our amendment would affect the aged who qualify under the bill. This chart discloses that upon the present basis, with the adoption of our amendment, the aged needy of every State of the Union would be benefited and their pensions increased, as follows:

Average amount of old-age assistance per aged needy individual for April 1939, by States, compared with maximum possible average amount under a revised plan of four-fifths Federal matching on $25 per month per aged individual

[Based upon assumption that States continue to expend as much as they now expend and use all the additional Federal funds for increased grants to the aged]

	Average amount paid for April 1939	Maximum possible amount payable under revised four-fifths plan
Region I:		
Connecticut	25.88	32.94
Maine	20.54	30.27
Massachusetts	28.57	34.29
New Hampshire	23.54	31.77
Rhode Island	18.85	29.43
Vermont	15.04	27.52
Region II: New York	24.20	32.10
Region III:		
Delaware	10.89	25.45
New Jersey	19.52	29.76
Pennsylvania	17.65	28.83
Region IV:		
District of Columbia	25.62	32.81
Maryland	17.28	28.64
North Carolina	9.55	23.90
Virginia	9.64	24.10
West Virginia	13.89	26.95
Region V:		
Kentucky	8.67	21.70
Michigan	16.64	28.32
Ohio	22.55	31.28
Region VI:		
Illinois	18.97	29.49
Indiana	17.01	28.51
Wisconsin	21.09	30.55
Region VII:		
Alabama	9.38	18.76
Florida	13.83	26.92
Georgia	8.55	21.40
Mississippi	7.22	18.05
South Carolina	7.79	19.50
Tennessee	13.22	26.61
Region VIII:		
Iowa	19.85	29.93
Minnesota	20.65	30.33
Nebraska	15.72	27.86
North Dakota	17.66	28.83
South Dakota	18.98	29.49
Region IX:		
Arkansas	6.05	15.15
Kansas	18.71	29.36
Missouri	18.67	29.34
Oklahoma	19.79	29.99
Region X:		
Louisiana	10.46	25.23
New Mexico	11.80	25.90
Texas	14.02	27.01
Region XI:		
Arizona	26.26	33.13
Colorado	28.12	34.06
Idaho	21.31	30.66
Montana	16.99	28.50
Utah	20.66	30.33
Wyoming	21.85	30.93
Region XII:		
California	32.46	36.23
Nevada	26.57	33.29
Oregon	21.32	30.66
Washington	22.16	31.08
Territories:		
Alaska	27.50	38.75
Hawaii	12.69	26.35

NOTE.—The average payments shown for the revised plan are made on the assumption that each State maintains the number of recipients as at present and uses all the additional Federal funds for increased grants to the aged. Those States which wish to put additional individuals on the rolls and also raise the payment somewhat would have different averages than shown above.

In conclusion, allow me to say that there are many who favor a larger pension. There are some who do not favor as much. All legislation is a compromise. Many Members who have bills pending and who are prepared to offer amendments have, out of their very fine and broad spirit, seen fit to subjugate their own private opinions and bills on the theory that this is the best that we can hope to do. In other words, they have realized that this is a common ground upon which we who favor a more adequate pension can all get together. They are willing to lay aside pride of opinion and authorship. Moreover, they are willing to agree upon the principle that this is an opportunity to render some real service to the aged needy of this country rather than to render lip service. We respectfully submit our views to the House Members as a whole and ask you to go along with us.

Whither, You Democrats?

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

ARTICLE BY ATTORNEY WILLIAM V. COWAN, OF KIRKLAND, WASH.

Mr. COFFEE of Washington. Mr. Speaker, among my constituents are many citizens of profound intelligence and scholarship. I am proud of the literacy and civic-mindedness of the people of the State of Washington. They are alert to the needs of the hour and are sedulously endeavoring to promote sound and well-considered legislation designed to remedy our difficulties. Among these citizens will be found the Honorable William V. Cowan, attorney, of Kirkland, Wash. Mr. Cowan is a highly educated and well-grounded progressive, who has given much thought to the economic ills of America. Two years ago I placed in the CONGRESSIONAL RECORD a superbly written and beautifully rational article from his pen, wherein he set forth with irrefutable logic the case for the President's plan for reform in the Federal judiciary.

It is therefore with particular pleasure that I am able to present another article written by the gifted pen of this remarkable figure of my State. I commend its careful reading to my colleagues and to those who are privileged to read the CONGRESSIONAL RECORD.

There may be sentiments or statements in the article with which I may be personally in disagreement. I cannot attempt to vouch for or wholly approve every individual sentiment or expression of Progressives who, while they mean to achieve the same objectives, sometimes advocate varying modi operandi as means of accomplishing such results. The article is thought-provoking, disturbing, and arresting. It offers a challenge. Is America prepared to meet it?

WHITHER, YOU DEMOCRATS?

(By Attorney William V. Cowan, of Kirkland, Wash.)

Farmer Ben lived with his family on a farm out West. He had 12 children. Susie, the oldest, was his pet and favorite. He doted on her. She was smart and pretty, and when the banker in town smiled on her and the preacher praised her, Farmer Ben waxed with pride and decided that the farm was no place for Susie. So he let the rest of the family go even in rags while he fixed Susie up to live in town. As soon as she got a new spring hat and gown she straightway changed her name to Suzette.

A FARMER'S DAUGHTER BECOMES IMPORTUNATE

And, true to human nature, the more Farmer Ben gave to Suzette the more she worked him for more. In order to appease her vanity he and the boys toiled like smoke early and late to raise all the alfalfa and wheat the virgin soil would produce. Mindless of future needs, he failed to summer fallow. The wheat field soon played out. Then alfalfa was his mainstay. In order to have more of it to sell, he skimped on the cows. They soon dried up. He robbed too much honey from the bees. They starved to death in the long winter. He turned the team out on the sagebrush. They strayed

into a blizzard and were too weak to escape home. Then he plastered the farm with a mortgage. Thus he kept Suzette in her fripperies and gewgaws, for she had her eye on the banker's son, who was royalty itself to her.

A CONSULTATION ABOUT SUZETTE'S EXTRAVAGANT DEMANDS

Finally Farmer Ben held a consultation with his family. "We've got to send grandma to the poor farm," he said. "We can't afford to keep her here any longer." "But," protested the children, "she's a good old soul, Dad. She's worked all her life for us, darning our socks, patching our pants, mending our shirts——" "Yes; yes; I know," replied Farmer Ben, "but we simply can't keep her any longer. She's had her day; eats too much; got an awful appetite for an old lady; and, besides, she's growing blind."

"Well, I'll pray for her," put in Mrs. Ben, "and I know God will make her comfortable."

SUZETTE MARRIES WHILE HER SACRIFICING FAMILY EXULTS

Suzette married the banker's son and drove off to the city in a spank 12-cylinder car. After coughing 2 years, three girls and a boy died of tuberculosis. To be sure, when Farmer Ben realized their condition he doled out four bits a week for extra food, though he claimed that they themselves were solely to blame. One boy turned out a "bum," another a tinhorn. One girl became a strumpet. The rest of the children, scratching hungrily among the foothills, got married and had batches of kids, who bragged about their rich aunt and her fine cars.

That, of course, is only a rural picture.

But dress Farmer Ben in a long-tailed coat and striped red and white pantaloons, call him "Uncle Sam," and you have a Boston to San Diego sweep.

THE FOREGOING WAS A PARALLEL

Never in our history have so many facts and figures been produced to show that our national economy has been similar to that of Farmer Ben—steadily shoving 90 percent of the American people into serfdom. The black slaves of the South were certain of good care and food in their old age. The economic slaves of today have no such pleasant outlook.

ALL IS SUBORDINATED TO SPECIAL PRIVILEGE

Books and magazines have brought out the suppressed and hidden facts of history. Speakers and editors, columnists and economic thinkers have exposed to view the plain picture of a mad and ruthless capitalism staggering blindly, drunkenly toward the precipice. In strong, forceful rhetoric our President has pleaded, admonished, even scolded. Nation-wide polls show the unmistakable desire of the people. The long, sickening story of financial racketeering in America, done with the permission of Congress and the aid of the courts from the days of the funding scandals of Alexander Hamilton to the tax-refunding scandals of Andrew Mellon, has been frequently repeated. Yet the Farmer Ben pewholders of both parties in the church of toryism cling tenaciously to their Hazzard-suggested, English-made doctrines, all fearful lest they bruise the tender feelings of their favorite Suzette families.

INDIGENCE AMID ABUNDANCE

Like a fierce wind, the facts and figures howl around the smug church. Millions of unemployed tramp past its gilded doors, demanding only a chance to work for bread. Starving old age occasionally hurls a rock through the windows or kills itself on the church's marble steps. Yet the well-fed, rotund bellies in the pews support twiddling thumbs and listen only to the Hoover-Glass versions of "the American way."

PRIVILEGE VERSUS POVERTY

Tariff pensioners, patent pensioners, land pensioners, ship-subsidy pensioners, reconstruction-finance pensioners, and all the others who have been on public relief since the days of Hamilton, hug their bellies and their billions and pray that a tory Hitler will come along and rescue them from their own greed and sins, or that a Chamberlain will appear who can appease the crowds outside with somebody else's food and property.

LIBERALS ARE INSULTINGLY DERIDED

If any of us draw unpleasant deductions from those facts and figures we are accused of "stirring up class hatred." If we suggest an unconventional plan to take care of grandma we are dubbed "crackpots." If we voice aloud the names of the families who are playing the role of Suzette we are "dangerous reds" and ought to be jailed or deported.

Nevertheless, the facts are there, howling their heads off, trying to show us that we are just as silly as Farmer Ben.

RAILROADS HAVE BEEN LONG ON RELIEF—THAT HAS BEEN RESPECTABLE

For 80 years now our railroads have been on public relief. We have given them not only more land than all New England and New York combined, but we have also, in one way or another, shelled out enough cash to buy them two or three times over. They are still begging.

WE VOTE FUNDS TO AID MONOPOLY AND TARIFFS FOR PRIVILEGE

For more than a hundred years the yarn with which grandma darns our socks, the spools of thread she uses, her needles and scissors, and every stitch of clothes she wears have been on old-age pensions. Grandpa's tools, hammer, saw, and rake likewise for the same period have drawn their bit of governmental charity. And none of those articles waited for the wrinkles of age. They got theirs even when they were "infant industries." How grandpa would have loved that much proportionate aid before his grocery store went bankrupt.

For nearly a hundred years the Steel Trust, the Cement Trust, the Oil Trust, the Beef Trust, the Tobacco Trust, and the rest have been continuous beggars in the public relief line. All on W. P. A. since the days of Henry Clay, who profanely called that sort of beggary "The American system." And now, when a few thin pennies are dribbled out to grandma, it is called "charity."

TARIFF SUBSIDIES EXPENSIVE TO CONSUMERS

Over 40 years ago, in 1897, in the Halls of Congress, Representative Roger Q. Mills, of Texas, speaking against the high tariff on alcoholic compounds, window glass, wool blankets, and carpets, stated that because of "this stupendous system of legislative rapine and robbery" of the people $2,293,000,000 annually went to the tariff beneficiaries to the protected classes. That was before even the Dingley tariff. A present estimate is that for the last 50 years those beneficiaries, the Suzette families of America, have received an annual average of more than $4,000,000,000 from the tariff alone.

Said a prominent economist lately, "The tariff is only a sort of sales tax."

The taxes Americans have paid on their lands are a mere pittance beside the taxes they paid indirectly through legislative chicane to the so-called America's 60 families. In the days of Louis XVI the favorites were granted authority to levy direct taxes. In our days, from McKinley to Hoover, a more subtle method was used for a bigger steal from the common people.

PLUTOCRACY'S IRON GUARDS ATTACK W. P. A. AND OLD-AGE PENSIONS

Today the smug sons of those legislative beneficiaries are the sly gentlemen who pull the strings by which a thousand storm troopers of plutocracy, a thousand Charley McCarthys bellow against W. P. A. and old-age security and shout against adequate relief to starving folk, the millions of them, who have taxed themselves for decades in order to appease the vanity and greed of those few favored families.

LACKEYS OF BOURBONISM AFFLICT THE EARTH

Not only legislators but also courts have rushed forward to make more effective the laws by which we have helped those few families build up their regal fortunes. And so powerful have they become that they now sneer at governments and join with the favorite families of Britain, of Germany, of France, and of Japan in a wild effort to gobble up the whole earth and make the children of all mankind their serfs and flunkies. Our beloved America they have turned into a plutocracy. Today, as never before, their sleek retainers, their storm troopers, beset our 48 legislatures and Congress, hover about every administrative official, begging, threatening, cajoling, commanding.

PROFIT TRIUMPHING OVER JUSTICE

Where will it end? When will it end? Go into every legislative group and watch the sly maneuverings of the privileged few in their mad effort to make more profit. Go into the numerous circles of money changers and listen to the whispers of expected fascism in America. How they linger over the details of the visit of a descendant of a King who drove Thomas Paine out of England because he wrote the Rights of Man. Wishful lingerings! Wishful whispers!

Then go into the cobble streets of America and out into the farm districts and hear the murmurings of the undernourished and illy clad, gaunt in a "land of plenty."

WE'VE BEEN COWARDLY IN THE FACE OF WRONG

Then, too, check up on the numerous silences of our vaunted press. How many of them carried the La Follette committee report proving that their chambers of commerce had purchased bombs and machine guns to use on fellow citizens, on subscribers to and readers of their noisy papers? What Congressman in righteous wrath rose to condemn it? What minister of the Gospel of Christ has assailed that sort of ghastly business? What official has stripped the pretense of "Americanism," of "100-percent Americanism," from the face of those chambers and revealed the ugly features of greed behind the veil?

WE REFUSE TO DECREE CESSATION OF ARMS SHIPMENTS TO JAPAN

One other illustration. Bills to stop the exportation of war materials to Japan find every impediment in their way. Every subtle argument is made against them. Why? Because we must not disturb the flow of profit to your favorite families.

To be sure, we sent missionaries to China for six decades to tell them how much we love them, to preach our gospel of love, claiming it better than any other kind of brotherly love. And now, of course, it is only a casualty of fate that American bandages are used to bind those Chinese wounds made by American scrap iron dropped from American-made planes. Why don't the churches who sent those missionaries remonstrate? They are too busy shouting against foreign "isms," they don't like to bother much about plutocratic inconsistencies.

RESTORE GOVERNMENT TO THE PLAIN PEOPLE

America has wandered a long way from Jefferson's and Jackson's and Lincoln's dream of a democratic republic. The New Deal is merely an effort to take it back to democracy, nothing more. Real Democrats in all parties do not want to destroy the profit system entirely. It has merit in the smaller brackets. Real Democrats will fight before they permit the country to go into bolshevism, or fascism, or a usurping plutocracy to retain its strangle hold. And whether or no, the citizens of this Republic are determined that genuine democracy shall work.

MISERY SPEAKS IN ELOQUENT LANGUAGE

Our Constitution is the greatest collectivist document ever penned, aimed primarily to secure the blessings of liberty to all of us and our posterity. While Americans are long-suffering and are a prodigal bunch of Farmer Bens, they can be pressed too far. And when you press an American too far you've got trouble—plenty of it.

"O God! That bread should be so dear
And flesh and blood so cheap."

sang Thomas Hood in the Song of the Shirt. In America today children attend school with scarcely one good meal a day; old folk turn on the gas to escape the slower death of starvation. Men, ill and weak, wearing thin rubbers and rags on aching feet, grub with W. P. A. shovels for scanty food. Millions of sharecroppers, tenant and mortgage farmers toil for less than a living, not realizing that monopolies, a high tariff, and the money system has made them unconscious slaves.

This in America. Not in Russia nor China nor in darkest Africa.

INJUSTICE MUST BE REMEDIED NOW

It doesn't spell sense. It spells eventual trouble for somebody. Standing idly by while a favored few amass the wealth of the world at the expense of the rest is not the genuine American way. The issues today are tremendous. This economic war is America's most serious. Who are the men who will fight to save to us our real democratic Republic? Let them step across the line and show their colors now. On whom can we depend? Let them prove it now. For it is far more important just now that we secure to all fellow Americans the blessings of liberty than that we worry overmuch about who will "make the world safe for democracy."

Republican Press Condemns Attacks on President Roosevelt

EXTENSION OF REMARKS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Friday, May 19, 1939

Mr. SABATH. Mr. Speaker, on a number of occasions I have called the attention of the House to some of the unfair, unpatriotic, and unwarranted attacks that are being made upon our President, both by the Republican press of the country and some of the Republican Members in both Houses. Although Franklin D. Roosevelt was elected on the Democratic ticket, he received millions of votes from independent and Republican citizens, who placed the interests of the Nation above political or selfish personal motives. It is regrettable that some of the reactionary newspapers and partisan-inspired legislators cannot, in this time of unsettled world conditions, follow the nonpartisan example of those splendid citizens.

I myself have at all times felt that regardless of what political label a man is elected President under that he is the President of all the people and of the entire country. I recognize the need for honest criticisms of policy when such criticisms are justifiable. Washington, Jefferson, Jackson, Lincoln, Cleveland, Theodore Roosevelt, and Wilson were from time to time subjected to scurrilous and vicious attacks questioning their motives and their sincerity when they were faced with great problems. These attacks history has proven were not only unjustifiable, but were inspired by selfish men and forces who desired to promote their own personal political fortunes, even at the expense of the welfare and unity of our country. In all history, however, no President has been the subject of so much unfair criticism and such concentrated venom as has President Roosevelt.

In my frequent pleas for a fair and square deal for our President I have urged Members to desist in the partisan and shabby attacks that some are constantly leveling at him. Thus it was with a great deal of satisfaction that I read in a recent issue of the Washington Star an editorial which expresses my opinion so much clearer and stronger than I could put it myself, against such "sniping" practices, that I ask permission to include the clipping at this point in my remarks.

[From the Washington Evening Star of April 22, 1939]

"BALLYHOO"

In charging the President with "ballyhooing the foreign situation" in an effort to divert attention from the shortcomings of the New Deal, Senator TAFT, who has been prominently mentioned as the next Republican Presidential nominee, places himself and his party in a dangerous position and imputes to the President motives too sinister to be bandied about in political statements.

Those who believe that America should remain aloof from the foreign scene and make no effort to avert the calamity of war in Europe—a group which includes the Ohio Senator—have contended that the course followed by Mr. Roosevelt is apt to involve the United States in the war if war comes. Assuming that to be true, although there is little basis for the belief that some other course would prevent the same eventual American entanglement, the gist of Senator TAFT's accusation is that the President is willing to plunge this country into war, sacrificing American youth, for the sole purpose of salvaging his own political fortunes.

It is difficult to conceive of a graver charge, or of one with less foundation in fact. If the Senator merely was stating his personal conjecture, and that seems to have been the case, his remarks were not in keeping with the high office that he holds. By making such serious charges he prejudices not only his own position but that of his party as well. Nor can the fact be overlooked that such an extravagant indictment of the President is bound to lend comfort to the aggressor states in their apparent determination to pursue a course which can only result in damaging the interests of this country.

Senator TAFT was on sound ground in attacking the failures of the New Deal. And it would seem to be to his advantage, as well as that of the country, to concentrate his fire on that point rather than to indulge himself in the sort of ballyhoo which he imputes to the President.

Again, on Sunday, April 23, this same newspaper published another editorial condemning this unpatriotic type of "political sniping" at a President, and I likewise ask permission to include the editorial in my remarks. Readers of the RECORD can thereby verify the fact that even a substantial portion of the Republican press right here in Washington condemns and resents such unfair and clearly partisan attacks on our President. It is personally pleasing to me, also, that editorials in similar vein appear in many other newspapers throughout the country.

[From the Washington Sunday Star of April 23, 1939]

"THE ZONE OF PARTISANSHIP"

When former Secretary of State Stimson discussed neutrality before the Senate Foreign Relations Committee on April 5 he emphasized that, stalwart Republican though he is, he believes, in critical times like these that "the zone of partisanship" should be "limited." The chief of the State Department during the Hoover administration has given unceasing demonstration of his conviction that politics should end at the water's edge—that, where foreign affairs are concerned, there are neither Republicans nor Democrats, but only Americans.

Representative HAMILTON FISH, in a broadcast Friday evening, identified himself as an unabashed exponent of unlimited partisanship in foreign affairs. The tall sycamore of the Hudson probably would resent the imputation that he is motivated in his censorious opposition to the administration's external policy by the fact that he is the Republican Representative of President Roosevelt's home congressional district. But the Member for Hyde Park lays himself open to the suspicion that the horizon of Dutchess County, rather than that of the troubled world at large, encompasses his vision of the international situation.

Thus, speaking as the chairman of a temporary organization called the National Committee to Keep America Out of War, Representative FISH finds the hour meet to "accuse" President Roosevelt and Secretary Hull—though he is careful to level his indictment at the New Deal—of an indiscriminate assortment of high crimes and misdemeanors. They are "instigating war propaganda and hysteria"; "deliberately scrapping our traditional foreign policy for internationalism, collective security, economic sanctions, naval alliances, and war commitments"; "conducting a campaign of name calling, hatred, and abuse"; and "leading the American people to a rendezvous with war, death, and bankruptcy."

At Rome on Thursday Mussolini used language like this in replying to President Roosevelt's plea for nonaggression assurances by the dictators. It is certain to be the tone, if not the text, of Hitler's answer in the Reichstag this week. It is deplorable at any time for a Member of the House of Representatives and of its Foreign Affairs Committee thus publicly to assail the constitutional conductors of America's relations with the world. It is worse than deplorable that a Member of Congress should stoop to such tactics at a moment of international tension. Never was the time less propitious for divided counsels in the United States or for creating the impression that they exist.

If Representative FISH's grandfather, whose honored name he bears, had been subjected to such sniping while he was President Grant's Secretary of State, the brilliant chapter of American diplomacy that Hamilton Fish wrote between 1869 and 1877 might not

have been enriched by the settlement of the Alabama claims with Great Britain, the compulsion of Spain to recognize American rights in Cuba, the humbling of even the mighty Bismarck in connection with the passing of sealed American dispatches through the German lines during the siege of Paris, or by our protest against anti-Semitism in Rumania nearly 70 years ago.

Mr. Speaker, it has been hard for me to understand what motives otherwise intelligent men could have that permit them for political reasons to allow themselves to be used by their party leaders for such un-American and unfair purpose. I try not to criticize or find fault with fellow Members. I endeavor to always give each and every Member of both Houses full credit for sincerity and patriotic purpose. That is why I am compelled, in the interest of those who have allowed themselves to be carried away by prejudice and political hatred, to insert here in the RECORD the comments of the press on these attempts to destroy the confidence of the American people in our President.

I hope the gentleman who is mentioned in one editorial will not emulate those who betrayed Woodrow Wilson after having assured him their support, or that he will try to copy a most unsavory page in our history in order to create a political issue at this time, as was done in the past, when our people need to be united in a common bond of understanding in order to solve the great problems that face us all. Could those men of more than 20 years ago have seen the unfortunate results of their reversal, I doubt that they would have permitted themselves to be used for such selfish, partisan purposes. Partisanship has its place, but in matters concerning the peace and safety of our Nation the Senator from Ohio [Mr. TAFT] should be the first to give serious thought to the line of demarcation before he permits himself to be used for attacking the President, who is struggling night and day with a grave international threat to the peace and security of the world. Those who put personal political ambition above the unity of the country in order to try and destroy a President and created a political issue only a generation ago are remembered today only for the harm they have done. Let us hope the gentlemen these editorials discuss will be remembered in history for a better contribution to patriotism and the welfare of their country than they would otherwise be, even if they achieved the high political prominence for which they hope.

Proposed Laws Affecting Aliens

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

ADDRESS BY MSGR. JOHN A. RYAN

Mr. CELLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Msgr. John A. Ryan, director, social action, of the National Catholic Welfare Conference, at the National Emergency Conference, Sunday, May 14, 1939:

I am glad Senator MURRAY had a manuscript that could be used. When I was asked for my manuscript I said I hadn't any; I had not time to prepare any. I observed that Senator MURRAY, in looking for a historical parallel, went back to the alien and sedition laws, which were bad, of course. But there is a nearer instance of the same kind than that. There was the attempt to deport thousands of aliens all at one time, practically, made by Attorney General Palmer in 1919–20. Some of you, no doubt, remember about it. The psychology of the times and the arguments were much the same as we have here now. Fortunately, however, the man who is now Attorney General of the United States is not going to start any deportation "racket." I use the word "racket" advisedly, because I think Attorney General Palmer resorted to deportations in order to get the Democratic nomination for the Presidency in 1920. He failed.

I have here a short piece which I wrote in June 1923 about this antialien agitation. I titled it "The End of Hysteria":

"The Attorney General of the United States" (Mr. Stone, who has been for many years on the Supreme Bench) "made an announcement on May 13, 1923, which deserves much more attention than it has received. It has a much wider significance than its wording would lead the average reader to infer. The statement was simply to the effect that Attorney General Stone would himself direct the reorganization and the operations of the Bureau of Investigation of the Department of Justice, and that the Bureau would be employed henceforh for the purpose of aiding the lawyers of the Department of Justice in the preparation and prosecution of cases brought to their attention.

"Within the compass of this innocuous statement is contained an official reversal of one of the major policies followed by the Bureau of Investigation for more than 5 years. That policy consisted in the very active investigation and pursuit of revolutionary persons who were held to be a menace to the Government of the United States.

"These activities may be said to date from the appearance of Attorney General Palmer before the Appropriations Commmittee of the House of Representatives something over a year before the end of the Wilson administration. On that occasion Mr. Palmer asked for an appropriation of some three million dollars in order to combat what he declared to be an organized conspiracy to overthrow the Government. Having obtained from Congress the money for this purpose, he carried out the notorious raids upon aliens at the end of 1919 and early in 1920. Some 10,000 aliens were taken into custody on the ground that they believed in or were threatening the overthrow of the Government by violence. Less than 600 of them—600 out of 10,000—less than 600 of them were finally found to be subject, under the law, for deportation. And nearly all of these were sent out of the country merely for membership in certain organizations which had been adjudged illegal. No conspiracy to overthrow the Government was found to exist.

"The dangerous material seized in the raids consisted of four pistols, some stage muskets used in amateur theatricals, four iron balls which dissolved in water, and large quantities of 'revolutionary documents.' The raids were accompanied and followed by enormous hardships to hundreds of those who were arrested."

I recall very vividly reading in the New York Times—then, as now, very enterprising and comprehensive—a list of the aliens who were seized by the Attorney General's men the night before and day before in Greater New York and Connecticut. There were hundreds and hundreds of them. I looked through these names—mostly Slavic. I reflected that probably there wasn't much danger; I said, "These fellows have a fat chance to overturn the Government."

In his report to the second session of the Sixty-seventh Congress, Senator Thomas J. Walsh thus summarized the illegal actions committed by the Department of Justice in these wholesale arrests:

"The Bureau of Investigation had no authority to make arrests in deportation proceedings. A large percentage of the warrants authorizing the arrests were 'in plain violation of the fourth amendment to the Constitution of the United States.'

"The searches carried out by the agents of the Department of Justice were without authority in law, as also was the issuance of search warrants in these proceedings."

About 2 years after making his report Senator Walsh, in a review of Louis F. Post's book, The Deportation Delirium of Nineteen Twenty, drew terrific indictment of the Palmer raids. It is interesting reading now. The thing which I am proud of in this volume is the dedication by the author: "Rev. John A. Ryan, an American in principle regardless of percentages. With the friendly compliments of Louis F. Post."

I pass over Senator Walsh's description of these raids and go on.

"While the Palmer raids were the first and last of their kind, the spirit which provoked them remained in the Department of Justice under the administration which succeeded that of Mr. Palmer." More history about that: Communist and Communist sympathizers, and the assertion that most of the Communists—they called them Bolshevists rather than Communists in those days—were aliens. We have the same thing now. So history is repeating itself.

"The hysteria concerning bolshevism and 'red' revolution which was aroused during the last year of the war continued long afterward in official as well as in unofficial circles."

Some of you recall the Assembly of New York expelled five men because they were Socialists. Of course, any legislative body has the right to judge the qualifications of its members, whether they all have red hair or are known to be bald-headed. That is technically legal. But the expulsion of those men was against all decency, which I am glad I protested. I was called down by a leading member of the New York bar and a member of my church because I thought so much of the principles of liberty and the decencies of administration and legislation.

"In the second place, the words 'revolutionary,' 'red,' 'radical,' 'Bolshevist,' were used in such a confused way as to bring discredit upon reform movements and persons interested in industrial reform. The connection between the violent revolutionist and the industrial progressive was established by some such process as this: Bolshevist equals Communist, Communist equals Socialist, Socialist equals 'red,' 'red' equals radical—that is, almost anyone who criticizes existing industrial or political arrangements or conditions.

"Attorney General Stone's announcement with reference to the Bureau of Investigation marks the end of official complicity in these abuses and in this confusion of popular thought. It marks an official return to sanity. Even if the new Attorney General (now Mr. Justice Stone) should perform no other noteworthy act during his term of office, his administration would deserve well of the American people."

That is the nearer historical parallel that I want to bring before you, and this little piece I wrote was after the hysteria was over. I thought that was the end of hysteria. Some more hysteria, apparently, has taken possession of the country now, but I think not to the same extent as was the case in those days.

While I am not a prophet nor even the grandson of a prophet, I do not believe even one of these bills will become law. I do not think it is possible—I mean practically possible. I do not think I should take up much of your time discussing bills in particular. You have heard some of them ably analyzed by Senator MURRAY and have heard others analyzed by other speakers, I am sure.

I want to refer very briefly to two or three, however. There is the Dempsey bill which Senator MURRAY did not identify by mentioning the name of the introducer. This is the one which makes it a crime to advocate even a change in the Constitution. Here again we have historical parallels from Post's book.

Post refers to one bill that was introduced when Senator Sterling was chairman of the Judiciary Committee of the Senate. There were several very bad bills introduced then. None of them passed the Senate. One of them would have made it a crime for any person to display at any meeting or parade any flag, banner, picture, or emblem which tends to incite the population or overthrow or change—get the word change—or defeat the Constitution of the United States and the laws in accord therewith.

Mr. Post goes on to say this did not apply merely to aliens. It applied to everybody, and could have been used in relation to the repeal of the eighteenth or nineteenth amendments. Every display of emblems indicating a purpose to make any of these changes in our Constitution would have been a crime, unless the Federal courts declared the law unconstitutional.

There is another group of bills Senator MURRAY did not refer to, bills introduced by Senator REYNOLDS, and Congressmen STARNES, PACE, LESINSKI, and BROWN. I group these together because they are all based on the same fear—the fear that the aliens are taking too many jobs in present conditions, when jobs are pretty scarce anyhow. Two of these, those by LESINSKI and BROWN, are kind of mild. All they provide is that nobody shall commute to a job in the United States. Mr. LESINSKI, I believe, comes from Judge O'BRIEN's town, and Mr. BROWN, I suppose, is in the same category. Some persons live in Canada and work in Detroit. These bills would prevent that. It sounds ridiculous.

The bills introduced by REYNOLDS and STARNES would reduce the quota, shut out 90 percent of the relatively small number that can come in now. That by Mr. PACE would suspend immigration for a period of years. These proposals are futile; they are childish. Suppose you do reduce the quota by 90 percent, or wipe it out altogether. What difference would that make, practically, in the unemployment situation here? There is a lack of sense of proportion. It is as bad as the arguments of these people who oppose letting in some 20,000 refugee children.

Two or three months ago I went with Canon Stokes and a Lutheran minister and a Jewish rabbi to see the President to ask him to become interested in this measure about bringing in here some 20,000 refugee children—Jews and gentiles. We all thought that it was merely a matter of form and would go through. Apparently it will not be enacted. Senator REYNOLDS—the great defender of the purity of the American race—is opposing it.

The real remedy is to rearrange our economic machinery so that there will be jobs for everybody. Reducing the number of competitors for jobs by one-half of 1 percent, or something like that, shows a lack of proportion, and I think it also shows a lack of sense of humor.

The bills by TAYLOR and RANDOLPH, requiring aliens to declare their intention to become citizens within a year, have some merit. Senator MURRAY referred to the bill by Senator Walsh, which would facilitate the admission of aliens to citizenship. If that is done, I don't see anything wrong with these bills. I know that there are considerable obstacles or formalities in the way of the person who seeks to become a citizen, and that many of them get discouraged and some haven't got the money.

If the desire or ability of the persons to become citizens can be facilitated, as by the Walsh bill, I do not see any particular objection to the Taylor and Randolph proposals. But there is a lot of confusion about this citizenship business. I remember when the Commissioner of Immigration was before the Senate committee some 4 years ago, he pointed out that becoming a citizen was not such a simple thing as many who blame aliens for neglecting this matter would assume.

We ought all to be citizens—but some of these citizens who were born here do not make intelligent use of the franchise. We have got to have it—that is democracy. Anything that will facilitate the entrance of aliens into citizenship and which is not unfair to them deserves consideration.

Thank you.

Amendment of the Social Security Act

EXTENSION OF REMARKS

OF

HON. JOHN J. DEMPSEY

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

Mr. DEMPSEY. Mr. Speaker, there seems to be no question but that the great majority of the membership of this House recognizes the need and the desirability for liberalization of our social-security program, with particular reference to old-age assistance. That is indicated, I believe, in the report of the Ways and Means Committee, which recommends an increase in the participation by the Federal Government in the payment of old-age benefits to a maximum amount of $20 per month, as compared with the present maximum of $15.

Under our present social-security law many of the pensions which are being paid to aged needy persons are nothing more than a pauper's pittance. In fact, pauper allowances in some of the States of the Union in years past exceeded the amount being paid to aged men and women under our present social-security set-up.

It is now proposed that the Federal Government liberalize its contribution, but the method by which this liberalization is to be accomplished, it seems to me, is entirely inadequate. In fact, with the provision made that the States must match dollar for dollar the Federal contribution, a mere increase in the maximum amount which the Federal Government will contribute is no liberalization at all, because some of the States today are participating in as great a degree as is financially possible. So it is that no matter what the Federal Government may contribute, the pension of each needy aged individual would not be increased.

It is my contention, and that of my colleagues who have joined together to further this amendment, that the obligation of the Federal Government to an aged person is the same, whether that person resides in one of the more populous and affluent Eastern States or in one of the States in the western area, where the same scale of participation by the State would be virtually impossible. The aged man and woman who lives in Idaho, Nevada, or New Mexico, for instance, is just as much in need of assistance as if they lived in New York, Michigan, Pennsylvania, or our other highly industrialized States, where large tax incomes are derived from industry and commerce.

Then, too, many of our newer Western States contain large areas of lands under Federal ownership, properties which do not contribute a dollar of tax income to the States in which they are located. Because of this heavy Federal ownership, which in the case of New Mexico is more than half of the total area of the State, the Federal Government, under present conditions, is shifting to the State far more than the State's equal share. If for no other reason than an equalization of old-age assistance, this amendment should become a part of the social-security law.

I therefore urge the need for a stabilization or standardization of this Federal contribution at a fixed figure of $20 per month, and contingent only upon a contribution by the State on the basis of one dollar to every four. This would enable every State to grant to needy aged persons a pension of approximately $25 a month. Most certainly this is not out of reason, and based upon our present standards of living still will be meager enough so that those who have contributed much to the growth and development of our Nation will be able to afford only the barest necessities, let alone comforts that most surely are desirable for a generation which has given its all in the upbuilding of our country. There may be the contention raised that such a provision would have a tendency to cause the various States to rest content with meeting

the minimum amount required as a contribution. I, for one, do not believe that contention to be well founded, for we find throughout the United States today several Commonwealths which are contributing in excess of the requirement so that aged persons in that State may have sufficient support to prevent them from undergoing undue hardships or privation.

I am free to confess that I cannot see wherein lies the difference, as far as the Federal Government is concerned, whether a State matches the $20 maximum dollar for dollar or provides a lesser amount. The Federal Government is obligated to pay $20 under certain conditions, and the inability of the States to match that amount dollar for dollar can result only in hardship upon those whom we are trying to help. In other words, the aged will have to bear the brunt of any partiality which shall be shown because of the inability of any individual State to carry its end of the pension payments. That is not consistent with the American way of doing things. Most certainly it would abrogate our declared principle of equality for all, and would strike its severest blow at those who are least able to withstand it.

I sincerely trust that the membership of this House will agree that in liberalizing our social-security program we shall do it in actuality rather than resort to a gesture which will fall far short of the accomplishment of the purpose for which we are passing this legislation.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. CHARLES F. McLAUGHLIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 24, 1939

Mr. McLAUGHLIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Nebraska Chapter of the National Association of Postmasters, Omaha, Nebr., Wednesday evening, May 24, 1939:

I am grateful for the invitation from your officers which enables me to be here this evening with the postmasters of Nebraska. I heartily approve of these meetings. That is demonstrated, I think, by the fact that during the past 2 weeks I have attended a number of similar affairs in the Midwestern and Western States.

At the outset I want to thank the postmasters of this great State of Nebraska for their cooperation during my administration as Postmaster General. You have responded enthusiastically to every request made of you by the Department, and I want you to know that I am deeply grateful to each and every one of you.

We are doing well in the Postal Service. Our receipts are increasing, our mail volume is increasing, the service to the public is more efficient, and the employees are better off than at any time in the history of the Service. Viewed from almost any angle, the postal system of the United States presents almost unbelievable figures as to volume. For example:

The yearly issues of postage stamps approximate 15,000,000,000. We also issue about 2,000,000,000 postal cards and more than one and a half billion stamped envelopes. The money derived from the sale of this stamped paper represents approximately 75 percent of the gross of the ordinary revenues of the Postal Service. In addition to the sale of our own stamps we sell annually about $4,000,000 worth of documentary internal-revenue stamps for the Treasury Department, and in the last few years we have been issuing migratory bird-hunting stamps, the sales of which now are approximately $800,000 a year. First-class matter is the major source of our profitable revenue. The postage collected on that matter exceeds $400,000,000 annually. The mailings of second-class matter, which includes newspapers and magazines, were well in excess of a billion pounds last year. There are more than 25,000 publications entered as second-class matter. The use of business reply cards and letters in business-reply envelopes, which have come into use within recent years, are now passing through the mails at the rate of almost 100,000,000 pieces a year.

Last year we celebrated the silver anniversary of the establishment of parcel post, which was inaugurated January 1, 1913, and very quickly became one of the outstanding services offered by this Department. There are many fine delivery and transportation agencies for merchandise, but the parcel post stands alone as the only system that reaches every home, every office, every factory, and every farm in America. Today the revenue from parcel post represents more than 18 percent of the gross postal receipts. It is second only to first-class matter as a revenue producer. Each day we handle more than two and one-fourth million parcels.

During this administration there has been a 31-percent increase in the number of parcels mailed, with a corresponding increase in revenues of from $100,000,000 to approximately $137,000,000. Our cost ascertainment reports show that a deficit of $32,000,000 in 1933, chargeable to parcel post, has been reduced to $17,000,000, notwithstanding the fact that this service is now charged with an annual expense of $7,000,000 for the maintenance of public buildings, which was carried as a charge against the Treasury Department in 1933. The cost ascertainment reports also show that the Department pays to the railroads of the country between forty-eight and fifty million dollars a year for the transportation of parcels. This represents about one-half of all the money paid to the railroads for the transportation of the mails. The Department pays more for this transportation item on parcel post than it keeps for itself from the revenues of that service. The average parcel weighs about 5 pounds. The average haul is about 413 miles.

The Air Mail Service was reorganized in 1934, at which time a number of new routes were established and other routes were extended to logical terminals. The period from that time to the present time has seen a complete retirement of the old single-motor mail planes. Every plane now operated in both the domestic and foreign air-mail systems is of the multimotor type. These planes are among the most modern in use in the world. The speed, which in some instances is upward of 200 miles an hour, is, even with a heavy passenger load, about double the speed of the planes of 20 years ago. These modern planes are heated and soundproof, and offer every convenience for passenger travel as well as speed and safety for the mails. This period has also been marked by the advent of the modern sleeper planes. The large ships now being used on the main lines in the domestic system carry 21 passengers. The flying clipper ships used in the foreign system are capable of carrying greater passenger loads.

The air-mail system has expanded to more than 32,000 miles in the domestic service, and in excess of 30,000 miles in the foreign service, making the total mileage in the system more than 62,000 miles. Mail planes fly more than 70,000,000 miles annually. Every State has direct air-mail service with the exception of one. This one State, Delaware, has been served by stops at nearby points, but effective June 4, Wilmington will be included in an experimental pick-up service covering 59 cities and towns, which, with the exception of Wilmington, are located in the States of Pennsylvania, West Virginia, and Ohio. In this experimental service, which was commenced at some of the points during this month and will be extended to the entire 59 points by July, the planes will not stop but will fly over the airports, deliver the mail by dropping the pouches at a designated point, and pick up the outgoing mail from a catcher device.

We will also establish for an experimental period, commencing in the near future, autogiro service on a regular schedule operating from the Camden airport to the roof of the Philadelphia post office. As you know, we are flying regularly scheduled trips across the Pacific. Experimental flights have been completed across the Atlantic. Rates of postage have been established for the new European service, and I am confident that this trans-Atlantic operation will be successfully maintained. So, I am proud to report to you that an air-mail system, domestic and foreign, which has been so greatly improved since 1934 is taking advantage of every opportunity to experiment with more modern facilities, and you may be assured that as conditions permit we will make even further extensions of this high-speed service.

In the fiscal year 1932, when the 5-cent air-mail rate was in effect, approximately 8,900,000 pounds of air mail was transported in the domestic system, whereas, in the fiscal year of 1938, even with a higher rate of 6 cents in effect, the air mail exceeded 21,000,000 pounds, an increase of more than 12,000,000 in pounds, or 137 percent. Substantial increases were also shown in the number of passengers carried, and in the volume of air express.

On July 1, 1938, there were 44,667 post offices. It is in these post offices, our field agencies, under the supervision of the postmasters, that this tremendous volume of business originates, and it is therefore obvious that it is the individual postmaster and his staff of local workers who carry the real responsibility in making the Service what it is. In saying this I do not minimize the responsibility of the bureau heads and the administrative experts in the Department. They are performing a difficult task in a most satisfactory manner, and they are backed up with an efficient corps of post office inspectors and the Railway Mail Service—all of them playing a most essential part, but all of their efforts would be in vain if you men who are on the ground in daily contact with the people who use the Service fail to carry out your part of the job.

I am very happy to say that the postmasters and their local post-office forces are rendering excellent service. The complaints we receive in the Department are negligible. We rarely get reports of

indifferent service and I am grateful to you for the record you are making. The people of this country have great admiration and respect for the postal establishment, and properly so. Its personnel is made up of good people who realize fully that they are public servants and who, with few exceptions, are doing everything they know how to do to faithfully serve our vast and many-sided patronage.

The history of this establishment shows that it has developed with the Nation. As a matter of fact, the post office has done quite a bit of pioneering. The people in this section of the country know that we pioneered in air transportation, because one of the important headquarters points of the original transcontinental system was located in Omaha. In many other respects this service has set the example for speed in transportation facilities. This section also knows something of the history of the Pony Express, the development of the transcontinental railroads; the need for carrying the mails faster and faster was one of the primary objectives which served as an incentive for all these developments. The money that this service spends annually for transportation of all kinds is a most important item of income to the railroads, the air lines, and other general transportation agencies.

I know that you are proud to be connected with this great communication system. I can truthfully say that I have enjoyed to the fullest my experience as Postmaster General. It has been pleasing to observe and learn of the fine loyalty and devotion to duty of the people in the Postal Service. In this they are not excelled by any other group of workers in America. I am grateful for the part I have been permitted to play in its recent development. I am glad of the opportunity to publicly express my appreciation for all the good things that have been done by my predecessors, for I do not have the idea that all of the good in this Service originated under the present administration. Every student of public affairs knows that since the beginning of this country there has been steady and constant progress in the development of the postal system. I only claim that under this administration we have recognized our duty in the handling of the affairs of the Post Office Department, that we have done a great deal to revitalize the Service, to bring it upward in every way, to give faster, better service at a reasonable cost, and to establish the fiscal affairs on a sound business basis. In doing that we have not overlooked the rights of the individual worker in the Service. We have done what we could, consistent with the income of the Department, to provide better buildings for the public and the workers, to provide modern equipment, and to insure regular employment at good wages. The result is that we unquestionably have an improved service and no one will deny that we have made rapid and steady strides in the direction of a balanced budget. I am quite sure that if you will ask any postal employee he will tell you that he is fairly treated under this administration.

I am delighted to have been with you this evening and hope that the next time I come to Omaha I can have a longer visit with you.

Rescue From the "Squalus"

EXTENSION OF REMARKS

OF

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

LETTER FROM MRS. MASON B. McLEES, OF RICHMOND, KANS.

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert in the RECORD a letter written by Mrs. Mason B. McLees, of Richmond, Kans., who is the mother of one of the boys rescued from the submarine *Squalus*. The country is safe as long as we have such heroic mothers.

RICHMOND, KANS., *May 31, 1939.*

U. S. GUYER,
Washington, D. C.

DEAR MR. GUYER: We want to sincerely thank you for so promptly sending the telegram to our mayor telling us of the safety of our son. It came just a few moments after we received the word over the radio. Our son is now all right and says he's ready to go again as soon as the boat is up and ready to sail. Our Navy I think is a wonderful training for any boy and am glad our son has chosen that for his career.

The Navy surely did all it could to save the lives of all the boys and my heart aches for the mothers of those dead boys.

We hope some day submarines and battleships will be unnecessary but as long as they are we have to have men to run them.

Thanking you again, I remain,

Sincerely,

Mrs. MASON B. MCLEES,
Richmond, Kans.

Shall the American Indian Remain in Bondage?

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

Mr. BURDICK. Mr. Speaker, public opinion in the United States is divided into two groups as to the future of the American Indian. One school desires to perpetuate the Indian of romantic history in all of his quaint and fantastic methods of living—beings quite apart from our present state of civilization. They strive to perpetuate the past, quite forgetting that our original Indian cannot be perpetuated unless we can instantaneously destroy in him our ideas of civilization, which for a century and a half we have insisted upon his acceptance; unless we can recreate our hills, mountains, streams, and hunting grounds; unless we can bring back the buffalo which we ourselves insisted upon destroying to more easily civilize the Indian. The other school looks upon the American Indian as one of us, capable of doing his part and doing it well in our present status of civilization. This school looks upon the American Indian as a citizen well entitled to all the rights, privileges, and immunities as all other citizens; that we have insisted on the Indian living like us for so long now that turning back the pages of history is a complete impossibility. The Indian is among us—he holds office and otherwise discharges the duties of citizenship with credit to the race and distinction among us. The Indian holds judicial positions in our courts; the Indian is in the legislative halls of the various States and in the Congress.

In many sections of the United States the Indians and whites are intermarried, and in another hundred years there will be no Indians except those who live in the history of the past. They will all be Americans—this is what we started out to do, but in the administration of the affairs of the Indian Bureau we have had many administrations who desire to perpetuate the Indian of history. We have put him under the supervision of a bureau, and the money we owe him for lands taken in the past we refuse to deliver to him, but use it ourselves to keep up and perpetuate an overlordship among the Indians, which, while the law says he is a citizen, makes him nothing but a subservient creature of the Indian Bureau. We refuse to deal with him fairly under treaties and agreements and keep him figuratively in chains and rob him of the benefits, privileges, and immunities of citizenship.

This sentiment is not of my own creation; it comes from the Indians themselves. The most warlike of all the tribes of American Indians were the Sioux. They were the last to surrender to the vast hordes that our civilization sent against them, but just as they were fierce and warlike, they are now men and women of thought, ability, and gifted with the natural power of expression. Mr. Speaker, I desire to present to the Congress and the country a letter received from a descendant of the warlike Sioux, who, in this letter, reviews the present status of the Indian under bureau control. I submit this letter as exhibit A in the proof of the fact that the Indian is capable of managing his own affairs as well as any other citizen of the United States. The letter follows:

BLACK HILLS CLAIM AND TREATY COUNCIL,
Cheyenne Agency, S. Dak., June 2, 1939.

Senator USHER L. BURDICK,
Committee on Indian Affairs, Washington, D. C.

Honorable Senator BURDICK: I have been authorized by the Black Hills Claim and Treaty Council to write to you personally and explain the chaotic condition in our reservation caused by the bill known as Reorganization Act. Our officials state that we accept the act. But did they state how? They did not vote for charter because it would have been rejected, so they took a so-called straw

vote; that is, some of their employees went from project to project and getting votes. They had our chief police here collecting votes, and he went to those he knew would vote for it, and the rest were left out. This example was exercised when they made us accept the reorganization bill. Facts as this can be obtained, so we pray that you and your associates to steer us to victory with God's help. We are for democracy, democracy for all. I could write volumes of mistreatment and injuries done to us for many years by the officials.

We, the members of this organization, abide by the United States Constitution; we love America; we support its flag and defended this Nation against all enemies. Tests have proven that our beloved fathers, sons, brothers have sacrificed their lives on foreign soil that democracy will be ours in America; that happiness and security be bestowed upon our citizens; that no form of foreign government be exercised in this land of liberty; that according to our Constitution we have the right to petition the Government for redress of grievances.

"Our brains," the Indian Bureau, has created antagonism here. Our once peace-loving, friendly Indians have been riled over this act. Now all understand the form of government and are much riled against it. The officials here, using some of our respectful Indians as tools, threatening, dictating, blacklisting, discriminating those who oppose the act for the sole purpose of fatiguing them into compliance with their measures. They have shattered our Constitution and our great state paper, the Declaration of Independence to gain their end. We who faithfully signed the exemption petition, 3903, will gladly produce evidences against any person employed by this agency for our own benefit. It is true that statements have been made to you and your officials about our progress, but I can say it is not as expected of us by the Congress. Why? We are handcuffed. Those who are free are those that are used as tools, making traitors out of them—very un-American. So we pray and appeal to you and your associates, with the help of Almighty, to request the Indian Bureau to refrain from further campaign to us who signed the exemption petition, refrain from exercising their laws, entanglements, and what not. Only bloodshed may result from such action as the two factions now in operation here are revolving with intense feeling. One spark and God only knows what is to come. All mankind are forced to take action when in defense of their nation.

This may be a scheme to cause a clash, to hand us again hostile, to reduce us to absolute despotism, so the officials can profit by the act, so they can reap bigger fortunes from the appropriations asked for the Indians. It will be a good idea to first define the word "Indian," and who are to have the right of the way according to our treaties. Some of our genuine Indians are, you might say, forgotten, and they all wonder where the money came from and who is supposed to benefit by them. Not us, so why pay the bill? Evidences are numerous, and I am positive that nearly every Indian can produce these evidences. When our Indian Bureau states that we help the Indians, before the world, it is covering a big field, and by deeds committed we say "No." Probably you will hear more when our delegates appear there again.

We have realized that mighty Congress made appropriations for us that some day we may be self-supporting, be equaled to our fellow men. Yet sometimes we wonder if they know that very little of that gets into our pockets, and Bureau officials' bank accounts are growing by leaps and bounds. It is wise to investigate them, and probably they may help this Nation by paying income tax.

You may wonder why I write such letter. I have been taught in white school, but because I am a full-blood I am not wanted when I can help my people. If I did get in, you know one chance is too much for me. Yet they can get by by mock trials. When you see facts, evidences, who is afraid?

Had we been given the right kind of officials, our Indians, I am positive, we would have been what Congress expected of us. In order to check injuries done to us and use our appropriations as outlined, to be economical to our America, we have a program to present to you people. Is not that what you people expected us to do? Not be a mechanical man and woman as we are now. So consider this matter carefully for our people. If Honorable Collier wants to proceed with his set-up, he may finance the organization, but those Indian members be severed from tribal relations. Most of them are clever, to enjoy life when patent fees were given to them and lost everything. Now they are clever enough to be chiseling off the old Indians. You can check this statement there, because the New Deal delegates that appeared there only one I am sure still has his allotment, and that is Mr. Thomas Eagle Staff. The chairman is landless, Mr. Luke Gilbert. So you see why we protested much. It's the breeds that are anxious to get rich in a day. They forgot that "Rome was not built in a day."

Democracy is our belief, not a foreign form of government. Let those who wish to exercise such government be transferred where there is no democracy.

Therefore we pray and appeal to every Congressman to steer us to victory by supporting our exemption bill 3903 on our own reservation; we, who faithfully signed and do pledge our support to enactment. Also a petition protesting the bill of ROGERS, H. R. 5409, now before the House Indian Committee. This bill will give the Bureau officials additional power over our lives and property, more appropriations, a protection, invincible. We see the new form of government a destructive one to our Nation. Already it is exercised on the basis of a vice syndicate. If by mistake you happen to arouse the feeling of our superintendent or one of the employees, you are blacklisted, helpless—no aid, so what? Perhaps you can see the result. Many evidences of this statement can be produced. Probably they want to make beggars out of us. Many officers, swarms of officers to harass our people are to come. We are not bad. Yes; it is a protection for someone. Who? Congress enacted the Reorganization Act and it was not carried out as outlined. Honorable Collier's promises are broken. What they try to exercise now should have been exercised in 1934. This is 1939, but it is too late now.

The council men, as provided by the enactment, have shattered our great State papers. It is best that they go on themselves or else I am afraid terrible things will happen. It will not be our fault. I have been here among our Indians, and what I say is true, so if anyone contradicts my story I am willing to appear in any court in defense of our people. Is not that what you people want us to do? I am a thorn to these employees. I am happy that I am.

The New Deal delegates made a trip to the Indian Bureau on tribal funds without the consent of the people. Why? Because they were supposed to have much power. But they held meetings in unusual places, passed important bills in the night when all are asleep. Is this enough? Now, when it is too late, they attempt to enforce the act. The Black Hills claim and treaty council at large is too powerful now to check it, so consider this letter very carefully.

One thing I can say about this meeting is that the meetings are held under an American flag; this other organization forgot about our flag. Why? And this treaty council is not financed by the Indian Bureau or by our agency. Yet it is gaining foothold rapidly, because it is what the people want. Brain is what counts, not money.

All the Indians did not comprehend this complicated legislation and most of them did not vote or because they could not get to the poll. If you were for it you were transported, otherwise you go or not so much the better. Unscrupulous campaigners persuaded many while transporting them to the polls, and because they cannot comprehend, you can see how easily, gained their end. Now that it is understood it is being opposed nearly to every man and woman. It was the Indian Bureau's mistake when they kept many important secrets that was to benefit us. You know, figure out where we would have been. It will be a good idea to check on the person who branded us hostile and sue him. The United States made treaties with us, and made us a peaceful loving race. Again we made the United States safe for democracy when you asked for our help we gladly enlisted and fought side by side with our white brothers. Yet they are willing to brand us "hostile." I am sure that our CHAN GURNEY can testify for us that we are not hostile.

We have names to be sent, and already some sent, to Odan Gurney, and more to come; so wait and see. We are many who object to the act introduced here. I am for the full-bloods and half-breeds because they are rather quiet, hesitating, fear they may hurt someone; so Indians who are nearly all white are profiting. It is best to check for our benefit and protect our race. Names of some of our greatest modern full-blood Indians are on these petitions, so scan the list carefully. If anyone says we are misrepresented, I say we are not, because we back anyone who is our chief chairman; and I can say, if all full-bloods and half-breeds, as treaty states, were put together in a nice form of government, no friction will arise. Now quarter-breeds and nearly whites are trying to make we Indians say "yes" for their benefit; but we won't, so of course hard feeling is among the tribe. We will stand by our constitutional right for our welfare.

Also, too, before our superintendent, W. F. Dickens, retires, have an investigator visit here secretly; and we would appreciate an action as stated by our people. He is to visit the reservation first, not the office.

We are positive that Superintendent Dickens committed some offenses that would be a penitentiary offense. And some of his employees. Yet council men are all being kept by the superintendent, so no one dares to interrupt the superintendent of his business. He admits at times of his mistakes. Yet the council men, who were supposed to have much power by the Collier Act, are just tools as we see them. Even after he resigns, arrange it so that if proof is obtained, that he loses all his bonds as a superintendent, pension, and lose everything for creating an antagonism among our people. He senses trouble so I won't be surprised if he leaves and gives some reasons for his absence I am sure will be false. If by chance I am wanted for emergency, I am always here in agency, so I can be located in few minutes. As I am in a rush, I must conclude. Copy must be sent to Francis Case. Please notify your associates, and may God be with you and your associates. God bless you.

I am a friend.

CLYDE F. LOWDOG,
Box 53.

P. S.—More letters to come; some evidences of importance.

Jewish National Home in Palestine

EXTENSION OF REMARKS

OF

HON. CLARENCE J. McLEOD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

ARTICLE FROM THE DETROIT JEWISH CHRONICLE OF MAY 26, 1939

Mr. McLEOD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article, which appeared in the Detroit Jewish Chronicle for May 26:

[From the Detroit Jewish Chronicle of May 26, 1939]

SENATOR VANDENBERG IN FOREFRONT AS OUTSTANDING CHRISTIAN PRO-ZIONIST—CONSISTENTLY SUPPORTS PROGRAM FOR JEWISH NATIONAL HOME; REAFFIRMS HIS INTEREST AND DECLARES "BALFOUR ASSURANCES SHOULD NOT DEFAULT"

(By Philip Slomovitz)

United States Senator ARTHUR H. VANDENBERG, of Michigan, who is often spoken of as the most logical candidate for the Republican nomination for the Presidency in 1940, emerges in the present critical time for the Zionist movement as one of the most consistent Christian supporters of the movement for the upbuilding of the Jewish National Home in Palestine.

For 10 years Senator VANDENBERG not only endorsed the Zionist cause but stanchly defended Jewish rights in Palestine. As one of the ranking members of the Senate Committee on Foreign Relations, he has been helpful with his expressions in support of the Jewish national cause. This week, at a time when his encouragement was needed the most, he again unequivocally alined himself with the forces that stand for justice to the Jew. His support of the Jewish position in Palestine is contained in the following telegram:

"I believe today more than ever in the Zionist home in Palestine. As a member of the original Christian Pro-Palestine Committee I thought I saw a great vision. It is clearer than ever today and the inhumanity of man makes it more logical and more essential than ever. I emphatically favor every cooperation that America can give to the promised culmination of this promised Jewish homeland. The Balfour assurances should not default. The Jews of the world took them in good faith and have invested heart and fortune in them. They have a right to every international cooperation in behalf of this Jewish homeland. Count upon my interest to the limit."

Senator VANDENBERG's reference to his participation in the formation of the Christian Pro-Palestine Committee serves to recall an interesting incident in the history of Christian pro-Zionist activities in this country. In January 1932 the American Pro-Palestine Committee was organized in Washington under the leadership of Vice President Charles Curtis. Outstanding American Christians participated in that historic movement. Senator VANDENBERG was among them. On February 5, 1932, on the occasion of this historic event, he made the following statement to this writer:

"The Zionist movement always has appealed to my imagination and to my sense of racial justice. A Jewish home in Palestine, as originally warranted by the Balfour Declaration and endorsed by the unanimous action of the American Congress several years ago, was one of the great ideals born in the liquidation of the World War. The actual progress subsequently made in the evolution of this ideal has been not only proof of its sound reality, but also proof of the unselfish devotion which Jews, returning 'home,' are dedicating to the actual toil and sacrifices involved in this great adventure. I have been glad to join with other non-Jews in the organization of a national committee to express our American sympathy with and interest in this epochal movement—one of the most important ethnic and cultural movements in the life of the modern world. I attended the preliminary organization meeting of this committee in Washington and I listened for 2 hours to the amazing first-hand story of this forward-moving Zionist romance in Palestine. It is a brave story of hope and faith and works. It is the unfolding triumph of implacable racial aspiration which has declined to die for 2,000 years, it is little enough for the non-Jews of the world to give the movement our cordial encouragement."

Senator VANDENBERG's interest in the Zionist cause dates back to the disturbances of 1929 in Palestine. At that time on September 3, 1929, he wired this writer, then in his capacity as president of the Zionist Organization of Detroit:

"I am glad to report to you that my investigation here indicates Palestine situation now well under control. British Government primarily responsible under mandates from League of Nations. British Government has vigorously concentrated defense forces, and there should be no more serious trouble. While comparatively few American citizens are involved, nevertheless, the traditional policy of the United States demands our aggressive interest in the safety of life and property for every American wherever he is legitimately anywhere on earth. Any other attitude would violate basic Americanism. The noble Jewish drama of a national home in Palestine is not shattered by this tragedy. Great ideals like gold are purest when tried by fire."

A year later Senator VANDENBERG had occasion to make another significant statement. On November 9, 1930, when British betrayal of Jewish trust in Palestine was expressed in the infamous Passfield white paper, he expressed himself in favor of "a complete and official inquiry" by our Government to make plain the realities upon which to renew America's own interests in Palestine. That statement is sufficiently important for perusal today. Senator VANDENBERG then stated:

"The Passfield dictum—putting nullifying strictures upon the Balfour promise of a Jewish national home—is a distinct shock to our hopes for this great adventure in behalf of your 'home, sweet home.'

"I have too often endorsed this magnificent aspiration in autonomy not to share all of your liveliest concerns in the face of the present hazard. Of course, the ultimate ideal itself cannot be affected by the Passfield limitation upon Jewish immigration to Palestine and upon land sales by Arabs to Jews in this new sanctuary. The ideal is too powerful and too sound to be shattered by transient difficulties. It is too firmly entrenched in the world's comity—as demonstrated, for example, by the sympathetic action of our own Congress in 1922 and again in 1925. Therefore the real question today is solely one of temporary policy. The ultimate security of the Jewish National Home is inevitable. The universal interest and sympathy of the whole civilized world is its warrant. But since 'eternal vigilance is the price of liberty,' there is every reason for the closest and most critical scrutiny of each episode in the enterprise—particularly on the part of Americans who have poured so much of themselves and their resources into it.

"I am engaged in precisely such scrutiny at the present time; and you may be assured that I do so with every continuing sympathy with the noble objective defined in the Balfour Declaration of 13 years ago. I want to see all of the Passfield papers and I want to know the whole purpose behind them. On their face they seem to betray the Zionist ideal—and to scorn the rather blunt warnings recently uttered in the League of Nations. If the purpose proves to be a permanent and conclusive desertion of the mandated project for 'the establishment in Palestine of a national home for the Jewish people' (I quote the phrase literally from the Balfour letter of November 2, 1917), then we confront an astounding breach of faith which is not calculated to be accepted by the humane and liberal public opinion of the civilized world.

"On the other hand, if the purpose is temporarily strategic within the meaning of Lord Balfour's other phrase—that 'nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine' (quoted from the same letter of November 2, 1917)—and if it aims at the immediate safety of the existing enterprise, with a long-range advantage to be gained from briefly marking time while new and happier relationships between Arabs and Jews are evolved, then the end might justify the means.

"It may be correctly said that there is nothing in the reported Passfield statement to warrant any hope that the latter construction is justified. I wish this were not so. But I have been a member of the Committee on Foreign Relations of our own United States Senate long enough to know that there may be grave questions of public policy which cannot always be canvassed in the open all the while—although I am one of those who believe that the governed always are entitled to the whole truth from their governors. But there may be times when it would not be useful to precipitate premature controversy. Furthermore, there may be collateral involvements in a given situation with which we—thousands of miles away from either Britain or Palestine—cannot be intimately familiar. I mentioned these cautions not by way of excuse for apparent desertion of the intent of the original Balfour pronouncement, but by way of hope that the realities may involve no lapse in Zion's dream.

"Primarily, we must hold Britain responsible for the safety of existing life and property in this sector dedicated to the new Jewish national home. This involves native relationships which, happy in some respects, do not appear to have been fostered by British policy in adequate degree. If there is an interim—however inexplicable to us—in which the best ultimate welfare calls for the new Passfield limitations, this fact should be made plain. Obviously these limitations cannot be permanent without draining the enterprise of all vitality, since there can be no expansion of the new sanctuary without immigrants and land ownership. The world's opinion, and emphatically America's, will resist any such fatality. It can tolerate even an interim only when and if the Passfield limitations are satisfactorily explained as an emergent necessity. Meanwhile, the present episode has the compensation in it that it once more aggressively mobilizes the friendly

interest of millions of people who once more make uncompromisingly plain fidelity of an ideal which, like every other great ideal, will thrive upon attempts at crucifixation. The world again has its attention riveted upon Palestine.

"I favor complete and official inquiry to make plain the realities upon which to renew America's own interest in this behalf."

There is vision intermingled with vision in this series of expressions which find their highest declaration in the latest statement of this eminent Senator that "the Balfour assurances should not default."

Americans by Choice

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 8, 1939

Mr. CELLER. Mr. Speaker, some years ago John Palmer Gavit wrote a splended book entitled "Americans By Choice." Among other things, this book contains the Carnegie study of petitions for final naturalization. The author comes to some very startling conclusions, particularly concerning the average interval between the time of the alien's arrival in this country and the time when he files his petition for naturalization. (Petitions for final naturalization may not be filed until the petitioner is 21 years of age or more.) He made particular study of those aliens who came to this country at the ages of 1 to 14 years; the study is by race and covers 2,900 petitions. An examination of the following tables, I, II, and III, indicate that the average interval for all countries before filing petitions for final naturalization is 6.2 years. It will also be noted that these tables I, II, and III give the average interval of years by each country of origin.

TABLE I

	Years
France	12.9
Norway	12.5
Switzerland	12.4
Sweden	12.4
Scotland	11.8
England	11.6
Ireland	10.8
Germany	10.3
Canada	9.8
Denmark	9.5
Holland	9.5
Hungary	5.8
Greece	5.5
Finland	5.3
Russia	5.0
Italy	4.9
Austria	4.5
Turkey in Asia	4.0
Rumania	3.8
Turkey in Europe	3.6

It is interesting to note that it takes the Englishman and the Scotchman over 11 years to determine to become an American citizen, whereas the lowly Rumanian and Turk of Europe petition for their final papers in a little over 3 years. While it takes the Swede and Frenchman over 12 years to decide to become an American, it takes the Greek and the Finlander a little more than 5 years, the Italian 4.9 years, and the Austrian 4.5 years.

In other words, the races that we might term the "despised" races are the ones who appear to be most desirous of becoming American citizens, whereas the so-called privileged races seem to be least inclined to become citizens.

Furthermore, these tables indicate that where there is the greatest amount of persecution in the native land, there appears to be a comparable greatest desire to become an American citizen and to become assimilated in the American way of life.

The following table II shows the average interval of time which elapses before filing the petition, after arrival, at the ages of 15 to 20 years, by races.

TABLE II.—*Average interval (9,512 petitions)*

	Years
All countries	11.0
France	17.7
Canada	17.3
Switzerland	15.6
Germany	14.1
England	13.6
Sweden	12.7
Scotland	12.7
Denmark	12.2
Holland	12.2
Finland	11.7
Ireland	11.5
Norway	11.3
Italy	10.8
Hungary	10.8
Austria	10.6
Rumania	10.2
Russia	9.9
Greece	9.7
Turkey in Asia	9.0
Turkey in Europe	7.9

The conclusions derived from a study of table I are the same as those derived from a study of table II, and similarly so from a study of table III, set forth below.

TABLE III.—*Average interval before filing petition after arrival at ages 21 or over, by races, (13,849 petitions)*

	Years
All countries	10.6
Canada	16.4
Sweden	13.1
Switzerland	12.2
France	11.9
Germany	11.9
England	11.7
Italy	11.4
Norway	10.8
Scotland	10.6
Finland	10.5
Austria	10.5
Denmark	10.2
Holland	10.1
Hungary	9.9
Rumania	9.8
Russia	9.6
Ireland	9.6
Greece	8.6
Turkey in Asia	8.5
Turkey in Europe	8.1

It will be noted that whereas the Englishman, who comes to this country after 21 years of age waits 11.7 years before filing a petition for naturalization, and a Canadian waits 16.4 years, the Hollander files his petition in 10.1 years. The average interval for all countries, where the arrival has been at the age of 21 years or over, is 10.6 years. In this connection it should be noted that the natives of Turkey, Greece, Ireland, Russia, Rumania, Hungary, Holland, Denmark, Austria, and Finland petition for their final papers after an elapse of time which is under the average number of years.

Again it will be noted that the nations to which we give the greatest preference are the ones whose natives appear to be least inclined to become American citizens, and to avail themselves of the rare privileges American citizenship offers.

THE LENGTH OF TIME THAT IT TAKES PERSONS OF DIFFERENT NATIONALITIES TO BECOME NATURALIZED IN THE UNITED STATES

While the statistics do not indicate the average period in which the newly-made citizens of different nationalities had resided in this country as aliens, compilations of the Immigration Service show that of a representative group 54 percent of the total had been residents of this country from 5 to 9 years, 16 percent were here from 10 to 14 years, 15 percent from 15 to 19 years, and 15 percent for 20 years and over—United States Immigration and Naturalization Service, second service, lecture No. 30, January 7, 1935, page 13. This information can be summarized, and an average for the group as a whole obtained.

Percentage of total (1)	Average number of years resident (2)	Sum total (1)×(2) (3)
Percent		*Years*
54	7	378
16	12	192
15	17	255
15	20	300
100	----------	1,125

It takes 1,125 years for 100 percent, or a group of 100 aliens to become naturalized in the United States. It would, accordingly, take 11¼ years for the average alien to become naturalized.

At this point it is essential to point out that not all aliens are naturalized. Table IV indicates the number and percentage of aliens of different nationalities that had obtained naturalization papers and the number and percentage of immigrants to this country who had never taken steps to obtain American citizenship. It is logical to conclude that the greater the proportion of aliens from any particular country who obtain naturalization papers the more quickly does that group become citizens of the country of their adoption. Furthermore, as the ratio of those naturalized to the total number of immigrants declines as between groups the more slowly is citizenship obtained for the various groups of nationalities. That presumption holding true then table IV shows that the nationality groups listed in the following order obtained citizenship in the shortest period of time.

1. Swedish.
2. Welsh.
3. Irish.
4. German.
5. Hebrew, German.
6. Hebrew, Polish.
7. Dutch.
8. English.
9. Hebrew, Rumanian.
10. Hebrew, Russian.
11. Bohemian or Moravian.
12. Scotch.
13. Polish.
14. Canadian, other than French.
15. Italian, North.
16. Lithuanian.
17. Italian, South.
18. Ruthenian.
19. Italian, not specified.
20. Canadian, French.
21. Slovak.
22. Magyar.
23. Portuguese.

The extent to which nationality groups have become naturalized is directly related to the ability to speak English; and the ability to speak English is a measure of assimilation of those groups of citizens who came to the United States from non-English-speaking foreign countries. Table V shows the number and percentage of those nationality groups who spoke English and the number and percentage of those groups who did not speak English. The column in this table showing the percentage who spoke English, when ranked in descending order, indicates that the following nationality groups were most quickly assimilated to the national life of the United States:

1. Swedish.
2. Hebrew, German.
3. Canadian, French.
4. Dutch.
5. German.
6. Hebrew, Polish.
7. Hebrew, Russian.
8. Lithuanian.
9. Italian, North.
10. Italian, not specified.
11. Hebrew, Rumanian.
12. Portuguese.
13. Italian, south.
14. Polish.
15. Slovak.
16. Bohemian and Moravian.
17. Magyar.
18. Ruthenian.

Correlating the findings of the two tables it is concluded that the Swedish; the English and Irish; the German and Hebrew, German; the Dutch; and the Hebrew, Polish obtained citizenship and were most quickly assimilated to the national life of the United States. The Magyar, the Slovak, the Ruthenian, and the Portuguese were the groups showing least ability to become citizens, or to become assimilated:

TABLE IV.—*Citizenship of foreign-born fathers of pupils, by race of father of pupil* [1]

	Total reporting complete data	Number of pupils, whose fathers—		Percentage of pupils whose fathers—	
		Have either first or second naturalization papers	Have neither first nor second naturalization papers	Have either first or second naturalization papers	Have neither first nor second naturalization papers
English-speaking races:					
Canadian (not French)	1,643	1,204	439	73.3	26.7
English	2,620	2,082	538	79.5	20.5
Irish	1,158	1,021	137	88.2	11.8
Scotch	321	239	82	74.5	25.5
Welsh	74	67	7	90.5	9.5
Non-English-speaking races:					
Bohemian and Moravian	1,583	1,214	369	76.7	23.3
Canadian, French	1,210	736	474	60.8	39.2
Dutch	302	247	55	81.8	18.2
German	4,996	4,388	608	87.8	12.2
Hebrew:					
German	255	216	39	84.7	15.3
Polish	209	174	35	83.3	16.7
Rumanian	301	233	68	77.4	22.6
Russian	7,158	5,514	1,644	77.0	23.0
Italian:					
North	737	519	218	70.4	29.6
South	4,031	2,676	1,355	66.4	33.6
Not specified	1,026	653	373	63.6	36.4
Lithuanian	185	127	58	68.6	31.4
Magyar	305	156	149	51.1	48.9
Polish	1,591	1,170	421	73.5	26.5
Portuguese	1,805	690	1,115	38.2	61.8
Ruthenian	78	50	28	64.1	35.9
Slovak	351	199	152	56.7	43.3
Swedish	1,603	1,491	112	93.0	7.0

[1] Reports of Immigration Commission, Children of Immigrants in Schools, vol. I, p. 88.

TABLE V.—*Ability to speak English of foreign-born fathers of pupils, by race of father of pupil* [1]

Race of father of pupil	Total reporting complete data	Number of pupils whose—		Percent of pupils whose—	
		Fathers speak English	Fathers do not speak English	Fathers speak English	Fathers do not speak English
Bohemian and Moravian	1,637	1,057	580	64.6	35.4
Canadian, French	1,274	1,173	101	92.1	7.9
Dutch	310	275	35	88.7	11.3
German	5,121	4,530	591	88.5	11.5
Hebrew:					
German	259	246	13	95.0	5.0
Polish	212	184	28	86.8	13.2
Rumanian	302	232	70	76.8	23.2
Russian	7,114	6,151	963	86.5	13.5
Italian:					
North	751	601	150	80.0	20.0
South	4,071	2,891	1,180	71.0	29.0
Not specified	1,055	814	241	77.2	22.8
Lithuanian	188	158	30	84.0	16.0
Magyar	310	185	125	59.7	40.3
Polish	1,631	1,125	506	69.0	31.0
Portuguese	1,878	1,394	484	74.2	25.8
Ruthenian	81	45	36	55.6	44.4
Slovak	350	231	119	66.0	34.0
Swedish	1,635	1,580	55	96.6	3.4

[1] Reports of Immigration Commission, Children of Immigrants in Schools, vol. I, p. 84.

William Ben Cravens

MEMORIAL ADDRESS
OF
HON. CLYDE T. ELLIS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from the State of Arkansas

Mr. ELLIS. Mr. Speaker and fellow Members, only 10 days after the beginning of this momentous session, Arkansas and the Nation were shocked by the sudden death of the beloved dean of the Arkansas delegation in the House of Representatives. Once, early in life, he had served the Fourth Arkansas District with honor and distinction, retiring voluntarily; then, in 1933, he returned and served continuously until his death.

Less than a week before he last set foot in these halls Mr. CRAVENS called our delegation together at his office to assist us in organizing a campaign for committee places—four of us were new. He was a sick man then but determined to carry on in his effort to be of assistance to his fellowman. This was characteristic of the leadership that endeared him to everyone here, for there is none but loved and respected him.

Our State has suffered a great loss.

When the history of the times has finally been carved into the Rock of Ages, yonder in the great Southwest, in the land called Arkansas, there will be written on the tallest hills among the great intellects of his day the name of BEN CRAVENS.

William Ben Cravens

MEMORIAL ADDRESS
OF
HON. E. C. GATHINGS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from the State of Arkansas

Mr. GATHINGS. Mr. Speaker, ladies, and gentlemen, we are met here today to do honor to those distinguished Members of both Houses of Congress who have answered the final roll call and who have entered upon a journey "from out of whose bourn no traveler returns." Among those whom we honor is the Honorable BEN CRAVENS, of Arkansas, late a Member of the House of Representatives.

BEN CRAVENS died in Washington City on January 13 of this year. His public career was a marvelous one. Born in Fort Smith, Ark., he practiced law in that city until he was elected prosecuting attorney of the twelfth judicial district in 1900. He ably served the people of his district in that capacity for three terms, when he was first elected to the House of Representatives—1906. He was a Member of Congress for three terms, 1907–13, but was not a candidate for a fourth term. His next public service began when he was elected to the Seventy-third Congress without opposition. He was elected to each suceeding Congress, including the present Seventy-sixth Congress.

He was married to Miss Carolyn Dial, who was his constant companion throughout a useful life.

To them was born one son, Fadjo Cravens, city attorney of Fort Smith, Ark., and one daughter, Mrs. William Eads, of Fort Smith. He died at the age of 67 years.

Horace said: "Pale death with impartial step knocks at the palace and the cottage gate." This sentiment expressed more than 2,000 years ago by the Latin poet forces itself unconsciously upon our minds today. The many fatalities of this House and of the Senate during the present Congress has been such that we need not the admonition of poet or philosopher to convince us that neither rank nor station can stay death's relentless grasp.

BEN CRAVENS was a lovable man; kind, considerate, and ever thoughtful of others. It was my pleasure to call on him for counsel and advice on entering upon my duties as a new Member from Arkansas. Graciously did he assist me. He gave me encouragement that I will never forget. The last day that he was in attendance in the House of Representatives, and only a few days before his death, he consulted with many of his Member friends in the interest of committee assignments for all four of the new Members from his State. He was a friend in the truest sense. That he is gone dawns slowly upon us who served with him.

In the long vista of years to roll,
With me his memory nor his honor fade;
And though other land retain his soul,
He lives also here—
In the results of his deeds and friendships made.

Celebration of the Golden Jubilee of the Missouri Military Academy

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, June 5, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 14, 1939

Mr. CANNON of Missouri. Mr. Speaker, the Missouri Military Academy, located at Mexico, Mo., where General Grant established his first Missouri headquarters, has just celebrated its golden jubilee. For 50 years this great academy has been training young men in the classics, in military science, and in the highest ideals of American citizenship. Its graduates are to be found in practically every State of the Union and rank among the representative businessmen of their respective communities, occupying key positions in the economic system of the country, but ready for effective military service whenever the Nation calls.

The military department of the school is under Government supervision. M. M. A. graduates who have passed the proper examination are granted official recognition by the United States Government. The War Department furnishes the arms, ammunition, and camping equipment required by the Academy and is represented by a resident officer of the United States Army, who is a graduate of the United States Military Academy at West Point. While the courses of study at the Academy embrace all branches requisite to successful business life, and the social graces of the modern American home, they also provide training, discipline, and proficiency in military science qualifying for enlistment as officers in any military service which the Nation may require.

On Sunday, May 14, 1939, in commemoration of the fiftieth anniversary of the establishment of the academy, the Honorable James A. Farley, Postmaster General of the United States, who himself has a son in a similar military school in New York, delivered an address which I ask to include as a part of my remarks. The address is a scholarly and timely discussion of one of the pressing problems of our times by one of the great Americans of our times, who

is probably as well qualified to speak with understanding and authority on matters under discussion in the Nation at large as any man in public life today.

The address is as follows:

Colonel Stribling, members of the faculty of the Missouri Military Academy, distinguished guests, and particularly the students of this institution, my thanks to you for this opportunity to present the views of a Cabinet officer—a politician, if you please—on the subject of military training.

To begin with, let me state that in my opinion the young men and boys I see before me are the most fortunate among the youth of America. Not only are you enjoying exceptional advantages in the matter of general education and physical education but you are being made ready to perform what in an emergency is the greatest service a citizen could render his country. Let me emphasize one thing, however, and that is that you are not being trained for war but you are being trained for activity should the great calamity of war again fall on this Nation.

It is the hope of every one of us of course that none of you will ever have to face the great ordeal of international battle for, in the modern times at least, war brings no victories in the long run. It is only the last alternative to a worse condition. It is justifiable only to preserve the honor of your country or to defend it against either direct or indirect attack. If the attack is direct; that is, if there is attempted invasion or other acts of positive aggression against the United States, you officers of the future will have to step out with the troops forthwith and repel the assault. That, however, is not a likely thing to happen.

Nowadays war comes to the world by stages. It comes by subtle moves that tend to weaken our defenses, by methods and processes that make us more vulnerable and the potential enemy more powerful. It is the function of the diplomatic branch of the Government to deal with these incidents as far as they can. It is the function of the State Department to head off a threatening war by every means possible—by negotiation, by reprisal, diplomatic methods, or in any other way that a clash may be averted. But hand in hand with these efforts to preserve peace must go our preparations for any eventuality. I think it is generally agreed that the most nearly certain way of guarding against either encroachment or attack is by presenting to the world a military front so powerful that no fierce and greedy nation or aggregation of nations will dare the final step. That is the meaning of our recent measures to create a navy capable of dealing with any force that anybody thinks of sending against us and of building the nucleus of an army that can be expanded to whatever is requisite for our complete defense.

Our preparedness methods and activities are measures of peace, not of war. We are a peaceful Nation. We are plagued with no desires to take any country, or any part of any country, away from its own people to add to our territory. We aspire to no domination over the world or any part of the world. All we want is to be let alone, to solve our own problems, and work out our own destinies. The world has many things that we need and we have many things that the world needs.

We are eager to trade, for our mutual advantage, and ask nothing from other nations but a fair opportunity to sell our goods and to buy theirs.

One would think that with such a program there would never be danger of war. The world has so developed, however, that new means of communication, which almost eliminate distance, have made even the wide oceans no longer a certain protection to our country. Moreover, these same advances in mechanics and science have made complete isolation much more difficult of maintenance than it was in the past. Whatever of moment happens in one part of the world has a definite effect on all the rest of the world. Our formula could only be successful if it was adopted by all the other powerful countries. Unfortunately, there are nations that refuse to play the game according to the rules. They, either through lust for power, or desire for empire, or in defense against the aggressions or encroachments by others, are driven to adventures and expedients that threaten at any time to involve them in a great war. In such a war, the rights of neutrals are bound to be ignored. A nation fighting for its life is not and cannot be scrupulous in observing international amenities. And it is up to the neutrals, or those who would be neutral, to take care of themselves. That is where you and the thousands of other boys who are getting training similar to that which you are undergoing, really come into the picture. It is to be hoped, and I believe every intelligent person in the United States shares the hope, that you will never be called upon to exercise the skill that is being drilled into you. That you may never have to lead soldiers against an armed enemy. That what you are learning of strategy may never be employed in circumventing the plans of an armed foe. And that, in short, you may be spared the miseries of major warfare, the prospect of which is more terrible now than at any previous period in the world's history.

Nevertheless, we know that war comes even to the most peace-loving countries on the globe. We have seen in the last few years peoples bombed, blasted, and slaughtered in order to make them unwilling subjects of a conquering power. We have seen other countries bereft of their independence to gratify the ambitions of dictators, with no more valid excuse than the desire—real or pretended—for materials they needed or the acquirement of positions that would make them less vulnerable in a military sense. It is too much to expect that the praying nations do not cast covetous eyes on South America, for example, should they succeed in gaining the mastery of the other continents. Should they attempt to put their desires in this direction into effect, we must be ready with the adequate countermoves. We would not go to war for sentimental reasons in such a case, but because of the principles established a century ago, when we notified the world that foreign conquests in any part of America would be regarded as a threat to ourselves, which it would be.

So I tell you again that you are being fitted for what may be the greatest service a patriot may render his country.

Incidentally, what you learn here will not be knowledge wasted, even if it is never applied to soldiering. When you are learning to lead men in possible battle, you are also learning the principles of leadership which mean success in the professions and in business. When you are studying strategies of international combat, you are acquiring also the faculty of judgment invaluable in a competitive industrial world. This thought was well expressed in a statement issued by an organization of patriotic women a dozen years ago. Let me recite that statement to you:

"Military training for the national defense is the most American thing in America. Not only because it fits the boy to do his part, if war comes, for his country, but because it makes him a stronger, straighter, cleaner, more democratic boy.

"Order may be the first law of nature, but order is often the last law of youth. And health and good habits, and clear thinking, and industry, and success follow in the footsteps of physical and mental discipline.

"If a boy slouches along, his destiny is likely to slouch along. If he sags at the knees, he is likely to sag at the base of his brain. But, if he learns to look a target in the face, he learns to look a difficulty in the face.

"If he learns to hit the bull's-eye in military training, he acquires the habit of hitting the bull's-eye all through life."

The National Defense Act of 1920 made provision for the establishment of the Reserve Officers' Training Corps in educational institutions of the United States. Prior to the world conflict of 1914–18 military instruction had been conducted in numerous military academies and some civilian colleges and institutions. However, those pre-war instructional units had no well-defined mission and definite objective as have the senior and junior units of the Reserve Officers' Training Corps of our day. At the present time the Reserve Officers' Training Corps is the medium whereby over 6,000 graduates of institutions of higher learning become well-equipped junior Reserve officers each year.

The vital role played in the national-defense set-up by this training activity is evidenced by the fact that, of the 100,000 Reserve officers now borne on the rolls of the Officers' Reserve Corps, barely 15,000 had World War experience. By maintaining at the Missouri Military Academy and in other institutions units of the Reserve Officers' Training Corps, the Government affords military instruction which is far more effective and thorough than the hurried and intensive preparation that characterized the brief training periods conducted for the instruction of emergency officers during the World War period. The Reserve Officers' Training Corps, therefore, is an institution indispensable to the national defense, constituting what might be termed the "West Point of the Organized Reserves." That corps is the very foundation of our potential national armies of the future.

Every student at the Missouri Military Academy is a potential commissioned or noncommissioned officer in the event of a prolonged major war involving the United States. The greater the number of such potential military leaders, the greater the degree of security to our Republic. Historically the United States has always placed its peacetime military reliance upon the volunteer—be he officer or soldier, be he of the Regular Army, the National Guard, or the Organized Reserves. Therefore, the combination of education for civilian pursuits and education for possible war service is, by long and deep tradition, a thoroughly American procedure. In undertaking this combined education you students of the Missouri Military Academy assume the highest responsibilities of true American citizenship.

I dare say that some of you youngsters have occasional spells when the austerity of discipline gets on your nerves. This is simply, I am sure, a normal manifestation of the restlessness of youth. I have a boy in just such another school as this. So, as you may imagine, I know a good deal about it. However, I do not require instruction at Jimmy's hands to enlighten me as to the atmosphere of a military school. It is easy for me to remember my own boyhood, and I assure you the school of experience for a small-town boy was a good deal harder than any soldiering academy. I envy him, and I envy you your great opportunities. Discipline is the hardest thing to learn and the most valuable byproduct of any education. You must learn how to take orders before you know how to give them. What you acquire as a subordinate makes you understand the sentiments and rights of your subordinates when you lead them either in the army or in business. Just as your instructors today have to think for you, so some day you will have to think for other men. And you will know then that this thinking must be directed more for their contentment than for your own.

I did not mean to preach a sermon, for I am sure that your education has progressed so far that the things that I have been telling you are largely known to yourselves already. We all have certain duties, and the highest of these duties is to perform such service for our country that lies within our opportunity and our capacity. We are one of the few nations on earth where a man's destiny is in his own hands. A few years from now your genera-

tion will be governing the country. Whether you know it or not, some of you are training for the highest positions within the gift of the people. It is the job for each of us, whether he be President of the United States or a boy at school, to keep our country free and great. There must be no backward step that would make the Nation that your generation will direct 20 years from now perhaps, less secure, contented, and free than it is today.

I know that there are some people who are not satisfied with the present state of the Nation, but I also know that there never was a period in our history when some people did not think that times could be better. Nations have their ups and downs like individuals. There are periods of great prosperity and periods of depression, periods of calm, and periods of turbulence. But, as you are learning from your history books, the difficulties of any period get straightened out in the long run. We of today can thank our lucky stars that such troubles as some of us think we have are relatively of the least importance. In what other country, I might suggest you ask yourselves, can a man complain of what he may think are errors in our Government or in our political system? In the United States, thank God, a man can get on a soap box or put a piece in the newspaper criticizing anybody or anything. I will say it is not always pleasant to listen to or to read these expressions of dissatisfaction. But at the same time I realize that in this freedom of speech, and with this liberty of the press and the radio, lies the salvation of the country. If the criticism is illogical or baseless, it is soon forgotten. If the complaint is just, it develops into a crusade that ultimately results in the correction of what may be wrong.

Whoever thinks nowadays of the bitter comments that were made against the acts of Washington or Jefferson or, in fact, of every President we ever had?

Whichever of the boys who is now poring over his school problems is President of the United States 30 or 40 years hence, he must expect just the same sort of criticisms and be prepared, as his predecessors were, to take them with a smile and to get surcease from them in the satisfaction of his own conscience and the knowledge that he is doing the best he can for his country. By the time you leave these academic halls you will have learned discipline, you will have acquired a standard of conduct and a system of ethics that you must never forget. It is given to no man to be right all the time, but the privilege is withheld from no person of doing the best he can and doing what he thinks is right.

With whatever woes some of us are contending today, our condition is so much better than that of any other people on earth that we can be proud of ourselves and proud of our country. We can be proud that in a world that is in a state of terror at what may come tomorrow we have nothing more serious to worry about than how the next election is coming off. We can be proud that as a people, we chose as our Chief, in the midst of a really great economic emergency, perhaps the only man available who knew what to do and how to do it, and had the courage to go ahead with it. So, as I understand is customary on these occasions to give young people a personality to emulate and an example to follow, I suggest to you, in closing, that you study the career of Franklin D. Roosevelt, President of the United States, who, I believe, will occupy as great a place in history as those other great men you have encountered in your studies. I make this suggestion, not merely because of the success he has made of his life but rather because he has always played the game.

Taxes and More Taxes—One Firm Pays 41.5 Percent of Gross Earnings in Taxes

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1939

Mr. ALEXANDER. Mr. Speaker, social security and old-age annuities are a modern idealism, and I agree that their objectives are highly desirable. However, I greatly question the wisdom of the system we have set up as a Federal program. Not only that, but the method of raising the necessary funds is wrong, and, in my estimation, much less practical than the plan proposed in H. R. 6466.

It is said that the power to tax is the power to destroy. This measure now under consideration—social security, H. R. 6635—is one of the greatest tax measures this Nation ever placed on the statute books. Has it occurred to the Members of Congress that we may be destroying the very sources of support and life not only for the workers of America but also of the very Government itself when we burden commerce, industry, and business—indeed, every employment source—with these destructive taxes?

If I am not mistaken there is a general and widespread demand on the part of not only business but the masses of the people themselves that we encourage business, that we reduce spending and thereby put a stop to increased taxation. I am receiving many letters daily indicating such a demand on the part of the public, as I know most of you are likewise.

As an excellent indication of the tenor of these letters I wish to insert in the RECORD a very thoughtful communication which I received a few days ago from an outstanding firm in my district in Minneapolis, which graphically describes in some detail the problems, needs, desires, and plight of business in America today under our mistaken policies of taxation and of more Government control and interference, not only in business, but in agriculture.

It is these measures of control which are costing us such vast sums of money, but which are getting us absolutely nowhere, except to chaos, disintegration, and destruction. In terms of improved business conditions, in terms of improved labor conditions and employment, in terms of better prices for agriculture, our basic industry at least in the Northwest, and in terms of a higher standard of living, yes, even in terms of life, liberty, and happiness, the basic pursuits and aims under our Constitution, where are all these measures of control and taxing getting us? Just where? We all know the answer. It is oblivion, bankruptcy, war, and a complete smash-up of everything we hold dear in a democracy.

Read the following letter and consider the various angles covered paragraph by paragraph. Here is indeed a clear, concise statement of the exact problem of business, the greatest source of employment in this Nation. If we cannot listen to these needs of business we cannot expect to put our unemployed back to work.

PAKO CORPORATION,
Minneapolis, May 24, 1939.

JOHN G. ALEXANDER,
House Office Building, Washington, D. C.

DEAR MR. ALEXANDER: It has come to my attention that some Members of the Congress begin to feel that many businessmen are not interested in Federal tax revision now.

I'm writing to tell you that all the businessmen I associate with are keenly interested in immediate tax revision. We can't be shouting and clamoring for it continuously for two good reasons: First, if we did, you would conclude it was the old "Wolf! Wolf!" cry and would not heed us; and, second, we businessmen have to use most of our time making a living for our employees out of our own businesses. We have to give full value to our customers, and we have to keep our expenditures within our incomes.

First of all, the present Federal tax law is too complicated. It takes altogether too much time and study to determine one's tax liability. If you could only experience my work for a year you would know what I mean and would then work in earnest to simplify the whole Federal tax situation.

I respectfully urge you to support an immediate Federal tax-revision program, which includes the following points:

1. Drastic modification of the capital gains and losses tax.
2. Drastic reduction of income surtaxes, preferably to a maximum of 25 percent.
3. Complete repeal of the undistributed-profits tax.
4. Substitution of a single income tax for the present corporate income tax, capital-stock tax, and excess-profits tax.
5. Granting the right to corporations to carry over their net losses for at least 2 years, preferably 5 years.
6. Elimination of the tax on intercorporate dividends.
7. Elimination of the individual normal income tax on corporate dividends.
8. Permission for affiliated corporations to file consolidated returns.

In closing, I want to urge you, when planning the new income-tax rates, to remember the heavy pay-roll taxes—old-age benefit and unemployment insurance—you have imposed on us, and also the fact that we have to pay State and local taxes, too. For example, in my corporation for the calendar year of 1938 one-third of our total tax load—Federal, State, and local—was for pay-roll taxes, one quarter for State and local taxes, and our total tax load was 41.5 percent of our annual gross earnings, before taxes.

We want a simplified Federal tax law, and we want it from this Seventy-sixth Congress.

Respectfully yours,

GLEN M. DYE.

Now, I said in my opening remarks that I question the wisdom of the system set up by the social-security law in the name of unemployment insurance and old-age pensions. I wish to elaborate briefly on that statement. The weakness

of this law lies in the fact that it does not help our great army of economically dispossessed unemployed people who are now, and have been for nearly 10 years, off the pay rolls of industry and business. This law only seeks to aid those who are still employed, as it is a pay-roll tax. If they are still employed after the depression wringer they have been put through in the past few years, they will probably seldom, if ever, need unemployment insurance, and similarly as to old-age pensions. In view of the continued depression, the workers now employed are doubtless more or less permanently engaged and therefore can be expected to provide their own old-age fund or rainy-day nest egg.

But what good is this law either to the old people already out of employment or to the army of many millions of unemployed? If we are to have an unemployment-insurance law and an old-age assistance system, let us have a real one. Let us have a general law which will really provide for the unemployed and aged and not be fooling the people by calling this makeshift, misnamed statute under a false name. It is clearly a misrepresentation, if not a fraud, on the confidence of the general public.

This law and other similar fake Federal programs not only destroys business but it discourages the employment of additional men and women, as pointed out in Mr. Dye's letter.

It is costing us all a great deal of money, and any benefits, either present or future, are of a very doubtful and imaginary value. Why not wake up and ask ourselves a real question such as this: Who are the unemployed and who are the needy aged? This bill says it is for the unemployed and for the needy aged. But the only people it affects or has anything to do with are the employed. What a misnomer! What a travesty on our legislative justice!

No wonder business, the people, and the whole country are in the low state we find them in today when we fool ourselves into imagining we have done something, or are doing something, for the great mass of the individuals and especially the unfortunate poor and needy individuals in this great, wealthy Nation when we take time out to put such a law on the statute books, and to have a Roman holiday amending it in every session of Congress as we are doing. What we should do is to throw this law out, get down to sound fundamentals, and really solve a few of our problems.

The National Youth Administration Budget

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1939

Mr. JOHNSON of Oklahoma. Mr. Speaker, I have heretofore called attention to the fact that there is a definite disposition in "certain quarters" to reduce the Budget request of the National Youth Administration from $123,000,000 to $81,000,000. Before final action is taken on this very important legislation, I am anxious to present additional pertinent information which I think all the Members of Congress should carefully consider before voting to reduce by $42,000,000 the President's request of $123,000,000 for this important agency of Government.

First, I think we must consider very seriously certain facts about the Nation's youth, and the lack of job and educational opportunities confronting 4,000,000 young Americans. Of the 21,000,000 between 16 and 24 years of age, there are 5,000,000 in schools and colleges, another 8,000,000 are employed, 3,000,000 are in the home or not available for gainful work. But Members should bear in mind that there are 4,300,000 totally unemployed and another 1,300,000 partially unemployed. This makes a vast group of between four and six million future citizens of this great Nation either out of work entirely or spasmodically employed at part-time jobs. We must thoughtfully consider the fact that there is a net increase of 450,000 inexperienced youth each year who are adding their pressure to the labor market—200,000 more rural youth are coming of age than there are jobs available in the rural areas, and 250,000 urban youth are crowding for their place in the business and industrial life of our towns and cities. These young people are begging for an opportunity to go back to school, to get work experience, to have a job of some kind so that their energies and talents will not deteriorate—so that they can hope for a chance to marry and have a family, and the chance to take care of that family. This is what each succeeding generation of youth feels is its inalienable right in a democracy.

The 4,000,000 and more young people, about whose fate and future each one of us is vitally concerned, is the group with which the National Youth Administration has been working and to which it has extended educational opportunities, work experience, and training. Not only has this agency helped to reduce pressure on the labor market and competition for adult jobs, but it has given youth experience in every kind of job which prepares him vocationally and avocationally for living.

The current need among young people for education, work, and training has not been decreasing in the last 8 years, but steadily becomes more dangerously acute. We cannot tolerate a vast "lost generation" of youth which fluctuates between four and six million and which has been practically disowned by industry, by our educational system, and by society. Idleness, ignorance, and wasted energy of youth constitute a menace to our society and to our democratic institutions. Can the morale of millions of youth withstand the adverse effects of this situation? If this Nation were preparing for war, there would be no necessity to discuss youth and work. Their future would be in the hands of the war god. But in the United States we are not giving military training to our boys and girls and controlling their destiny with the iron hand of a dictator or demagogue so that they emerge with guns and swords in their hands instead of plowshares and machine tools. The primary purpose of the administration is to mold, not cannon fodder, but loyal, patriotic citizens who will become productive workers within a democratic society. By providing youth with an articulate agency for the expression of their needs and a focal point of direct action, the National Youth Administration has contributed to meet the problem of unemployed youth and has prepared youth for work. There is and can be no criticism of the National Youth Administration as to inadequacy of function, but if this proposed unreasonable cut is allowed to stand, there will be serious criticism that Congress has limited and restricted its program because of an insufficient appropriation. So long as Congress appropriates $50,000,000 to $100,000,000 each for many new battleships, as this session has done, it cannot consistently quibble over a few millions of dollars which can be used so effectively and economically in providing education, work experience, practical guidance, and placement in private jobs of the Nation's youth.

An appropriation of $123,000,000 to the National Youth Administration will give 800,000 young men and women the benefits of education and work—200,000 more than have been on the N. Y. A. this year. These 800,000 will be busy doing constructive work, and their capacities will not be allowed to degenerate. We all know that unemployment tends to produce unemployability and youth are eager and capable for work. One more point is worthy of emphasis—the N. Y. A. through its job-placement activities can reasonably place 200,000 youth in private jobs next year. Thus, at least 1,000,000 young people will be kept conditioned by more normal experience of work and education than the experience of deadly idleness and hopelessness.

With $123,000,000 the N. Y. A. will provide part-time work and educational opportunities to 460,000 needy young people to assist them in continuing in schools, colleges, and universities, an increase of 83,000 over this year.

Work experience and training on a wide variety of public projects will be provided to 350,000 out-of-school, unemployed youth, an increase of 120,000 over this year.

Judging the future program of the N. Y. A. by the past, it is safe to say that the N. Y. A. will initiate a sane and moderate program of youth services to provide young people on N. Y. A. projects with guidance and counseling services and occupational information; related training to give the elementary essentials to intelligent job performance, medical examinations and, wherever possible, to arrange medical treatment through cooperative means.

I want to list only a few of the important facts about the N. Y. A. which are in themselves sufficient justification for favorable action by the House to appropriate $123,000,000 for the extension of the splendid work of this agency. These facts and figures have been furnished by the N. Y. A. upon my request, so are therefore authentic.

(1) Currently, under the student-aid program, 378,000 needy students from low-income families are assisted in continuing their education in almost 26,000 high schools and 1,650 colleges; on the works program 235,000 are employed on a great variety of public projects. A total of 613,000 young men and women are gainfully occupied under the provisions of this agency.

In my own State of Oklahoma, under the able leadership of Mr. Houston A. Wright, the State director, the N. Y. A. has done an exceptionally good job. The N. Y. A. in Oklahoma today commands the respect and support of all classes of our citizens. Many of the leading high-school superintendents and college presidents in Oklahoma have wired or written me warmly commending this great youth program in my State. There are over 14,000 students employed part time in 909 high schools and 43 colleges; and 7,875 out-of-school youth are employed on the work projects. Conservative estimates made to me by these school men and others indicate that 75,000 Oklahoma young people are in serious need of the opportunities provided by the National Youth Administration.

(2) The payment to young people is on the basis of actual work performed and averages $6.45 a month on the student-aid program, so I am advised, and $18.89 a month on the works program.

Third. The annual cost per youth to the N. Y. A. is so low as to be startling. On the student-aid program a high-school student is helped to stay in school at an annual average of about $38 and a college student receives financial assistance at an average annual cost of $108. While these annual costs seem remarkably low, this cash sum represents the difference needed for the student to remain in high school or college. On the work projects for out-of-school, unemployed youth I am officially advised that the average annual cost is $233. The overall annual cost to the Federal Government of the three main programs approximates $123. During the current year this low man-year cost has made it possible to reach over 600,000 needy young people.

We cannot underestimate the importance of the student-aid program. It extends into every State and congressional district in the United States.

Fourth. This program extends into all but 17 of the 3,071 counties in the United States. I am further authoritatively advised that the works program operates projects in 2,777 counties. This is an almost complete integration into the urban and rural life of the Nation.

Fifth. The N. Y. A. reaches young people from the low-income families as is shown by the fact that N. Y. A. students come from families with a median annual income of $667. N. Y. A. project workers come from relief families, and more than half have never had a job before and only one-fourth of them have had the opportunity to finish high school.

Sixth. In the student-aid program N. Y. A. students have demonstrated that they can work for an education and at the same time maintain satisfactory scholarship. Here is another fact that may surprise some. Officials of the N. Y. A., after a careful Nation-wide N. Y. A. survey, advise me that such students are on the whole equal to, if not superior to, the average student in scholastic achievement. The N. Y. A. has not only extended educational opportunities but has uncovered a reservoir of competent youth.

Seventh. The N. Y. A. project program urges young people to try for other avenues of experience. About 10 percent of the out-of-school youth leave projects each month, the majority of whom leave for private jobs or some other form of self-support, or to go back to school. This project turn-over demonstrates to me a healthy reaction on the part of both the supervisors and the youth. Certainly these young people are not using the Federal Government as a permanent refuge for a job.

Eighth. Since the beginning of the N. Y. A. local sponsorship of N. Y. A. work projects has resulted in $18,000,000 of contributions, or 13 percent of all funds expended on work projects for out-of-school youth. The N. Y. A. and its 3,000 local advisory committees have shown the advantage of united effort.

In conclusion, there are several important reasons why the N. Y. A. should receive an appropriation of $123,000,000, as requested by President Roosevelt. The more significant of these may be summarized as follows:

First. The undeniable extent of need for this type of assistance among 4,000,000 and more American youth.

Second. The extremely low annual per capita cost of approximately $123.

Third. The practical and sane approach to work, training, and education, which is the basic policy of the National Youth Administration.

Fourth. The N. Y. A. system of decentralized control, which has resulted in the successful cooperation of a Federal agency with private as well as public agencies.

Since 1933 there have been many different types of emergency programs developed. Members of the Congress are familiar with these. Most of them were created as the result of extreme emergencies made acute by the depression which started in 1929. Many of these attempts have proved successful and represent necessary programs for the social welfare of this Nation. One of the most outstanding of these efforts has been the work and contribution made by the National Youth Administration. All of us are aware of the unusually fine acceptance by the public of this program for the welfare of our underprivileged youth. The President's request of $123,000,000 for its continuance and extension is, in my judgment, entirely reasonable; and I submit that this Congress cannot justify the unreasonable cut that has been proposed. Such a proposal, if adopted, would prove to be false economy.

The Sugar Industry in Louisiana

EXTENSION OF REMARKS

OF

HON. PAUL H. MALONEY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1939

LETTER FROM CHARLES A. FARWELL

Mr. MALONEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. Charles A. Farwell, of the American Sugar Cane League, answering erroneous impressions regarding the sugar industry in Louisiana:

AMERICAN SUGAR CANE LEAGUE OF THE U. S. A., INC.,
New Orleans, May 19, 1939.

Hon. PAUL H. MALONEY,
House Office Building, Washington, D. C.

DEAR MR. MALONEY: On April 18, 1939, President Roosevelt wrote a letter to Congressman MARVIN JONES in connection with the Ellender bill, S. 69, which letter was printed in the CONGRESSIONAL RECORD.

In view of the fact that subordinates in the various departments who are consulted by the President in regard to the sugar program

have proven themselves unfriendly to the continental sugar industry, it appears to us that the record should be kept straight in several particulars so that the President and Congress may know the reasons for the complaints from the industry. It is impossible for us in Louisiana to understand the frame of mind which orders American farmers to destroy 25 percent of a growing crop of sugarcane when that crop was planted in entire good faith and within the existing regulations of the Department of Agriculture. Subsequent regulations have practically put this proposition up to the farmers in Louisiana: If you are unwilling to destroy 25 percent of your growing crop, then you are warned that you will probably be required to reduce your sugarcane acreage 47 pecent in 1940.

Department of Agriculture officials have claimed that there is nothing mandatory about plowing up sugarcane acreage in Louisiana. This could only be said with the tongue in the cheek, because marketing allotments have now been announced which absolutely fix the amount of sugar that can be sold during the present calendar year. When you tell a man that he can create something for commerce and prohibit him from selling the product in commerce, the result is a mandatory order, whether it is accomplished by one or two or three sets of regulations.

Much emphasis has been placed upon Cuban relations by the writer of the letter which the President signed. It is interesting to remark that the exports to Cuba are cited on the basis of comparison between 1933 and 1937. The Department of Commerce issued a pamphlet in March which shows the trade of the United States with Cuba in 1938, but that official release shows that the 1938 exports and imports between the United States and Cuba declined greatly in value. The United States exports to Cuba declined from $92,000,000 in 1937 to $76,000,000 in 1938, which is more than 17 percent. We know that one of the chief reasons is the price of sugar, which has been depressed by the Department of Agriculture. Nothing is said in the letter about that, although it is the chief cause for distress in all areas that produce sugar for the United States market.

We are continually hearing about foreign commerce and yet the records of the United States Department of Commerce itself demonstrate that of all the business transacted in the United States, more than 90 percent is domestic commerce and less than 10 percent is foreign commerce. Admitting that this 10 percent has some importance, it insults the intelligence of the American people to try to convince them that it is more important to have foreign commerce than to stimulate domestic commerce by encouraging industry within the United States.

The letter to Congressman JONES places a great deal of stress upon the relationships among the American Republics. For the purposes of the record, I am enclosing six photostatic copies of pages taken out of one of the most recent Krupp catalogs. It can readily be seen from these photostats that South and Central American countries, especially Peru, while demanding a share of the American sugar market, are purchasing the machinery with which to make this sugar not from the United States but from Germany. Based on American prices, the equipment listed on the enclosed pages from Krupp's catalog would run well in excess of a million dollars. I cannot understand where there is any reciprocity in giving these people a share of our sugar market and then letting them spend the money paid for that sugar for foreign machinery, when our own machinery manufacturers need that business. These photostats, by the way, may be interesting to the Department of State.

Statistics taken from the Sugar Journal of October 1938 give the increases in sugar production during the past 40 years for some of the principal sources supplying the United States market as follows:

	Percent
Louisiana	138
Hawaii	550
Philippine Islands	1,080
Puerto Rico	2,635
Beet sugar (United States)	3,611

You have probably read about the statement that the domestic sugar industry costs consumers $350,000,000. When that statement first came out it was based upon conditions existing in 1936, but in recent months we have two Cabinet officers using the same figure on the basis that it costs the consumers of the United States every year $350,000,000. From the standpoint of the technician this charge cannot be substantiated. In fact, it is a completely ridiculous charge. The figure is based upon the assumption of some economists with a very vivid imagination that if there would be no domestic-sugar industry at all, and if there were no tariff or quotas or taxes on sugar, then foreign countries would be willing to sell their sugar in the United States at less than cost of production. It is so utterly impossible that no one would consider the statement for a moment, except that the economists and statisticians of the departments in Washington are apparently encouraging Cabinet officers to repeat the figures which they know cannot be justified or substantiated. The best answer to these men of great imagination is to remind them that in 1919, when the Cubans had no domestic competition, they made American consumers pay 25 cents per pound for sugar by simply refusing to sell until the market reached that point. The statement about 50 loaves of bread and 50 quarts of milk is evidently based upon the figure of $350,000,000, which has been repeatedly disproved and exploded, as shown by the discussions on the subject in the CONGRESSIONAL RECORD for the present session of Congress.

Reliable statistics show that less than 8 percent of the sugar consumed in the world is sold at the so-called world price. Therefore, to use this as a basis of any comparative statistics is very much a case of letting the tail wag the dog.

We cannot help but view this destruction of growing sugarcane as simply a repetition of the "killing little pigs campaign."

We whose families, friends, and neighbors will have to bear the brunt of this provenly unsuccessful theory of governmental economics naturally feel that we have been given a very raw deal, because a great many of us have been brought up to believe that the fundamental theory of American taxation was to tax those things which were capable of production and earning. It seems to us fundamentally wrong and fundamentally un-American to tax a man on his land and then tell him that he cannot plant it in a crop which the Department of Agriculture itself recognizes as being the most suitable crop for his land.

Unless Congress acts, there is going to be, in this part of the country, an inestimable amount of waste, deprivation, and human misery in our farm lands caused not by destructive nature but by an artificial destruction of our wealth to create wealth for a foreign nation. A growing crop that has already cost hundreds of thousands of dollars to bring up to its present state must be destroyed. Should the present regulations be carried out according to the estimates of the Sugar Division, the sugarcane farmers of Louisiana are being deprived of wealth amounting to more than $12,000,000 during the next 2 years, with all of the resulting hardships. And yet we produce less than 30 percent of the sugar we consume in the United States.

In spite of all of this, I can assure you that there is not a single man engaged in the sugar-producing industry in Louisiana who has any doubt that our greatest safeguard lies in the fair-mindedness and good judgment of the elected representatives of the American people, and we look to you with confidence for legislative relief from difficulties and losses placed upon us administratively and, we believe, unjustifiably.

I would appreciate your inserting this letter in the CONGRESSIONAL RECORD.

Yours very truly,

CHAS. A. FARWELL,
Chairman, Publicity Committee.

O States' Rights, What Omissions Occur in Thy Name!

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 9, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, during the debates on this social-security measure, H. R. 6635, as well as on numerous other pieces of legislation before this House, we have often heard it said, "We must not do so and so for that would infringe on the power of the States." One is sometimes led to believe that there are some who hide behind this excuse as a reason for doing nothing when something needs to be done. However, we are reminded that this is not a new constitutional situation, for the same thing has confronted our national lawmakers for the past 150 years. The problem seems to be growing more acute in these later years.

When the fathers of this Republic wrote the Constitution of the United States, they attempted to weld into one political entity the 13 virtually sovereign political entities in order that our country could have all the advantages of political unity while retaining as much as possible local control and independence to a maximum degree consistent with safety. Therefore the powers given to this Congress by the basic law are delegated powers, and we are here circumscribed in all of our law making by the Constitution itself.

No one questions the wisdom of the fathers in creating this dual system of government. They sought to have only those necessary things performed by the General Government, such as coining of money and regulating the value thereof, conducting foreign affairs, carrying the mail, and furnishing an army and a navy, and the like. On the other hand the local units called States were to build roads and other internal improvements, conduct education, govern all of the various human relationships, and exercise a broad, extensive police power for the maintenance of order and the protection of life and property.

This was an admirable scheme for America a century and a half ago, well suited to the temper of our people, who enjoyed self-government and were jealous of local independence. Then, too, it was admirably suited for a vast country such as ours where institutions of society and government logically and necessarily vary greatly.

The logical need of the original scheme of dual government has changed constantly through the passing years. Every mechanical invention, shortening distances, facilitating communication, and tending to dim State lines has tended more and more to centralize power at Washington, and to diminish the power and importance of the States. Thoughtful students of constitutional government see the need and the inexorable logic of such centralization, but fear it. Of course, there is an opposite danger of decentralization, but it has not shown up so frequently in our political history. It must not be overlooked that there are these two opposing dangers in the American political system—that is, too great a centralization on the one hand and too great a decentralization on the other.

The Central Government and the family of States have often been compared to the solar system; that is, the sun surrounded by its planets. Two great opposing physical forces maintain the planets in their proper relation to the sun. If the centripetal force of gravity should fail for a moment, the planets would plunge out of their orbits, and be lost in interstellar space. On the other hand, if the centrifugal force of planetary motion in their orbits should fail for a moment, the planets would be drawn into the sun and consumed. In either case, destruction would follow the maladjustment of these balanced forces. In the same way, it is said that our dual system of constitutional government is likely to be destroyed, if the States throw off entirely, or to a large degree, the control of the Central Government, or, on the other hand, if the Central Government usurps the power of the States.

As our country has become more closely knitted with fast communication and travel and people move readily from one part of the country to another, riding over State lines while asleep in Pullmans, or flying over them in airplanes, we find that we need to have more uniform laws concerning many things. Such matters as marriage and divorce, wages and hours, and a great many intricate police regulations need more uniformity. We need uniformity where before we had diversity, and yet the basic provisions stand in the way. True, we have seen the Central Government embarking upon many functions which were formerly left entirely to the States. Road building used to be exclusively a local function of government, but has now become more largely a national function; charity and relief used to be altogether a local matter, but we had to consider it in this last crisis a national matter, and the end of this centralizing trend is not yet.

As a schoolman I am proud of the splendid schools of America, where each State has vied with other States in furnishing the best, but, although wholesome competition has brought about a degree of improvement, I find that some States are far behind other States in this vital matter of education.

While I recognize real dangers in a centralization of control of education at Washington, I do see the need of financial aid from Washington. I would have a large degree of local control lodged in the States and I would have a large portion of financial support furnished from Washington. All this I favor in order to equalize educational opportunities for all of our children.

In the matter of social security, I would like to see, not a 50-50 division of the burden, but a larger proportion furnished from Washington with only minimum safeguards and a large degree of local control. All this, I believe, is absolutely necessary to equalize social security for our citizens in various parts of the country.

The founding fathers sought to protect human rights in the Constitution and one of these great human rights was the right of private property. In the Constitution, we find such provisions as the following: "No State shall impair the obligation of contract." "No State shall coin money." "No State shall make anything but gold or silver a legal tender in payment of debts." The police power of the State over property rights is also limited by the fifth and the fourteenth amendments. All of this has been done to prevent States from infringing upon property rights. Surely it would be just as logical to prevent States from infringing upon individual human rights. I believe that individual human rights have been infringed upon by a State that neglects to give its children schooling, or by a State that neglects or is unwilling or unable to give its deserving elderly citizens social security. I believe it is just as unconstitutional for a State to deprive a citizen of life or the means of life as it is for a State to deprive a citizen of property.

Therefore, while keeping in mind the dangers of over centralization, I favor a wise extension of the powers of the Central Government in regard to social security and general welfare just as far as we safely can under a liberal interpretation of the Constitution of the United States. It may even be necessary to amend the Constitution to make possible, constitutional, and effective these vital steps in social and economic welfare.

America at the Crossroads—Some Views on Neutrality Legislation

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

Mr. LUDLOW. Mr. Speaker, the time is at hand when the Members of this House must give serious consideration to neutrality legislation. I cannot believe that the people of America want to set this Nation up as a participant in the power politics of Europe. I cannot believe that our people want us to write a law that will make the United States an ally of Great Britain in any future war in which that country chooses to engage. I cannot believe that our people want America to be the arsenal and storehouse from which instruments of death will be shipped to kill and maim people in other lands with whom we have no quarrel.

No less serious than these are the issues involved in the proposed legislation which I understand is to be reported from the Committee on Foreign Affairs with the backing of the State Department. It is a time when we, the representatives of the people of America, should be giving serious consideration to the advisability of keeping America out of foreign entanglements, instead of injecting America into the power politics of Europe up to the hilt. We have problems of domestic rehabilitation critical and important enough to demand all of our attention.

I believe this proposed legislation puts us at the crossroads, and we shall have to decide whether we shall take the road that leads to peace and security under the policy of nonentanglement outlined by George Washington or whether we shall throw the manhood and resources of America into the pot of power politics that has been boiling in Europe a thousand years and that probably will be boiling just the same a thousand years after we are dead and gone. If we ever are going to establish a policy of America for Americans, now is the time. The issue is drawn.

The United States News asked me for my views on neutrality legislation, and by consent of the House I present my statement, which appears in the current issue of that publication, as follows:

While I have the greatest respect for Secretary of State Hull and regard him as a man of the highest character and ideals and would gladly follow his able leadership in matters of domestic policy, I utterly disapprove of one feature of his neutrality program which I believe is not only inadvisable but dangerous. With most of his proposals I agree, but I dissent without reservation to his endorsement of the cash-and-carry plan of selling goods to belligerents.

To my way of thinking, this proposal is not in harmony with true Americanism. It flavors too much of British domination. I

believe it would make America the source and storehouse of supplies for Britain and her ally, France, in any war in the future in which they may elect to engage and it would lay the groundwork which sooner or later would almost inevitably draw America into the war on the side of the British and French.

Let us not deceive ourselves in regard to the effect of this proposal. From the date of its enactment it would make America the ally of Britain and France just as certainly as if we were to officially declare ourselves to be their ally.

What do we owe the British and why should we develop such Anglophile tendencies? I confess I do not know.

The British tried to stamp the liberty and independence out of us when we were an infant people. They tried again to destroy us and burned our Capitol in 1814. They tried to break up the Union in 1863 to 1865. They imposed upon us in the World War era by borrowing $4,300,000,000 and then welching on their debt, refusing to make even a token payment.

What do we owe the British that we should make ourselves their ally, as this proposal would do?

I fear that is a part of the same old internationalist mosaic, an outcropping of the philosophy that we have a Messianic mission to correct the evils of the world. If I am a good judge, the American people have repudiated that theory and have definitely and finally determined that we shall keep out of foreign entanglements and pursue our national destiny free and untrammeled under the direction laid down by President Washington when he counseled his posterity to cultivate friendly relations with all nations and entangling alliances with none.

Under the cash-and-carry system we not only would be lining up on one side among the contending forces of the world which control the seas but we would be furnishing implements of destruction to kill people by wholesale in other lands, and it is shocking to think that a Christian nation should lend itself to such un-Christian practices.

I do not believe the cash-and-carry system will pass Congress, and I base that prediction on the belief that when the people of America come to know the dangers that lurk behind this system they will become thoroughly aroused and alarmed and will make their views definitely known to Congress.

The other proposals advocated by Secretary Hull relating to prohibition of loans and credit to belligerents, regulation of solicitation of funds in the United States for belligerents, and continuance of the National Munitions Control Board, are, I believe, wise and salutary.

In replying to your request for a statement of my views on these matters I wish again to express my great esteem for Secretary Hull, but I would feel derelict in duty if I did not voice my uncompromising opposition to that one of his neutrality proposals which advocates letting down the bars so that foreign nations which control ocean transportation may come to America for their war supplies and the substitution of the cash-and-carry system for the present embargo to belligerents.

James Hamilton Lewis

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois

Mr. SABATH. Mr. Speaker, social and political association during a period of about 35 years with the one to whose memory we are paying tribute today welded our friendship with mutual consideration of affection and esteem.

My acquaintance with the deceased Senator dates back to 1903, when he came to Chicago from the State of Washington, which he served as Representative at Large during the 1897–99 period.

It is a singular tribute to this extraordinary man that he was, within 2 years of assuming citizenship of Illinois, chosen corporation counsel of that great city.

Almost from the day Senator LEWIS reached Chicago he joined with Altgeld, Dunn, Alschuler, the Harrisons, me, and others to create, stimulate, and maintain the principles of the Democratic Party, which party then was at low ebb. I assure you that such was not an easy and encouraging task in the face of the strongly entrenched Republican Party headed nationally by McKinley and Hanna and locally by such political strategists as John R. Tanner, Deneen, Lorimer, Pease, Herz, and Busse.

From 1903 to the time of the Senator's death we worked harmoniously and unceasingly in many nonpartisan civic enterprises and in behalf of the Democratic Party, nationally and locally. True, there were at times minor political differences between us, but ultimately those differences were, by compromise, resolved for the good of our party, as we believed.

Senator LEWIS had a long and varied career, both in and out of public life. He was a Virginian by tragic chance. His mother, Julia Hamilton Lewis, was hurrying from the family home in Augusta, Ga., to Richmond, where Maj. John Cable Lewis, her husband, was near death from the after effects of wounds incurred in the Confederate Army. At Danville a son was born on May 18, 1866, and Julia Lewis died.

Major Lewis was an invalid the remainder of his life, and the son was reared by relatives. He was educated at Houghton College in Georgia and the University of Virginia, and later studied law in Savannah.

Going to the then Territory of Washington in 1886 young LEWIS found little employment for attorneys. He taught languages 2 years at the University of Washington but was dropped when the faculty was pruned.

For a time he was a teacher, then a stevedore, lawyer, Representative, soldier, diplomat, and Senator—but always he was the erudite, perfect gentleman. His courtly manners and scholarly attainments were well known from the water front of Seattle, where he labored in young manhood, to the Senate halls in Washington and the capitals of Europe where his strikingly transcendent career took him.

He had the rare distinction of having represented two States in this honorable Congress. A Representative at Large from the State of Washington, 1897–99, as I have said, he was a Senator from Illinois 1913–19 and 1931–37. He was reelected in 1936 for a 6-year term. He was the first Senate whip to be named to that post by the Democratic majority early in his first term in the Senate.

In 1936 Mr. LEWIS defeated his opponent by about 650,000, becoming the first Illinois Senator to win election for two successive terms since the origin of the direct primary.

As a member of the Senate Committee on Foreign Relations the Senator had shown more interest in foreign than domestic affairs. He devoted much time and study to the war-debt problem, advancing a plan whereby he said our two major debtors could deduct from their debts to this country amounts lent the United States during the Revolutionary and the Civil Wars.

Our departed friend's wide and successful experience embraced the Spanish-American conflict and the World War. In the former he was a staff colonel, first with General Brook in Cuba, and later with Gen. Fred D. Grant in Puerto Rico. Sent to France in 1918 by President Wilson on missions for the War and the Navy Departments, he became an aide on the staff of Gen. George Bell on the Chateau Thierry front, and was returning home on the naval transport *Mount Vernon*, when the vessel was torpedoed and forced to limp back to Brest.

His diplomatic work included membership on a joint high commission on the Alaskan-Canadian boundary, which met in London and to which he was appointed by President Wilson. In 1914 he was a United States commissioner to London to help to devise laws for increasing safety at sea.

In 1923 he represented concessionaires in Turkish oil fields and in 1924 he handled a $28,000,000 loan to Mexico. In 1925 he handled the legal details of a loan of $100,000,000 to continental European nations.

In June 1932, after a strenuous tour of duty in the Senate, Senator LEWIS underwent a surgical operation. The strain of overwork slowed his recovery, but he accepted a Government mission to Europe. While in Russia he was stricken and unable to return to this country before October 1932.

He died at Garfield Hospital, in the city of Washington, D. C., at 8:25 o'clock p. m., Sunday, April 9, 1939, very shortly after returning from Chicago.

Senator LEWIS strove fairly and tolerantly to do his best on earth and to make it, so far as he could in his comparatively short existence, a better place for his fellow men. He was not slothful in business, working hard and toiling in his field and on the stormy seas. He sought with all his strength to give willing men and women freedom and opportunity in body and mind. He tried to reduce the sum of human misery, the suffering inseparable from human existence. Whatever our faith, whatever our belief in progress, there can be no nobler purpose for man than thus to deal with the only earth he knows and the fragment of time awarded him for his existence here. As we think of our departed friend in this, the only true way, our reverence and our admiration alike grow even stronger. We turn to him in gratitude and commend what he did and his example to those who come after us. While the great Republic is true in heart and deed to the memory of such men as this deceased, it will take no detriment even from the hand of Time.

After his second election to the Senate, and when journalists urged him to make a statement concerning the election returns, he said, true to his chivalry, "Gentlemen, I will not exult over the defeat of a woman."

The deceased Senator, a man of letters, had that entire simplicity of manner and mode of life which is the crowning result of the highest culture and the finest nature.

Our friend was more than a Democrat; more than a Republican. He was a Senator of the whole United States of precise attainments. Injured innocence could always resort to him with confidence.

Senator LEWIS had known the bitter sorrows that come to men, but his fine optimism could not be crushed. Disappointments only whetted his determination to achieve; delays only strengthened his patience; opposition only refined his courage. Is it any wonder our people loved him so?

His useful life and beneficial work have identified him among the immortal statesmen who have boldly proclaimed the true object of all who have struggled for the redress of human wrongs and for the development, stimulation, and advancement of progressive, democratic government.

It may be of interest to retell the history of the Senator's first election to the upper House. In 1912, when I, as the chairman of the central committee, was seeking a popular candidate for attorney general of my State, the name of Mr. LEWIS suggested itself. The suggestion did not appeal to him because, as he said, he did not think well of the chance for success of the State Democratic ticket, but did have accurate intuition to sense that the Democrats would be successful nationally. Therefore, he agreed to be a candidate for United States Senator in the primary election, feeling that, even though he might be defeated, he would probably be rewarded nationally for his local sacrifice.

Although the Senator obtained a majority in the preferential election, reactionary interests tried to prevent his selection by our State legislature, and not until I succeeded in convincing President Wilson that the will of the voters should not be ignored, by selecting other than Mr. LEWIS, was Mr. LEWIS selected after nearly 3 months of voting by the State legislature.

While there were times when all was not perfectly harmonious between the Senator and myself, nevertheless, it always has been a source of gratification that I was able to contribute especially to his first election as United States Senator because, due to his extraordinary ability as an orator, campaigner, and precise gentleman, he became the most popular Democrat in our State.

A scholarly gentleman, a rhetorician, and a grammaticaster, still he was in no sense artificial or superficial. He looked to uncertain tomorrows and surveyed the tangled skeins of a great intricate world, its history, and its complex affairs with intelligence, tolerance, and accuracy, and then acted wisely.

Senator LEWIS was a great American. He thoroughly believed in America. He believed that the safety of the Nation lies in the patriotic devotion of the people, especially the commonalty, in their continued unselfish practice of true Americanism, and in their willingness to fight while they are here to protect, preserve, and perpetuate American institutions, so that they may be handed down to be preserved and venerated by the generations that are to people this great country, which is humanity's brightest hope, in the ages to come.

He rests from his labors; we grudge him not his rest; his work does follow him.

Robert Low Bacon

MEMORIAL ADDRESS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. RABAUT. Mr. Speaker, I rise to pay my humble tribute to a deceased Member of the House, ROBERT LOW BACON, with whom I had the good fortune to be associated quite closely in official duties. It was my privilege to be cast on the same Committee of Appropriations with this distinguished Representative from New York, and I grew to admire and respect him as one whose views transcended partisan lines and made him a servant of all of the people.

Mr. BACON was a man of diverse talents and powers. Consecutively he devoted most of his energy to three distinct fields of endeavor and was outstanding in all of them. As a scholar he received degrees from Harvard College and, later, Harvard University Law School; as a soldier he won the Distinguished Service Medal for his activity as an officer in the Field Artillery of his country during the World War; and as a Member of the United States House of Representatives during eight terms in the Sixty-eighth to Seventy-fifth Congresses, he served on nearly a score of important committees and commissions. His broad range of knowledge and understanding of human nature marked him as a great public servant, able, conscientious, sincere, and devoted to his duty. Primarily, he was at all times a gentleman, respectful of the opinions of others.

Representative BACON'S personal characteristics and background made him stand out as an especially valuable member of the Appropriations Subcommittee of State, Justice, Commerce, and Labor, on which I served with him. Here his thorough knowledge of law and statesmanship and his tolerant viewpoint were of inestimable worth to his fellow members.

There is no doubt in my mind that his passing will not only be mourned by the people of his district and his colleagues on the Hill, but that likewise the influence of his wise counsel will be missed by the departments of our Government with which he was so intimate.

His passing was indeed a national loss.

James Hamilton Lewis

MEMORIAL ADDRESS
OF
HON. CHAUNCEY W. REED
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois

Mr. REED of Illinois. Mr. Speaker, once more the messenger of death has knocked at the door of the United States Senate. This time he has summoned to everlasting life the

senior Senator from Illinois, JAMES HAMILTON LEWIS. The passing of this renowned American removes from the legislative chambers of the Nation a courtly, eloquent, and brilliant statesman whose counsel was eagerly sought and whose judgment was invariably sound.

It was in 1912 that I was first privileged to become personally acquainted with him. At that time I was a student in the Webster College of Law at Chicago, of which institution he was the first president. I can well recall his classroom lectures, in which he expounded the doctrines and opinions of Blackstone, Kent, Chitty, Marshall, and other noted law writers and jurists. On numerous occasions I have witnessed him in action as an advocate before courts and juries in my own State. During my service in Congress I have had the opportunity to observe at close range his achievements as a Senator and to note the respect that was accorded him by his colleagues, regardless of political affiliations. In each of these capacities—as an educator, as a lawyer, and as a legislator—he exhibited keenness, generosity, resourcefulness, wit, and an understanding sympathy, characteristics that endeared him to the hearts of Illinoisans. But towering above all these attributes is the one we have all almost unconsciously said to ourselves, "He was always a perfect gentleman."

When news of the death of Senator LEWIS was flashed to the Nation an old friend of mine, Judge Frank Earl Herrick, of Wheaton, Ill., sat down and penned the following beautiful and eloquent tribute to his memory:

A gentleman who walked through life
With a white flower pinned on his lapel,
With bow and courtesy and graciousness,
Has gone down like the sun at night
With gorgeous vestments streaming still
And flowing 'round his couch of rest!

A type too seldom seen in these crude days
Of impolite and tasteless tact,
We feel a loss as when some rare
And polished gem is stolen from the crown of life,
Or when some crass and vandal heel
Tramples spring flowers in the dust!

The honey of the Hybla bees was on his lips,
He held the Court and Forum by his charm,
A soldier soul was in his fearless breast,
With chivalry and kindly knightliness
He bore a noble lance in all the jousts of life
And won the Quest of a True Gentleman!

Charles J. Colden

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. SABATH. Mr. Speaker, although Mr. COLDEN was born in Peoria County of my own State, I did not meet him until he came here at the beginning of the Seventy-third Congress.

The beautiful testimonials already given by our departed friend's more intimate associates leave little to be said. The life of Mr. COLDEN is ended, and we who for a comparatively brief span sat with him in this virile forum, in the calmness of the present, now turn to survey with pleasure and profit his useful life. For an hour the turmoil of life is stilled, and we reverently survey the career of this good man, among others, whose constructive tongue is silent and whose story must be told by others.

From the very first day Mr. COLDEN entered the House he attracted my admiring attention by his quiet affability and thorough understanding of the needs of the hour. His training as farmer, newspaper editor, building constructor, State legislator, school man, maritime expert, city councilman, and sociologist was of inestimable value here, not only to his State but to the whole country. His sincerity, unostentation, and ability to consider accurately and accomplish important tasks are too rare in our legislative halls today.

He would not dicker or barter in political views or upon political convictions. He would not trade upon one subject in the hope that he might advance another. He would not strike hands with wrong upon the theory that he might advance the right.

He took his positions upon public questions after thorough research and profound reflection. One could not hasten him, neither could one long delay him; but a position once taken, he was seldom, if ever, ready to compromise or to barter. When others began to talk of change of program or defeat he would move out and off to himself and prepare for a more determined struggle. Few men ever possessed finer moral courage, and his iron will and high purpose were such as should accomplish his quality of purpose.

It may be that there should be, in affairs of state and in public life, those who can reconcile and harmonize; but in the interest of truth and thoroughness, in the interest of purity in public life and of unpurchasable justice, the man of unswerving convictions is indispensable. Such a man was Mr. COLDEN. How many silent and lonely hours our deceased colleague spent wrestling with great problems which others believed hopeless we all know. He had the great capacity of clear and straight thinking—unhappily so rare—and he followed with relentless purpose the admonitions of his splendid intellect.

It is to the enduring credit of Mr. COLDEN that no measure of the many he advocated could not be reconciled to the fundamental principles of sound constitutional government. He was, as we all know, a lifelong student of our system of government. He believed unfalteringly in the whole theory and spirit of the founding fathers. His sympathies were ever with the exploited and the oppressed. He was not afraid of being with the minority. No cause was ever sufficiently unpopular to frighten him from his convictions.

The demagogue seeks the popular trend, scents the drift of public opinion, and hastens to get in line. Mr. COLDEN took his positions upon public questions because he believed these positions sound and righteous and then devoted his unusual talents and spared himself not at all in making them popular.

If we may hope that this teaching and example have been endued by death with new potency in the creation and stimulation of patriotic ideals, and if we may hope that our countrymen will with sincerity heed the way of duty they point out, we may not only be doubly assured that our dead is not lost to us, but may with confidence renew our faith in the American people as custodians of their scheme of free government.

John Joseph Boylan

MEMORIAL ADDRESS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN JOSEPH BOYLAN, late a Representative from the State of New York

Mr. RABAUT. Mr. Speaker, the death of JOHN JOSEPH BOYLAN, late a Representative from New York, has meant a deep loss not only to his many personal friends, but also to Congress and the people of the United States in general.

And yet, although God has seen fit to recall his soul to Him, the influence of Mr. BOYLAN upon those of us who remain is far from dead. Even as I speak, mighty hammers clank, mighty muscles bulge, and mighty workmen sweat the honored sweat of honest labor to bring to a reality the plans for a great monumental work of art which was Mr. BOYLAN'S dream and vision. I am referring, of course, to the Thomas Jefferson Memorial now under construction, and I deeply regret with many others among his colleagues that Mr.

BOYLAN did not live to see its completion. His many friends are well aware how devoted and dedicated he was to the task of glorifying the memory of this American statesman, and we remember how tirelessly he worked as chairman of the Thomas Jefferson Memorial Commission to bring his vision to fruition.

I should like to point out, however, that JOHN JOSEPH BOYLAN'S real influence today lives on in an even more significant and vital way than in the beautiful, sculptured marble of the Jefferson Memorial. For, although his mortal body has passed from us the spirit of Representative BOYLAN lives on in the halls of Congress through being implanted in the hearts of its Members, inspiring and guiding many of us in our decisions on the grave problems now confronting the American people. I for one always particularly shall remember him for his interest and kindnesses to me when I first came to the House as a new Member. His patent sincerity and devotion to justice instilled in me a sense of confidence in him that remained with me throughout my association with him and is a great inspiration to me today. I am sure that all of his colleagues who worked with him on either the Committee on Appropriations or in connection with some other of his many services to Congress could testify similarly to the inspiration Mr. BOYLAN'S character has been to them. He reminded us all, by deed rather than word, of the essential meaning of democracy, as set forth by Jefferson, and taught us how to draw a lesson from that statesman's words: "Eternal vigilance is the price of liberty."

JOHN JOSEPH BOYLAN'S faithful service to the American people ran through eight terms as a Member of the Sixty-eighth to the Seventy-fifth Congresses. His long career in the House brought testimony, silent but real, to the high place he held in the hearts of his constituency. Like a glorious fabric, he wore well with those who knew him.

John Joseph Boylan

MEMORIAL ADDRESS
OF
HON. ADOLPH J. SABATH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN JOSEPH BOYLAN, late a Representative from the State of New York

Mr. SABATH. The death of Mr. BOYLAN marks the passing of another of those good men who, just as their splendid powers were in full fruit and flower, have gone to join that distinguished knot of departed Representatives whose names have come to be numbered among the real benefactors of our country.

It is not for me to attempt to add luster to the name of JOHN J. BOYLAN or to perpetuate his good name, for his work and life are their own enduring monuments; but a feeling of profound respect for his ability and assiduity and of sincere admiration for the man, whom I knew intimately, prompt me to pay my tribute to his memory.

I first met our departed friend when he came here at the beginning of the Sixty-eighth Congress after an experience of 2 years in the New York Assembly and 9 years in the New York Senate. The successful experience Mr. BOYLAN gained in the service of his great State was very valuable to this House when he became a Member. His first important committee assignment, as I recall, was to the Committee on Military Affairs, from which, after a distinguished term, he went to the Committee on Appropriations, where he remained until his regrettable passing.

Mr. BOYLAN was peculiarly an interesting personage. He had that entire simplicity of manner and mode of life which is the crowning result of the highest culture and the finest nature. He was all intelligent energy. It seemed that some intuition from on high had told him that his days on earth would be cut short and he should work at top speed to accomplish all the good he had in mind.

Of our departed friend it may truthfully be said he served his State and his country with honesty, ability, courage, and high purpose. I do not know any man who was more determined and courageous in fighting for what he believed to be right. He possessed a rare, broad, and penetrating knowledge of this great intricate world, its history, and its complex affairs. Our colleague was capable of prolonged study and adequate reflection. His mental equilibrium was not upset by gusts of passion, and he had no aptitude for attempts to sway others by tempestuous eloquence. He cared not for the histrionic. He sought to convince, and he became formidable in debate because he was thorough in preparation and precise in statement. He was exceptionally forthright; tolerant in spirit, conciliatory in action so long as conciliation did not involve flexibility of righteous purpose. Simply to hear his voice was to hear the earnest expression of a lofty soul. We shall very much miss his singular qualities of mind and heart.

Mr. BOYLAN loved his fellow men. His actions showed it all through life. For them he wanted greater happiness. To that he dedicated himself, and in that effort for their happiness he found his own, a happiness that he valued above riches, or praise, or material reward.

Our friend wanted for the masses of our people a fuller expression in the halls of government. He felt that their interests were not pressed as vigorously as those of the smaller, more powerful group. He saw their privileges slipping away from them, saw the steadily increasing advantages of the monopolistic industrial and financial groups, and he saw that protesting voices were too few and too weak to combat this tendency successfully.

That was his life work—to raise his clear and assuring voice for the inarticulate, to represent faithfully and ably the great mass of unorganized citizens who were not able to use influence and strategy to protect their rights and interests, to stand unswerving in the path of any legislative proposal that would not be for the greatest good to the greatest mass of people, to vision sound and constructive remedies, and to fight for their adoption regardless of the consequences to BOYLAN, the man. At any time or place injured innocence could with confidence resort to him.

Mr. BOYLAN was a thorough Jeffersonian Democrat. One of the supreme pleasures of his last days was in connection with his leadership of the Jefferson Memorial Commission, in which position he rendered high and enduring service by effecting legislation, after many years' trial, to appropriately commemorate this colossal character.

Such qualities as Mr. BOYLAN possessed are the greatest earthly arguments for the life everlasting in the world to come. Is it possible that the Creator would give a man such virtues as Mr. BOYLAN possessed and then let perish the mind that drove that hand or the soul that prompted that help for his fellow men? His life here and his confident reward hereafter beckon us also to do our best.

Not now but in the coming years
It may be in a better land,
We'll read the meaning of our tears,
And there sometime we'll understand.

Requiescat in Pace

In memory of my dear and lovable colleague and neighbor "across the Hall" "CHARLEY" COLDEN

MEMORIAL ADDRESS
OF
HON. ED. V. IZAC
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. IZAC. Mr. Speaker, in the period of 4 years which I have served as a Member of this House, I have come to know

and esteem the high qualities which manifest themselves in the membership of this body. And when death takes from our midst one who exemplifies those fine qualities to such a degree, it can be only a source of extreme sorrow to those of us who remain.

CHARLEY COLDEN, my colleague from San Pedro, Calif., was so well liked and had such a host of friends among the Members of the House that it will be difficult to fill the place he leaves behind. To me personally his passing is a distinct loss since we were neighbors not only geographically along the shores of the Golden State, but even more intimately "across the hall" in the old House Office Building. Many were the times Charley stopped in to talk over his plans to put through progressive legislation and bring the benefits of the New Deal to the people of his district. And even though sick and ailing for several months before his final illness, he assiduously and without complaint devoted himself to the duties of his office, forgetting self in his desire to serve the people.

If we, his colleagues, but profit by the example he has set for us, he will not have toiled in vain.

Robert Low Bacon

MEMORIAL ADDRESS

OF

HON. MATTHEW J. MERRITT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROBERT LOW BACON, late a Representative from the State of New York

Mr. MERRITT. Mr. Speaker, in the passing of our colleague ROBERT LOW BACON the First Congressional District of New York has lost a very able and conscientious legislator and a friend.

Even before I had the opportunity to serve in the House of Representatives I had found him to be a man of comprehensive understanding and sympathetic to the needs of his constituency.

The passing of friends such as the Honorable ROBERT LOW BACON affects us in various ways and produces in us conflicting emotions. Some we may know for many years, and while the knowledge of their passing may cause a certain feeling of regret, yet they are soon forgotten. I am sure that the memory of our late colleague will linger with us for many, many years.

John Burrwood Daly

MEMORIAL ADDRESS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN BURRWOOD DALY, late a Representative from the State of Pennsylvania

Mr. RABAUT. Mr. Speaker, the death of a person close to us, and with whom we have intimate daily contacts, seems always to be to a certain extent an impossibility which suddenly becomes a reality.

This, I think, will seem especially true when we recall how shocked we were during this session to learn of the sudden death of our colleague from Pennsylvania, JOHN BURRWOOD DALY. It was, I know, indeed true of those of us who, because of similar committee assignments, had been working with him on legislative problems only a short time before a fatal illness carried him into the Great Beyond.

As one who became a Member of the House of Representatives and entered upon legislative duties here at the same time as Mr. DALY, I remember him as a man who from the beginning was not afraid to express his convictions and to stand courageously in the open for his beliefs. His trenchant wit was well known to those who heard him speak either on the floor of the House or in committee session. He was an extremely valuable member of the Committee on Appropriations, and the loss of his able membership will be deeply felt by those of us who served on that body with him.

Prior to coming to Washington in the Seventy-fourth Congress, Congressman DALY was assistant solicitor of Philadelphia for 12 years, a member of the Philadelphia bar, and served on the faculty of La Salle College, where he had received his doctor's degree in law some years previously. His was an unusual background that provided a union of the practical and theoretical and gave him a well-rounded perspective as a legislator. His constituents were quick to discern his outstanding qualifications, and after his first term, to which he was elected by a majority of 385 votes, being the first Democrat ever elected to Congress from his district, he was returned to the Seventy-fifth Congress by a 35,861 majority and reelected again to the present session.

JOHN BURRWOOD DALY was a courageous and energetic Member of Congress. Let us hope that the sterling qualities of his life may encourage others to follow and imitate his example.

The Danger of Communism and False Propaganda

REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

Mr. THORKELSON. Mr. Speaker, why does the gentleman from Illinois object to extension of my remarks in the RECORD? I have not discussed race, creed, or color, but instead have confined my remarks to socialism and proletarian communism, which are found in the United States. Why do a few Members of Congress object when I discuss these evils? My colleagues from Illinois and New York, I believe, voted for and were included in that large group that set aside $100,000 for the Dies committee to find out all about the socialist and the proletarian Communist. What excuse can the gentlemen give now for objecting to such information? Is Congress and the destiny of the Nation to be left in the hands of the gentlemen who object to having my remarks inserted in the RECORD and those who adhere to their philosophies? I hope not. The Catholic, Lutheran, Episcopal, and other Protestant creeds do not cry "Fascist" and "Nazi" when I speak on socialism and proletarian communism. Why should others or special groups who claim to be 100 percent Americans object when I speak on un-American activities? I expect the Socialist and Communist to shout "Fascist" and "Nazi," but I am surprised when anyone who claims to be 100 percent American joins the chorus.

Let us not shout "America," but let us live American every hour and every day so that America may remain strong for centuries to come. It is the duty of every American to express himself when the Nation's life is at stake, and the attitude of our people at this time is a definite reaction to proletarian communism as it exists in the United States today. Socialism and communism must be eradicated now before the dupes begin to foul the air with more misleading propaganda. The American people want results. We want to clean the Nation of those who are Socialists and Communists, and particularly of all of those who adhere to such foul philosophies. We want to preserve, protect, and defend the United States of America for those who subscribe to

sound constitutional government; and we do not, now or at any other time, wish to be ruled by the proletariat of Russia.

No one is to be blamed for the present racial feeling except those who accept the challenge. When anyone shouts "Fascist" and "Nazi" to those who speak on Americanism and who stand in defense of the fundamental principles upon which our Nation came into being, he leaves himself in a precarious position. If the principles discussed are sound, American constitutional government and the rights of the people to live free and unmolested by foreign influences, then it follows that those who oppose such discussion sit under the sword of Damocles.

The right to free discussion of sound constitutional principles should not be abrogated or censored by money power simply because they own and control avenues of publicity. Why should publicity like this be allowed?—

During the last months you have undoubtedly noticed that an unprecedented wave of anti-Semitism is sweeping the country. It is estimated by the Institute of Propaganda Analysis that there are no less than 800 anti-Semitic organizations functioning in the United States. Speaking before the United States Conference of Mayors on May 15, Attorney General Frank Murphy warned: "We face the fact that a large number of our people subscribe to the philosophy that has reduced the Jews of central Europe to a condition of misery seldom equaled in the world's history."

You probably have had some personal experience with the activities of some of these organizations, or came across some anti-Semitic literature published by them, or perhaps you have listened to some of the anti-Semitic utterances of Father Coughlin. Their propaganda is calculated to weaken the foundations of our country by dividing our people and undermining our national unity—by planting race hatred and intolerance and aiming to substitute fascism for our democratic way of life.

To meet this evil our committee is planning a Nation-wide radio campaign to combat anti-Semitism and promote race tolerance; also to petition our Government to prohibit the defamation of a group of people because of their religious, racial, or national origin.

This letter, which is signed by William Weiner, is self-explanatory. I shall not state the committee of which Mr. Weiner is president, for it would serve no purpose at the present time. It is, however, well to bear in mind that race tolerance is protected in the Constitution of the United States, and anyone that adheres to those principles will have nothing to fear in the United States of America. The United States is not a Nation to be dominated by race, but it is instead a Nation composed of American people, and as such, each and every one enjoys equal rights.

I am not a member of any "anti" society, but, like all other citizens, I ask only to be allowed to remain 100 percent American. I now ask all of those who believe my principles are wrong to state where my error may be found.

In the letter I have quoted you will note that reference is made to division of our people, and it is my desire to remark at this point that truth should never weaken a people, but should unite them instead. Why is anyone restricted from the use of newspapers or radio when he confines himself truly to American principles? Yet such is the case today. It is well for the Radio Commission to bear in mind that 120,000,000 people in the United States will speak in no uncertain terms if any attempt is made to destroy our country, and it is better now for those involved to take heed of this sentiment before it is too late.

One of my constituents from Montana was in my office and informs me that in western Montana investigations have been made of a number of people who are receiving patriotic publications. I now ask, Who is conducting this investigation, and what intelligence department is concerned in it? The people in the United States want to know.

Is it possible that investigations are being conducted by the Institute of Propaganda Analysis referred to in the letter signed by Mr. Weiner?

Mr. Speaker, I am addressing the House today on behalf of the many millions of our people who still believe in constitutional government, and who have not given their constitutional consent to either amend or abandon the Constitution of the United States. I ask the Members to bear in mind that we swore fealty to the Constitution and the people of the United States—and not to the President. The Secretary of the Interior erred when he said we swore "fealty" to the President, for if he will read the Constitution, he will find that he and all of us swore allegiance to the Constitution of the United States.

I now request Congress to direct the President to give orders for a special investigation of un-American activities, and I believe it is high time that Congress takes this matter in their own hands, in common defense and for the general welfare of the United States.

Mr. Speaker, on June 5, when I attempted to lay before the House information to show who drafts the socialistic legislation which is introduced in Congress, objections were raised by the gentleman from Texas [Mr. RAYBURN] and the gentleman from New York [Mr. DICKSTEIN].

I, as one who voted $100,000 for the investigation of subversive activities, so that Congress could be reliably informed as to who the enemies are in our midst, now ask the gentlemen who objected why this information is not pertinent at the present time, and particularly after the taxpayers have been charged $100,000 for investigation of subversive activities so that the truth may be had.

It is not my desire to enter into detail at this time, but I wish to inform the Members of the House that proletarian, socialistic legislation is drafted by the commonwealth federations, and the officers and members of these federations are engaged in subversive activities and are therefore enemies of the United States.

I shall now name some of the members, so that Congress may be better acquainted with conditions as they actually are:

Commonwealth Federation of New York, Inc.: Henry Pratt Fairchild, William H. Spencer, Charlotte Williams, Thomas R. Amlie, Alfred M. Bingham, John H. Bosch, Paul Douglas, Lillian Herstein, Edward J. Jeffries, Ray McKaig, Frank Rosenblum, George J. Schneider, Howard Y. Williams, John F. Wirds.

Farmer Labor Political Federation: John Dewey, Harold O'Neil, Maurice Gans, Irving B. Altman, Arthur Braun, Esther Schwartz, William J. F. Hannemann, M. S. Schoenbaum, Joseph Schneider, Curwen Stoddard (affiliated with the American Commonwealth Federation).

As I have already stated, I charge the enumerated persons with being engaged in subversive activities, and in addition to that I include the following names, which may be found in the pamphlet called the Commonwealth Congress for Progressive Social Legislation, the motto of which is, "After the Supreme Court What?" and the principles of which are to destroy the Constitution of the United States: Irving B. Altman, Thomas R. Amlie, Jacob Baker, Roger Baldwin, Charles Belous, John T. Bernard, Alfred M. Bingham, Samuel Blinken, Leroy E. Bowman, Arthur Braun, Paul F. Brissenden, Stuart Chase, Nathaniel P. Clough, Ethel Clyde, Eugene P. Connolly, George S. Counts, Edward T. Devine, John Dewey, Bella Dodd, Andree Emery, Morris Ernst, Mordecai Ezekiel, Henry Pratt Fairchild, Felix J. Frazer, Hyman N. Glickstein, Arthur Harlow, Jr., Herbert Harris, Robert H. Haskell, Charles J. Hendley, Thomas G. Herendeen, Elinore M. Herrick, William Hinckley, Ben Howe, Dewey Johnson, Oscar Kanny, John J. Klaber, Gaston Koch, Harry W. Laidler, Abraham Lefkowitz, Max Lerner, Johanna Lindlof, Edward C. Lindeman, Edward Littleton, Harold Loeb, James E. Mendenhall, Darwin J. Meserole, Dorothy McConnell, Arthur McNulty, Henry Neumann, Jessie O'Brien, Meyer Parodneck, Langdon W. Post, A. Philip Randolph, Jesse S. Raphael, Ira S. Robbins, Harold Rugg, Joseph Schlossberg, George J. Schneider, Esther Schwartz, Byron Scott, John W. Seymour, Henry A. Soffer, William H. Spender, Estelle M. Sternberger, Curwen Stoddart, Henry Teigan, Frankel P. Thau, B. Charney Vladeck, James Wallerstein, Jerome Davis. These are the names of the sponsoring committee of the Commonwealth Congress.

On Saturday, April 17, 1937, the following names were listed in the proceedings of the Commonwealth Congress for Progressive Social Legislation: Alfred M. Bingham, secretary of the American Commonwealth Federation; Henry Pratt Fairchild, chairman of the Commonwealth Federation of New York; Harold Loeb; Benjamin C. Marsh; John T. Bernard; Elinore M. Herrick; Carl D. Thompson; Thomas R. Amlie; Julius Hockman; Morris Ernst; B. Charney Vladeck; Jacob

Baker; Stuart Chase; Mordecai Ezekiel; John T. Flynn; George Galloway; Henry T. Hunt; Langdon Post; and Byron Scott.

I shall now inform Congress of some of the subjects which were discussed during this meeting:

Legislation is necessary to amplify the Wagner Labor Relations Act, to assure civil liberties to workers, to assist the present great unionization drive, to remove any doubt of the legality of the sit-down strike, to outlaw the labor injunction and labor spying, and otherwise to protect and foster democracy in industry.

If the Constitution as interpreted by the present Supreme Court is not to remain a permanent barrier to change—until an explosion—three steps are probably necessary: Liberalizing the Court's personnel as proposed by the President, an amendment limiting the Court's power to nullify the popular will, and an amendment giving Congress explicit power to legislate in the economic and social field.

It strikes me that any organization that advocates principles of that sort should be investigated, for they are certainly un-American and a danger to sound government. In order that you may have a clearer understanding, it occurs to me that you should know some of the fundamental principles upon which these subversive organizations are based, and this is taken from their own publication:

Is the present Congress in Washington facing the real issues on which the welfare of America depends? Are measures being taken to release production so that an abundant supply of goods and services can be had by all? Is unemployment being solved? Is a housing program going through which will satisfy the needs of the American people? Are civil rights and democratic privileges being jealously guarded?

We believe not. The great majority of the present Congress are Democrats, but they are divided against each other on the question of the President's leadership. Off on the conservative wing are a small number of Republicans. Off on the truly liberal wing is a group of progressives, including some members of the old parties, as well as the Farmer-Laborites and Progressive Party members. It is from this liberal wing that intelligent leadership must increasingly come. Support must be won for an adequate national program.

The issue now uppermost, whether the Supreme Court is to make the Constitution a permanent barrier to progress, leaves unanswered the basic problems of national policy which will arise when our elected representatives become free to legislate. The Commonwealth Federation of New York, affiliated with the American Commonwealth Federation, is calling its own congress to formulate such a national program. Backed by the sponsors listed here it is extending this invitation to all individuals and organizations concerned with these basic problems.

Committees of experts in the various fields are at work drafting legislation for the commonwealth congress or selecting the best available bills from those already introduced in the Congress in Washington. Distinguished speakers will discuss the tentative proposals brought in by the committees, in special hearings and in open session. The public will have full opportunity to add its testimony. Out of the 2-day conference will come, we believe, a more considered and more adequate program than any previously drafted. Progressives in New York and throughout the country, labor unions, farm organizations, liberal groups will have a definite set of measures to support as they bring pressure to bear on their Senators and Congressmen.

President Roosevelt has declared that one-third of our people are ill-fed, ill-clad, and ill-housed. We ask you to help us take up that challenge to our Americanism.

The Commonwealth Federation of New York is a federation of individuals and organizations of New York State believing in and working for a new national party based on the principle of production for use and democracy in industry with economic planning to release full production according to the needs of the people.

The old order is breaking down and must be replaced by an economic system which will substitute planning for chaos, service for profit, and abundance for poverty.

We believe in the democratic form of government and in equal political and economic rights and civil liberties for all.

The Commonwealth Federation of New York was formed in 1935 by a number of representative individuals who felt that the time is coming for a definite break from the two old parties. Among these individuals were leaders of independent political groups, such as the City Fusion Party, the Continental Committee, the Knickerbocker Democrats, and Socialists along with significant leaders in civic, trade-union, farming, religious, cooperative, and educational groups, and distinguished members of the professions and representatives of small business interests.

The American Commonwealth Federation, with which the Commonwealth Federation of New York is affiliated, is carrying on an extensive and organized program from coast to coast, working with the Minnesota Farmer-Labor Party, the Wisconsin Farmer-Labor Progressive Federation, the Washington Commonwealth Federation, and other State and local movements. * * *

This is a true copy from the Commonwealth Federation and from the Commonwealth Congress of New York City.

I respectfully submit this to Congress and to the President of the United States so that steps may be taken for special investigation of these un-American activities, which will be for the common defense of the Nation and for the general welfare of all the people in the United States.

[Here the gavel fell.]

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. MIKE MONRONEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 16, 1939

Mr. MONRONEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Oklahoma Chapter of the National Association of Postmasters, held at Oklahoma City, Okla., on Tuesday evening, May 16, 1939:

I am pleased to come here in my official capacity as Postmaster General and to bring to the postmasters of Oklahoma the personal greetings of the President of the United States. May I also express to you my sincere appreciation for your cooperation with the Department? I like to attend these conventions of postmasters and want you to know that I appreciate your kind invitation which enables me to be present here today. Your attendance at this meeting indicates that the postmasters of Oklahoma, as the postmasters of a number of other States which I have visited within the past week, take a serious interest in their work.

I am pleased to inform you that business is good. The postal receipts for the month of March were higher than for any previous March in the history of the Postal Service. They exceeded by more than a million dollars the former record of March 1937. Likewise, the postal revenues for the first 9 months of this fiscal year totaled more than $561,000,000, an all-time high for the period. When business is good with us it indicates an upswing in general business conditions throughout the country.

Conditions are different now than they were when we took over the affairs of the Department in March 1933. When this administration came into power a survey was ordered of the many and far-flung agencies of the Department. When the results were presented to me I concluded that under proper businesslike management and with the return of normal business conditions we could expect a balanced Budget. With the help of my executive and administrative forces in Washington I set out to accomplish that. In the interval between March 1933 and the present time we have reduced the postage rate on first-class mail for local delivery from 3 cents to 2 cents. We have taken over the management and maintenance of a great majority of the Government buildings throughout the country, and we have provided a shorter workweek for postal employees.

In reducing the postage rate on local first-class matter we gave up millions of dollars in income, but felt it was the fair thing to do in justice to the patrons. In taking over the management of the Government buildings and shortening the workweek of the employees, we increased the expenditures of the Department by millions of dollars. In spite of all this we have succeeded in greatly improving the fiscal condition of the Department. By this I mean that by using the same methods of accounting used by my predecessors, and taking credit for what are termed "nonpostal items," we have maintained the postal establishment within its revenues, and in fact have shown a surplus in 4 of the 5 full fiscal years of my administration, from that part of the operations which are rendered to the public for hire.

I do not think the Postal Service should be operated for profit, but am strongly of the opinion that under normal business conditions when the people are using the facilities of the Department on a normal basis we should be able to pay our own way and make no demands on the General Treasury for funds.

The efficiency of the Postal Service and the welfare of the employees is dependent to a great extent on the capacity of the postmasters. I am happy to say to you that a great majority of the postmasters are living up to the high standards set for them by the Department. You should not feel, however, that we have reached a state of perfection that would justify a relaxation of our efforts to improve.

Your first duty as postmaster is to see that the mails are safeguarded and that dispatches and deliveries are prompt and regular, and that the schedules set up for the local service are such as to meet the ordinary requirements of your community. The public has a right to expect punctual service and courteous attention to their needs. Obviously there will be occasional delays due to un-

foreseen difficulties, such as storms and interruptions to transportation, but such incidents do not occur frequently, and when they do happen the public is usually most tolerant. There is no excuse, however, for irregular or tardy service due to indifference or lack of interest on the part of postal people. Regardless of the size of the office, the postmaster's first consideration must be "on time" service.

Next in importance is courtesy. If a customer of a private business does not receive fair treatment he can retaliate by taking his business to some other concern, but such is not the case in our business. We enjoy a monopoly insofar as the transmission of letters is concerned, therefore the people are compelled to deal with us regardless of their wishes in the matter. The knowledge of this should make everyone connected with the Department exercise great care in dealing with our customers. There is no reason why postal people should be servile, neither should they be condescending in their attitude toward the public. Many times a disappointed and complaining patron is entirely in the wrong. The trouble of which he complains may be due to his own negligence, but regardless of the circumstances, listen to his story patiently, then tactfully explain the cause of his complaint. Express your regrets whether the service is at fault or he is at fault, and in most cases you will secure his good will. Cultivate a quiet, courteous manner in your dealings with everyone around you.

May I suggest also that you give your personal attention to the official correspondence of your office? Answer letters promptly. If you are not in a position to give the information requested immediately, prepare a brief acknowledgment indicating that when the investigation has been completed or the information is secured it will be forthcoming. This will satisfy your correspondent that you are doing business in a businesslike way. The Department furnishes many forms that are helpful to you and that will expedite the conduct of your routine correspondence. It is also essential that you reply to departmental correspondence promptly and give all of the facts relating to a subject in your first reply. A great deal of labor is wasted when additional letters must be written to secure the facts. Adopt a simple, clear, understandable form of expression in your preparation of all of your letters, and have them prepared carefully and neatly. Often the patron or the official in the Department who receives your letter has no other means of judging you, so it is important that your correspondence be truly representative of the Postal Service and of you as an individual official.

Another important duty of a postmaster is to look out for the welfare of the employees. I am greatly interested in that. Our employees should have every consideration in the matter of working conditions and hours of employment, in order that they may reflect the policies of a progressive administration of the Government. I believe that good wages and good working conditions are essential to the successful operation of any business.

Throughout my administration I have followed a straightforward policy of dealing fairly with the employees. We in this administration deal frankly with the representatives of the postmasters' organizations, and likewise with the representatives of the employees' organizations. I think everyone understands that we can enter into no negotiations directly with any group regarding rates of pay, as the rates are fixed by the Congress and the President. We do, however, receive the employees and their representatives and permit them to present their grievances and suggestions. We have a friendly and open discussion of all matters presented, and after considering all of the elements involved we make our own decisions and our own recommendations. Of course, the officials of the Department and the representatives of the organizations do not always agree. It would be strange if they did, but we never assume an arbitrary attitude, and to my knowledge there has not been a single instance where bad feeling or ill will has resulted from these discussions.

I think this same practice should be followed by the postmasters in dealing with their employees, either in groups or as individuals. You will not surrender one bit of your authority by receiving representatives of postal organizations for a discussion of their grievances, and by following such a practice you will settle most of your local problems at home. Often situations are presented to the Department for a decision after a controversy has reached quite a serious stage, and when the facts are developed it is found that there was no reason for controversy at all. Most of our difficulties in matters relating to the personnel result from misunderstanding or an intolerant attitude on the part of one or all of the parties concerned.

You are the local managers of the Post Office Department's affairs, and in the main you should operate your office within the scope of the regulations and within the limits of your allowances covering expenditures as you would operate your own private business. When you do this you may be assured of our wholehearted support. Do not misunderstand me; there are some things you should bring to our attention—things that we should know immediately, particularly matters relating to policy, losses of funds or mail matter, and anything else of a serious nature that interferes with the efficient handling of the mails.

You may be assured that the Department will cooperate with you in solving your problems, but I think you understand that the administrative staff at headquarters can only formulate policies and issue rules and regulations that are calculated to cover service conditions generally. The application of these policies and regulations must be left to the postmasters in the field.

Without your enthusiastic support our efforts would be fruitless. It is you who directly contact the patrons of the Service and the employees who render that service. It is important that we understand one another, and I am convinced that conventions such as this offer us our best opportunity for such an understanding. I therefore congratulate you for the interest in the public service which prompts you to maintain the National Association of Postmasters. At these State meetings and in your national conventions you meet on intimate and friendly terms with the leaders in your own organization, with the officials of the Department, and with the post-office inspectors, who are the Department's field representatives. During your discussions here you are enabled to get first-hand information concerning postal matters that might be difficult to clarify by correspondence.

I am proud of the accomplishments of the postal establishment and grateful that with your cooperation and help we are keeping the Post Office in the front rank of governmental agencies, and I want to express to each and everyone here my sincere personal appreciation for the fine job you are doing.

Bibleland or Koranland

EXTENSION OF REMARKS

OF

HON. WILLIAM I. SIROVICH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 2, 1939

LETTER TO THE PRESIDENT OF THE UNITED STATES

Mr. SIROVICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter, which I have sent to the President of the United States and to Hon. Cordell Hull, the Secretary of State, which speaks for itself:

JUNE 6, 1939.

To the Honorable FRANKLIN DELANO ROOSEVELT,
President of the United States.

DEAR MR. PRESIDENT: The Jewish and Christian Churches are guided and inspired by the Bible, which is a book of man, of spiritual man, of man with his individual soul and his individual relations to God and to his fellow man. But since to the present day the Biblical spirit continues to spell man, the contemporary totalitarian and authoritarian states pronounce the Christian and Jewish churches to be their arch enemies.

In the totalitarian scheme of things there is no room for the Bible nor for what it represents spiritually and ethically, for Biblicism and totalitarianism are polaric forces. The one grants man freedom, calling upon him to choose between good and evil and teaching him that his is the freedom to choose, while the other deprives him of this freedom, asserting that the state alone may make his decisions for him. In the latter day totalitarian and authoritarian states Biblical influences are being ruthlessly counteracted and the reading of the Bible discouraged. This tendency has assumed such extreme forms that not so long ago a German court granted even a divorce to a woman whose only complaint against her husband was that he was a constant Bible reader.

Even those Nazis who are not entirely addicted to paganism would reduce the Bible to a few portions of the New Testament which they would intermix with Nazi idolatrous doctrines of blood, race, soil, and the state as a deity, revealing itself in omnipotence. But in the Christian scheme of things the state is not so much an institution of force as a spiritual establishment with ethical and intellectual obligations toward the individual; while blood, race, and soil are recognized to be forces of nature, not of the spirit. Nature which is a-ethical cannot possibly be man's guide, pathfinder, or teacher, and hence Christianity cannot accept the doctrines of blood and soil as a substitute for God and the spirit. Nazi naturalism, depriving man of his dignity and holiness, and Christian idealism, claiming for man dignity and freedom, represent two antagonistic forces between which no compromise is possible. Their conflict is one of rising paganic naturalism against traditional religious idealism—in short, the struggle of paganism versus Biblicism.

Like every naturalistic force, nazi-ism, too, is imperialistic in its motives. It is animated by an inner drive to extend its rule in all directions and to impose its ideology upon all nations. Its missionaries travel the world over so as to preach the dogma of nazi-ism, to plant the seed of Germanic paganism, and to diffuse the doctrine of anti-Semitism. In Anglo-Saxon countries they are particularly active. Just as the Communists are working for world revolution because they recognize that so long as Russia remains the only Communist state so long is its future uncertain, so do the Nazi leaders in Berlin fully understand that Nazi Germany can perpetuate itself only if a considerable section of the world be overwhelmed by the Nazi spirit. This imperialistic drive of nazi-ism is gathering momentum daily and moving from strength to strength because of its appeal to the baser instincts and prejudices of man. In the United States alone the Nazi movement now claims some

200,000 followers. The main content of Nazi propaganda everywhere are anti-Semitism, authoritarianism, and attacks upon democracy.

Nazi Jew hatred implies much more than the social and political anti-Semitism of pre-Aryan days. It implies a war upon the Bible, the greatest spiritual force in white man's history. In the final analysis, it implies not only the destruction of the synagogue but the annihilation of the church as well. If the Bible is eliminated, the entire fabric of Christianity must collapse. The Nazis beholding a naturalistic world must necessarily battle the Bible with its purely spiritual outlook upon life. This explains best the statement so often made by Nazi leaders that the war upon Judaism will not end with the destruction of German Jewry, for the enemy is not so much the Jew as his Book, the Bible. The Nazis are sensible of the fact that Biblical idealism overwhelmed and defeated naturalistic Rome and, if left untouched, will one day overcome and destroy nazi-ism as well. Hence, the Bible and its creator, the Jew, must be annihilated and its present adherents, Christian and Jewish, weakened and uprooted.

This is not the first time that Christianity and Judaism have jointly been threatened with destruction by a common enemy. During the fourth and fifth centuries, A. D., the Manicheans represented as sinister a threat to the church and the synagogue as nazi-ism does today. St. Augustine, who secured the victory of Christianity over Manicheism, thereby preserved the synagogue from destruction as well. This victory may be regarded to be one of the most fateful in the history of the world.

Throughout all ages, when sinister forces arose to oppose Christianity they attacked the synagogue at the same time, because both Biblical religions, in spite of their many metaphysical and theological differences, share the anthropocentric world view which alone raises man to the dignity of a spiritual being and endows his life with meaning and significance. In the Old Testament this anthropocentric outlook found its most powerful expression in the story of the man Moses, who induced God to change His decree. In the New Testament the son of man becomes the Son of God. Both Testaments express man's spiritual character and dignity and the possibility of his spiritual development. Both exhort man to be good, to be guided by the idea of the good, and to express his love for God by demonstrating his love for his fellowman. Both Scriptures portray the character of the Messiah who symbolizes man's spiritual future. In both Testaments man is uplifted from the realm of Nature into the realm of spirituality. For these reasons all the forces of naturalism and materialism continue to wage war upon the Bible and its representatives—Christianity and Judaism. Today this battle against Biblicism has assumed world-wide proportions and is being fought with extraordinary bitterness upon every continent on earth.

To bring about the red millenium the Communist comrades everywhere attack capitalism. To bring about the brown millenium the Nazi Aryans attack Judaism everywhere. With certified Germanic efficiency the Nazis are seeking to undermine the position of the Jew, even in his own ancestral land, Palestine, so that it shall not be even a land of refuge for him. There they have established an intimate contact with the Arabs and have inspired a reign of terror against the Jew. German diplomatic and consular representatives in the Holy Land have allied themselves openly with the Arab terrorists, supplying them with arms and money. Almost all the guns confiscated from these Arabs have been of German manufacture. The Nazi-Arab concord, assuming the form of an open alliance against the Jew is easily traceable to the fact that in the Mohammedan, as in the Nazi state, the religious or ethnic minority, in accordance with the unbending logic of the totalitarian principle, is outlawed. This state demands not only political loyalty but the full surrender of the human personality—its mind and its emotions as well. Just as there exists in Germany a Nazi "mathematics," a Nazi "physics," a Nazi "jurisprudence," a Nazi "philosophy," and a Nazi "literature," so in Mohammedan lands a Mohammedan "science," a Mohammedan "literature," and a Mohammedan "philosophy," are to be found.

These striking similarities between the Moslem and the Nazi states reveal the Arabs as the Nazis of the East, and the Nazis as the Arabs of the West. In both instances the ideal to be attained is the absolute control of the state over the individual. Hence the schools of the Moslems and the Nazis are not educational establishments in the western sense of the term, but training centers for their respective ideologies, Islamic or Nazi. Both types of commonwealths assert that the state is omniscient, omnipotent, and imperialistic. Although their attitude toward the Bible is dissimilar, the effects of their policies lead to similar consequences. The Nazis in their relentless war upon the Bible and the Arabs in their merciless war against the Jew, if carried out to the bitter end, would destroy the possibility of Biblical life in Palestine and ultimately exterminate the spirit of the Bible from that land; then Bibleland will become Koranland, and both Biblical religions severed from their roots altogether. The consummation of this program will free the Arabs from both antagonists, Judaism and Christianity, simultaneously.

The new Arab states of the Near East are resolved to be Islamic in the fullest degree. The fate of the Christian Assyrians in the Iraq and of the Jews in the Yemen and in all other Arab countries exemplifies best the character of Arab totalitarianism, resulting in cruel religious intolerance and in war upon religious minorities. To protect the one-half million Christians in the Lebanon from Arab persecution, the French Government in granting independence to Syria was compelled to carve out Christian Lebanon as a separate state. The experiences of non-Moslems in Islamic countries fully justifies such measures. The fear is therefore but too well founded that if Bibleland becomes Koranland not only the Jewish population of almost one-half million souls but also its Christian group of 110,000 will be doomed.

Neither Judaism nor Christianity can afford to permit their common spiritual motherland to come under the dominion of totalitarian and authoritarian Islam. A celebrated American statesman, the late Senator Henry Cabot Lodge, expressed this conviction soon after the English conquest of Palestine. In an address delivered at the Hotel Astor, New York City, on June 13, 1922, he stated:

"Because of my belief in religious freedom and in religious tolerance, I never could accept in patience the thought that Jerusalem and Palestine should be under the control of the Mohammedans, as they have been since 1244 with only a brief interval. I had, of course, intense sympathy with the Crusaders and it seems to me a great wrong that Palestine should be under Moslem rule."

Henry Cabot Lodge expressed thereby not his own conviction alone, but that of all thinking Christians throughout the centuries. A thousand years ago when the Crescent drove the Cross from Palestine, Christendom arose as one to wrest the birthplace of the Bible from the forces of Islam. In this struggle many hundreds of thousands of Christians yielded up their lives. The tradition springing from these memorable events has made it possible for a European prince to still bear the proud title of King of Jerusalem. Today, as in ages past, Jerusalem is as much a source of inspiration to Christianity as to Judaism, for certain of the most memorable events and fateful moments in the formation of both Biblical religions transpired within the walls of the Holy City. Christianity and Judaism without Palestine are as unthinkable as Islam without Mecca or Buddhism without Benares. It is therefore obvious that the preservation of Palestine as Bibleland must be one of the main postulates of the Christian Church. Nazi-ism is not only a threat to Christianity and Judaism alike in the West, but because of its alliance with pan-Islamism, it is menacing the position of both Biblical religions in the East as well.

During the past thousand years both Biblical religions faced a common enemy in the West boring from within Christianity itself, in the form of Neo-Manicheism in its various manifestations—Bogomilism, Catharism, Panlicianism, etc. These Neo-Manichean anti-Christian sects of the Middle Ages, in attacking the church, simultaneously planted everywhere the seed of Jew hatred. The ferocious attacks against the Biblical mother religion during the Middle Ages originated not in Christian but in anti-Christian sources. The spiritual leaders of Christianity repeatedly have protected the people of the Book against the insidious attacks of sinister and malevolent forces emanating from these various anti-Christian sects. This fact disposes of the argument of those who are engaged in disseminating Jew hatred that Christianity itself has been waging a war against Judaism.

While the church was engaged in grappling with the destructive elements boring from within, it was simultaneously occupied in a life and death struggle with Islam for the liberation of the Holy Land. It required a supreme effort to break the predominance of the Koran in Palestine, though even for a brief period. Not war upon Islam per se was the objective of the crusaders but to wrest Palestine, the land of the Nativity and of the people of Jesus, from the hostile Moslems, for even medieval Christendom, whose vision was impaired in some respects, was fully sensible that Biblical religiosity can grow and prosper only when it is not severed from its motherland.

Today Christianity stands in the selfsame position of peril which it finally succeeded in overcoming nine centuries ago. In the West, neo-Manicheism, boring from within in the guise of paganized Nazi Christianity, seeks to undermine Biblical religiosity. The officials of the German Nation publicly are making common cause with these new tendencies, advocating boldly the purging of Biblical elements from within Christianity. These manifestations express themselves in ruthless attacks upon synagogue and church alike.

In the East, Christianity is facing the threat of Islamic expansion in its attempt to overwhelm and dominate Palestine. This pan-Islamic drive expresses itself in the wholesale murder of innocent Jews engaged in tilling the soil in the land of their forefathers. Tomorrow it may well assume the form of massacres of devout Christians whose presence in the Holy Land is motivated solely by Christian religious devotion. Just as in the West the ruthless war against Judaism is but a smoke screen, the true objective of that war—the elimination of the Bible from the life of white man—so the attack of the forces of pan-Islam against the Jew in Palestine is but the signal for a war of revitalized Islam against both Biblical religions and its representatives. The pious Moslem hates Christian and Jew with equal fury, and if for the time being he appears content with making his attacks upon the latter it is only because he does not feel himself to be strong enough to move against the former as well.

Today the Christian Church is in duty bound to continue the great Christian historical traditions and struggles so as to preserve the spiritual life of western man. It cannot permit the monsters called race, blood, and soil, to overwhelm the soul and spirit which devout Christians have fostered and preserved throughout the centuries so as to overcome beastliness and to develop a serene spiritual happiness for man. Neither can the Christian Church permit the spring of its spiritual energies to pass under the control of hostile elements that seek to destroy it. This spring is Palestine, the scene of the Old and the New Testaments. The land in which

the psalmists have sung, the prophets have exhorted man to be good, and the Redeemer has preached the gospel of piety, goodness, humility, and justice, must continue to serve the Biblical religions as a source of inspiration.

It is with these larger considerations in mind, spelling destiny to the entire Christian and Jewish world, that I turn to you today, Mr. President. I urgently request that you make the most pressing representations to His Majesty's Government of the fact that the American people and its Government continue to look to it to carry into execution the letter and spirit of the Balfour Declaration. In that historic document His Majesty's Government has expressed its solemn pledge to establish a Jewish homeland in Palestine. Hence the White Paper of May 17, 1939, which attempts to abrogate that homeland, is as unacceptable to the American people and its Government as is the lawless conduct of the international treaty breakers in Czechoslovakia, Albania, and Manchuria.

America must not become a Hitlerland and Bibleland must not become Koranland.

With every good and kind wish, I am

Very sincerely yours,

WILLIAM I. SIROVICH.

The Pear and Apple Industry

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

ARTICLE BY DR. IRA D. CARDIFF, OF YAKIMA, WASH.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article by Dr. Ira D. Cardiff, of Yakima, Wash., which appeared in the Argonaut for April 7, 1939, and entitled "The Danger Confronting the Pear and Apple Industry."

Dr. Cardiff was one of the first to challenge, from a scientific standpoint, the Department of Agriculture's tolerances on fruit sprays. His extensive research makes his conclusions authoritative on this subject.

The apple industry in the State of Washington is a $35,000,000-a-year business. Some 10,000 growers are engaged in producing a third of the Nation's apples. But although our production is great and our fruit the best produced, we face two very difficult obstacles. One is transportation costs, which we must absorb since we are remote from the center of consumption. The other is the unwarranted cost, which is also reflected back and is taken out of the grower's pockets, resulting from the imposition of severe spray residue tolerances by the Department of Agriculture.

The net result is that our growers cannot continue long in the face of such circumstances. Relief must be given the fruit growers, but we do not ask that such relief be given us at the expense of public health.

In 1937 we were successful in securing appropriations for a thorough scientific study of the possible harm which might result from eating sprayed fruit. This study is being made by the Public Health Service. After a year's research the Public Health Service recommended raising the lead tolerance from 0.018 to 0.025 grains per pound on the basis of knowledge then acquired. We are hopeful that the inquiry will soon be completed and we have no fear that the result will be such that our growers may again wash their fruit on their own ranches.

The article is as follows:

[From the Argonaut of April 7, 1939]

THE DANGER CONFRONTING THE PEAR AND APPLE INDUSTRY

(By Ira D. Cardiff)

One of California's major agricultural industries is pear production. The State, in fact, ranks first in the production of this, one of our staple fruits.

The apple is also an important crop, though Washington holds first place as the apple-producing State. The value of these crops in the two States in question runs into many millions, and their production furnishes a livelihood for many thousands of families.

Not only are these crops of the greatest economic import to us but there are few foods more healthful. In fact, for the consuming public at large, especially those of moderate means, the apple is the one staple fruit. Dietitians, in the interest of public health, are constantly urging the use of more fruit. The apple, with its high vitamin content, its high content of pentosans and pectins, its superb keeping qualities, and its moderate cost, make it the ideal fruit for the poor man.

Therefore, the destruction of the pear and apple industry would not only be an economic disaster of the first order to California and Washington (likewise a calamity of more moderate proportions in many other States where these fruits form important crops), but would represent a still greater disaster to the health of the Nation as a whole.

But why raise the question of the destruction of these two industries? For the simple reason that drastic regulations by the United States Department of Agriculture in regard to spray residue on these fruits bids fair to do this very thing. It is impossible to produce these fruits without the use of arsenate of lead or similar sprays. In fact, the United States Department of Agriculture has recommended them to the growers for upward of half a century. Recently, however, this same Department has put into effect regulations so drastic that it becomes impossible to wash sufficiently to meet these regulations without greatly impairing the keeping qualities of the fruit.

Now, the fruit grower wants to sell clean and healthful fruit. To do otherwise would spell the ruin of his industry. He is willing to clean his fruit within reason. But to require him to reduce the amount of lead, arsenic, fluorin, zinc, and other so-called poisonous elements on pears and apples far below that permitted in other foods, places the grower of these fruits under an impossible handicap which in a very short time will destroy these industries.

The pear and apple growers have no quarrel with any honest and well-directed efforts to conserve the public health; but it must be pointed out that the Federal authorities have never been able to show any evidence of injury to anyone from the consumption of these residues on pears or apples. In fact, they have knowingly permitted the sale of one of our most popular baby foods carrying eight times the amount of fluorin that was permitted on the apple. They also have knowingly permitted the sale of many other foods carrying arsenic, 10 or 20 times as much as permitted on pears; and it is a well-established fact that most consumers get more lead from their ordinary drinking water than from pears or apples.

Physicians also prescribe lead and arsenic in such amounts that to equal them one would be obliged to consume several hundred apples or pears per day.

In view of this, the grower of these fruits naturally feels that he is the victim of unjust discrimination. He knows that he and his family, also his employees, have for years consumed these fruits unwashed, with absolutely no apparent injury. He knows of "health" waters from certain mineral springs which are extensively sold to the public, containing arsenic in several hundred times the amount he is permitted on his pears and apples. He is also aware of the fact that many of these proscribed elements are absolutely essential to life, and that recent researches have shown that lead is present in practically all food or drink.

The grower and the consumer, therefore, have a right to expect their servants in the Federal food department to apply a certain amount of reason and common sense in the regulation of such matters.

Aid to Dependent Children

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

Mr. D'ALESANDRO. Mr. Speaker, I wish to thank the membership of the Ways and Means Committee for reconsidering its action of May 19 in amending the Social Security Act to increase the Federal contribution to the aid to dependent children from one-third to one-half, which would make it uniform with the aid to the needy, blind, and the old-age assistance laws.

On May 30 I submitted to the Ways and Means Committee information which I received from J. Nelson Tribby, department adjutant of the American Legion, Department of Maryland, Inc., that there were over two and a half million children in the United States who are in need and on the waiting list for aid to dependent children. We know that half a million persons are being taken off active lists because of lack of money in the counties, making it impossible for those counties to pay their share of aid to dependent children. We know that in almost every State that present grants-in-aid

are being arbitrarily reduced for the same reason as is given in taking cases off the active lists.

I feel that the most important part of this program is the one that relates to child welfare in Maryland, which would mean an additional $400,000 or $500,000 per year to supplement the State funds that we have available. And instead of reducing the program, as we now have to do, especially in Baltimore city, where 500 or 600 cases will have to be closed for lack of funds, we would have enough money to continue the program and take care of most of the worthy cases.

Mr. J. Milton Patterson, executive secretary of the Board of State Aid and Charities of the State of Maryland, will verify that my remarks are the true facts of the conditions in the State of Maryland. I wish to again take this opportunity of congratulating the Ways and Means Committee for its good work toward a most humane cause. I urge that the House concur in the committee's report and vote for the passage of this amendment.

Citizens of the United States Should Hold the Jobs in Industry Which Now Belong to Aliens

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EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 5, 1939

Mr. RANDOLPH. Mr. Speaker, I desire at this time to call attention again to the problem which is created in this country by the employment of noncitizens in industry, business, and commerce. I addressed the House in connection with this situation on March 31, and at that time placed in the RECORD a copy of a letter I had sent to Mr. Howard Coonley, president of the National Association of Manufacturers, in which I urged his organization to impress the manufacturers of America with the necessity of employing American citizens and separating from their jobs those individuals who are not citizens of this country. I further called his attention to the action of John A. Roebling's Sons Co. in dismissing 100 alien workers and filling those positions with Americans.

FAIL TO TAKE ACTION

The suggestion which I made to Mr. Coonley was considered by the employment relations committee of the National Association of Manufacturers, and under date of May 5 I was advised by Noel Sargent, secretary, the action of that group. In his letter he stated:

> I wish to advise that our employment relations committee expressed its sympathetic interest in the proposal made by you, but it felt that it would be inappropriate at the present time for the association to urge its members to take a census of the employed and discharged noncitizens.

I quite naturally was disappointed that no affirmative action was taken, but I am hopeful that at a later date this organization and others will join in some such movement.

In connection with the problem of unemployment in this country I include at this point a part of an editorial written by Bernarr Macfadden and published in Liberty under date of May 20:

[From Liberty of May 20, 1939]

SHOULD NOT ROB CITIZENS

The great problem we are facing at the present time is the making of more jobs. But notwithstanding the unemployment emergency, we find a desire on the part of many of our officials to open our ports to an increased number of immigrants. This addition to our population should be denounced. Immigration should be stopped altogether.

Suppose these immigrants do secure jobs upon arrival. They put an American citizen out of a job—they make one job less for our own people.

If the father of a family was heavily in debt and had to provide for a number of children, and had to borrow money or accept charity to support them, would it be wisdom on his part to accept a few more dependents to add to his burdens?

Well, this accurately represents the situation that exists in this country at the present time. Here we are, with almost a third of our wage earners unemployed, billions required to keep people on the dole or in charity jobs, and what earthly reason have we for adding to our unemployment burdens by allowing immigrants to land on our shores? They are strangers and should be barred out absolutely. Why should we assume the responsibility of their support? Why should we rob our own citizens of employment?

In a recent speech in Congress, Senator REYNOLDS stated: "We have expended billions of dollars in an effort to provide employment for the unfortunate men and women. Unemployment, therefore, is indeed a mammoth problem, and our huge unemployment record exists despite the fact that 3,000,000 of our people are on the relief rolls and that 4,000,000 people in the United States are working either for the Government of the United States or for the respective State governments. The statement has been made that 80 percent of all the unemployed in the entire world are to be found in the confines of the United States."

Of course, Senator REYNOLDS is branded as a Fascist by the foreign recipients of our beneficence; but if fighting for Americanism of the Washington and Lincoln type subjects him to this libel, he "can take it." He has apparently recognized the deplorable need of protecting our own home folks. When foreigners are given jobs and native-born American citizens are denied them, this is indeed cause for caustic criticism. As long as there is a good American citizen on the unemployed list there is no earthly reason why we should be accepting prospective job-seeking citizens from other countries. We should protect our own homes first of all, and after that duty has been properly assumed humanitarian motives can rightly be encouraged.

I include also the following Associated Press dispatch and articles appearing in the New York Times.

GENERAL MOTORS OUSTING ALIENS NOT FILING PAPERS

NEW YORK, April 27.—General Motors Corporation today announced that division managers and department heads have started checking records of employees to determine who are not United States citizens.

Those who are aliens, a spokesman said, are being assisted in getting their naturalization papers. Those who refuse to take out papers are being discharged.

A canvass showed only a fraction of 1 percent of its employees are aliens, the company said.

[From the New York Times]

ALIEN DISMISSALS LAID TO WARCRAFT PLANS AS GENERAL MOTORS OUSTS 125 OF 3,000 MEN

NORTH TARRYTOWN, N. Y., April 29.—Reports that the local Chevrolet and Fisher Body plants of the General Motors Corporation would be used for the production of Government aircraft equipment were current here this week-end as the factories continued to discharge alien employees.

Although General Motors officials in New York and Detroit declared that it had been the company's policy since 1932 to dismiss workers who declined to take out naturalization papers, no explanation was forthcoming for the delay in putting the policy into practice here.

Joseph Galgano, financial secretary of Local 118 of the United Automobile Workers of America, disclosed that the War Department, as part of its industrial mobilization campaign, had made a secret survey of facilities in the two plants. The union official said that the machinery in the factories and their accessibility to the main line of the New York Central Railroad and the Hudson River, made them well-suited to the manufacture of military equipment, especially aircraft engines.

If any aircraft accessories were made there, the company would have to get rid of all employees without citizenship papers, legal experts in Washington declared. The Air Corps Act of July 2, 1926, provides that "no aliens employed by a contractor for furnishing or constructing aircraft or aircraft parts or aeronautical accessories for the United States shall be permitted to have access to the plans or specifications or the work under construction, or to participate in the contract trials without the written consent beforehand of the secretary of the department concerned."

The War Department said this rule was being rigidly enforced in all contracts for planes and aircraft accessories, but that no pressure of any kind was being exerted against aliens engaged in the production of other war materials.

The Chevrolet plant at North Tarrytown is at work on a special type of truck for the Army, and an Army officer visits the factory every workday to inspect the product.

Mr. Galgano estimated that 175 of the 3,000 persons employed by General Motors at the two plants had been dropped in the last month for the lack of first citizenship papers. He said the company had encouraged men for several years to apply for naturalization but that no one ever had been discharged in the past for failure to comply. The union representative made clear that his organization was not taking any stand against the dismissals.

[From the New York Times]

ALIENS SEEN ADDING TO JOB PROBLEMS—THOSE IN UNITED STATES ILLEGALLY KEEP CITIZENS FROM PROCURING WORK, SOMERVELL HEARS—PROPOSED BAN BACKED

Mr. Rudolph Reimer, commissioner of immigration and naturalization at Ellis Island, declared yesterday in a letter to Lt. Col. Brechon B. Somervell, local Works Progress administrator, that if

the legislature passed a certain law it would be a misdemeanor to employ any person who was in the United States illegally.

The letter was sent by Mr. Reimer in his personal capacity and not as a Federal official. It pointed out that a bill prohibiting the employment of aliens here illegally had been approved by the assembly and was now awaiting action in the senate at Albany.

"Since we require a native-born child to produce working papers before the employer is permitted to place the native-born child on the pay roll it is not unreasonable to require the alien to show affirmatively that he is not in our country illegally" Mr. Reimer said. "I am convinced that the people of New York State want the jobs in our State for those who are legally here or who are its citizens."

The impossibility of patrolling adequately the Canadian and Mexican borders and the Atlantic and Pacific Oceans and the Gulf of Mexico was cited by Mr. Reimer in support of his contention that "many thousands" had come into the country illegally and now held jobs here.

"Judging from the inquiries made at Ellis Island for advice how to purge the alien of illegal entry the statement that there are many thousands employed is not an exaggeration" Mr. Reimer told Colonel Somervell. "This is further evidenced by the fact that there are 12,664 visitors now in the United States whose departure our department at Ellis Island has been unable to verify. No one knows the exact number."

Pensions For the Aged

EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

Mr. LARRABEE. Mr. Speaker, the principle of Government assistance to the aged and needy of our country is wise and just—and is here to stay. However, this function of government, though almost universally approved by our people, may be retarded a long time through the wanton mishandling of the problem of self-serving demagogues, striving to keep the final solution hanging in the balance and thus preserve benefits which they have been reaping since 1934.

The popular appeal of "Pensions for the aged" has been a gold mine for quick-witted promoters seeking, primarily, to enrich their own coffers and no one would be more disappointed than they should the Congress enact a Federal pension plan, thereby curtailing their revenue derived from the donations of trusting aged people to help the cause.

The Social Security Act, enacted in 1935, was hailed as the first step in the march of social progress toward the goal of security for the aged and needy. Recognizing the right of the American people to have security and comfort for those who are no longer able to bear the brunt of modern industrial life, the Congress, under the leadership of President Roosevelt, enacted into law the Social Security Act which was aimed to relieve the fear of destitution and misery in old age.

It is generally conceded that the benefits provided under the act are inadequate and while it is a step in the right direction, the act should be liberalized to provide ample benefits to permit those who have, through no fault of their own, been retired from industrial life to live out their declining years in peace and comfort.

I have long been an advocate of adequate assistance to the aged and needy, and this is borne out by my record of sponsorship in 1923 of the first old-age pension bill ever to be introduced in the Indiana State Legislature.

When the present Social Security Act was under consideration in Congress I supported and worked for amendments which would have raised the amount of assistance to $45 monthly. This amendment, advocated by myself and others in the House of Representatives, failed of enactment when the act was finally passed. Since that time I have often declared myself in favor of benefits more adequate than those provided under the present Social Security Act.

It has long been my view that the Federal Government should inaugurate a national system of old-age security, the benefits to be paid directly out of the Federal Treasury, and that such plan should be financed on a pay-as-you-go basis.

However, I cannot bring myself to believe in or lend my support to any measure, bill, or plan which leads the aged people of our country to believe that they are to be provided with incomes greater than they have ever enjoyed; incomes which are not possible to the great majority of our people not eligible for pensions; incomes which they must promptly spend before receiving another check.

I do not believe in placing an unbearable tax burden on one very large group for the questionable benefit of another comparatively small group of our citizens.

When I say the aged are being misled by false and glowing promises I refer to those who, under the guise of being friends of the aged, have been collecting dimes and quarters from aged widows and unemployed for the past 5 years, holding out as the promised reward a $200-a-month "bale of hay" which they hope will continue to attract them but never be reached.

After wasting $4,000,000 wrung from the needy old people of America by promises which they knew could never be fulfilled, and by holding out hope which they counted on to continue indefinitely, I believe the time has come to call a halt to such nefarious practices.

It being generally agreed that pensions for the aged are a permanent necessity in this country, let us enact a sane, sensible pension law which will provide a decent, comfortable existence to those no longer able to work. Let us pay these benefits directly out of the Federal Treasury and not leave the problem to 48 individual States to cope with. It is a national problem and should be dealt with by the Federal Government.

Land-Utilization Project at Minden, La.

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MINDEN, LA.

Mr. BROOKS. Mr. Speaker, in connection with my extension of remarks I present a resolution adopted by the City Council of the City of Minden, La., in reference to the development of the land-utilization project of the Soil Conservation Service, located north of Minden in Webster Parish, La.

RESOLUTION PERTAINING TO LAND-UTILIZATION PROJECT

Whereas it has become known to the citizens generally, and to the City Council of Minden, Webster Parish, La., through the Weekly News Letter released on May 27, 1939, under the signature of the Honorable OVERTON BROOKS, Member of Congress, Fourth Louisiana District, that it has been suggested that the land-utilization project in northwest Louisiana, located in Webster Parish, could be used, very properly, as a farm school; that arrangements be worked out with the extension department of the State of Louisiana or with the State University; that this large tract of land could be used once each year for the purpose of giving short farm courses to all interested citizens; that such citizens could be invited to attend this course and take part in the actual work being done on the farm; that said Hon. OVERTON BROOKS, Member of Congress, desires to hear from the people of his district as to the feasibility of such a project; and

Whereas the City Council of the City of Minden, taking cognizance of said News Letter and the desire of the Honorable Congressman to know the reaction of the people of this district to such a proposal have prepared and passed a resolution declaring the attitude of the members of the city council toward the proposed project; and

Whereas that such a practical school for the use of adult and youthful farmers would be of benefit and would prove of value to the State, parish, and farmers of this northwest section of Louisiana; that it would be of value to farmers in being shown the right and proper methods of preparing the land for cultivation, for a

practical knowledge of forestry, in taking care of and feeding livestock, and learning the scientific methods of testing seeds and fertilizers; and

Whereas the cultivation and caring for old lands and soils is a new problem to the farmers of this area, accustomed as they have been to cultivating new ground to the neglect of the old; and

Whereas the activities of the Soil Conservation Service, the Land Utilization Service, and the farm demonstration agents have proved of uncounted value to the farmers as well as to all other citizens of the State; and

Whereas if such farmers could be given an opportunity to work for a short period of time each year under the guidance and direction of scientifically trained men, in such farm care and cultivation methods as have proved best suited for this area by science and experiment; that it would be of considerable value in leading the farmer into these new ways by the actual doing of such work as the farmer would be most interested in doing; that it is our belief that such a project would be of great value to all farmers, to the parish and State; and therefore be it

Resolved by the City Council of the City of Minden in regular session, That, the premises considered, we recommend to the leaders of the United States Soil Conservation Service and the State department of agriculture that they make such provisions as they shall deem wise and practical for the making of the proper use of such lands as are under the control of the Soil Conservation Service in Webster Parish; and be it further

Resolved, That the City Council of Minden offer its support and cooperation to the Soil Conservation Service and to the State department of agriculture in perfecting the uses to which the said land projects shall be put; that it is the opinion of the said city council that a practical use of the lands on the said land-utilization project as a demonstration to farmers might prove of great value, especially wherein the farmers would take active part in such work under the type of guidance which has been given through the Soil Conservation Service, the State Agriculture College, and Farm Extension; and be it further

Resolved, That the land-utilization project could be made into a gathering point for such organizations as the various high-school clubs future farmers' and adult farmers' organizations; and be it further

Resolved, That the City Council of Minden expresses its thanks to the Soil Conservation Service, to the Agricultural Departments of the Federal and State Governments for the good work done by such agencies in the revolutionary services rendered to the benefit of this parish, State, and city, and that at all times the members of the city government of Minden, Webster Parish, La., offers its full and complete cooperation to such agencies as have been named above; and be it further

Resolved, That this resolution be engrossed in the minutes of the council and a true copy thereof be mailed to Hon. OVERTON BROOKS, Member of Congress.

Thus done, read, and passed by unanimous vote in special regular session of the City Council of the City of Minden on this 5th day of June 1939.

DAVID W. THOMAS,
Mayor of Minden.
LEON W. ADKINS,
Secretary of Council.

I certify that the above resolution is a true copy of the resolution passed by the City Council of Minden, La., on June 5, 1939.

LEON W. ADKINS,
Secretary of Council.

National Youth Administration

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Saturday, June 10, 1939

TELEGRAM FROM THE PRESIDENT OF LAFAYETTE COLLEGE

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram received by me from the president of Lafayette College:

EASTON, PA., *June 8, 1939.*

Hon. FRANCIS E. WALTER,
House of Representatives, Washington, D. C.:

Understand move under way to reduce recommended appropriation to National Youth Administration for year beginning July 1 by $50,000,000. May I urge you most strongly to oppose any reduction? This fund has been one of the best administered funds in the national administration and has been of tremendous benefit and help to both public and private institutions throughout the Nation. Any reduction would seriously jeopardize the education, job-training, and social-adjustment aid to nearly 50,000 American youths now in the program. Your strong resistance to any reduction move will vitally assist in building the youth of the future.

W. M. LEWIS,
Lafayette College.

Puerto Rico

EXTENSION OF REMARKS
OF
HON. VITO MARCANTONIO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Saturday, June 10, 1939

STATEMENT BY VINCENTE GEIGEL-POLANCO, MEMBER OF THE ECONOMIC DELEGATION OF PUERTO RICO

Mr. MARCANTONIO. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement by Vincente Geigel-Polanco, member of the economic delegation of Puerto Rico:

To the Honorable FRANKLIN D. ROOSEVELT,
President of the United States of America:

The economic convention of Puerto Rico, constituted by accredited delegations representing all fields of human endeavor in this island—agriculture, industry, commerce, banking, labor, professions, and civic, social, economic, fraternal, and cultural organizations—passed on March 12, 1939, a resolution asserting that (1) the fact that the political status of Puerto Rico has not been defined as yet creates a state of restlessness and uncertainty which injures the best interests of the island, hinders its economic development and embarrasses the harmonious coordination of our relations with the United States; (2) that as long as this anomalous situation prevails, it will be impossible to formulate adequate plans of economic reconstruction for the peculiar needs of our people; and (3) that exercising those rights emanating from our condition of American citizens—especially the right of petition guaranteed and consecrated by the Constitution of the United States—we should request action from Congress authorizing the people of Puerto Rico to decide its political status according to the principle of self-determination.

In view thereof, the convention resolved to submit a memorandum to the insular legislative assembly asking that body to petition from Congress proper authorization so that the people of Puerto Rico can proceed to decide its permanent political status under said principle of self-determination. Similarly, the convention gave instructions to the executors of its resolutions that they should, in the course of their action before the Federal authorities, emphasize and make clear the expressed criterion, and that they should pursue suitable activities to have same receive proper attention, and to obtain, with the urgency called for by the situation, redress for the grievance it points out.

In compliance to this mandate, as a member of the economic delegation of Puerto Rico I have the honor to submit the following facts to the judicious consideration of Your Excellency:

HISTORICAL BACKGROUND

The island of Puerto Rico, one of the Greater Antilles, was discovered by Columbus in the year 1493. The first Puerto Rican settlement was founded in 1508, a hundred years before the establishment of Jamestown in Virginia. Spain settled and colonized the island, transplanting and adapting to the Antillean environment the best institutions of Spanish culture. The formative process of the people of Puerto Rico took place during the sixteenth, seventeenth, eighteenth, and nineteenth centuries. The first 300 years covered the necessary stages for the development of the population, the administrative organization of the different towns, and the initial promotion of the material resources. At the beginning of the nineteenth century the people of Puerto Rico had already attained its own peculiar characteristics, a sufficiently defined personality and a clear concept of social justice. All through that century Puerto Rico kept on laying firmer foundations for its personality and developing a culture of strong vitalities.

As a Province of the Spanish Crown, we enjoyed wide representation in the National Parliament on the same basis of equality as the Spanish Provinces of the Peninsula. On November 25, 1897, the Spanish Government granted Puerto Rico the autonomy chart acknowledging the sovereignty of our people to such a substantial degree that it could enter into trade agreements with other nations. The Autonomy Chart established a government of the parliamentary type. The legislative branch was composed of a chamber of representatives and a council of administration empowered to legislate on all local matters including administrative organization, public credit, banking and monetary system, and with full authority to dictate its own tariffs. The executive power was

vested in a governor general, assisted by a cabinet composed of five secretaries—grace, justice, and interior, finance, public education, public works, and posts and telegraphs, and agriculture, industry, and commerce—all of them Puerto Ricans and endowed with such powers that no executive order of the governor could be carried out unless it was previously countersigned by the corresponding secretary.

In 1898 Puerto Rico had a homogenous population of approximately a million inhabitants, a well-defined historical personality, a common language—Spanish—and a solid culture related to the purest Greco-Latin traditions. The country was enjoying an autonomous and responsible government.

AMERICAN OCCUPATION

It was then that the Spanish-American War took place. Puerto Rico was not responsible for that armed conflict, and neither did it have any interference in it nor was it a conditioning factor thereof. Nevertheless, on July 25, 1898, United States military forces occupied the island. In a proclamation addressed to the people of Puerto Rico on that occasion, Gen. Nelson A. Miles, commander of the forces of occupation, said as follows: "In the prosecution of the war against the Kingdom of Spain by the people of the United States in the cause of liberty, justice, and humanity, its military forces have come to occupy the island of Puerto Rico. They come bearing the banner of freedom. * * * They bring you the fostering arm of a nation of free people, whose greatest power is in justice and humanity to all those living within its fold. * * * We have not come to make war upon the people of a country that for centuries has been oppressed, but, on the contrary, to bring you protection, not only to yourselves but to your property, to promote your prosperity, and to bestow upon you the immunities and blessings of the liberal institutions of our Government."

In the peace conferences which followed the war operations the Government of the United States demanded the cession of the island of Puerto Rico. By the treaty of peace signed at Paris December 10, 1898, the island was ceded accordingly. Article IX of the treaty provides that "the civil rights and political status of the native inhabitants of the territories hereby ceded to the United States shall be determined by Congress." As an explanation to this article the American commissioners, in their memorandum of December 9, 1898, made the following statement: "As regards the political status and civil rights of the native inhabitants, these were reserved to Congress, which would enact laws for the government of territories ceded to the United States, this being but a confirmation of the right of the soverign power to leave to the new government the establishment of these important relations. The Congress of a nation which never enacted a law oppressive or detrimental to the rights of residents within its dominions and whose laws guarantee the greatest liberty compatible with the conservation of property, surely can be trusted not to depart from its well-established practice in dealing with the inhabitants of these islands."

PRESENT STATUS OF PUERTO RICO

After a period of military rule the United States Congress passed the Foraker Act on April 12, 1900, establishing a civil government in Puerto Rico. This law declared the inhabitants of the island "citizens of Puerto Rico," and as such entitled to the protection of the United States.

On March 2, 1917, Congress passed the Jones Act which, slightly amended, is still in force. The new law created a legislative assembly composed of a house of representatives and a senate, both elected by popular vote and empowered to legislate on some local matters but subject in its action to the veto power of the Governor of Puerto Rico, the President of the United States, and Congress. The President appoints the Governor, the attorney general, the commissioner of education, the auditor, and the judges of the Supreme Court of Puerto Rico. This act declared the citizens of Puerto Rico citizens of the United States.

The political status of Puerto Rico has always been ambiguous. Certain Supreme Court decisions have characterized the island as an "unincorporated" Territory in contrast to Hawaii and Alaska that are "incorporated." The extent to which the Constitution of the United States applies to Puerto Rico has never been specifically delimited. Under the present status the United States Congress exercises full powers to pass upon all matters, both internal and external, affecting Puerto Rico. Our people entirely lack authority to face and solve their fundamental problems.

In the economic sphere we were deprived of the autonomy that in tariff matters we enjoyed in 1898; the free exchange of goods was introduced in our trade relations with the United States; all American tariffs were made extensive to cover our trade with other countries and we were included in the United States coastwise shipping system, which forces us to depend on the more expensive services of the American merchant marine.

SOME OF THE EFFECTS OF THE PRESENT STATUS ON THE ECONOMY OF PUERTO RICO

The present political status has affected the Puerto Rican economy in the most disadvantageous and harmful way. The whole system, including the implications of the tariff has gradually built up a type of commercial agriculture exclusively suitable for exportation which, by seriously curtailing the subsistence farming activities indispensable to feed our people, compels us to import almost every article of consumption. Import duties imposed on commodities generally consumed by most people are so high that they create an unsurmountable barrier for our commercial exchange with other nations. Instead of simply regulating commerce, the American tariffs when applied to this island shut out all foreign products that could be obtained elsewhere to our economic advantage. We are thus forcibly obliged to make practically all our purchases in the North American market. From 90 to 95 percent of our outside commerce is carried on with the United States.

One of the most noticeable effects of the tariff in Puerto Rico is an exceedingly high cost of living. Rice, wheat, codfish, beans, olive oil, cotton fabrics, and a hundred more items that we must import fall under the prevailing rates of tariff protection. That means that we have no choice but to buy those commodities in the United States although other countries may have them at more convenient prices for us. Let us see just one example of how the American tariffs work on this island. In the case of rice, subject to an import duty of 2½ cents per pound, we pay every year nearly $2,000,000 in excess to the amount that we would have to pay in any other market. This figure does not include the overcharge of the transportation in American vessels. About 17 commodities comprising 65 percent of all food consumed in the island cost us from 8 to 14 percent higher than what they cost in the city of New York. Not a single commodity of general consumption in Puerto Rico appears in the free list.

However, should the effects of the tariff end with the increase in prices and the cost of living as its only consequence, our problem would not acquire such threatening aspect. But besides, it is a fact that due to our peculiar conditions the tariff does not protect the industrial development of the island. We encounter a state of things which rather frustrates the initiatives of an industrious people such as ours and renders practically void any attempt of industrialization with Puerto Rican capital due to the absence of adequate tariff protection for our own producer who cannot stand the competition of the American manufactures. Consequently we are unable to create new sources of employment to meet our serious unemployment problem. It is undeniable that a tariff devised to give generous protection to a country of such powerful agricultural and industrial activities as the United States cannot be wisely applied to a small and almost exclusively agricultural country mostly made up by consumers, suffering an economy of the colonial type, subject to outside capital, as Puerto Rico, without incurring not simply in a mere absurdity of economics, but also in the annihilation of the local sources of production and in a precarious impoverishment of the country.

Furthermore the tariff is greatly responsible for the large-scale land tenure and the absentee ownership that persist in the island.

This absurd economic regime—a direct outgrowth of the system of government in force—has retarded the development of the Puerto Rican industry; it has delayed the promotion of the authentic wealth of the country; it has obstructed our commerce with unnecessary restrictions and limitations; it has lessened our opportunities of employment to a most perilous minimum; it has contributed to increase our taxation in a way injurious to the insular economy; it has taken away from us the sources of income which could be derived from our own customs directed by local laws and local convenience, and therefore creates for our Treasury a state of perpetual neediness and scantiness impelling it to almost exhaust its borrowing capacity in a fruitless effort to take care of the public services to a more or less fair degree; it has established such an economic structure that all sorts of hardships, burdens, and disadvantages weigh on the Puerto Rican consumers. Amid these circumstances it is just natural that our economy should have suffered a gradual process of decline and impoverishment, and today it is on the verge of collapse.

In recent years the situation has turned itself even worse and the present status has shown to a still greater extent how it chokes and annihilates whatever is left of our economic life. The agricultural-adjustment program imposed substantial sacrifices from Puerto Rico although we do not share its benefits on the same basis as the continental areas, neither has the reconstruction projects been extended to the island in the same sense of generosity and justice that moves them in the States. Under the quota system for the production of sugar—the most important and basic local industry—Puerto Rico has suffered a greater reduction than any of the domestic areas. Besides injuring the growers and other producers, this curtailment has considerably diminished the already meager chances of employment. Instead of raising the quotas to reasonable standards, new decreases have taken place, and as a climax to all arbitrary acts the Sugar Act of 1937 places Puerto Rico in the category of foreign zones as regards to the importation of refined sugar.

In all those aspects in which the tariff really protects some of our products we find that favorable effects are being virtually annulled by the agricultural adjustment policy and especially by the trade agreements which displace us from the American market through the advantages accorded to countries sending to the United States the same commodities that we produce.

We face, indeed, a very critical situation. On one side we are forced to buy in the American market all we consume, and on the other we are not allowed to produce as much as our resources would permit under normal conditions. And then, after being reduced to a single market and to a very limited production, still we find the above-mentioned obstacles in our way when marketing our products. It is a situation that necessarily ruins our economy and plunges our people into despair.

We are dispossessed of any power to protect ourselves from said circumstances, to work for a proper solution, or to chart our economic life in accordance to the potentialities, means, and wealth of the island. Hence our productive possibilities tend to vanish, our resources are coming to naught, and our people are getting poorer and poorer.

An unavoidable state of profound collective restlessness and discontent arises from those conditions. It is that our people cannot willingly accept its own destruction. We firmly believe that we also have a right to the enjoyment of life, liberty, justice, and happiness. Puerto Rico longs for the power to promote its production, raise the standards of living and the working conditions of the laboring classes, introduce policies of true social justice, insure the well-being of all its citizens, and organize itself under a democratic form of government.

But as long as this anomalous situation resulting from our undefined political status prevails it will be absolutely impossible to draw up a program for the economic reconstruction according to the peculiar needs of the island, because we lack the indispensable authority to trace that program and because we have not been given the opportunity to decide and direct our destiny through a democratic procedure.

No step has been taken by any of the Federal administrations to place the island in condition to clarify its permanent political status. Up to now, and during 40 years of American rule, the people of Puerto Rico have been living aimlessly, without a chance to determine the course of its aspirations. The undefined status has prevented the island from the proper orientation of its economic structure, its school system, and its normal life as a civilized community. The absurdity of the situation has maintained in us a feeling of anxiety as to where direct our future; it has provoked the present social crisis, the economic chaos, and the inability of the island to utilize its resources to the benefit of its needy classes; it has carried us to waste our efforts, our energies, and our millions of dollars in keeping an educational system which lacks a definite purpose; and it has dragged the people to the present degree of uneasiness and uncertainty so damaging to its progressive evolution and so detrimental to the development of a good citizenship.

It is therefore most urgent and undeferable that this colonial system be replaced by a system of government responsible to the people of Puerto Rico. To attain this change it is indispensable that Congress should authorize Puerto Ricans to decide the permanent political status of the island in accordance to the principle of self-determination.

The right of our people to decide its own political status rests on the natural right of every civilized community to rule its own life. From the Puerto Rican point of view the urgency to decide the final political status is based on the fact that the present system fails to provide the permanent guaranties that must be had for the progressive development of the economy, culture, and welfare of the people.

Besides the arguments that could be advanced by Puerto Rico asking for authorization to decide its political status, there are from the American point of view itself additional and very powerful reasons strengthening our petition, to wit:

That the system of government which prevail in the island does not derive its powers from the consent of the governed and therefore runs contrary to the Constitution and the democratic institutions of the United States.

That the United States is responsible for the economic chaos existing in Puerto Rico as a consequence of the actual governmental system, and that it behooves Congress and the Federal administration to free the island from the system producing that chaos not only for the good of the national prestige but also as a protective measure for American taxpayers who are suffering, in part, the effects of the economic chaos of Puerto Rico.

That the maintenance and extension of the present system of government, or of any other system not deriving its powers from the people of Puerto Rico, do not satisfy the moral pledges and legal commitments incurred before the world by the United States in the act of occupation of the island.

That the continuation of such colonial type of government imposed by the United States on a civilized country of the Western Hemisphere—a sister country of the Spanish-American group of nations and united to it by the bonds of race, tradition, history, language, and culture—is in opposition to the basic postulates of Pan Americanism, impairs the moral principles of the good-neighbor policy, and hampers the international position of the United States as a democratic power.

That an early definition of the Puerto Rican political status will effectively contribute to encourage better economic relations and to bring a closer spiritual understanding between the United States and Puerto Rico.

That as a vital part of the national-defense program—in which the strategic position of the island performs such an important role according to expert opinion—it is essential that the United States should secure the sincere cooperation and dependable loyalty of Puerto Rico through the happiness and welfare of the people.

That in the light of American history, precedents, and free institutions of the United States it is evident that the only democratic way to solve the problem of Puerto Rico is by an authorization from Congress allowing the people of the island to decide its political status in accordance to the principle of self-determination.

Pursuant to the resolution passed by the economic convention of Puerto Rico, this delegate respectfully petitions Your Excellency to recommend to Congress proper action, so that without any further delay the people of Puerto Rico may be able to decide in a democratic way its final form of government.

The situation that I have stated in behalf of the people of Puerto Rico involves a problem of vital importance to the life, liberty, justice, and happiness of 2,000,000 citizens, who hereby place their fate in your hands, as it is up to Your Excellency, as President and champion of democracy, to lend us your valuable assistance in the solution of this problem.

Respectfully submitted.

VICENTE GEIGEL-POLANCO,
Member of the Economic Delegation of Puerto Rico.

James Hamilton Lewis

MEMORIAL ADDRESS
OF
HON. CHARLES KRAMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois

Mr. KRAMER. Mr. Speaker, we bowed our heads in sorrow at the knowledge that the grim reaper had summoned, without previous warning, our beloved friend, Senator J. HAMILTON LEWIS. A rare and radiant personality passed on and in our hearts there is left a distinct void. Father Time, when calling the roll, is no respecter of ability or character.

To have known Senator LEWIS was to have loved him. It was my privilege to become personally acquainted with him many years ago when he first moved to Chicago to make his residence. Chicago was my home at the time, and as a young rookie in the Democratic Party I was assigned to the pleasant duty of transporting Mr. LEWIS during many campaigns. The successful political careers of many public figures in Chicago is directly attributable to the scholarly brilliance, the sparkling wit, and the eloquent oratory of "HAM," as he was affectionately known.

Upon my election to Congress I was privileged to actively renew my friendship with Mr. LEWIS—a friendship which had commenced many years before but which had ceased to become active when I moved to California for residence.

The story of Mr. LEWIS' life is an interesting one, and success came to him only after many years of struggle and adversity. Perhaps it was adversity that created in him such a complete understanding of humanity. Perhaps it was his understanding of humanity that molded his character into the noble gentleman that was to become a national figure—one whose name was familiar in every household.

Senator LEWIS was one of the most colorful figures of our time. He was noted for his courtly manner, for his idiosyncracies, for his enviable sense of humor, for his amazing gift of fluent oratory, and for his complete genuineness, which endeared him to the Nation. Many amusing stories have often been told of the Senator, each one of which has the more stronger endeared him to our memory, but beneath the veneer of courtly manners and complete mastery of discourse and rhetoric there was rugged grain, shrewd common sense, and political skill. He was distinctly an individual—a magnetic personality. He had a kindly smile, a sincere handclasp, and his regard for the feelings of others stamped him as a gentleman.

Mr. LEWIS was indeed a brilliant man, but most of all he was a kindly man—one who had time and patience for everyone, including the most humble. I knew him in both public and private life. He has answered the call of Providence, his soul is at rest, and with reverence I pay my humble tribute to the memory of a great man.

The Virgin Islands of the United States of America

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

EDITORIAL FROM THE ST. THOMAS (V. I.) DAILY NEWS

Mr. CRAWFORD. Mr. Speaker, it is too easy a matter for the continental United States to overlook most serious problems which exist in our offshore area where citizens of the United States reside and who are entirely helpless in a way by reason of the fact that legislation which provides for their form of government is dependent upon the action of the Congress.

Many of these people are subjected to the status of "reliefers" very largely because we do not approach the solution of their problems in a constructive manner. For Congress to make appropriations of money now and then and have the funds forwarded to these areas and assume that such a remittance is all that is necessary can often prove more damaging than helpful.

In the case of the Virgin Islanders, I personally feel we have been very negligent in the performance of our duties and obligations which we assumed when we acquired the islands from the Danish Government and thereby brought the islanders under the complete jurisdiction of the United States.

How keenly the people of the Virgin Islands feel their misfortune at not having a full-time representative here in the Capitol of their Government is well expressed in an editorial appearing on June 1, 1939, in the Daily News, a newspaper published in St. Thomas, V. I. Under leave to extend my remarks, I submit that editorial for the consideration of Members of the House.

[From the St. Thomas (V. I.) Daily News]

It is difficult for Virgin Islanders to understand why the American people balk at giving them fair treatment, and at the same time upbraid them for their poverty, when Congress has not taken the necessary steps to improve conditions in the islands by allowing the Virgin Islands to have the benefit payments under the Sugar Act of 1937. This unfair discrimination, which is applied only against the poverty-stricken islands, of all the sugar areas, also includes a "unique export tax" of $6 per ton on all sugar sent to the United States.

"Is it because we have no powerful lobby in Congress that we cannot get justice?" ask Virgin Islanders. Health, education, tourist development, housing, and farm relief suffer through this discriminatory holding back of money actually earned by and due to the Virgin Islands.

These new possessions of the United States have been given some charity through the years, but now that they are learning to become self-dependent they want to assume their true economic status under the terms given Puerto Rico and the Philippines. If the islands are to improve at all, or even to exist, they must get what is due to them. Government by neglect is worse than misrule because it is more subtly bad. The United States cannot continue to withdraw all Federal deficiency appropriations without giving the islands what is their own property. It is like offering a sick man a pair of crutches and then cutting off his legs because he won't walk faster. The irony of it becomes more evident when even the crutches are taken away.

Most of the misfortunes of the Virgin Islands come because the people have no representatives in Washington the year round. They depend upon the tender mercies of the American press to awaken sentiment in their favor and get Congress to take action on the petition presented by the special delegates from the municipal councils in the islands. This year's delegation has had a terrible task; whether or not it will accomplish much is left to the sense of fair play and consideration for subject peoples which Americans are supposed to possess.

The Farmer Took Chain-Store Bait

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

EDITORIAL FROM THE UNIONIST AND PUBLIC FORUM, SIOUX CITY, IOWA

Mr. HARRINGTON. Mr. Speaker, under unanimous consent to revise and extend my remarks, I include therein an editorial from the Unionist and Public Forum, published by Wallace M. Short, in Sioux City, Iowa. The chain-store tax bill referred to in this editorial is one sponsored and introduced by myself while a member of the Iowa State Senate.

[From the Unionist and Public Forum, Sioux City, Iowa]

THE FARMER TOOK CHAIN-STORE BAIT

A farmer of northern Iowa decided he couldn't save his farm home by growing corn. Being a resourceful and enterprising fellow, he determined to turn his farm into a pickle factory, producing the raw material and doing the processing on his own acres.

It worked. He produced a good article and built up a market for it, and seemed to be on the road to a modest success.

Then came along the agent of the chain-store system—"to help him." The chain would take off the farmer's hands the marketing problem, pay him a better price, and the farmer could devote all his efforts to the production end.

So the chain took the entire crop of pickles, and along with the crop took the trade the farmer had developed. It seemed to work well for a while.

But it happened that this farmer was also a State senator, and in 1935 there was a chain-store tax bill before the legislature, and the thousand-dollar-a-month chain lawyers were on hand. One of these chain-store agents took the farmer senator aside and told him how he must vote.

The farmer right there discovered that when he sold his pickle crop and his trade territory to the chain system, he sold himself into the hands of a ruthless master—his trade territory was gone and also his right to do his own thinking. He told the chain agent that he reserved the right to vote according to his own conscience—and he voted for the chain-store tax.

Right there the chain system dropped the farmer; it now had the trade the farmer had built up. Now the farmer has his pickles but no market.

This goes for any individual and for any community that sells himself or itself into the hands of the foreign-owned system.

Once in the power of the system, it will pay what it pleases and demand the right to tell its victim what he must think and how he must act.

The chain builds up no community, initiates no new enterprise. Its business is to come in after the community and the enterprise have been built by men of initiative and enterprise and pick the bones of the individual or the community and ship the profit—the circulating medium of the community—straight down to the coffers of concentrated and stagnant wealth in the eastern money centers.

That is the way the concentrated reservoirs of stagnant wealth are created. It is one main reason our Iowa communities are going on the rocks.

William Ben Cravens

MEMORIAL ADDRESS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from the State of Arkansas

Mr. KITCHENS. Mr. Speaker, this memorial service in the House of Representatives in commemoration of the life and

services of our departed colleagues, where they labored so long and faithfully, is most befitting and proper. The beautiful flowers, the lilies and evergreens, that bank the Speaker's rostrum and fill the Well of the House show in a small way our respect and esteem.

We have been listening to the United States Marine Band orchestra in a prelude render most sacred selections admonishing us of our mortality and of the sacredness and immortality of the soul.

At high noon today the Congress assembled in memory of, and as a sincere tribute to, those of us whose spirits have passed into eternity, leaving to us and posterity only memories and the written record of their earthly sojourn.

We listened to our Chaplain, Dr. James Shera Montgomery, and to the inspiring, living song of truth rendered by Mr. John Carter in the words "I Know That My Redeemer Liveth." We listened to the Temple Quartet sing so beautifully and devotedly "The Lord Is My Shepherd."

We have heard the Clerk of the House of Representatives solemnly call the roll of our departed colleagues, separated from us since last Memorial Day, and there was no reply; only the deepest of silence. We heard him call the name of Hon. Royal Samuel Copeland, Senator, of New York; Hon. James Hamilton Lewis, Senator, of Illinois; Hon. Charles J. Colden, Member from California; Hon. Allard Henry Gasque, Member from South Carolina; Hon. Robert Low Bacon, Member from New York; Hon. Joseph Boylan, Member from New York; Hon. Stephen Warfield Gambrill, Member from Maryland; Hon. William Ben Cravens, Member from Arkansas; Hon. John Burrwood Daly, Member from Pennsylvania; and Hon. Clarence Wyly Turner, Member from Tennessee.

None, of course, responded here, because their names are now on another roll, and they henceforth will answer the call of a power more omnipotent than this body, as they recently did when summoned from amongst us.

After the roll was called, all Members remained in devotional silence after which the Temple Quartet sang another song, that very beautiful, appropriate, and comforting song, "Rest in Peace."

We listened to the eloquent and inspiring address of Hon. THOMAS A. JENKINS, of Ohio, then to another beautiful song, "A Spirit Flower," by Mr. John Carter, and then to the eloquent and able address of Hon. JAMES P. MCGRANERY, of Pennsylvania, followed by the Temple Quartet rendering another appropriate and comforting song entitled "The Strife Is O'er."

Afterward we listened to taps rendered by one of the buglers of our Army service, and which so often many of us have heard in peace as well as in war, in life for the living as for the dead, to signal that the light of life in our departed colleagues has been extinguished and shall shine no more, and that they have retired in silence everlasting. Our chaplain will in a few moments speak the benediction, and to our departed comrades say the last farewell.

Mr. Speaker, I rise to recount in my humble way and in a few words something of the life and services of Hon. BEN CRAVENS, of Arkansas, one of the names on the roll and called without response.

He departed this life here in the Capital City, January 13, 1939. He represented the Fourth District of Arkansas, a tier of counties along the border of the State of Oklahoma. BEN CRAVENS was born January 17, 1872, at Fort Smith, Ark., a city that was built upon the western frontier of this country when the people along the eastern coast line and elsewhere were advancing westward. He was of the pioneers who settled the city of Fort Smith, and came of one of the well-known families of our State. He was married at the place of his birth, and leaves today his widow and two children to mourn his untimely passing. He was a graduate of the law school of the University of Missouri, and practiced his profession in Fort Smith. He served as city attorney of Fort Smith for two terms, was district attorney for three terms, and without opposition was elected to the Sixtieth Congress for the term beginning March 4, 1907. He was re-elected to the Sixty-first and Sixty-second Congresses when afterwards he voluntarily retired.

After 20 years, again he was solicited to be a candidate for Congress, and, without opposition, was elected to the Seventy-third, Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses. In the last campaign he was physically indisposed, unable to leave his home city, but overwhelmingly was reelected.

Mr. Speaker, BEN CRAVENS served in the Sixtieth Congress with other able men from Arkansas. There were Hon. Robert Bruce Macon, Hon. William A. Oldfield, Hon. Charles Floyd, Hon. Charles Chester Reid, Hon. Joseph Taylor Robinson, and Hon. Robert Minor Wallace, all of whom left the imprint of their work in the records of the American Congress. At that time there served in the Senate Hon. James P. Clarke, President pro tempore, and a leader in the Senate and a former Governor of Arkansas. There also served Hon. Jeff Davis, three times Governor of Arkansas.

Mr. Speaker, BEN CRAVENS was an unobtrusive man. He did not seek publicity for publicity's sake. He was frank, honest, and sincere in everything he said or did. His time was assiduously and quietly employed in the work of his office and in the discharge of his part of the legislative business, and was particularly concerned in every matter pertaining to, or in anywise affecting, his district and State. He was not influenced by group or other pressure, and exercised his own judgment after thoughtful, careful study and consideration, regardless of the consequences politically. His sentiments and opinions were voiced courageously with the public interest foremost in mind.

BEN CRAVENS had faith and confidence in the good judgment, intelligence, and common sense of the common man, and the common man had great faith and trust in the intelligence and good judgment of the one about whom I am now speaking. He was dean in the Congress of the Arkansas delegation at the time of his death. The service in Congress of the rest of us from Arkansas has been of short duration, but each of us owes a debt of gratitude to our departed colleague for his many courtesies and the considerate attention shown us, as well as for his wise counsel. He was at all times ready and willing to consult with, advise, and assist us.

Mr. Speaker, I was honored by being selected as one of the Members to accompany the remains of our departed colleague to his native home and city of Fort Smith. Upon arrival at our destination, we found not only the many friends of his home but many from over his district and our State present to render a last sad tribute to his life and remains. The funeral services were held in his home. The streets and walks were filled and lined with many hundreds of his friends who could not enter, and the flowers filled the room and the home with their sweetness and messages of love, esteem, respect, and admiration for our departed colleague. At the grave we consigned his body to the tomb, full well knowing that—

> Dust thou art to dust returneth,
> Was not spoken of the soul.

I trust, Mr. Speaker, the grief of his beloved wife, splendid son and fine daughter, as well as the sorrow of his many friends, will be partially appeased and softened by the modest pride, which they may justly take, in the memory of a husband, father, and friend, who was so beloved, and always so devoted to the upright, real, honorable, and straightforward things of life.

Mr. Speaker, Hon. BEN CRAVENS made no pretentions. He was what he was. It can well be said of him that he was a—

> Statesman, yet a friend of truth. Of soul sincere,
> In action faithful, and in honor clear;
> Who broke no promise, served no private ends.

Charles J. Colden

MEMORIAL ADDRESS
OF
HON. CHARLES KRAMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. KRAMER. Mr. Speaker, it is a solemn occasion to assemble in tribute to the memory of our departed colleagues and to eulogize and scatter a few flowers on the pathway of memory.

We bow in humble submission to the majesty of death, and we genuinely mourned when the grim messenger called to our Father's house our beloved colleague CHALES J. COLDEN. Charlie was a man of ability and honor, and he gave his health in the service of his congressional district. He received earthly honors in his election to Congress, but he has been beckoned to a greater reward than that conceived for him by his fellow men.

Charlie was a devoted husband, a fine father, and a true and faithful friend. These are simple titles, yet are they not the grandest titles a man can have?

It was my privilege and pleasure to make the acquaintance of Charlie shortly after our mutual election to Congress in 1933, and I valued his friendship highly. To us mortals it seems that the link of human friendship is broken all too soon, and on April 15, 1938, our Father called Charlie up the golden stairway to his heavenly reward. His earthly work had been well done.

Charlie was genuine. There was no affectation in his speech, in his manner, nor in his efforts to serve his people well. As we turn back the pages of memory, in fancy we see him and other departed colleagues as we knew them in the days of their health and strength, which they gave in full measure in the performance of their duties.

Death is universal and we all must some day answer its summons. There will be no earthly things to stimulate or depress us, and how insignificant then will seem our earthly accomplishments. Our faith in immortality tells us that we shall some day meet again, and when I last look upon the pallid face of departed colleagues, friends, and loved ones, I receive the sweet consolation that we shall some day meet again. Truly may it be said of CHARLES J. COLDEN:

He is not dead but sleeps;
Such souls forever live.

Stephen Warfield Gambrill

MEMORIAL ADDRESS
OF
HON. LANSDALE G. SASSCER
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. STEPHEN WARFIELD GAMBRILL, late a Representative from the State of Maryland

Mr. SASSCER. Mr. Speaker, we gather to pay our respects to the life and memory of your late colleague and my predecessor of the Fifth Congressional District of Maryland, the Honorable STEPHEN WARFIELD GAMBRILL.

Born and raised among the beautiful hills of Howard County, he was from a family long prominent in the official life of our State. He inherited from distinguished statesmen, whose services to Maryland are traditional, an interest in public and civic affairs and an affection for and loyalty to its people.

My colleagues of the Maryland delegation have called attention to his distinguished service since entering the Congress of the United States. I shall therefore reach back to my association with him in the Senate of Maryland before he entered this body. There I saw him come to the State senate from the floor leadership of the house of delegates where, in the prime of life and fullness of his physical strength, and amid the confidence of friends and admirers, he was the radiantly outstanding member of that session—a debater of tremendous force and a man of undaunted courage. After he entered into the Maryland Senate I became more closely associated with him, and there we formed a personal and political friendship which lasted down through the years until death removed from the Fifth Congressional District of Maryland an able and valued public servant and took from me a close and honored friend.

To one who knew him during his service at Annapolis there arises visions of his enthusiasm, force, sound judgment, and prudent counsel. Vigorous energy and tenacity of purpose so distinguished him in the midday of his life that he was soon called to represent his people in the Congress. His services here have been replete with self-sacrifice and accomplishments, and even when his health and strength began to yield his desire to meet the obligations which devolved upon him was such that his undaunted spirit kept him performing his public duties with courage and fidelity to the end.

When we contemplate the strong points that stood out so prominently in his character it can well be said: Peace and rest to his soul and honor to his memory.

More New Frontiers of Science—Scientific Inventions and Processes and Some of Their Social and Economic Effects

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Saturday, June 10, 1939

RADIO ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, JUNE 9, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio speech which I delivered over the national network of the Mutual Broadcasting System from station WOL, Washington, D. C., on Friday evening, June 9, 1939:

Friends of the radio audience, I am again grateful to the Mutual network for making it possible for me to address you this evening. In this continuation of my discussion of the effects of invention and science upon the social and economic fabric of our society, I desire to point out that the monotonous jobs displaced by machines in the past have been those that could be entirely controlled by other perceiving senses than seeing. Machines could duplicate man's power to feel form, size, weight, temperature, pressure, etc., but no machine could see. A host of simple jobs that required seeing, still have to be done by men instead of machines, however monotonous. Therefore, the development of a device which can see, namely, the photoelectric cell, carries with it a vast range of future economic effects. The photoelectric cell is doing an increasing number of tasks better than the most keen-eyed, skillful, faithful, and tireless workman. And it brings electrical action on what it sees, instantly, at any distance, and 24 hours a day if desired. The photoelectric cell has been set already to a remarkable variety of tasks. It makes a particularly good combination with the vacuum tube and various automatic registering and controlling devices, making possible continuous operation and

distant control. It seems reasonable to expect a rapid and wide application of this mechanism, with the result of ending many a dull job, speeding manufacture, improving quality, and encouraging multiple shifts and processes.

Not only can machines see, they can also hear. The implications of the televox and acoustical equipment, which might be called the electric ear are, however, probably much less varied and important than those of the photoelectric cell. Moreover, much of the acoustical development is too near the laboratory to justify one's forecasting effects with the same confidence as in the case of the electric eye. Yet the new principle is a dramatic one. Sounds can be sifted out and selectively heard by novel devices, so that a door has been fitted to open only to the words "open sesame," and machinery to stop on "hearing" the cry "Help." Televox exemplifies another idea likely to have extension, that of using ordinary telephone lines to convey sounds which can actuate distant mechanisms.

It seems likely that such electrical ears and voices frequently will fit well into such complexes as have been indicated for the electric eye. They will save employment of observers at scattered posts and listen for particular sounds which indicate how a process is going, or for sound signals. They will actuate appropriate controls, promote safety, give directions, and perhaps even distinguish individuals—accomplishments all demonstrated today. Again, there should result much reduction of monotous jobs, and increased demand for electricians, inspectors, and skilled mechanics instead of mere operatives.

Timing devices increasingly used, the prerecording oscillograph, and numerous other machines can almost parallel powers of the human mind. It appears that no limit can be set to the work which might be taken over by machinery, although the rule holds that it is the most simple and most monotonous tasks, whether physical or mental, that are the most readily replaceable through invention. While such tasks are being mechanized, new monotonous tasks are being created through subdivision of old jobs whose product has become available for larger-scale production.

A socially important influence of the increased use of electricity, especially as power plants tend to be concentrated into great generating stations often outside the city, is to reduce the sooty smoke in cities. The sulphur dioxide in coal smoke, however, which eats impartially clothes and paper, throats, buildings, and vegetation, is not removed by the better burning in large furnaces, but only by costly smoke purification or removal of the plant. Numerous remedies, especially the fast growing domestic mechanical stoker, are available to reduce greatly the various evils of smoke, but require social enforcement. For smoke always hurts the community more than it hurts the owner of the chimney.

Among important technological improvements in the manufacturing processes are those which alter the working conditions of labor, although they may or may not replace labor. Two examples of such developments which have implications for the future are inventions pertaining to lighting and air conditioning in factories. The increasing efficiency and economy of artificial light encourage the trend toward the use of night shifts—a trend which, of course, was interrupted during the depression. Transportation, printing, mining, and chemical and metallurgical works have long used multiple shifts. The stream of new mechanical inventions, which hasten the obsolescence of machinery in manufacturing generally, encourages more intensive working than before in order to wear out equipment before it is obsolete.

Air conditioning, which was first applied in factories for the benefit of the goods, is likely to be extended gradually as it becomes cheaper and as more thought is given to the efficiency and comfort of the worker. With air conditioning also will come better insulation against noise.

The immediate developments in commercial aviation are likely to be stupendous. Pan-American Airways are inaugurating regular plane service between the United States and Europe. Two round trips weekly between England and America are planned at first, and within a year two round trips a week between New York and Marseilles. The schedules promise 19-hour service between New York and London in the Boeing Stratoliner, a 200-mile-an-hour four-engined landplane, whose sealed cabin will allow not only stratosphere flight but will keep the plane afloat in the event of a forced landing at sea.

New York-London service by the northern route in the Boeing clipper will take 24½ hours. The return trip will take slightly longer because of the prevailing winds. It will be flown over the northern route, via Newfoundland and Ireland, only during the summer months. The southern route, via the Azores and Lisbon to Marseilles in the summer and to London as well in the winter, will take 43 hours.

But the social and economic changes to follow the shrinking of the globe by long-distance aviation are, in some respects, less significant than the changes in habits of life which would result if the promises of steep-flight aircraft come to realization. Expert opinion is divided; every word here stated about such craft as the helicopter and the autogiro must be accepted with the reservation that many years may elapse before the technical problems, such as that of providing adequate forward speed, have been solved. Yet the winged horse which could leap into the air, soar or hover in the skies, and drop gently to a constricted landing spot, is no chimera—experimentally, at least, it has arrived. The familiar autogiro has recently been developed on an experimental basis for a take-off with no run at all. The helicopter, which screws itself into the air, first sketched by Leonardo da Vinci, has been made to rise and fly about under control, although its flight is as yet only a crude beginning. And there are other types, for example, the vertaplane, which is a biplane whose upper wing is rotated for reconnoitering and landing but fixed for efficient ordinary flight. It has been flown experimentally in both forms.

While private planes within another decade probably will be used by the ten thousands, more time doubtless will elapse before they become serious competitors to the private automobile. The steep-flight principle, with its adaptation to landing on one's own office roof, back yard, or favored spot for recreation, and with its relative safety, may some day provide the most popular aircraft for amateurs. Types of autogiro or airplane already demonstrated, which can land on any usable field, fold up like a beetle, and proceed along the highways like an automobile, to be housed in the home garage, have intriguing recreation possibilities.

The lighting of highways with sodium or high-pressure mercury lamps, if it proves extensively feasible, not only would help safety and provide 24-hour capacity for highways, but also would fit in with a rural electrification program, since the same costly line can serve the highway and the adjacent rural areas.

In the railways we find a vast industry that lagged in applying new technological aids, but is now making striking moves to match its competitors. Bus coordination, motor-rail cars for local service, faster expresses, electrification of the few most-used lines, and the introduction of new luxuries will help the fast traffic. Electrification and dieselization of terminal traffic are making cities less smoky and noisy, and may tend, as in New York, to bring leading business districts nearer to the railway station. Faster and much longer runs by all kinds of locomotives tend to undermine the division point type of town.

Ocean ships will be safer through perfection of many minor inventions for fire protection, echo sounding, and so forth, and especially through means for overcoming fog, the principal source of the remaining marine disasters. Seventeen of the twenty-five different remedies against fog listed for aircraft are applicable, with modifications, to ships. Usually they are easier to use afloat, since the ships can contain, pay for, and take time to use more apparatus. Particularly promising, and perhaps some day needing legislative enforcement, are the uses of infrared light, with the electron telescope, for sighting through fog the sun, the signal lights and hot funnels of an approaching ship, and lights or special signals from lighthouses. Lighthouses and foghorn stations may eventually be transformed into radio, infrared, and underwater-sound stations.

A major social significance of all inventions for travel and fast transport is that they also serve for communication. The people who travel, as tourists, businessmen, and immigrants, carry the ideas of one region to another. Swift movement of goods is commonly of letters, printed ideas, examples of art, or highly manufactured goods which serve often as samples or suggestions. National business and political organization, as against local and State, with the accompaniment of national ways of thinking, are built up by every improvement of long-distance transport and communication.

We have here in America sufficient natural resources, raw materials, electrical power, inventive genius, skilled labor, and everything that is required to build the grandest civilization in human history and make it possible and certain for every man, woman, and child to live in comfort, even in luxury, and enjoy abundant prosperity, security, and happiness. Any person of average intelligence who will make only a cursory study of present technological trends and their social implications will be forced to the conclusion that the scientists and engineers are absolutely correct in their contention that we in America stand upon the threshold of the greatest era of social and economic development and progress ever experienced by mankind. If we apply the new secrets, formulas, and processes of modern science and chemistry in the manufacture of goods and the production of foodstuffs, we can give immediate employment to every idle person in the country and keep them steadily employed for decades to rebuild America by introducing the latest approved scientific methods in our industrial and agricultural structure.

Thank you and good night.

Annual Convention of Utah Chapter, National Association of Postmasters

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Monday, June 12, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 22, 1939

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by Postmaster General Farley at the annual convention of the Utah Chapter of the National Association of Postmasters, held at Salt Lake City, Utah, Monday evening, May 22, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a pleasure for me to attend meetings of postal people, and I appreciate the opportunity of being with the postmasters of Utah this evening.

It has been my policy as Postmaster General to provide the maximum service consistent with reasonable expectation of the patrons at the minimum cost. I do not believe that the Department should be conducted for profit. Its principal purpose is to serve the people efficiently, but it should be managed in a businesslike way and should not be run at a loss. In carrying out those policies I have had the wholehearted support of postmasters everywhere, for which I am deeply grateful. You men and women who have been selected for these important places stand well in your communities. You were appointed by the President and, as stated in your commission, he reposes special trust and confidence in your intelligence, diligence, and discretion. And I can say to you that neither the President nor I have had cause for regretting the confidence reposed in you. We have a fine group of postmasters who, with but few exceptions, are giving close personal attention to their duties.

The management of the Postal Service requires great resourcefulness, for it is a complicated business upon which business, prosperity, and social happiness of the public is dependent to a large extent. It is a most interesting service; bigger than any individual in it; bigger than the Postmaster General and all of his staff, and all of the postmasters. Neither you nor I nor anyone else connected with it has a right to impede its progress. It does not belong to us. We are fortunate in being temporarily placed in charge of its management and operation. I say temporarily because no matter how long we stay our service will constitute only a fractional part of the life and history of this fine communication system.

No one can learn all there is to be known about the Postal Service in 4 years, 8 years, 12 years—as a matter of fact, I doubt very much that any of the postal experts who have been associated with it throughout their adult lives would claim that they have mastered all of the complex details. I do not feel, however, that either you or I should be so greatly concerned about that particular phase of the problem. The Department itself, and practically every local post-office organization of any size finds available in its personnel many men and women of long experience, experts in all of its branches—not any one individual who has complete and full knowledge, but many individuals whose cumulative knowledge and coordinated experiences under sensible and efficient leadership, give us an organization fully able to cope with any problem presented.

The important thing for the postmaster to remember is that he is the manager of the postal establishment in his community. In the smaller offices he must apply himself industriously to the task of quickly acquiring a considerable knowledge, as he is called upon to actually perform a good portion of the day's work in the actual handling of the mails. But regardless of the size of the post office and regardless of its class, from the small office located at the crossroads in a sparsely settled section, to the largest office in the Nation, the postmaster is an important official.

The Postal Service is a friendly organization. Notwithstanding the development of machinery and modern facilities to assist in the transportation of mail matter, we still depend and always will depend on the loyal, intelligent service of human beings to do the real work of distributing the mail and delivering the mail. Postal employees are honest, intelligent, and patriotic. When they are called upon to render a public service they respond with enthusiasm.

Experiences of the past few years show that when there is a real job to be done affecting all our citizens, the post office is asked to share in the task. I am sure that you recall with interest the handling of the bonus bonds, the registration of workers under the Social Security Act, and the census of the unemployed; and, last but not least, our continued activity in the sale of savings bonds for the Treasury. We appreciate the high regard in which we are held by the President, the Congress, and citizens generally. We are always glad to assume the task assigned to us, and, thanks to you good people in the field service, we always complete those tasks quickly and cheerfully.

It would be ridiculous for anyone to say that this fine spirit of cooperation and loyalty to the public has existed only under this administration. As a matter of fact, I know that it has always existed in the Postal Service. I also know and am pleased to say that the policies adopted by this administration have done much to encourage this spirit of loyalty and to continue and enhance the good will existing between the management and the personnel. Obviously, service to the public is of paramount importance. That is our first objective and, in fact, our first duty. We are obliged to do our work quickly and efficiently. Business and industry depend on us for that, and every citizen in America should have full confidence in our ability to transmit their messages expeditiously and with safety; but our responsibility does not end there. The management also has an obligation to the rank and file.

It is our duty to see that the rights of the employees are protected, that the men and women who have come into this Department to take up their careers, to make this their life work, shall have the full fruits of their labors. It is our job to see that they are properly rewarded for meritorious service. That is good business and good, common sense. I think postal people should be happy. They are well treated, and as long as I am Postmaster General it is my purpose to do everything within my power to protect your interests and the interest of everyone connected with this great organization. Under this administration we have secured legislation calculated to insure life tenure for postmasters who render satisfactory service, which is further evidence of the desire of this administration to improve the public service and reward merit.

We have not only devoted our attention to an improved service and to protecting the rights of the employees, but we have also given a great deal of attention to the most important matter of protecting the pocketbooks of the taxpayers. I said a few moments ago that we should render good service at the minimum of cost, and that the Postal Establishment should not be operated at a loss. That is a policy that I adopted and made known to my executive staff soon after I was appointed Postmaster General, and we have rigidly adhered to that policy. Early in this administration surveys convinced us that the 3-cent letter rate for local delivery was a higher rate than the traffic could fairly be expected to bear. In other words, our studies convinced us that a 2-cent charge on letters deposited locally for local delivery, on which there was no transportation charge other than local vehicle transportation, was equitable, both to the users of the service and to the Department. Therefore, we recommended the reduction in that rate from 3 cents to 2 cents.

Similar studies applied to the handling of letters for out-of-town delivery convinced us with equal force that considering all handling charges, including transportation, a 3-cent charge for this service was eminently fair and just, both to the user and to the Department. For that reason I have consistently recommended that the 3-cent postage rate for out-of-town letters and first-class matter be continued until such time as the Department might increase its volume or find other sources of revenue that would make up for the loss sustained from a further reduction in first-class postage rates. The important matters for consideration in arriving at this conclusion are—first—that the 3-cent rate is a nominal charge, in fact ridiculously low when compared with the service rendered. Second—that by charging this rate the management of the Postal Service can live within its budget for that part of its service which it renders for hire and still provide good working conditions and good pay for its employees. Third—that regardless of the opinions that anyone may hold on the subject, the fact remains that if the first-class letter rate for out-of-town mailings should be reduced at this time a deficit of considerable size would result, and this deficit would be paid out of the general funds of the Treasury, which funds are supplied by the taxpayers.

Business is better and I am convinced that it will continue to get better in commerce and industry. Of course, increased business and increased revenues that come to the postal service involve increased expenditures, principally in wages, but under careful management and with steady improvement in methods and facilities, and with increased production on the part of our employees, which I am happy to say they are giving us in generous measure, and with the present 3-cent letter rate in effect, we are able to devote to improvements in service a part of the increased revenues. For example: in the extension of air mail across the Atlantic to Europe.

As you know, Congress, and not the Postmaster General, fixes the rates of postage. You may be assured, and the public may be assured, that I shall make no recommendations to the Congress with respect to postage rates until I am doubly sure that such recommendations are based on a careful study which has given proper weight to the interest of all concerned. I have recently recommended to the Congress a continuance of the 3-cent letter rate for out-of-town first-class matter, and I am confident that the recommendation will be approved.

To sum it all up, under the present first-class rate those who use the Postal Service pay for its maintenance, and I am quite sure that an overwhelming majority of the people favor its continuance on that basis.

In conclusion, may I say again that I appreciate the opportunity for this visit with you, and bespeak your continued cooperation in the further development of the United States Postal Service.

Foreign Affairs

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, June 12, 1939

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, JUNE 10, 1939

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered on June

10, by the junior Senator for North Carolina [Mr. REYNOLDS] on the subject of foreign affairs.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of my radio audience, tonight the eyes of the world are on the United States. People of all nations see our country as the last stronghold of free democracy. It is a democracy born in bloodshed and starvation. It was nurtured on stanch ideals of free men whose first thought was principles. It has stood the test of time. It has been rocked by the storms of depression and disaster. But our foundation is firm. As a result we have come nearer to that utopia of good government, free action, and free thinking than any other people on the face of the globe.

I speak to you tonight as one vitally interested in preserving what we have built. It is my one and only interest. I address you in a spirit of gratitude for what my country has given me. I speak in appreciation for the opportunities I have been afforded. Thus it is only natural, being devoted to my country, that I should speak in defense of its ideals and its institutions—those things which have made it possible for America to move onward and upward. We should all be proud of the progress we have made while empires all around us are tottering and crashing.

It is true that I espouse a cause—the cause of honest Americanism. I have consistently over a period of many years—long before I entered the Senate—espoused this cause. In doing so I have incurred the wrath of many. I know the censure of those who advocate policies contrary to American principles. I have felt the ill will of those who sow the seeds of foreign propaganda. I have been urged to let things rock along with the hope that time would bring about improvement. Needless to say, no other course but the one I am following represents true patriotism.

Many years before I entered the United States Senate I became convinced that there was a vital need for the adoption of certain Federal policies. What are these deep, dark things I advocate?

I advocate that we keep America out of war.

I favor the registration and fingerprinting of all aliens—foreign-born who have not declared their intention to become American citizens.

I urge that all immigration be stopped for the next 10 years. In other words, the closing of all border gates to foreign hordes until such time as we can feed and clothe and provide jobs for our own people.

I seek the deportation of all criminal and undesirable aliens, those who by acts of their own have sacrificed the right to live in our country.

I want to see banished all foreign "isms"—groups which seek to undermine, create disrespect for, and throw rocks at everything we hold sacred and which we have allowed them the privilege to enjoy.

These things I have enumerated are the basic principles of the cause for which I am carrying the banner. As a result, I am accused of being pro-Hitler and pro-everything. But I say quite frankly and quite earnestly that if Hitler, Mussolini, or any other dictator or potentate, can find comfort in the objectives of Americanism I seek, they are welcome to that comfort.

Shortly after the World War, former President Hoover, while serving as United States Food Commissioner, wrote a very graphic letter to President Wilson. It was perhaps the soundest suggestion he ever made in the interest of the American people. He warned the President that following the World War attempts would be made to involve the United States in every political intrigue in Europe. Mr. Hoover recommended that the United States get out of Europe "lock, stock, and barrel," and leave foreign powers alone to carry out their international intrigues.

Unfortunately the advice of Mr. Hoover went unheeded. But the 20 years which have passed since have proven that his suggestions should have been faithfully followed.

The very basis of my program and my cause is to keep America out of war. We can do this only by attending to our own knitting.

I say let's solve American problems first, provide employment for our own people, and assure a future for our own children first. Then when we have done this in the American way we may be in a position to help police the world. I doubt it. But I say in all candor let's straighten up our own living room before we go out to help the neighbors. We've got a mighty big job to do right here at home.

I believe in the good-neighbor policy. I believe in it very firmly. But I do not believe that good neighbors are those who are eternally borrowing your sugar, your clothes, and your lawn mower—never returning anything—and will slander and abuse you when you have nothing more to lend or give.

Only recently it was charged on the floor of the House that the Latin-American countries are trying to blackmail the United States by using foreign concessions as a threat in securing what they want. I am not convinced that the charge is true. Yet if it is true, then we are correct in applying the term "larceny" to what European powers have done in their monetary transactions with America.

I remarked that I have been severely censured for the policies I advocate. I welcome this censure. In fact, I am proud to be censured or even condemned because I dare to speak out in defense of American ideals and institutions rather than to couch my language in meaningless political phrases.

It is, of course, sometimes difficult to stand up and fight for a cause you believe to be right. It would be easier to sit idly by and hope. Too many people today are merely hoping. But I have never been one to seek ease and rest when it comes at the price of abandoning a course which I have charted.

It is only necessary to read the daily press to see the seeds of discord and propaganda which are threatening everything America represents. They are the real threats to our democratic system. It is unfortunate that we in America have always subjected to ridicule and criticism those who have dared to steer a course away from that which has been accepted. Throughout history, from the days of Columbus to the days of Patrick Henry and since, we have termed as ill-advised those who have sought to change things which should be changed.

You may ask what is my objective—what I am seeking. My answer is, Not anything for myself. I am convinced that our immigration policies, our readiness to jump at the whims of foreign potentates, and our failure to protect American jobs for American citizens represent basic causes for the economic conditions confronting us today. The cause I advocate is not new so far as I am concerned. I sponsored it as one of the first things I did when I entered the Senate. Since that time I have gone before the voters in my State of North Carolina for reelection, and they had the opportunity to approve or reject everything I represent. I assume, of course, that my reelection meant approval.

It is fortunate for the future of America that we have the radio. It enables men, women, and children everywhere to gain first-hand information. It gives people an opportunity to hear both sides of every question without bias or color. It is beyond possibility for those in charge of radio to transmit to listeners anything but what a speaker says.

Unfortunately, this is not true of some other channels of public information. These have allowed a few to distort facts, misinterpret statements, dodge real issues, and give their own views and ideas as the thoughts of others. I need only refer to an article in a national magazine this week written by an able secretary of the President of the United States to offer proof of the influence and effects of unwise propaganda and misinformation.

But I am an optimist by nature. I believe strongly and firmly in the principle that once the American people know the facts they will find their own way. I am only concerned that they get the facts.

At this season of the year many millions of fine young Americans are graduating from high schools and colleges. They are ready to face the almost hopeless quest for jobs. I say this, not to discourage them but simply to state the facts. Surely it is not patriotic for us to attempt to provide jobs for foreigners when we do not have them for our own American youth.

America is very prone to emotionalism. A band and a loud-voiced speaker can start a parade in behalf of anything. I have queried members of groups which have come to Washington seeking specific things, only to find that many of them did not know what they came for, but simply had a chance for a free ride. So long as groups of doubtful vintage are allowed to persist in unpatriotic activities, the American people will be taken for a ride.

There are some who differ with me because I am opposed to allowing admission to the United States of 20,000 refugee children from Germany. I would oppose this measure just as strongly if the refugee children came from Sweden, Iceland, Finland, France, or England. My opposition is not due to lack of sympathy for these refugees. I wish that America could offer them refuge. I wish it were in my power to take care of them financially through my own resources.

My heart bleeds for them. Yet if allowed to come to the United States, 10 years from now they will be in competition with 20,000 American children in a search for employment which we do not have to offer now to our own.

If we were on the way to giving jobs to the 12,000,000 now unemployed, with reason to expect that 10 years from now they would have jobs, I would be entirely sympathetic to helping youngsters from abroad. I would much prefer to see these children coming in and growing up in the American way than to continue the coddling of criminal aliens who by all reason and law should now be on the high seas headed east.

In my brief talk tonight I have tried to leave with you some basic thoughts which I believe to be in the best interest of America. I would like to repeat the principles I advocate:

I advocate that we keep America out of war.

I favor the registration and fingerprinting of all aliens—foreign-born who have not declared their intention to become American citizens.

I urge that all immigration be stopped for the next 10 years. In other words, the closing of all border gates to foreign hordes until such time as we can feed and clothe and provide jobs for our own people.

I seek the deportation of all criminal and undesirable aliens, those who by their own acts have sacrificed the right to live in our country.

In conclusion, I would like to ask earnest consideration of this program by every patriotic American. I know it will not have even a fair appraisal by those who seek only to gain by living here and give nothing in return. I would like to have you write to me, ROBERT R. REYNOLDS, United States Senator, at the Senate Office Building, here in Washington.

I will be happy to send you copies of my bills or a copy of this speech. I would like to have your help. I'd like for each one of you to write your Congressman and your two United States Senators, urging them to support my program, which program is dedicated to "our country, our citizens, first."

Apex Hosiery Case

EXTENSION OF REMARKS
OF
HON. LEWIS B. SCHWELLENBACH
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Monday, June 12, 1939

LETTER FROM HON. GEORGE W. NORRIS, OF NEBRASKA

Mr. SCHWELLENBACH. Mr. President, there has occurred a widespread interest in the action brought by the Apex Hosiery Co. against the Philadelphia local of the Hosiery Union. This suit is brought under the treble-damages section of the Sherman Antitrust Act.

On May 19, 1939, the senior Senator from Nebraska [Mr. NORRIS] wrote to Mr. Gardner Jackson, of Labor's Non-Partisan League, a very interesting and informative letter concerning this action. I ask consent that it be inserted in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

I have given consideration to your request that I give you a statement as to my opinion of the Apex Hosiery case, *Apex Hosiery Co. v. Leader et al.*

The decision in this case awarded treble damages amounting to $711,932.55 and costs, and, in addition thereto, an attorney's fee of $25,000, against the Philadelphia branch of the Hosiery Union. This case was the result of a strike occurring in May and June 1937, and the penalty of treble damages arises out of the application of the Sherman Antitrust Act to this strike by the court which held that the stoppage of production caused by the strike constituted a "conspiracy in restraint of trade" within the meaning of this act.

This strike was what is ordinarily known as a "sit-down" strike, and I desire to say at the beginning that I do not approve of the "sit-down" strike. I believe it is wrong and that it is an illegal way of seeking redress on the part of labor. However, it is perfectly plain that this decision, if allowed to stand, means the destruction and ruination of organized labor, and the nullification of all the laws and decisions of our courts that have upheld labor in its right to organize for collective bargaining and for its protection against organized monopoly.

Of course, it goes without saying that the decision would destroy the local union entirely. No local union could pay the immense amount of damages included in this judgment. While the damage to the local union is indefensible and means its total destruction, yet there is a greater damage than this involved in the case. All organizations of laboring men and women, all collective bargaining in all industries in all parts of the United States, would be injured and eventually destroyed, if this decision stands. The threat of being thus penalized for ordinary trade-union activities, not alone for strikes, but for any concerted action which might be construed as a "conspiracy in restraint of trade" would hang over the head of every American union, officials and members alike. This would paralyze collective bargaining and labor organizations throughout the entire country.

The damages awarded in this case were not compensation for the difference between a sit-down strike and an ordinary strike, but these damages were awarded because of the alleged restraint upon commerce. These imaginary damages would have been just the same, regardless of the kind of strike that occurred. We are thus clearly faced with a threat of the prevention of all those activities which are implied in collective bargaining. It follows, therefore, that there could be no collective bargaining without their being penalized to the extent of their total destruction. The decision is therefore not based upon the type of strike, nor upon the property damage. The company had remedies available under common law in the State courts to meet these problems.

The company began action in the Federal District Court of Eastern Pennsylvania for an injunction on the grounds that the strike constituted a violation of the Sherman Act. The Federal district court dismissed the bill. It found no violation of the Sherman Act.

The company, however, appealed to the Third Federal Circuit Court of Appeals and the circuit court reversed the district court and sustained the company's action. The strikers complied instantly with the order of the circuit court and left the plant. Less than a month later, in July 1937, the strike was settled and an agreement was entered into between the company and the union, which agreement has since been renewed, and the company is now operating under a contract with the union running until September 1, 1941.

The union, when this judgment was rendered, filed a petition for a writ of certiorari in the United States Supreme Court. In its reply the company asserted the case to be moot since the strikers had left the plant and the strike was settled. The Supreme Court, however, issued an order allowing the writ of certiorari, reversed the decree of the circuit court of appeals, and sent the case back to the district court with instructions to vacate the injunction and dismiss the bill of complaint. This action of the Supreme Court did not, according to the belief of the district court, remove the circuit-court decision as a binding precedent. Consequently, in the damage suit instituted shortly after the injunction proceedings began, the district court, charging the jury is accordance with the decision of the circuit court, stated that the very fact of the strike in the Apex plant raised a conclusive presumption of an intention to restrain commerce within the meaning of the Sherman Act. This left the jury with the single question as to whether the union authorized the strike and the amount of damage within the meaning of the Sherman Act. In the motion to set aside the judgment, the district court reiterated its former position that no violation of the Sherman Act had taken place, but that the court felt bound by the former decision of the Third Circuit Court of Appeals.

There is no doubt but that the Sherman Act was not intended to apply and cannot properly be applied to the activities of trade-unions. That point has been so clearly decided, not only by the Clayton Act, but also by subsequent court decisions, including the decisions of the Supreme Court, as to be beyond discussion or doubt.

But if there were still a possibility of holding trade-union activities to be a "conspiracy" within the meaning of the Sherman Act, it would seem that this legislation of the past several years would have ended that possibility. Congress has declared that not only do we not outlaw collective bargaining, but that, instead, we approve and desire to encourage such activities. The terms of the National Labor Relations Act in its declaration of policy are a full and unequivocal endorsement of labor unions and collective bargaining, and whatever lingering doubt there may be as to the intention of Congress to consider trade-union activities within the classification of "restraint of trade" within the meaning of the Sherman Act is completely removed by the declaration of policy in section 1 of the National Labor Relations Act.

In spite of that declaration of policy, a Federal court still finds it possible to hold that a strike is a "conspiracy in restraint of trade," and awards a staggering total of damages against a labor union for conducting such a strike.

Labor has the right to organize. It has been given encouragement by acts of Congress to so organize in order to meet organizations of monopolized capital. Strikes are undesirable. They are injurious both to labor and to capital, and to the public as well, but the right to strike is fundamental, and without this right labor unions have no way of enforcing their demands for living wages or for the improvement of their social and economic condition, and are absolutely helpless. Unions and such organizations, if this right cannot be preserved, had better dissolve at once. There is no way left for them to preserve their liberties and their rights as individuals, to have anything to say about their salaries, or to object effectively to any rule of organized wealth that affects their living conditions. They are driven into submission by economic conditions over which they have no control, and which drive them into submission regardless of any suffering to them or their families which may be entailed. Without the right to strike, labor is helpless.

Such judgments as that rendered in the Apex case would be a death blow to labor organizations. Such unjust judgments, punishable by unconscionable damages such as those assessed in the Apex case, mean the destruction of collective bargaining, and that means the end of peaceful adjustment of labor disputes.

I do not believe the Supreme Court can affirm this judgment. I do not have any doubt but that the Supreme Court will reverse it. It is unjust and it is contrary to the intention of all acts of Congress of recent years, and, likewise, reverses the practically unanimous decisions of all our courts in sustaining the right of labor to organize and, if necessary, to strike. I cannot conceive of any other outcome of this case when it reaches the Supreme Court.

Army Chief of Staff

EXTENSION OF REMARKS
OF
HON. ELBERT D. THOMAS
OF UTAH
IN THE SENATE OF THE UNITED STATES
Monday, June 12, 1939

LETTER BY MAJ. GEN. WILLIAM C. RIVERS

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a letter written by Maj. Gen. William C. Rivers to the editor of the New York Times and printed in that newspaper on Sunday, June 4, 1939.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of June 4, 1939]

NOT ALL WEST POINTERS—SIX ARMY CHIEFS OF STAFF DID NOT ATTEND THE MILITARY ACADEMY

To the EDITOR OF THE NEW YORK TIMES:

The statement has been made that Brig. Gen. George C. Marshall, recently named Chief of Staff of the Army, is the only officer not a graduate of West Point who has ever been chosen for Chief of Staff with the exception of Gen. Leonard Wood.

The first three Chiefs of Staff were not West Point graduates—Generals S. B. M. Young, Adna R. Chaffee, and John C. Bates. They had as young men performed distinguished service in the Civil War. Major General Wotherspoon was a Chief of Staff who entered the Army from civil life. Therefore, including Generals Wood and Marshall, 6 of our 15 Chiefs of Staff were not trained at the United States Military Academy.

In attaining the rank of full general, General Marshall will pass over 30 or more brigadier generals and major generals. The Elihu Root bill creating the General Staff in 1903 was intended to encourage the selection of younger generals to head the Army. However, as a rule seniority has apparently governed the selections of the Chiefs of Staff. The average age of our 15 Chiefs of Staff is 59 years.

AVAILABLE OFFICERS OLDER

General Marshall, though he was far down the list when chosen, is 58. Brig. Gens. Hugh L. Scott and J. Franklin Bell were the only other Chiefs of Staff taken from the grade of brigadier. General Scott passed over 13 other generals. He was, however, 61 years old at the time. General Bell was 50, General Wood was 49 when he was selected and General MacArthur was 50.

There are at present no young generals available for appointment as Chief of Staff. The 20 major generals of the line in the last available Army list average 61 years; the 49 brigadiers of the line average 59.

The rear admirals are younger; they average about 57 years. The Navy has, however, a superior system of promotion. All the navies of the world and most of the armies save our own select the officers who are to be advanced to a higher grade. Our Army promotes the officers up to the grade of colonel by the routine plan of seniority—the man at the head of a list is advanced to the higher grade when a vacancy occurs. A relatively very small number of officers are denied promotion when they are found to be professionally or physically unfitted. Such men are retired.

Other important countries—19 of them—have an organization for their armed forces which is superior to our own. Each of these nations has a cabinet minister of defense. He controls, coordinates, and inspects the relative efficiency and progress of the three coequal armed branches—the navy, the air force, and the army.

SMALL INTEREST IN BILLS

Several bills have been introduced in Congress for such an organization of our own defense forces. These bills include provisions for a single and homogeneous air force, with its own rules for promotion, pay, and retirement, but they have evoked little interest.

There is a general idea that if war comes the President will control the armed services under some added war powers which Congress may grant. This means that, instead of planning for an efficient organization in peace, the matter will be attempted amid the tremendous confusion of preparations for war. Such vague and hazy notions will result in duplication, waste, and confusion, which could be avoided were the work to be started now.

WILLIAM C. RIVERS,
Major General, United States Army (retired).

NEW YORK, *June 1, 1939.*

The National Youth Administration

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, June 12, 1939

EDITORIALS FROM WEST VIRGINIA NEWSPAPERS

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD two able editorials which recently appeared in West Virginia newspapers. The first is from the Fairmont Times of Thursday morning, June 8, 1939, and is entitled "The Job N. Y. A. Is Doing." The second is from the Wheeling News-Register of June 8, 1939, and is entitled "Encouraging Youth."

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Fairmont Times of June 8, 1939]

THE JOB N. Y. A. IS DOING

The appearance here a few days ago of Aubrey Williams, N. Y. A. Administrator, directed some attention to the work being done by his organization in providing work for youths of high-school and college age, and for those who are out of school but without income or means of support.

Our communities have gained far more through the N. Y. A. program than have the youths who are a part of the program. Here in Marion County, at least, the young people have worked hard on public projects and accomplished much despite the fact that their pay has been almost niggardly.

To mention a few direct benefits we have received through the N. Y. A.—

The youth organization has built miles of sidewalks here in Fairmont and Marion County; it has helped build community centers and retaining walls on public construction projects; it has provided playgrounds for many of our schools, the Barrickville athletic field being an example; N. Y. A. now is beautifying the campus of State College; and it is operating the Fairmont City Library. In exchange, the boys and girls are getting slight financial compensation and a chance to learn. In this fiscal year N. Y. A. has involved 15,000 West Virginia youths. It has spent $1,580,000, or approximately $100 a person per year. No one will say that is being extravagant.

But the figure 15,000 doesn't represent nearly all the young men and young women who need to be helped. Glenn Callaghan, a former Marion Countian, who has proven himself an excellent State administrator, estimates there are 80,000 in West Virginia who are eligible for N. Y. A. aid, and that 45,000 of them are from families now earning less than a minimum security wage.

Yet, in view of all that needs to be done along this line, a Congress that seems to have some rather strange ideas about economy is threatening to pare a Presidential appropriation for N. Y. A. from $123,000,000 to $81,000,000.

The President's recommendation represents an increase over what N. Y. A. has had to work with this year; and while the sum he proposes still is far from adequate, it would be a step in the right direction. But if the sum is cut $42,000,000, as some solons propose, it is going to directly affect hundreds of thousands of youths who now are looking to the Federal Government to help them earn a few dollars and an education.

We think N. Y. A. represents one of the best efforts of the New Deal to date. It should be expanded rather than curtailed.

[From the Wheeling News-Register of June 8, 1939]

ENCOURAGING YOUTH

There are 4,000,000 youths in the Nation who are unemployed and 80,000 of them between the ages of 18 and 25 are in West Virginia.

President Roosevelt has requested Congress to appropriate $123,000,000 for the National Youth Administration the ensuing year.

If Congress approves that appropriation, it will give the N. Y. A. an opportunity to broaden its field in training the youth that is the future backbone of the Nation.

Three main features of the program include employment of youth out of school on work projects, resident training centers in which N. Y. A. attempts to ascertain the type of work for which youth is best suited, and student aid whereby needy high-school, college, and graduate students are enabled to continue in school.

Of all Government movements, none is more worth while than the Youth Administration. Every dollar spent in this direction will come back a hundredfold in keeping kindled the spirit and courage of our youth.

The N. Y. A. Slash

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, June 12, 1939

ARTICLE BY ERNEST LINDLEY

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Washington Post of yesterday, by Mr. Ernest Lindley, entitled "The N. Y. A. Slash."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 11, 1939]

THE N. Y. A. SLASH—THE PROBLEM OF UNEMPLOYED YOUTH

(By Ernest Lindley)

A House Subcommittee on Appropriations has been applying the meat ax to the National Youth Administration appropriation and the W. P. A. set-up for next year.

It has slashed more than one-third from the $123,000,000 which the President recommended for N. Y. A. next year. The sum of $81,000,000 has been agreed upon in the subcommittee. This is $6,000,000 more than N. Y. A. received for the current fiscal year, and, having won a small increase, the administration supporters in the subcommittee doubtless felt justified in promising—as they are reported to have done—not to challenge the subcommittee's report when it comes before the full Appropriations Committee.

It is an excellent testimonial to N. Y. A. that a subcommittee which is dominated by the idea of economy at any cost to the Nation, felt compelled to grant this small increase. But even the sum asked by the President was trifling in comparison with the need for the type of work done by N. Y. A.

More than one-third of the whole unemployment problem is among young people 16 to 24 years of age. In this age group are more than 21,000,000 people.

More than 5,000,000 are attending school and colleges.

More than 3,000,000—mostly girls—are at home or are not seeking work.

Almost 8,000,000 are privately employed.

But more than 4,000,000 who want work are totally unemployed by private industry, and 1,500,000 or more are employed only part time.

Millions of them are caught in idleness in a great gap between school and work. A large percentage of them are wholly lacking in vocational skills—including the domestic skills which were once taught in the home to young women in preparation for their careers as housewives and mothers.

The two main activities of N. Y. A. are to help young people to remain in high school and college through part-time jobs, and to provide part-time work and training for young people who have left school but have not found private employment. In this program N. Y. A. has worked in the closest collaboration with authorities and organizations of all types. The aid to college and high-school students is administered by the authorities in the individual colleges and high schools. The out-of-school work program has elicited cooperation from voluntary organizations, such as local businessmen's clubs as well as public agencies.

The cost has been incredibly small. On the work program for out-of-school youth, the over-all annual cost to the Federal Government has been about $233 per youth—less than one-fourth the cost of the C. C. C. To keep needy young people in high school, N. Y. A. has been expending about $40 a year per youth—usually just enough for carfare, books, and maybe a pair of shoes and a sweater. To enable young people to go to college, it has been spending about $105 per year per young person.

This tiny sum paid for work done has meant the difference between going to college and not going to college for 100,000 or more young people every year for almost 5 years. Among that 100,000 are many young people of exceptional talents, whose abilities might otherwise never have been developed. As a group the N. Y. A.-aided students in most institutions have made better records than the non-N. Y. A. students as a group.

It was the remarkable success of N. Y. A. in getting so much done with so little money in a field where the need is immense, that led the President to recommend that its appropriation for next year be increased. It was the only one of all the so-called relief agencies for which he requested a larger appropriation.

With $123,000,000 N. Y. A. could provide work, general education, and vocational experience for 800,000 youths at one time. Allowing for turn-over—for many youths move readily into jobs after receiving N. Y. A.-aided training—it probably could assist 1,200,000 or more young people during the fiscal year. It would reach perhaps one-third of those who could benefit from the N. Y. A. program.

The man who lets his machinery rust is considered a wastrel. But some Congressmen seem to think they are being thrifty when they allow the youth of the Nation to rust in idleness. Many of these young people have never learned how to work—much less learned any skills which will enable them to earn a decent living.

A reduction of one-third in the N. Y. A. appropriation is one of the most expensive cuts Congress can make.

For W. P. A. the President recommended a heavy reduction in appropriation for next year. As I write, the House subcommittee is reported to have approved the total of $1,477,000,000 for which he asked—but with a provision earmarking $125,000,000 of it for the Public Works Administration. This would reduce W. P. A. to $1,352,000,000. If that amount has to last a whole year, the average W. P. A. enrollment will have to be dropped to about 1,900,000—as against 3,000,000 last winter and about 2,500,000 at the present time. W. P. A. doesn't provide much employment for the unemployed in need of relief.

The House subcommittee is reported, however, to have concocted an extraordinary mixture of reforms for W. P. A. One of these would confine the W. P. A. work program to projects costing not more than $25,000. This would knock out about three-quarters of all the present W. P. A. projects and annihilate its construction program. It would condemn W. P. A. to the petty leaf-raking type of project—which for years W. P. A. has been struggling, with considerable success, to get away from. Even if the maximum were increased to $50,000 or $100,000, the result would be much better. The subcommittee also is reported to have agreed to put W. P. A. under a three-man board. Some kind of permanent advisory board or board of inspection can be justified. But a three-man board is no more efficient as an administrative body in the Government than in private business.

Some of the reforms which the House subcommittee is reported to look upon with favor may encounter less opposition. Much can be said for forcing everyone who has been on the W. P. A. rolls for a long period to take a vacation. Everything can be said in favor of the closest check on administrative costs. Much can be said for making every W. P. A. worker work 130 hours a month for a security wage. That is what the administration wanted in the first instance in 1935, but it gave way before the demands of union labor, first advanced through Congress, for the payment of prevailing hourly wage rates to skilled workers. As a result, a carpenter, or plumber, or other so-called skilled worker in the cities earns his W. P. A. payment in relatively few hours of work per week.

In several details the recommendations of the House subcommittee may not be as bad as the reports indicated. But enough has leaked out to justify thoroughly the President's decision to postpone his trip to the Pacific coast until what promises to be a glorious mess has been cleaned up as best it can be before July 1, when the money for the next fiscal year will be needed.

The Relief Bill

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

June 12, 1939

Mr. VOORHIS of California. Mr. Speaker, in a short time the House will have under consideration the bill to provide for a work program for our unemployed people for next year for W. P. A., P. W. A., National Youth Administration, and for the program of farm rehabilitation. When that bill comes in here some Members will be greatly concerned about economy, the state of the Budget, and the restoration of business confidence which, they will tell us, can be accomplished by the rather strange method of shutting off the right to work of a considerable number of people and reducing the buying power of that many customers of business.

In line with this I want to analyze the "economy" record of this Congress.

(1) In January Congress appropriated only $725,000,000 for the continuance of W. P. A. instead of $875,000,000, as asked by the President on the basis of his findings of minimum needs of the unemployed. This meant consternation in 3,000,000 homes in America, for none of the families whose breadwinner was working for W. P. A. knew whether or not they would be the ones to be cut off. But they as well as others were assured that if only Congress would cut them off the W. P. A., business would promptly rehire them. Of course that just did not happen.

(2) Again, when it was obvious that a cut of $150,000,000 was just impossible, Congress added not the full $150,000,000 for W. P. A. but only $100,000,000 instead. This has meant that some 200,000 people have had to be cut off W. P. A. and forced back onto direct relief in every month since April 1. In California when the cut came in May it took just 10 days before 60 percent of all the people cut off W. P. A. were back on S. R. A. rolls in receipt of direct relief from the State.

(3) While this great "economy" effort was being made at the expense of our unemployed, what was happening in connection with other appropriation bills? Here is the record. The Agricultural Department appropriation was raised $271,359,356 above the Budget estimate; the Interior Department appropriation was raised $5,846,669 above the Budget estimate; War Department, military activities, $38,483,956; War Department, civil functions, $49,554,060; independent offices,

$98,124,901; and so on. The Navy Department received $773,049,151 which was $19,565,302 below the Budget figure but $146,897,047 more than was appropriated last year.

Many of these increases may have been justified. Indeed, I am strongly of the opinion that some of them were. But it will be hard for the unemployed people of America to understand why a Congress with a record of appropriations like this should suddenly become alarmed about the state of the Budget every time it is proposed to appropriate money to put them to work. It will be hard for the unemployed, our youth, our distressed farm families to see why all the burden of "economy" should be loaded upon the shoulders of those least able to bear it—through cuts in W. P. A., National Youth Administration, and farm-security appropriations.

And, indeed, it is hard for me to understand it, too. Furthermore, I am of the belief that there is a greater responsibility upon Congress to do justice to economically helpless people than there is in connection with any other group in all society. Nor do I believe that a Congress which has never yet made a single real attempt to correct such shortcomings and faults as may have existed or may now exist in the W. P. A. program has any moral right to pretend that denying several hundred thousand people the opportunity to work will accomplish anything at all in correcting those shortcomings and faults.

Why cause men, women, and children in families which have been trying to live on a W. P. A. wage, or young people trying to learn a trade and complete an education, or farm families about to be forced out onto the open road, to pay the penalty for things for which organizations, officials, local politicians, and even Members of Congress are responsible?

It is reported that the committee will recommend substantial cuts in the appropriations for Farm Security and National Youth Administration and that such amounts as are allowed for continuance of P. W. A. will be lifted out of the W. P. A. allotment. Farm Security has rehabilitated nearly half a million farm families at an average cost of $100 per year per family. National Youth has kept some 600,000 young people constructively busy at an annual cost of $115 each. "Economy" at the expense of either of these programs would seem short-sighted indeed—especially since there are an additional 400,000 farm families right now in desperate need of farm-security loans, and some additional hundreds of thousands of young people who have needed N. Y. A. training and jobs for a long time but who could not be carried by the program.

So far as W. P. A. and P. W. A. are concerned, they can, to some extent, be considered as complementary. But there are probably as many unemployed today as there were a year ago. And even the President's figure of $1,477,000,000 will provide for only 2,000,000 W. P. A. jobs, or 1,000,000 less than were provided during the current fiscal year. In addition, last year P. W. A. made loans and grants in the neighborhood of $1,000,000,000, whereas, according to reports, exactly nothing will be provided this year to correspond to that figure, since whatever P. W. A. is to get is to come out of W. P. A.'s allotment.

If we are pretending to meet human need in this country we should raise, not lower, the President's figure and provide a reasonable sum for P. W. A. in addition. What justification will be advanced for these proposed cuts I do not know. I only know that American citizens still need work and that it is essential that the total program be considered primarily from that standpoint. My own calculations from this standpoint indicate a need for 3,000,000 jobs.

So far as constructive proposals for improving the program are concerned, I made some such proposals to the committee myself, and I sincerely hope some measures of this sort can be taken.

In conclusion may I say that it will no more help business to reduce the number of its cash customers at this time than it would to raise the taxes levied against it.

Attitude of Milwaukee Association of Commerce Toward National Legislation

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, June 12, 1939

STATEMENT BY MILWAUKEE ASSOCIATION OF COMMERCE

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement setting forth the position of the Milwaukee Association of Commerce in relation to national legislation now pending before the Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NATIONAL LEGISLATION

Based upon the recommendation of our national affairs committee, the board of directors at its meeting May 23, 1939, took the following actions on legislation pending before Congress (these actions are in general accord with those of the United States Chamber of Commerce and the National Manufacturers Association):

1. WAGNER LABOR RELATIONS ACT

Favored structurally amending the Labor Relations Act—
(a) To preserve the right of free speech.
(b) To guarantee employees representation by secret ballot.
(c) To protect employees from coercion from any source.
(d) To abolish the closed shop.
(e) To provide for independent examiners to hold hearings for fact-finding purposes and that decisions of the Board be subject to judicial review.

2. SOCIAL SECURITY ACT

Favored changes in the Social Security Act to include—
(a) Substituting a pay-as-you-go system with a contingency reserve of moderate size for the present reserve plan.
(b) Opposition to an extension of the act to cover farm laborers and domestic servants.
(c) Revision to permit States to lower the tax where ample unemployment reserve funds are on hand.
(d) Opposition to any increase in Federal grants to States and giving any State more than its pro-rata share of Federal aid.
(e) Opposition to the proposed major increase in the health program estimated to cost an additional $850,000,000.

3. REVISION OF FEDERAL TAX LAWS

Favored revision of Federal tax laws to include—
(a) Removal of the remaining part of the tax on undistributed profits, with no increase in the income rate on corporations by reason of this removal;
(b) Suitable provision for business losses in 1 year to be allowed in following years as deductions from earnings in those years;
(c) Reduction in surtaxes on individual incomes for the double purpose of increasing revenues and giving incentive for new investments in private enterprise;
(d) More equitable treatment of capital gains and losses both for individuals and corporations;
(e) Elimination of all features of the Federal tax laws that are punitive in nature and that have any other purpose than the raising of revenues.

4. H. R. 3395—BUSINESS RESEARCH

Opposed this bill in view of the fact that the association advocates curtailment of government functions, reduction in expenditures, and lowering of taxes.

The United States Chamber of Commerce believes that other agencies than those proposed could do the work better and that at any rate no increased appropriations should be countenanced at this time.

5. STREAM-POLLUTION CONTROL

Favored State and local responsibility and action on intrastate waters with cooperation of adjoining States at interest in interstate waters, and with only the necessary leadership and support from the Federal Government to make stream-pollution control effective.

MILWAUKEE ASSOCIATION OF COMMERCE.

JUNE 5, 1939.

Foreign Affairs

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Monday, June 12, 1939

TELEGRAM TO HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. MINTON. Mr. President, on behalf of the Senator from North Carolina [Mr. REYNOLDS], I ask unanimous consent to have printed in the Appendix of the RECORD a telegram to the Senator from North Carolina from Mr. O. G. Werner, of Dover, N. J., on the subject of foreign affairs.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

DOVER, N. J., *April 7, 1939.*

Senator ROBERT R. REYNOLDS:

Congratulate you upon your courageous examinations of the war propagandists appearing before your committee. We need men like you in our country; you have millions of Americans behind you. England, who proudly boasts the sun never sets on English soil, is the cause of all the unrest in the world. If any nation was ever an aggressor, she takes first prize. Remember the Boer War. All the countries she has stolen are trying to get free from her rule, because she milks them dry, and if she had the chance she would take our country, also. She has tried it on several occasions; she will suck us in again, reap the spoils, and refuse to pay what she owes us. I have traveled abroad many times commercially, not as a well-paid columnist who wants to sell America short. More power to you.

O. G. WERNER.

The Neutrality Camouflage

EXTENSION OF REMARKS
OF
HON. ANDREW C. SCHIFFLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

EDITORIAL FROM THE WHEELING (W. VA.) INTELLIGENCER

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Wheeling Intelligencer, of Wheeling, W. Va.:

[From the Wheeling (W. Va.) Intelligencer of June 7, 1939]

THE NEUTRALITY CAMOUFLAGE

An analysis of the administration's new neutrality bill has come to this desk. It throws an entirely different light on the measure from that cast in original press reports.

From first accounts of the proposal, submitted to Congress the other day, this newspaper was led to believe that it established the principle of cash and carry in the sale of war munitions, and placed a ban on American travel in war zones. Upon this understanding, the Intelligencer voiced approval of the plan.

It develops, however, that in reality the measure is little more than a sweeping delegation to the President of power to conduct our foreign affairs to suit himself in relation to foreign wars. The President could take sides or not, as might seem desirable to him. In truth, the bill, if enacted in the form in which it has been presented to Congress, would come very close to giving the President a free hand in the shaping of foreign policy.

Here are a few examples:

The cash-and-carry restriction is applied to the sale of war materials, it is true, but with this significant qualification—"except in accordance with such rules and regulations as the President shall prescribe." In other words, it would be cash and carry only if the President said so.

Again:

American ships and citizens are barred from "areas of combat operations." But—the President could define these areas as he chose. Moreover, the restriction would operate, as with cash and carry, "except under such limitations and exceptions as the President shall prescribe."

American citizens could not travel on ships flying any belligerant flag "except in accordance with such rules and conditions as the President shall prescribe."

No loans to belligerents would be floated. But—the President could "exempt ordinary commercial credits and short-term obligations," which would provide all the leeway desired under sympathetic interpretation.

Provision is made against the unneutral use of American ports. However, all the provisions under this section are made contingent upon the President's initiative and decision.

In other words, this is not a neutrality bill at all, but a transfer to the President of the power to make foreign policy. It goes much further than the Pittman bill, which, at least, established cash and carry as a definite legal policy. Indeed, it makes that measure, which was objected to by supporters of the old Neutrality Act, a very strong document by comparison.

This newspaper could conceive of nothing more dangerous to American neutrality than to repose such broad discretion in the hands of a President, particularly a President like Mr. Roosevelt, who has demonstrated an impatience to thrust this country into the middle of foreign difficulties.

The old neutrality bill, weak as it was through reposing in the President the power to determine when a state of war exists, is infinitely to be preferred. Every other measure or suggestion thus far advanced, ranging from mandatory cash and carry to an outright embargo on both the sale and shipment of war supplies to belligerents, is to be preferred over this White House plan.

If the purpose of neutrality legislation is to keep this country out of war—and we can conceive of no other purpose it can have—enactment of this bill would be the worst possible step the country could take, in the judgment of this newspaper.

The Bloom Bill Is a Fake Neutrality Bill

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

STATEMENT BY HON. HAMILTON FISH, OF NEW YORK, AND ARTICLE FROM NEW YORK TIMES

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks, I include the following statement released by me to the newspapers today:

STATEMENT BY HON. HAMILTON FISH, OF NEW YORK, DENOUNCING THE FAKE BLOOM NEUTRALITY BILL

WASHINGTON, D. C., June 12, 1939.—The Bloom bill is a fake neutrality and actually an interventionist bill. It is a camouflaged aggressor nation bill, which will drag us into every world conflict. Section 3, empowering the President to establish combat areas, practically gives the President the war-making powers of the Congress. Under the Constitution the Congress has sole power to declare war. If the Bloom bill is enacted into law, the President will be given the widest discretionary power ever given any American to put us into foreign wars. The Bloom bill in the hands of President Roosevelt is an unneutrality act, and a snare and a delusion to involve us in war.

President Roosevelt has repeatedly said that if war breaks out in Europe it is virtually certain that we will participate. President Roosevelt is already unneutral and determined to put us in war to police and quarantine the world with American blood and treasure. A vote for the Bloom bill, with the known views of the President, is virtually empowering him to take us into war on the side of Great Britain in any war that might occur in the future. He may set up combat areas against Italy and Germany and permit unhampered trade with England, France, and Russia. A vote for the Bloom bill is not merely the surrender of the war-making powers of the Congress, but would virtually give the President the power to declare war himself.

In addition, the ban on the sale and shipment of arms, ammunition, and implements of war in the present Neutrality Act is wiped out, which means we will become the slaughterhouse and arsenal for warring nations for sake of blood money and war profits to kill people with whom we are at peace. And we still call ourselves a Christian nation.

I predict when the American people, who want to keep out of war find out what the Bloom bill does, public reaction will be such that it will have no chance of going through the Congress.

Methodists, Baptists, and other elements opposed to selling arms and ammunition to belligerent nations are against the Bloom bill. All internationalists, interventionists, and Communists, who want us to fight Germany and Japan for the benefit of Soviet Russia, are clamoring for the Bloom bill. On the other hand, all Americans who believe in our traditional policies of neutrality, peace, nonintervention, and no entangling alliances will oppose it every inch of the way. The loyal German element in the United States, amounting to one-fifth of our population, will naturally oppose it, as will the loyal Italian element among our population.

I welcome the issue, which is an American one, of keeping out of foreign wars, refusing to turn the war powers over to any President, and upholding the foreign policies of George Washington and of all our Presidents, based on neutrality, nonintervention, no entangling alliances, and peace.

I include herewith an article on the same subject from today's New York Times:

PRESIDENT FOR WAR, FISH CHARGES HERE—REPRESENTATIVE DECLARES HE IS DETERMINED TO LEAD US INTO IT IF FIGHTING STARTS ABROAD—ASSAILS NEUTRALITY BILL—SCORES LIFTING OF BAN ON ARMS SALES AND GRANTING OF "ONE-MAN POWER" TO ROOSEVELT

Representative HAMILTON FISH, charging President Roosevelt with a determination "to take this Nation into war if one breaks out in foreign lands," urged yesterday the defeat of the "dangerous and war-making" neutrality bill now pending in the House Committee on Foreign Affairs.

Mr. FISH, as chairman of the National Committee to Keep America Out of Foreign Wars, spoke at an antiwar rally held at Breinlinger's Park, 4018 Boston Road, the Bronx, under the auspices of the Bronx District Council of the Steuben Society of America and later repeated his address over radio station WNYC.

Pointing out that the pending neutrality bill would lift the present Neutrality Act's prohibition on sales of arms, ammunition, and implements of war to belligerent nations and would give the President a "one-man power" to determine the combat areas, Mr. FISH held that the measure, if enacted, would make this country "the potential slaughterhouse and arsenal for Great Britain and France" and would eventually "drag us into the next world war."

WARNS CONGRESS ON SURRENDER

"The far-reaching power granted in the proposed bill is equivalent to a surrender by the Congress of its constitutional right to declare war," Mr. FISH contended. "This is nothing more or less than a camouflaged aggressor-nation power which the President has been trying to obtain from Congress for the last 5 years."

Declaring that "it is none of our business what form of government exists in any foreign land," Mr. FISH, who is a member of the House Committee on Foreign Affairs, bitterly criticized the President, the State Department, and some United States Ambassadors for "attacking" certain foreign governments, holding that such actions would in the end seriously disrupt efforts for world peace.

Mr. FISH advanced the following 11-point program, which, he contended, would insure the Nation of peace:

"Enter into arbitration treaties with all nations, not to go to war except in self-defense.

"Reaffirm the right of Congress as the sole authority to make war and not permit Ambassadors like Mr. Bullitt (William C. Bullitt, Ambassador to France) sitting around tea tables to make war commitments for us.

OPPOSED TO POLICING THE WORLD

"Stop all efforts by the internationalists and interventionists in the administration to force America to join in policing and quarantining the world, to enter into collective alliances, to determine the aggressor nation—all of which lead directly to war.

"Adopt my proposed constitutional amendment to give the American people the right to vote whether our youth shall be drafted to fight in foreign lands outside of the American continent.

"Enact legislation to take the profit out of war.

"Reaffirm our traditional policy of neutrality, nonintervention, and peace.

"Urge a conference to limit naval and military armaments and to promote peace by arbitration and cooperation.

"Stop the shipment of arms, ammunition, and implements of war both in time of peace and of war.

"Urge adequate national defense to protect our own shores, maintain the Monroe Doctrine, and defend the right of American citizens throughout the world.

"Deport all alien agitators who seek to destroy our free institutions and give their jobs to loyal American citizens now walking the streets.

"Save America first, preserve the American system, and promote the welfare, happiness, and security of our people by keeping out of war and putting our own house in order and providing employment for our people."

Mr. FISH predicted that if the United States was involved in another world war our democratic and free institutions would be destroyed and the Nation would emerge from the war as "an autocratic and a Fascist or Communist nation."

Independence of the Philippines

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, June 12, 1939

ADDRESS BY SALVADOR ARANETA

Mr. GIBSON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address by Salvador Araneta before the convocation program at the University of Manila May 25, 1939, on the subject of complete independence for the Philippines.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, I am happy to discuss with you this evening some of the weighty problems confronting our country.

I have my own convictions as to what would be the best and practicable solution of our future relations with the United States, both in economic and political matters. I trust you will not question or put in doubt my patriotism if my ideas do not coincide with yours.

One of my closest and dearest friends is Representative Miguel Cuenco. He is one of those who really, even today, believes that we should go ahead with the present independence program to completely sever our political ties with the United States in 1946. He also knows that I sincerely believe that such a program is too risky for our national salvation and for the ultimate ideal of complete sovereignty for our country, and yet we both respect our respective opposite views, and none of us has for a moment doubted each other's love for his country.

It is very gratifying that Assemblyman Carlos S. Tan, of Leyte, has had the courage recently to raise his voice in the national assembly openly advocating a realistic reexamination of the Philippine problem. Various other members of the national assembly have also publicly voiced their opinion in favor of a realistic reexamination. They are Assemblymen Saturnino Moldero, Hilario Abellana, Jose Ozamis, Juan Bocar, Bernardo L. Buenafe, Tomas S. Clemente, Tomas Oppus, Jose C. Zulueta, Mauro Versoza, Manuel A. Alzate, Pio V. Corpus, Sizomo Zaldivar, and Tomas Cabili.

I count myself among those who would see our country great, powerful, respected, and independent. This should be the ultimate vision of our people. It is my ultimate vision. Our whole purpose, our whole foreign policy, should be directed toward that end. I purposely said our foreign policy should be directed toward that end because, although it is not generally realized, I maintain that with the enactment of the Tydings-McDuffie law wherein the United States has solemnly promised us our independence in 1946, our national sovereignty is now fully recognized by the greatest and most honorable of all countries on earth and the recognition of these sovereign rights is no longer subject to any condition but simply to a mere suspensive period of which only 7 years remain.

With our rights of sovereignty thus recognized, it is not too early to discuss our future foreign policy. I submit that the foreign policy that we should adopt, more in consonance with a healthy and steady development of the real values that will insure the guaranty of our national existence, the happiness of our people, and the achievement of the social-justice program of President Quezon is a foreign policy of continuing for a longer period, indefinitely if you wish, but not binding ourselves permanently, our partnership, political and economic, with the United States.

Review mentally the different nations of the earth today and you will find that here in the Philippines we are exercising greater sovereign rights than many nominally independent countries. It is important that we should give greater weight to substance and less weight to mere appearances. Sovereignty rights may be classified into sovereignty rights on internal affairs and sovereignty rights on foreign affairs.

Today many nations are powerless to exercise their free will in foreign matters, and many of them are not even allowed to enjoy full liberty in their internal affairs. Our sovereignty rights on internal affairs are indeed very ample and great. The limitations to our internal sovereignty rights are very few and they are well defined and enumerated in the Tydings-McDuffie law, and I cannot see that any of these limitations may be considered prejudicial to our national welfare, especially if we ponder upon this problem with a judicial mind and realize that the benefits which we derive from the protection that the United States is giving us and the opportunity that she gives us in having access

to its big and rich market, greatly outweighs any small disadvantage that there might exist based on those few small limitations to our internal sovereignty rights. Let us be practical, my friends, and inquire if really we have any reason to complain under the present status. Is there anything that President Quezon or our Government would like to do to foster our well-being which she cannot do because of the limitations to our sovereignty under the present status? Would our people attain a higher standard of living and be happier if the United States should leave us to our fate and if we can pompously be called an independent country?

And I even maintain, that if we sever our political ties with the United States we shall then have less sovereignty rights both on foreign and internal affairs, the social justice program of the President will go to the winds and we shall run the risk of becoming the prey economically and politically of one of the many ambitious nations who are hungry for land.

The Versailles Treaty, at the end of the World War, initiated an era which was characterized by the creation of new small states and the spread of the idea of national economic protectionism, giving rise to the existence of many new political and economic units, many of them too small to survive the reaction that came thereafter. And with the progress of aviation and science the world is indeed becoming smaller and whether we like it or not the new world trends are toward the disappearance of the small political and economic units that constitute a barrier to the expansion of three nations who claim to have a greater share of our planet than what they have had heretofore, and there are no indications to the effect that the wave is receding. Confronted with this fact we must with foresight, wisdom, courage, and patriotism decide on our foreign policy. The United States in her generosity has given us ample and wide discretion to decide the foreign policy that we might wish to make on foreign affairs. I can hear voices saying that we should choose a foreign policy of isolation and friendship to all nations at the same time, thereby maintaining our independence from all foreign nations. My friends, this is illusory under the present world trends. We will have to trade, we will have to barter, and we must necessarily come under the sphere of influence of a big and powerful nation.

If that powerful nation is—as the United States—rich, has high moral principles, and believes in the principle of self-determination, we certainly would be very fortunate. If that foreign nation is poor in natural resources and burdened with a great population which she has to feed, then I cannot see how under such a sphere of influence our people will attain the blessings of contentment and security which she is now enjoying and the enjoyment of a more abundant life that has been promised them by our beloved President. It is therefore no wonder that recently Pedro Abad Santos, the Socialist leader, has come out openly stating that the mutuality of interest which exists between the United States and the Philippines should be the foundation of any lasting relationship between the two countries. He added that "we must strive to establish the closest ideological, cultural, and economic alliance with the American people on a basis of mutuality and fairness." And I fully agree with him when he said that "we must increase the market value of our country for American goods by raising the standard of living of the masses, and consequently their purchasing power. We must protect legitimate American interests as our own, against other foreign competing interests."

My friends, if we are conscious of world trends and conditions and are appreciative of the peace and opportunity for self-government that we now enjoy, we should realize that it is the protection and generosity of the United States that has made them possible.

Bluntly speaking, the issue that we have before us is not to decide whether or not to have independence. I am afraid we have no choice on the matter for many, many years to come. But we can decide between a partnership with a rich, benevolent, democratic and Christian Nation who has been generous to us politically and economically but who will insist in a well-defined agreement; or drift toward the domination of a proud race whose record past and present, speaks for herself, who can only offer us political puppets and "economic pauperism," to use the words of the Honorable Clare M. Recto, as president of the constitutional convention, and who may or may not require any document to legalize her domination so long as it is actually and substantially an accomplished fact.

I understand that there are those who believe that we are powerless to free ourselves from the orbit and influence of such a domination. They like to think of themselves as realists. I am one of those who are not defeatists. With the rapid progress of aviation world distances are becoming smaller and the world has ceased to be divided into continents. The attitude of the House of Representatives on the question of fortifying Guam does not represent the final policy of the United States in the Pacific. It does not mean that the United States has decided to abandon the Philippines to her fate.

The newspapers of the Scripps-Howard and Hearst organizations, as we all know, are not in favor of severing the political ties between the United States and the Philippines, and yet they were against the fortification of Guam and were very instrumental in obtaining the defeat of the measure. They believe that it was not Guam but the Philippines that should be fortified. Further, they thought that if we were to have our independence in 1946 there was no sense in fortifying Guam. In other words, Congress had wisely decided not to put the cart before the horse.

Independence to be lasting must be something more than a gift from the United States. The United States can only recognize our sovereignty rights; she has only waived her rights over our territory. She certainly will not protect us once we are independent. Hence independence is something that we have to gain and shall have to maintain with our own efforts and with our own strength. I submit that we should first be a strong and respected nation before we sever our ties from the only country on earth which will forever maintain and respect our right of self-determination. There are many major problems that we need to solve before we sever our ties with the United States. The retail trade problem and the Davao problem are two cancerous growths in our national organism that will spread and undermine our vitality with rapidly increasing progress, once the United States has left us to our fate.

Foreign penetration in our country will certainly take place, and the same will seriously undermine our sovereignty, which will be lost forever to us if our political emancipation comes before we are really prepared to survive and be masters of foreign penetration. Japan will try to convert the Philippines into her de facto colony. Actually not through a high commissioner but through an innocent-looking ambassador, Japan will exert full authority without any responsibility in the Philippines. If our political emancipation comes too soon, before we have had time to raise our tariff duties in preparation for the establishment of basic and important industries in the Philippines, Japan will not allow us to increase our tariff duties. This is what Japan has done in China. In 1933 China enacted a tariff law which was for the first time truly protectionist in nature. In a few months, after several incidents which showed that Japan was exerting all kinds of pressure, China was forced to revise its tariff act for the benefit of the industries of Japan. And again, if our independence comes before our public agricultural lands, mines, forests, and other natural resources are fully exploited by our nationals, Japan will certainly do everything in its power to amend the constitutional provision limiting to our nationals the exploitation of our natural resources, or else will convert the same into an unenforceable provision, and the case of Davao will repeat itself a thousand times!

A Japanese economic penetration throughout the whole line planned to the very last detail will take place. The laboring class will not be spared in this competition. With the important industries in the hands of Japanese, with our foreign commerce entirely controlled by Japan, with Japanese skilled labor controlling the key and best positions in our economic life, our laws will be dictated from Tokyo and we will be allowed to keep our apparent sovereignty as long as our national assembly continues acting as a mere rubber stamp of Japanese interest and welfare. The demands of the Japanese will increase every year in geometrical proportions, and sooner or later the country will produce leaders who will not countenance further intrusions against our national sovereignty, and the inevitable will come—an armed clash between the two countries, and we will then witness our subjugation by a country which does not believe in the doctrine of self-determination.

I wish to remind you that President Quezon himself, in his message before the national assembly in 1937, stated that "in the short span of 7 years the Filipino people can hardly do anything that would substantially change their present situation." He made that statement to reason out that if we are not prepared today to assume the responsibilities of an independent nation, we shall not be more prepared in 1946.

I believe that in the above statement President Quezon has underestimated the great and wonderful service that he is performing to our country, but at the same time I believe that great as the progress that I am sure we shall attain under his able leadership and up to 1946 if we remain under the protection of the United States till that time, we should not overestimate the strength and the preparation that we shall then command to assume the responsibilities of steering alone and by ourselves our foreign policy and of insuring our national security.

The forging of a sturdy and noble character is the cornerstone upon which we must base the solution of our national problems, which indeed are many, the solutions of which are a prerequisite to prepare us to live an independent existence thereby becoming a strong, powerful, and respected Nation. Only then shall we have earned our right to be a sovereign Nation, to be complete masters of our destiny, fully independent of all foreign influence that expressly or tacitly constitute a curtailment of our sovereignty, and enjoy forever for all generations the blessings of true liberty and prosperity for all. Before that time arrives, we should favor the next best choice compatible to our national ultimate destiny, a partnership in political and economic spheres, with the richest, most altruistic, and democratic nation on earth, the people and Government of the United States.

How to Help Small Businesses

EXTENSION OF REMARKS
OF
HON. ROBERT J. CORBETT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

EDITORIAL FROM THE PITTSBURGH PRESS OF JUNE 5, 1939

Mr. CORBETT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Pittsburgh Press on Monday, June 5, 1939:

[From the Pittsburgh Press of June 5, 1939]

HOW TO HELP SMALL BUSINESS

Congress is seriously considering the Mead bill authorizing the R. F. C. to guarantee bank loans to small businesses.

Yet at the same time, despite the repeated requests of President Roosevelt, Congress is neglecting to act on the one measure most likely to contribute toward loosening up private credit for small-business enterprises. We refer, of course, to the President's request that Congress forbid future issuance of tax-exempt bonds—those rock-ribbed securities which offer such attractive investments to the very persons who can best afford to take the money risks that small-business activity entails.

Here is an example we have used before. We use it again because we think it tells a lot about why small-business operators have a hard time finding capital—

Businessman A wants to borrow $10,000.

Capitalist B has an idle $100,000 to lend or invest. But in considering any proposition B keeps in mind the fact that he pays taxes in the $150,000 bracket. B resides in New York so he pays both State and Federal income taxes in that bracket.

A goes to B and asks to borrow $100,000 at 6-percent interest. B takes out his pencil. Gross return, $6,000. State income tax (8 percent in B's bracket), $480, leaving $5,520. Federal income tax (64 percent in B's bracket), $3,532.80, leaving a net return of $1,987.20. So B says: "Nothing doing. Your proposition will yield me a net return of less than 2 percent. I'll not risk my $100,000 for that—not while I can go around the corner and pick up 3-percent tax-exempt public bonds, which will yield a return of $3,000, gross and net, and at no risk."

So A tries another tack. A says to B: "If you don't want to lend me the money, how about investing that $100,000 in the common stock of my company. I've got a good business; it will pay 10-percent dividends."

B takes out his pencil again. Gross dividends, $10,000. State income tax, $800, leaving $9,200. Federal income tax, $5,888, leaving a net of $3,312. "Still nothing doing," says B. "That tax-exempt bond will yield a net of $3,000, and your common stock promises only $312 more—and it's just a promise. I don't want to risk $100,000 capital just to try to get $312 more than I can get from a no-risk, no-tax bond. Go elsewhere for your money."

Elsewhere? A can't go to C, who has more idle money than B, but pays even higher taxes. For C is in the $1,000,000 bracket. C never looks twice at any private business proposition that promises a return of less than 16 percent, because he can get the same, yet on a no-risk 3-percent tax exempt.

And A can't go to the bank. The bank isn't interested, first, because A's proposition is too risky for depositors' money, and, second, because A wants a long-term loan. The bank deals primarily in short-term commercial loans, and call loans backed by liquid collateral. Any money not so employed, it keeps in the vaults or soaks away in more tax exempts.

So A winds up by going to the Government—through the Mead bill—asking that it persuade the bank to lend the money, first, by guaranteeing against risk of the loan, and, second, by removing the bank's inhibitions agaisnt long-term paper. That's a long way around for A to go to get the money he needs, and would make taxpayers take risks which tax-exempt investors refuse to take.

Wouldn't it be far better to stop the flow of tax-exempt bonds, and thereby end the special inducement which now causes B and C to refrain from lending money to A? Throughout our history, small business has been started by the B's and the C's taking risks to make profits. But the B's and the C's will take precious few risks lending money to the A's, so long as governments are in the market as large-scale borrowers and unfair competitors for the capital which A needs.

Hands Off, Bureaucrats

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

EDITORIAL FROM THE CHICAGO DAILY TRIBUNE OF JUNE 8, 1939

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Chicago Daily Tribune of June 8, 1939:

[From the Chicago Daily Tribune of June 8, 1939]

HANDS OFF, BUREAUCRATS!

The American system of private enterprise has taken a terrific beating during the last 6 years. It is a bit groggy, but with eyes of hope on 1940 it is answering the bell for the last round with the New Deal. The railroad and air lines are giving particular evidence of this.

The principal airlines have pooled their resources with the Douglas Co. and after the expenditure of $2,000,000, 500,000 hours of engineering time, and another 100,000 hours in laboratory testing time, have brought forth the DC-4 with double the carrying capacity in passengers and freight of any plane heretofore constructed. Similar improved airplanes have inaugurated the trans-Atlantic service in the last few weeks.

The average speed of freight is now 61 percent higher than it was in 1920, and the Association of American Railroads has begun an extensive series of tests of freight equipment to increase vastly their speed and efficiency of operation.

Rail lines operating between New York and Chicago are on the verge of reducing their schedule to 14 hours.

Every day sees an announcement of the installation of latest, improved Diesel-electric locomotives on various roads throughout the country. New trains are being put in service to serve the public with the utmost in speed and comfort in transportation.

A number of western railroads have announced their intention of starting, on January 1, 1940, a new automobile-renting service which should enable them to win back the patronage of salesmen and others who must have an automobile to call on customers in cities and towns adjacent to cities.

Eastern railroads are considering a plan to increase their gross volume of passenger traffic by a reduction in coach fares.

These are all welcome indications that the inventive genius and pioneering spirit fostered by our republican form of government are still alive and vigorous. Let us hope that the Washington bureaucrats will exercise a self-imposed restraint of their meddlesome proclivities until all of these new developments have been given a thorough trial. The carriers, shippers, travelers, and the public in general will be greatly benefited if these private efforts to solve our transportation problems are unhampered by amateur tinkering in Washington.

Impressions of a Congressman on the Visit of King George and Queen Elizabeth to the Nation's Capital

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

Mr. WHITE of Idaho. Mr. Speaker, on a beautiful day in June when Washington with its trees, statues, and flowers was at its best, the reigning King and Queen of England made a democratic visit to the people of the United States and our National Capital.

In meeting the British sovereigns, it is difficult to realize that this youthful, unassuming couple are the exalted rulers of the vast British Empire.

Boyish, slender, tanned, and natural, the King, accompanied by Ambassador Lindsay, who towered a half head above him, as they strolled through the throng of people on the lawn of the British Embassy—and he was introduced here and there to someone known personally to the British Ambassador—might have been taken for a young man from some Western State being introduced to Washington for the first time. He was earnestly interested in the things that were told to him by those he met—mostly of their ancestral background and American development; and by his questions he indicated his interest in the subjects discussed, parting with a friendly grasp of a hand as firm as the palm of a westerner trained to work.

The Queen, a beautiful Scotch lass, was captivating as she passed through the crowd greeting those to whom she was introduced. She is genuinely pretty, with large blue eyes and a "peach blow" complexion touched to a vivid pink here and there on arms and cheeks by the prairie sun on the American trip. Hers is a natural complexion that brings to mind the saying of the poet, Joaquin Miller, that "the most beautiful women are to be found in the lower Columbia River region in our own America and the British Isles," explaining that the moist atmosphere of these regions is most conducive to beautiful complexions.

The Queen gives one the impression of a young matron from one of our American communities who would naturally be a popular leader in her social circle. The incident of having a cup of tea with the wife of the Vice President when the Queen returned to the terrace from the garden in advance of the King was one of the pretty little ceremonies of the party. Seated by Mrs. Garner, flanked by the social elect, including J. P. Morgan, the Aldriches, and other notables, tea was poured from a beautiful silver service by an attendant in royal livery. The Queen arose to greet her sovereign on his return, and just then the King graciously retrieved a glove dropped by one of the ladies, reminding one of the incident of Sir Walter Raleigh in reverse.

Everyone attending the garden party, which included many of the social, political, and administration leaders, and those mentioned as Presidential possibilities—to name—Jim Farley, Senator Vandenberg, Vice President Garner, Senator Taft, Secretary Wallace, Harry Hopkins, and a host of others, with the exception of Senator Clark of Missouri, who was absent, were warm in their expressions of cordiality and admiration of the royal couple, and all agreed that the Queen's pictures do not do justice to her beauty.

The leave taking was a confusion of attendants and lackeys gorgeously attired, plain American chauffeurs, State and city police who valiantly attempted, in response to calls on the sound amplifier, to unscramble the jumble of limousines, sedans, coupes, and plain taxicabs in starting the departing guests down Massachusetts Avenue flanked by the foreign legations and embassies, including the neighboring German Embassy, which had flung its swastika flag defiantly to the breeze.

Washington was active early on the following day in anticipation and preparation for the royal reception of the British King and Queen in the Capitol Building by the Members of Congress. The House of Representatives and Senate convened promptly at 10:30 o'clock and only Congressmen and Senators and those actually employed in the Capitol were admitted. The Members of the House marched in a body to the Capitol rotunda, where they were joined by the Senators to await the arrival of the royal couple. Banked on a stand to one side high above the heads of the assembled guests was every kind of picture-taking machine.

The King and Queen on their arrival took their places by the statue of Thomas Jefferson holding in his hand the unfurled scroll of the Declaration of Independence. Close by was the newly unveiled statue of Will Rogers with a half smile and quizzical look on his face; one wondered what Will would have had to say on this occasion, or Andrew Jackson, who made France pay up, as his bronzed image, severe in countenance, stood with steadfast gaze directly at the English couple, or what they thought if they recognized the statue of the hero of New Orleans.

Idaho had the distinction of being the first and last to shake hands with the King and Queen. Senator BORAH, dean of the Senate, came first, and Congressman WHITE contrived to be the last to wish them a pleasant trip home.

The visit of the English sovereigns was a pleasant episode in our foreign relations and brings to mind that this is the second time that British authority has come to Washington since the Nation's Capital has been established in the District of Columbia. While we have no record of the weather on that eventful day in 1814 when the people of the United States lost their Capitol Building, we know that our visitors made it "hot" for us; on this visit the sun made it hot for all of us, the first day of summer when collars wilted and organdies grew limp.

The picture in the morning paper of the King and Queen shaking hands with our soldiers in uniform may be significant in connection with the royal visit and may disclose the men they are really after. While we extend them a warm welcome and appreciate their good will and the friendship of the people throughout their far-flung dominions, we must firmly maintain our neutrality and let them and those responsible in their Government understand that our soldiers are for our own defense and protection and not for the glorification of empire.

The Townsend Plan

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

Mr. GILLIE. Mr. Speaker, the Townsend plan advocates in the Fourth Indiana District supported me in 1938 because I pledged to work for sound legislation to provide pensions for the needy aged on a pay-as-you-go basis. I was indeed grateful for this support, but I did not interpret it as a mandate for me to vote for any pension plan, regardless of its inequalities and imperfections.

Since June 1, when the House voted down H. R. 6466, which had been substituted for H. R. 2 at the last minute, there has been a general misunderstanding of my position on this matter. I wish to clear up this misunderstanding now by explaining why I could not, in good faith, support the revised Townsend measure.

My vote should not be construed as a vote against higher pensions for the aged. I know that our present laws are pitifully inadequate to care for our senior citizens as they should be cared for, and I shall continue to do everything in my power to assist in liberalizing those laws along sound and constructive lines.

The new Townsend bill, on which we were obliged to vote, was introduced in the House on May 23 without benefit of hearings. It was hastily thrown together and included many absurd provisions, such as the following:

> Throughout the act the present tense includes the past and future tenses, and the future the present. The masculine gender includes the feminine and neuter. The singular number includes the plural, and the plural the singular. Shall means must and is mandatory.

Just what this meant I do not know, but it was no more amazing than many other provisions of this measure. The House Ways and Means Committee might have eliminated these provisions, but it declined to do so, and the Rules Committee reported a "gag" rule, which meant that amendments were barred.

I think my Townsend friends were badly treated by being denied the usual privilege of perfecting their bill by

amendments. The entire aim of the Democratic leadership seemed to be to make the bill as obnoxious as possible to insure its defeat.

For example, the new measure provided that every worker, however needy he might be, must pay a 2-percent tax on his gross income if he earns $50 per month or more, and this would be true even if he had a dozen children to support. The very lowest-paid worker, struggling to live on starvation wages, would have had to contribute on the same basis as Henry Ford and J. P. Morgan.

This provision should have been amended, of course, to exempt the very low-paid workers.

The sales tax provided in the measure would fall most heavily on the poor and would surely meet with opposition from members of organized labor and others who are uncompromising in their attitude against consumption taxes.

Under the bill national banks were exempted, but State banks would have been taxed out of existence. Chambers of commerce were exempted, but labor organizations would have been taxed.

The bill was full of such contradictions and injustices, but the "gag" rule prohibited their elimination.

My most important reason for voting against H. R. 6466, however, was that it was highly deceptive. While holding out the alluring promise of a pension of $200 a month, the bill was so changed that it failed to provide the finances for a pension of more than a small fraction of that amount. I could not be a party to deceiving my elderly friends in such a cruel fashion.

In this regard, I would like to quote from a recent article by Maurice Early, Indiana political writer. Mr. Early wrote:

Townsendites who saw their bill go down to defeat in the National House lost only a crumb and not $200 a month. This can be demonstrated by the Indiana gross-income tax, which is almost identical with the tax plan the Townsend advocates sought to enact into law.

Rates in the Townsend bill were double those of the Indiana gross-income tax. Retail sales would be 2 percent, whereas the levy in Indiana is 1 percent. This State charges producers, manufacturers, and jobbers one-fourth of 1 percent of their gross receipts, whereas the Townsend bill would charge one-half of 1 percent.

Since the Indiana gross income tax raises slightly in excess of $20,000,000 a year, it is obvious that the Townsend tax proposal would not raise in excess of $50,000,000 in the State, probably much less.

Should all persons more than 60 years old in Indiana be granted $200 a month it would require in excess of $500,000,000 a year to pay Hoosier pensioners. But the bill voted down by Congress would have provided a tax income only one-tenth the amount needed. The Townsend bill limited the size of the pension to the proceeds of the tax plan.

From the Indiana experience with the tax system it appears certain that if the Townsend plan had been made a law, the elders would have been disappointed because their checks would have amounted to about $20 a month if there was a general application of the pension.

To make this point more clear, I have prepared a table which shows how much the Indiana gross-income tax has raised in the eight counties of my congressional district, together with the estimated amounts which would have to be raised in these same counties to pay pensions of $200 a month to all persons over 60 years of age.

These figures reveal that the people of my district would be required to pay 20 and 30 times as much to finance a $200-a-month-pension system than they now pay in Indiana gross-income taxes.

The Townsend plan—estimated additional tax burden necessary to pay maximum pensions of $200 per month to 8,000,000 and 10,000,000 persons based upon per capita cost computed on population of 130,000,000 [1]

MAXIMUM PENSION—$200

Pensioners	Annual cost	Per capita cost
8,000,000	$19,200,000,000	$147
10,000,000	24,000,000,000	184

[1] Based on figures provided by W. L. Price, member of staff of the Joint Committee on Internal Revenue Taxation.

Cost of Townsend plan in Fourth Indiana District

[On per capita basis—1930 population, 275,523]

County	Actual Indiana gross income-tax payments, 1937 [1]	Estimated additional cost, maximum of $200 per month [2]	
		8,000,000 pensioners	10,000,000 pensioners
Adams	$92,203	$2,933,679	$3,672,088
Allen	1,296,265	21,571,221	27,200,712
De Kalb	95,322	3,661,917	4,583,624
Wells	90,528	2,706,417	3,387,624
Lagrange	34,180	2,025,660	2,535,520
Whitley	58,387	2,341,857	2,931,304
Steuben	56,456	1,967,742	2,463,024
Noble	80,475	3,293,388	4,122,336
Total	1,803,816	40,501,881	50,896,232

[1] Figures provided by C. A. Jackson, director, Indiana Gross Income Tax Division.

[2] Estimated additional cost of paying pensions of $100 per month is one-half of above estimates—$50 per month, one-fourth of above estimates.

Mr. Speaker, if we had been permitted to amend H. R. 6466 and correct its imperfections, I could have voted for it in the best of faith, knowing that my elderly friends would not be duped. But since objectional features could not be eliminated, I was forced to oppose it in the best interests of my Townsend followers.

I am in entire sympathy with the objectives of old-age security and national recovery, and no one is more keenly anxious than I am to see that our worthy aged, who are poor through no fault of their own, are generously provided with the blessings of peace and security in their declining years.

I am convinced that a sound, workable pension bill will soon be introduced in Congress, in which case I will assist in bringing it to the floor and will work wholeheartedly for its passage.

The Townsend movement, which has much to commend it, deserves praise for arousing the country to the crying need for a more generous old-age pension system. The Social Security Act is certainly not the solution. Some more just, generous plan must and will be adopted.

Save the Wagner Act

EXTENSION OF REMARKS

OF

HON. MARY T. NORTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

RADIO ADDRESS BY REV. FATHER SEBASTIAN ERBACHER

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio broadcast at 5:30 p. m. Monday, May 22, 1939, over station WJR (Columbia Broadcasting System) by Rev. Father Sebastian Erbacher, president of Duns Scotus College, Detroit, Mich.:

The attitude of the Catholic Church toward labor unions was very well expressed by the Most Reverend Archbishop Mooney, of Detroit, at the close of the Catholic Conference on Industrial Problems, January 17 of this year, when he declared that "labor organization, sound and responsible organization on democratic principles, is not merely something which the Catholic Church accepts as an inevitable development of our industrial society, it is something which she wholeheartedly approves, something for which she has a definite set of moral principles, something for which her Popes have been crying for generations like a voice of a prophet in the wilderness of laissez faire, something which she earnestly commends to worker and management alike as a remedy for the evils of industrial life which press upon us and as a preventive for greater evils which threaten."

Pope Pius XI, developing the thought of Leo XIII, clearly pointed out the part that government must play in industrial relations. He said: "The duty of rulers is to protect the community and its various elements; in protecting the rights of individuals they must have special regard for the infirm and needy. 'For the richer class have many ways of shielding themselves and stand less in need of help from the state, whereas the mass of

the poor have no resources of their own to fall back upon and must chiefly depend upon the assistance of the state. And for this reason wage earners, since they mostly belong to that class, should be especially cared for and protected by the government.'" Pius XI severely condemned the action of those rulers of governments who, "while readily recognizing and patronizing similar corporations among other classes, with criminal injustice (they) denied the innate right of forming associations to those who needed them most for self-protection against oppression by the most powerful."

Therefore the National Labor Relations Act, or the Wagner Act, is, in its essential principles, in close conformity with the teaching of the Popes and the church.

The very heart of the Wagner Act is found in sections 7 and 8 of this law. According to section 7, employees "shall have the right to self-organization, to form, join, or assist labor organization; to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid * * * or protection." Section 8 guarantees the effective exercise of this right by declaring what shall be considered an "unfair labor practice," such as "to interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7; by discrimination in regard to hire or tenure of employment or any term or condition of employment; to encourage or discourage membership in any labor organization." Finally, the Wagner Act provides for effective enforcement of the law by creating the National Labor Relations Board.

Whoever knows anything about the history of industrial relations in the United States must be convinced of the necessity of the Wagner Act. Although labor unions were never outlawed by statute, and although the Federal Government paid verbal homage to the workers' right to organize, nevertheless, in practice the laborers had to secure their rights through economic force. Two weeks ago Prof. Charles O. Gregory, of the University of Chicago, said before the Detroit Economic Club: "Before 1933, the attitude of the Government was definitely hostile to the union movement." The reports of the La Follette Civil Liberties Committee, a congressional committee of investigation, show how employers as a whole have been opposed to labor organizations, and what means they used to prevent the workers from exercising their natural right to form unions of their own choice. These reports are an incontestable proof that the Wagner Act was necessary and should by all means be preserved.

The present frantic opposition to the Wagner Act is not prompted by an unselfish desire to help the workingman. The substance of this law is so solid, and the gains made under this act are so considerable and worth while, that it would be an enormous loss to labor to meddle with it at this time. The law is not perfect, we admit; but what human law can be perfect? It is easy to understand why a new law, so contrary to ingrained prejudices of many employers, and so strongly in favor of the workers, should cause friction. To err is human, and therefore an occasional mistake of interpretation or in execution of the law will be excused by every reasonable person. Such errors can be remedied without amending the law. Had all employers honestly observed the law from the very beginning, and had they not sought to evade it; had they gladly accepted it and sincerely cooperated with the workers, who welcomed this legal protection of an innate right, I feel certain that many strikes would have been avoided and our industrial relations today would be far more friendly than they are.

Professor Frank Downing, of Fordham University, said: "The findings of the La Follette Committee on Civil Liberties prove that all the claims of the National Labor Relations Board are true. Industry as a whole is trying to sabotage the labor movement, and even the Board itself * * * The future of the Board and of the Wagner Act depends on the strength of the labor movement, and on the ability of labor to establish more harmonious relations within its own ranks."

Last year the President sent a commission to England to study industrial relations. Is it not very significant, that contrary to much editorial forecasting, this commission has not suggested any changes in the present labor legislation of the country? The report of this commission has emphasized that "peaceful relations are the result of strong and firmly established trade-unions * * *," and that "trade-unionism in a weak and struggling condition rather tends to increase the number and bitterness of industrial conflicts."

The New World, Catholic paper of the archdiocese of Chicago, discussing the autonomous vocational groups, suggested by Pius XI, said: "* * * we have seen legislation which strangely resembles the idealism of the Pope, the N. R. A., for instance, and the Wagner Act, which is perhaps the most decent piece of legislation we have seen in many a year."

When Msgr. John A. Ryan, of the Catholic University in Washington, vigorously pleaded for the national labor relations bill before it was enacted into a law of the land, he was certain that it would bring about the free exercise of the worker's right to organize and prevent employers from unjust interference with this right.

Shortly after the Supreme Court declared the Wagner Act constitutional, Msgr. Francis Haas, now head of the social service department of the Catholic University in Washington, said: "The decision is truly historic, as it marks a complete break in the traditional relation of government to industry. * * * The hope of workers in industry rests in their ability to deal on something like an equal basis with corporations. They can do this only when they can freely choose their own bargaining agents. The Supreme Court decision (on Monday) makes it clear that workers in most manufacturing industries are now free without fear of discrimination to exercise their rights. The decision is quite in accord with Catholic social teaching. * * * All should rejoice in the action of the Supreme Court."

Monsignor Haas told an audience in Springfield, Mass., early in this year: "In view of the fact that the law is designed to protect the natural right to organize, and, as Leo XIII insists, the Government must protect natural rights, not destroy them, Catholics in particular should rise to the defense of the law as a necessary use of Government power."

John Cort, executive secretary of the Association of Catholic Trade Unionists in New York City, sent a resolution to the Knights of Columbus, assembled in convention in Cincinnati, 1938, which reads in part as follows:

"Be it therefore resolved, That the Association of Catholic Trade Unionists draw the attention of the Knights of Columbus to the efforts of numerous reactionary groups which are endeavoring to hamper the work of the National Labor Relations Board, and to sabotage the Wagner Act through subtle and vicious propaganda, as recently uncovered by the La Follette Investigating Committee; and be it further

"Resolved, That the Association of Catholic Trade Unionists appeal to the Knights of Columbus to aid in combating the forces which menace not only peaceful settlement of industrial disputes, but also the natural right to free association and collective bargaining."

The Reverend Raymond McGowan, assistant director of the National Catholic Welfare Council, department of social action, writing of the Wagner Act, said: "But any modification now will probably weaken rather than strengthen the protection Government gives to the free right of labor to organize. Every proposed modification should have several fine combs run through it. Instead of changing the national law, similar laws should be passed in all the States to protect the people whom the Federal Government cannot help. The Wagner Act and the National Labor Relations Board protect a fundamental right of man. * * * Without the Wagner Act, millions would lack legal protection of a basic right. * * * The Wagner Act protects the unions. It does so quite well. Instead of tampering with it, it should be strengthened. It should have duplicates in all the States."

The Reverend Edmund Brock, in an article in the Christian Front, urged regarding the Wagner Act "that Catholics should create a 'no amendment' public opinion in order to safeguard one of the most important rights which the Government has only lately undertaken to safeguard."

The National Labor Relations Board, in a long report to the Senate Education and Labor Committee on proposed amendments to the Wagner Act, declared its "unequivocal belief" in the soundness of the act and affirmed that it is "vital to the interest of this country and its democratic institutions that those principles not be weakened or abandoned, but preserved and strengthened." Of the proposed amendments in general the Board states that they are "not only in conflict with the basic purposes of the act but would, taken singly or in combination, effectively nullify the rights of self-organization and collective bargaining which the act is designed to protect."

J. Warren Madden, chairman of the National Labor Relations Board, declared that Senator BURKE's amendments would "impose such severe restrictions upon employees and labor organizations as to restore in large part that inequality of legal rights and economic power which the act was intended to alleviate."

Regarding the proposals to make the act less "one-sided," to "equalize" it, to "prevent coercion from any source," Senator WAGNER says in the New York Times that they are "designed to destroy the equality of bargaining power that the Labor Act strives to make possible and to restore the gross inequality that existed when the isolated worker stacked his pitiful weakness against the gigantic strength of consolidated capital. Such proposals are a threat not only to every worker in America, but to every person in America who believes that the legitimate organization of labor represents a sound democratic principle in a modern industrial state."

The Nation Throws Light on the Oil Trust

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

EDITORIAL FROM THE NATION OF JUNE 3, 1939

Mr. COFFEE of Washington. Mr. Speaker, I have at various times brought to the attention of this House allegations of illegal monopoly in the oil industry.

I now bring to your attention an editorial which appeared in the June 3 issue of the Nation, a magazine dealing exclusively with current events and justly famed for its accuracy, integrity, intelligence, and fearlessness in portraying matters relating to the public interest.

It is of concern to Congress to note the statement in this editorial to the effect that as much can be learned of the ways of monopoly through the Borah-Gillette pipe-line divorce bill, S. 2181, now before the Senate Judiciary Committee, as will be learned from the volumes of testimony now piling up in the hearings before the Temporary National Economic Committee, hearings which are costing the taxpayers hundreds of thousands of dollars.

While it is my conviction that the "objective" studies of the Temporary National Economic Committee will in time prove well worth their cost in developing new and sounder theories of industrial economics, I wish to point out that what the Nation refers to as "an obscure bill now before the Senate Judiciary Committee," meaning the Borah-Gillette bill, has greater possibilities for not only disclosing unsound and illegal economic industrial practices than is superficially apparent.

We do not hesitate to appropriate millions of dollars for studies of adverse conditions now confronting our people; we do not hesitate to speak boldly and freely from this floor our conception of the dire need of economic reform.

We blaze forth like comets in our denunciation of those predatory interests who use every opportunity and every pretext to fatten their already swollen fortunes by running the juggernaut of big business over the helpless bodies of little business.

But when the opportunity is presented for bending our efforts for only a few brief moments in doing something which we know will be of immediate relief to little business, such as by supporting legislation as is proposed by the Borah-Gillette pipe-line divorce bill, then, when such opportunities present themselves, do we give it the attention deserved?

The answer to this question lies in the disposition by Congress of the bill in question.

In offering for the RECORD the editorial referred to, I do so with the profound hope that every representative of the people in this Congress will take the necessary time to read and thoroughly digest the accusations of the Nation against the reborn Oil Trust.

[From the Nation of June 3, 1939]

LIGHT ON THE OIL TRUST

We venture to say that as much could be learned about monopoly, its methods, its disguises, its phoenixlike ability to rise from the ashes of dissolution decrees, from an obscure bill now before the Senate Committee on the Judiciary as from the volumes of testimony piling up in the hearings of the Temporary National Economic Committee. The bill to which we refer, S. 2181, was introduced by Senators BORAH and GILLETTE. Its significance is not readily apparent, and it is unlikely that newspapers dependent on oil-company advertising will devote much space to explaining it. A bill to prohibit interstate common-carrier pipe lines from transporting commodities in which such carriers have any interest may seem of technical and minor importance. But it happens to strike at the heart of the new oil "Trust" which has been growing up in place of the old trust, smashed by court order in 1911. For control of the pipe lines, the arteries through which oil pours from the great producing fields to the seaboards, is today's equivalent of the elder Rockefeller's secret alliance with the railroads. The enormous profits of the pipe lines—they earn from 24 to 400 percent annually on net investment—have supplanted the rebates by which the creator of the Standard Oil Trust milked and undermined his independent competitors.

The Borah-Gillette bill was introduced because oil interests succeeded in forcing a similar clause out of the Wheeler-Truman bill. The smell of oil has always been strong in the lobbies in Washington, and the oil lobby has always succeeded in the past and may succeed again in protecting monopoly control of pipe lines from congressional attack. The first commercial oil pipe line of any importance was built in 1878 by independent western Pennsylvania oil producers in an attempt to escape the grip of the combination between the Pennsylvania Railroad and the Standard Oil Co., which was slowly forcing them out of business. Then, as now, control of transportation facilities meant control of the industry, and by 1883 Rockefeller succeeded in bringing this pipe line—the last hope the independents had to get their oil to market on fair terms—under his control. The pipe line assumed increasing importance in the minds of the oil monopolists as regulation of railroads made it more and more difficult to discriminate against the independent oil man. The antirebating provisions of the Elkins Act of 1903 and the 1911 decision by the Supreme Court upholding the trust-busting decree against the old Standard Oil Co. stimulated the construction of pipe lines. Control of the pipe line was used to squeeze out the independent as control of railroads serving the anthracite coal country was used against the independent mine owner.

The Hepburn Act in 1906 was an attempt to break up the coal-railroad combination. The original bill forbade a common carrier to convey commodities produced by a company owned by the carrier. In that form it would have applied to pipe lines as well as railroads. The oil lobby succeeded in changing the words common carrier" to "railroad" before the bill was passed. Today the 20 interlocking major oil companies own 97 percent of the oil pipe lines and determine the terms and rates on which oil is to be shipped to market.

Two figures tell what effect this has had on the independent oil producer. Twenty-five years ago the major companies produced no more than 20 percent of their own crude oil. Today they produce 60 percent. The combination that grew great on the supply of kerosene for lighting has now grown beyond anything the trust-busters dreamed of on the demand for gasoline to run the automobile and the airplane. In place of the trust we have interlocking financial controls and community of interest among 20 great companies taking 95 percent of the crude oil produced in this country. The economic power of this combine overawes the agencies of law enforcement. The antitrust laws could be used against the pipe-line monopoly. So could the antirebating provisions of the Interstate Commerce Act. Neither have been so used.

This is by no means merely an oil problem. It is also a railroad problem. And it is a coal problem. It is estimated that oil pipe lines drain half a billion dollars' worth of gross revenue from the railroads, enough to take most of them out of the red. But the economic power of the oil combine is great enough to muzzle the men who are responsible for the welfare of a $25,000,000,000 investment in railroads. The oil combine can threaten to divert freight unless the railroads behave. The combine's financiers can exert even more direct pressure. The Mellon and Du Pont interests are but two examples of family concerns powerful in oil and also powerful enough as industrial freight customers of the railroads to swing the big stick over them. Du Pont is Phillips Petroleum. It is also General Motors. A similar situation exists in coal. Competing fuels have eaten up 50 percent of the market for coal. Fuel oil is the chief competing fuel. Fuel oil constitutes 38 percent of the oil industry's output but provides only 12½ percent of its revenue. There is reasonable ground for suspicion that sale of fuel oil is being subsidized at the expense of the gasoline consumer. Millions of dollars invested in coal and several hundred thousand mine families are affected. Why doesn't the coal industry fight? But our first and their largest bituminous coal companies are controlled by Mellon, and Mellon is also Gulf Oil. The second largest coal company, now in bankruptcy, is controlled by Rockefeller dominated trustees, and Rockefeller is Standard Oil. Oil can actually be shipped more cheaply by rail than by pipe line, but the pipe line is necessary to maintenance of monopoly controls. The consumer foots the bill. Railroad workers and investors, mine workers and mine owners, also pay in lost wages and lost investment. Could there be a more dramatic example of the economic wastes and pervasive power that flow from uncontrolled monopoly?

Future Roads and Federal Road Legislation

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

ADDRESS BY HON. WILBURN CARTWRIGHT, OF OKLAHOMA

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD an address which I made at the annual convention of the American Association of State Highway Officials at Dallas, Tex., on December 5, 1938, on the subject Future Roads and Federal Road Legislation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I have been talking about good roads for a long time. I have had the good fortune to address highway-minded gatherings in various States of the Union. But I have never made a speech in a place that I considered more appropriate for this particular subject than right here in Dallas, Tex., the home of my good friend, the Honorable HATTON W. SUMNERS. I wish I had time today to

tell those of you who come from other States about the fine work that is being done for the cause of good roads by the Texas Good Roads Association. You who live here do not need to be told. And no group in the United States Congress has been more active in drafting and passing legislation for the improvement of our highway system than the delegation from the State of Texas. I wish especially to mention the good work of my colleague on the House Roads Committee, Congressman NAT PATTON, who comes from Crockett. On the Senate side, we have always been able to count on the wholehearted support of Senators TOM CONNALLY and MORRIS SHEPPARD. It is the memory of the fine help and cooperation received from Texans that makes me particularly pleased to be making this address in Texas today in the home State of my old friend, Gen. Robert Lee Bobbitt.

FEDERAL LEGISLATION 1934, 1936, 1938

Not since the passage of the act of 1921 has the Congress enacted such a constructive and far-reaching piece of legislation in the matter of building roads as that provided in the Hayden-Cartwright Act of 1934. In addition to liberal authorizations, it carried several amendments to the original highway act, as well as additions covering new subjects, making this legislation of very great importance in the future development of highways.

The Hayden-Cartwright Act of 1936 made the regular $125,000,000 authorization for primary roads for each of the fiscal years 1938 and 1939 and provided $25,000,000 for each year to be spent on secondary, farm-to-market, rural free delivery, and school-bus roads. There was also a provision of $50,000,000 a year for elimination of hazardous railroad grade crossings.

By including, for the first time, a provision for the improvement of farm-to-market roads, the Federal Government recognized the necessity for improving these feeder roads and an important precedent was established.

It is well known that the Federal Government owns lands of various kinds and character throughout the country, and in many cases it is necessary for roads to be built in these areas. The Hayden-Cartwright Acts also make provision for authorizations covering the roads and trails on Government lands, such as Indian reservations, national forests, national parks, etc.

In November of 1937 President Roosevelt called for a reduction in Federal highway spending and change in authorization and appropriation procedure. The special session of Congress last year failed to act on the President's request for cancelation of 1939 authorizations.

As required by the Hayden-Cartwright Act of 1936, on December 31 last, Secretary Wallace apportioned to the States the money authorized for 1939 Federal aid, totaling $195,000,000. However, at the direction of the President, he sent a letter to the Governor of each State requesting that no projects involving 1939 funds be submitted until Congress had had time to consider further the President's request for cancelation of the authorizations.

The President based the Federal Budget for the 1939 fiscal year on the assumption that Congress would comply with his recommendations for cancelation and reduction.

On January 6 of this year, I took the bull by the horns and introduced a bill, H. R. 8838, to provide for continuation of Federal highway aid without any reductions through the fiscal years 1940 and 1941.

That left it squarely up to the Congress as to whether or not Federal support for orderly highway growth would be continued in the United States. The House Roads Committee took that responsibility seriously and we had 3 weeks of public hearings, the longest in history on that kind of legislation. Very important testimony was heard from friends of good roads from all over the Nation. Representatives of every large organized group of our citizenship were invited to express their views frankly and freely.

Soon after the record of the hearings was printed the committee reported out the bill with the recommendation that it do pass. It did pass, by a unanimous vote and without important amendment in the House, but with some reductions in the Senate. The principles of the legislation, however, were kept intact, and a total of $357,500,000 of Federal funds was authorized for roads for the fiscal years 1940 and 1941. This was an important victory for roads.

My friends, Federal aid for highways is not a current expenditure, but rather an investment in a national capital asset. The use of this investment touches and enriches the lives of more American people than any other form of Federal expenditure.

Federal-aid highway funds are apportioned to the several States, not on the basis of political pulling and hauling but according to a mathematical yardstick that has been developed on the basis of population, area, and road mileage, the fairness of which has never been seriously questioned.

The granting of Federal aid to the States involves certain obligations on the States to so route their highways that they will be a part of our national systems. They must prepare plans and specifications that are in compliance with the highest standards of engineering, and see that those high standards are maintained, not only in the spending of the Federal funds but also in the expenditure of the State funds that have been put up to match the Federal funds. That has been an influence in raising the standards of engineering and the planning and location of roads in this country that cannot be overestimated.

These and many other advantages that result from Federal aid for highways are taken into consideration each time Congress considers a road bill.

DIVERSION OF HIGHWAY FUNDS

Election years like 1938 in which we do not elect a President are referred to by politicians and the press as "off years." To all of us who are interested in the improvement of America's highway system, however, 1938 was far from being an off year. The voters of California, Michigan, and New Hampshire made November 8, 1938, a "red-letter day" for members of the highway profession and industry, for the motorists of those three States and for good-roads enthusiasts everywhere. Legislators in those States were shown, once and for all, the determination of a road-minded public to keep highway funds for highway purposes. The overwhelming majorities with which the voters of California, Michigan, and New Hampshire passed antidiversion amendments to their State constitutions is especially gratifying to those of us who look forward to a day when every penny collected from highway users as such will be spent for good construction and improvement in every one of the 48 States.

New Hampshire voters showed their disapproval of diversion by a majority of 5 to 1; California, 2 to 1; and Michigan, 3 to 2. While a similar amendment was defeated in Alabama, the margin was so slight—only 4,000 votes—that its adoption at an early election is predicted.

Today, therefore, we can point with pride to seven States which have outlawed diversion through constitutional amendments. In addition to those which joined the good roads honor roll last election day, Missouri, Minnesota, Kansas, and Colorado were pioneers in this movement.

While we rejoice in these victories, however, we must not forget that there are still 41 States in the Union whose constitutions still permit diversion of highway funds to nonhighway uses. The general public cannot be expected to take the first step in remedying this situation. They will act only after they have been thoroughly awakened to the havoc that is being wrought by the misappropriation of highway funds. They must be shown conclusively that modern highway needs are so great that they demand the use of every cent collected in highway-user taxes. They must be awakened to the fact that these taxes are, in reality, money invested by the motorist in the highway system and that, when this money is not spent on highways, the motorist is being defrauded of his investment. That is our problem. It is the problem of every member of the American Association of State Highway Officials who knows intimately the highway needs of his own State and is, therefore, especially qualified to tell the public about these needs. Adoption of the three antidiversion amendments was due, in a large measure, to the well-organized educational campaigns conducted by such national highway organizations as the American Road Builders' Association and its affiliate State groups, and the consistent activity of the motorists' clubs. Adoption of similar amendments in other States will only be brought about by the continued and untiring work of highway-builder and highway-user groups throughout the Nation.

The Federal Government has taken steps to penalize States that misuse their highway funds. The Hayden-Cartwright Act of 1934 provides that States which engage in the practice shall be deprived of one-third of their Federal-aid money for highway construction. This provision has in many cases prevented States from practicing diversion and has assured the use of highway money for highway purposes.

Motorists throughout the 48 States are awakened to the evils of diversion as never before and they are beginning to fight to put amendments into their State constitutions to outlaw this indefensible practice.

The American Association of State Highway Officials, a national organization of men who conceive and build the highways, has for many years been in the battle against diversion and offering valuable cooperation in the fight for improvement of our highway system. It is through close cooperation and united effort on the part of highway users, highway builders, and State and Federal legislatures that we may expect to achieve more roads, better roads, and safer roads for the farmer and his city cousin, for the soldier and the civilian, and for everyone who uses our highways for business or for pleasure.

I believe that highways are the lifeblood of the people within the State. I intend to make it my business to help keep that lifeblood flowing freely, not only in Oklahoma but in order that Texas and other States may be able to reap the benefits they deserve from good roads—improved roads over which they can travel in safety.

SUPERHIGHWAYS

The outlawing of highway enemy No. 1 means that additional thousands of dollars will be reserved for use in the construction and improvement of roads. It means that when superhighways legislation comes up in the next Congress we will be better able to find ways and means to finance the construction of modern roads in the places where volume of traffic and high accident rates make such a step imperative.

During the past several Congresses bills have been introduced to provide a system of superhighways for the United States. Superhighways in this country have been looked upon by most people as a beautiful dream that would not come true for many years. The House Committee on Roads has looked more to building our primary highways and getting the farmers out of the mud before launching on such an ambitious scheme. Personally, I have been and am for superhighways as soon as we are ready. The House committee has had hearings and printed reports of testimony pro and con for distribution.

In the Hayden-Cartwright Act passed this year we provide: "The chief of the Bureau of Public Roads is hereby directed to investigate and make a report of his findings and recommend to the Congress not later than February 1, 1939, with respect to the feasibility of building, and cost of, superhighways not exceeding three in number, running in a general direction from the eastern to the western portion of the United States, and not exceeding three in number, running in a general direction from the northern to the southern portion of the United States, including the feasibility of a toll system on such roads."

This subject will be up in the next Congress and some definite action will probably be taken.

I was in Germany this summer and when I think of superhighways, I think of Germany, for, regardless of what we think of him as a man, we must give Fuehrer Hitler credit for building a system of superhighways in his country which are second to none in the world today. It is undoubtedly true that the construction of these highways was prompted by the same motives which are behind Germany's huge expenditures for armament and for the building up of her army to the limit of her manpower. The superhighways will become very important assets to that nation in the event of another war in Europe. In the meantime, however, they are providing the German people with innumerable peacetime commercial, industrial, social, and cultural benefits.

I think that the United States should have a highway system second to none. Our highway engineers such as Thomas H. MacDonald and Charles M. Upham have long served as teachers to road builders in other parts of the world. The safety features which are built into the German superhighways are, in fact, those which have long been recommended by American engineers. The world's best and most efficient road-building machinery and materials are manufactured in the United States. Our financial structure is certainly superior. It is, therefore, not an idle boast for us to say that we can do better anything that Germany can do well.

However, I do not advocate that we start immediately to construct a superhighway system like that in Germany. It would take many years to build a complete system which would link the entire country and cost billions, but we can begin now to design and lay out this system and to construct superhighways in those areas where traffic is heavy and congested. In this way we will be able to attain, in the next decade or so, the beginnings of a system of highways and superhighways which will be adequate for the needs of our country.

HIGHWAYS AND NATIONAL DEFENSE

Last summer I happened to be in Europe when the outbreak of another world war was narrowly avoided by European statesmen. We all hope that the future will see wars replaced by arbitration and battlefields by conference tables. The strength of this hope, however, is not sufficient basis for the scrapping of all our battleships and implements of protection. And we cannot discount the value of our highway system if this country should be invaded. Modern military equipment is becoming more motorized every day, and the increase in its motorization is also increasing the importance of highways to its transportation.

Our highway system is a vital part of our national defense. Without good roads under conditions of modern warfare, the United States would be seriously crippled in dealing with an enemy attack.

There is no question that our defense will have to be a mobile defense in the future. Defense, not only by guns on wheels to be placed at strategic points upon brief notice but manpower on wheels to be transported whenever and wherever needed.

The roads, first of all, will serve our everyday commercial needs, but no army and no navy can move without food and supplies. We must have roads to the farms where the food is produced and roads to the factories where the munitions and supplies are made. These, plus rapid means of transportation, will comprise the heart of successful national defense.

And remember this, the appropriation of Federal money for the construction of highways to provide adequate transportation facilities in the event of war has a signal advantage over appropriations for other forms of preparedness. If our hopes and prayers are rewarded and war never comes, much of our military equipment will never be used; the bulk of it will probably be scrapped, but the extreme value of our highways to everyone during peacetime cannot be questioned. The fact that a road was constructed primarily to facilitate the movement of war goods does not lessen its usefulness when the threat of war is over!

FUTURE HIGHWAYS

When we consider the changes that have been made in our roads during the past 20 years, it is reasonable to predict that even greater progress will be made in the next 20 years. Compared to the roads of a generation ago, modern highways are almost perfect. But compared to the roads of a generation hence, "you ain't seen nothing yet." These highways will be free ways, with intersections and grade crossing replaced by overpasses and underpasses. Longer sight distances will be provided by the leveling of hills and the straightening of sharp curves. Lanes will be at least 12 feet wide, with at least two paved lanes in each direction, and opposing streams of traffic separated by center parkways. Their surface will permit safe driving in all kinds of weather and illumination will eliminate the particular dangers of night-time driving.

CONCLUSION

I do not need to elaborate for the members of this group the benefits which result from good and safe highways. You are all familiar with the tremendous number of lives lost each year in highway accidents which are, directly or indirectly, caused by some fault of the highways. You know the value of the tourist trade to any State's annual income—and you know that this revenue is increased or decreased as vacationists are attracted to your State by good roads or driven away by poor ones. You understand the importance of good roads to the man whose business requires him to travel from town to town by motor. To reduce our discussion to simple arithmetic, we might say that good roads add to the comfort, subtract from the danger, divide the time and expense, and multiply the convenience and pleasure of everyone who travels over our highways, whether he is bound on a business trip or a vacation.

I thank you for this distinct privilege of talking to you, and I say again, in closing, that in the fight for good and safe roads, the American Association of State Highway Officials, under the exceedingly capable leadership of Secretary W. C. Markham and President C. H. Purcell has been a "good soldier" with an "effective weapon."

W. P. A.

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following questions and answers prepared by F. C. Harrington, the Administrator of the Works Progress Administration:

QUESTIONS AND ANSWERS ON THE WPA

1. What is the WPA? The Works Progress Administration is a Federal agency which cooperates with State and local governments in carrying out needed public improvements and services, in order to provide work and wages for the needy able-bodied unemployed. The local governments plan and sponsor the projects and the WPA helps to operate them.

2. What other Federal agencies provide emergency employment? The Civilian Conservation Corps (CCC); the National Youth Administration (NYA); the Public Works Administration (PWA); and those agencies which operate emergency projects in addition to their regular programs. (See question 66.)

3. Does the WPA give relief without work? No. Direct relief is provided by States and localities and is intended primarily for the care of unemployable people.

4. Why does the Federal Government give work to the able-bodied needy unemployed instead of direct relief? This policy was adopted in the conviction that work is better than direct relief because work preserves the skills and self-respect of the workers and makes them fit to return to private industry; because our communities are greatly in need of the public projects on which the unemployed are set to work; and because work projects bring a valuable return to the communities and the Nation for money expended in assisting the unemployed.

5. What is a WPA project? It is any useful public work on which the Federal Government and some tax-supported public body have agreed to cooperate, through the WPA, in order to provide work for the needy unemployed. The project is a community or State enterprise which the WPA helps to carry out; the completed project belongs to the community or State.

6. Are WPA projects planned locally or federally? Ninety-five percent of all WPA expenditures are for projects planned by such local sponsors as city councils, county commissioners, and boards of education, or State agencies. The Arts Projects of the WPA are chief among the few planned by the Federal Government.

7. What is the sponsor of a WPA project? The sponsor of a WPA project is a State, municipal, or other governmental agency which proposes that the WPA assist it in carrying out a local public improvement or public service. Plans and specifications for the work are submitted by the sponsor. The proposed work must be one which the sponsor has legal authority to do. Since the WPA must use its funds largely for wages, the sponsor must agree to provide most of the materials and equipment necessary. The sponsor's share of the total cost of a project is correspondingly larger when the local improvement desired by the community requires large quantities of material or equipment.

8. On what basis does the WPA approve a proposed project? There must be needy unemployed workers in the locality with the skills required for doing the work. The project must be on public property.[1] It must not be a part of the

[1] On private property only when rented or leased by a public agency; or when easements in the public interest have been secured by a public agency; or when a State or local government officially pronounces the work to be in the interest of public health and safety.

regular work of the sponsoring agency, such as should be wholly financed out of its own regular funds. And most of the Federal funds requested must be used for the wages of project workers.

9. Does work begin on a WPA project as soon as it is approved? Not necessarily. Communities are encouraged to maintain a reserve of approved projects so that there will be no delay in starting a new project when it is needed to provide employment.

10. What are the chief kinds of work done by the WPA? The proportions of WPA funds spent on different types of work up to December 1938 were as follows: Thirty-seven percent for highways, roads, and streets, of which a large proportion are farm-to-market and other secondary roads; 11 percent for parks, playgrounds, swimming pools, and other outdoor recreation facilities; 11 percent for education, library projects, statistical surveys, recreation, and other white-collar and professional projects; 10 percent for sewing and canning projects (the former employing more than half of all women WPA workers); 9 percent for construction and rehabilitation of public buildings—schools, hospitals, courthouses, recreation buildings, etc.; 9 percent for sewer systems and other public utilities; 4½ percent for conservation projects—forestation, erosion control, irrigation, and water control; 2½ percent for new municipal airports and the enlargement and improvement of old ones, and transportation and navigation projects; 2½ percent for sanitation projects, other than sewers, such as elimination of stream pollution and eradication of mosquitoes and other pests; 2 percent for the four arts projects—the Federal music project, the Federal art project, the Federal theater project, and the Federal writers project; 1½ percent for all other types of projects.

The WPA also does emergency work in times of flood, storm, and other disasters. It is able to supply a large force of workers quickly to meet an emergency. For the purpose of supplying such help, WPA projects are immediately closed in the disaster area, and the workers are made available for rescue and rehabilitation work. Although men perform most of the heavy or dangerous tasks, frequently many women WPA workers serve as emergency cooks, nurses, and helpers. Rescue work, the moving of families from danger, care for the homeless, the distribution of food and clothing, the restoration of roads, the repair of water mains and other public utilities, the removal of debris, and the work of restoring sanitary conditions—all these tasks fall largely on WPA workers. Recently in the New England storm disaster 100,000 WPA workers were immediately mobilized and thrown into the work of rescue, relief, and restoration. During and after the Mississippi-Ohio floods in 1937 the WPA gave the same kind of help to stricken communities.

WPA EMPLOYMENT

11. Who is eligible for WPA employment? Any American citizen, or other person owing allegiance to the United States, who is 18 years of age or older, able-bodied, unemployed, and currently certified as in need.

12. What agency certifies that a worker is in need? A local public-relief agency approved by the WPA, or, in lieu thereof, the local WPA.

13. Must an unemployed worker be a resident of a State or locality to be eligible for WPA employment there? State and local practice generally requires legal residence; the WPA itself makes no restrictions.

14. Are farmers eligible for WPA employment? Yes; and there are other Federal programs for the special benefit of farmers.

15. How many members of a family are eligible for WPA employment? Only one; usually the head of the family. The mother or a grown son or daughter is regarded as the economic head of the family if the father is unable to work.

16. If two families live together, is a member of each family eligible for WPA employment? Yes; if both families are in need and otherwise eligible.

17. How are workers assigned to WPA projects? The local public relief agency certifies to the WPA workers in need and eligible for WPA employment; and from this group of persons the WPA Division of Employment selects, according to their previous experience or training, the workers who can be placed at work on the various local projects. (See next question.)

18. Are workers assigned to WPA projects in any order of preference? Congress has directed that eligible war veterans must be given first preference in assignments.

19. Does the WPA ever employ project workers who have not been certified as in need? Yes. Noncertified workers with special skill or training necessary to the conduct of a project may be employed if qualified relief workers are not available. Such nonrelief workers are secured through the United States employment office in the State. At least 95 percent of all project workers, however, must be certified as in need of relief.

20. How many workers in all has the WPA employed? About 7,000,000 individuals at one time or another since the start of the program in 1935.

21. How many workers are employed at one time by the WPA? The number has fluctuated from as low as 1,450,000 in October 1937 to as high as 3,250,000 in November 1938. There were about 3,000,000 WPA workers in March 1939.

22. What percentage of WPA workers are men? Women? Men, 87 percent; women, 13 percent (December 1938).

23. What percentage of WPA workers are doing unskilled work? Other kinds of work? In December 1938:

	Percent
Unskilled	70
Semiskilled	13
Skilled	11
Professional and technical	3
Unclassified	3

24. Do WPA workers do the same kind of work they did in private industry? This is not always possible. An effort is made, insofar as this is consistent with prompt employment, to provide work at the worker's usual occupation or related work.

WAGES AND HOURS

25. What is the average WPA wage? The average monthly WPA wage is about $52.50. (See next question.)

26. Do all WPA workers receive the same monthly wage? No. The monthly earnings vary according to the degree of skill required by the job, and also according to the region and size of community in which the work is done. In large northern cities the wages run from $55 a month for unskilled work to $94 for professional and technical work, while in northern rural districts the range is from $40 to $60. In the South the range in large cities is from $40 to $79, in rural districts from $26 to $48.

27. Do WPA workers get the same wages as workers in private industry? They are paid at approximately the same rate per hour, but their monthly earnings are below the general level of private industry. (See questions 26 and 28.)

28. How many hours do WPA workers work? They average about 110 hours of work a month. Each employee works a sufficient number of hours each month (at the prevailing hourly rate for the occupation in the locality) to permit him to earn his monthly security wage. WPA workers are not permitted to work more than 8 hours in any day, 40 hours in any week, or 140 hours in any month, except to make up lost time or in emergencies involving the public welfare or the protection of work already done.

29. Can a WPA worker's job classification be changed? Yes; if on the basis of experience and ability he is qualified to do work in a different classification, and if such work is available.

30. Are WPA workers eligible for promotion? Yes. On the basis of occupational qualifications and ability they can be promoted to foreman, supervisor, or administrative employee, where such positions are available.

31. Do the families of WPA workers (like those on direct relief) receive food and supplies from the Surplus Commodities Corporation, or food canned on WPA canning projects and clothes made by WPA sewing projects? All such commodities are distributed through local relief agencies to families on direct relief; and it is the local relief agency, not the WPA, that decides whether these commodities shall be given also to the families of WPA workers.

32. Does the WPA provide for transportation to and from a project? WPA workers are expected to provide their own transportation within reasonable limits. However, transportation to a distant project is sometimes furnished by the WPA or by the project sponsor.

UNIONS

33. Are WPA workers permitted to join unions? Yes.

34. Is it necessary for a worker to belong to a union in order to get or hold a WPA job? No.

35. Are union organizational activities permitted among WPA workers? Yes. But such activities are not permitted on a project during working hours. Foremen and other WPA officials, although they may join unions, are not permitted to act as organizers at any time.

36. Have WPA workers the right to complain about wages, hours, or working conditions? Yes. A WPA worker has the right to bring such complaints to his foreman, and, if he is not satisfied, he may carry his complaint to the local WPA office, to the State administrator, and finally if necessary to the Washington office. WPA rules forbid any discrimination against complainants.

37. Can a union or any group of WPA workers send representatives to a WPA office to present grievances? Yes; and they have the right to choose any representatives they wish.

38. Can a WPA worker be discharged? Yes; he can be discharged for cause relating to his efficiency or integrity on the job. Also he can be terminated from project employment because of completion of work or shortage of funds.

SAFETY AND COMPENSATION

39. What provisions are made for the safety of WPA workers? It is the foreman's duty to maintain safe working conditions on a project. In addition, safety inspectors make regular inspections of all projects.

40. Is equipment provided to protect WPA workers from injury? Yes. Either the WPA or the sponsor of the project provides goggles, safety belts, lifelines, or whatever equipment is necessary to protect the workers against injuries. Also there is a first-aid kit available on every project.

41. How does the injury rate on WPA projects compare with the general rate of private industry? It is considerably lower.

42. Is a WPA worker entitled to compensation for injuries received on the job? Yes, and for illnesses resulting from such injuries.

43. What compensation does a WPA worker get for injuries received on his job? Beginning on the fourth day of his disability, he draws a compensation equal to two-thirds of his monthly wage but not exceeding $50 a month. The maximum amount allowed by the United States Employees' Compensation Commission for death or injury is $4,000, payable at a rate not to exceed $50 a month. In addition, he receives all necessary medical and hospital treatment.

ADMINISTRATION, SUPERVISION, AND FINANCES

44. Is WPA administration efficient? Impartial investigations have found it so. For example, after making a comprehensive survey of unemployment relief, the magazine Fortune reported that the WPA as an organization "functions with an efficiency of which any industrialist would be proud."

45. How are foremen and supervisors of WPA projects selected? Local WPA officials select all foremen; supervisors are selected by the local WPA except when they are provided by (and paid by) the project sponsors.

46. Must WPA supervisors and foremen be taken from the relief rolls? This is desirable but not required. However, the proportion of nonrelief employees to the total working force must not exceed 5 percent on any project, except where special exemptions have been authorized.

47. How are WPA funds apportioned among the States and communities? In accordance with the extent of need in each State and each community. Thus the amount of WPA money spent in States and communities does not depend on their area or population, but on the number of needy unemployed workers and on the wage levels in each.

48. How much of the cost of WPA projects is paid from Federal funds? The Federal Government pays almost all the labor costs of a project. The sponsor pays most of the costs of materials and equipment. During the last fiscal year sponsors' funds averaged about 20 percent of total project costs.

49. Just what is the Federal WPA dollar spent on? Out of each Federal dollar spent: 86 cents is used to pay project workers; 11 cents is used to pay for materials and equipment; 3 cents is used to pay for administrative costs.

50. Is there an independent accounting for WPA funds? Yes, by the United States Treasury Department, which also issues checks to WPA workers and purchases WPA materials.

POLITICS

51. Must a WPA worker support any political party in order to get or hold his job? No. To promise a WPA job for political reasons, or to deprive or threaten to deprive a WPA worker of his job for political reasons, is a felony.[2]

52. Is it permissible for WPA workers to be solicited for campaign contributions? No. Solicitation of campaign contributions from WPA workers is a felony.[2]

53. Can WPA employees run for political office? Project workers legally can; but supervisory and administrative employees are forbidden to run for political office or to act as campaign managers for political candidates. The law provides that any supervisory or administrative employee who uses his official position to influence an election shall be immediately dismissed.

PRIVATE INDUSTRY

54. Are any special arrangements made to help WPA workers get jobs in private industry? The United States Employment Service, with which all WPA workers are registered, seeks to keep informed of the needs of private employers, and makes constant efforts to place WPA workers in private jobs.

55. Is a WPA worker required to take a job in private industry if one is open to him? Yes; if it is work that he can do and if the employer offers the prevailing local wage and reasonable working conditions.

56. Can a WPA worker who has taken a private job get back on the WPA if he loses the job? Yes. If he loses the job through no fault of his own, and is still in need, he is entitled to reemployment.

WPA WORKERS

57. How long had WPA workers been employed at their trades in private industry? Ten years on the average.

58. How old are WPA workers? A survey in November 1937 showed these percentages: Nine percent under 25 years old; 23 percent between 25 and 34 years old; 25 percent between 35 and 44 years old; 24 percent between 45 and 54 years old; 16 percent between 55 and 64 years old; 3 percent 65 years of age or over. The WPA limits its employment almost entirely to the heads of families. Many needy younger workers are assisted by the NYA or the CCC rather than the WPA.

59. Are the same people employed continuously on WPA projects? Less than one-sixth of the 5,000,000 different persons who worked on WPA projects during the first 2 years of the program's operation were continuously employed by the WPA. Thousands of workers leave WPA projects for private employment every week; and at the same time other workers come on WPA projects who have lost their jobs in private industry and who are in need.

Even when unemployment is increasing for the Nation as a whole, some workers are able to find private jobs and leave WPA projects. However, when unemployment is increasing, the number who have to apply for WPA assistance is greater than the number leaving the projects. The opposite is the case when private employment is on the increase.

60. Do WPA workers refuse jobs in private industry in order to stay on the WPA pay rolls? Of the thousands of complaints that have been investigated, less than one-tenth of 1 percent have been found valid.

ACCOMPLISHMENTS

(The next three answers give only a partial account of WPA accomplishments. A complete inventory will be sent on request.)

61. What has the WPA accomplished in the way of public improvements? During the 3-year period ending July 1, 1938, the WPA's record of physical accomplishments includes:

Public buildings: Seventeen thousand five hundred and sixty-two new ones constructed, with improvements on 46,318 and additions to 1,663. These include schools and libraries, administrative and recreational buildings, hospitals and institutional buildings, fire houses, and armories.

Roads: Two hundred and seventy-nine thousand eight hundred and four miles of highways, roads, and streets newly built or improved. Most of this work was done on farm-to-market and other secondary roads.

Other road work: Thousands of miles of culverts, curbs, gutters, sidewalks, and paths built and repaired. Also 22,247 miles of new roadside drainage ditches, with 44,255 miles cleared or deepened.

Bridges: Twenty-nine thousand and eighty-four new ones and 23,521 improved.

Aviation facilities: Three hundred and fifty-seven airports and landing fields built or modernized; over 2,000,000 linear feet of landing runways built or improved.

Recreational areas and facilities: More than 15,000 parks, playgrounds, and athletic fields built or improved, as well as 11,600 swimming and wading pools, golf courses, tennis, handball and horseshoe courts, skating rinks, ski jumps and trails, outdoor theaters and bandshells.

Water systems: Six thousand and eighty-six miles of new water mains, aqueducts or distribution lines, with 2,204 miles renovated. Water connections totaling 349,000 were made or repaired.

Dams: Four thousand and ninety-one new storage dams, with 469 improved; 26,663 other new dams for erosion control and general conservation, with 365 of this type improved.

Sanitation: Eight thousand eight hundred and fifty-five miles of storm and sanitary sewers built, and 2,600 improved. Also 544 sewage-treatment plants, 1,159,000 sanitary toilets, and 5,639 septic tanks. Sewer connections totaling 250,000 were made or repaired.

Ground improvements: Nearly 42,000 acres of public grounds, other than parks, landscaped; nearly 18,500 miles of fence built or repaired.

62. What has the WPA done in the fields of education, the arts, and public recreation service? During the 3 years ending July 1, 1938:

Educational workers conducted more than 100,000 classes a month, attended by about 1,145,000 people. They have taught 1,200,000 people to read and write, assisted in the naturalization of aliens by providing education in the fundamentals of American citizenship, and furnished vocational education for unemployed men and women.

Library workers established more than 3,500 new branch libraries, more than 1,100 new traveling libraries, more than 4,500 reading rooms in existing libraries; cataloged 27,553,000 library books; renovated 56,191,000 books, most of them for schools and libraries.

Recreational workers operated more than 14,700 community centers and assisted more than 7,800 others; supervised recreational activities, mostly physical, totaling more than 16,320,000 participant hours in an average week.

The Federal art project conducted art classes with an average monthly attendance of about 60,000; operated civic art centers with aggregate attendance of 4,000,000; produced more than 234,000 art objects, including 96,602 drawings, easel paintings, murals, and sculptured works.

The Federal music project conducted music classes with an average monthly attendance (January to June 1938, inclusive) of 530,000 and gave an average of 4,400 musical performances per month with an average monthly attendance of over 3,000,000.

The Federal theater produced 1,813 plays, with an average (January to June 1938, inclusive) of 1,077 performances a month with average monthly attendance of 476,000.

The Federal writers' project, chiefly occupied in producing a series of guidebooks to the various States and localities of America, completed 293 books and pamphlets, of which 3,550,000 copies have been sold or otherwise distributed.

The Historic American Building Survey made measurements of 2,302 famous structures, 16,244 drawings, and 17,480 photographs, which will be preserved for future generations.

The historic records survey preserved thousands of valuable records from neglect, decay, and destruction.

Hundreds of research projects assisted various kinds of public work, ranging from traffic regulation to scientific experiment.

63. What other public services have WPA workers performed? During the 3-year period ending July 1, 1938:

Women on sewing projects made 181,209,000 garments and household articles for distribution through local public-relief agencies to needy families and public institutions.

Workers on canning and preserving projects prepared 48,061,000 pounds of food for distribution to needy families through local public-relief agencies.

Workers on school-lunch projects served 238,330,000 meals to undernourished children.

More than 15,000,000 needy adults and children were helped through medical, dental, and nursing services.

Housekeeping aides made over 7,000,000 visits in order to help out needy families.

WPA workers conducted 1,551 nursery-school units attended by nearly 44,000 children from needy families (up to November 1, 1938).

64. Has an independent appraisal of WPA work been made? Yes. Ten national organizations cooperated in making an independent

[2] Punishable by a fine of not more than $1,000 or a year's imprisonment, or both.

appraisal of WPA work.[3] In reply to a questionnaire sent out by these organizations, the officials of counties, cities, and towns in 42 States made some 8,000 reports appraising the works program in their communities. The reports were studied and summarized by impartial State committees of leading citizens. They expressed pride in the accomplishments of local WPA workers, and they declared that the WPA had been of immeasurable aid both to the communities and to the workers. Without exception, the summarizing reports of the State committees favor work relief over a dole.

Another special study was made, in several large cities, of the comparative efficiency of skilled building-trades workers on WPA projects. This study, made by trade-union representatives with the cooperation of the local WPA authorities, showed that over 90 percent of these skilled WPA workers performed adequate work in terms of the normal requirements of their crafts in private industry.

65. What do local officials think of the WPA? The United States Conference of Mayors, an organization composed of the mayors of 100 leading cities with a total population of some 25,000,000, has gone on record as follows:

"The integrity and permanent usefulness of the city projects which have been approved by the Federal Government need no apology from anyone. These are the cities' own projects. Honest and impartial analysis * * * will reveal that practically every project represents a useful, and in most cases a permanent, public improvement.

"Finally, it is apparent that the city officials of America will never consent to abandonment of the work principle in giving relief assistance. The dole, based upon idleness and groceries, has no place in our American scheme of society."

EMERGENCY EMPLOYMENT PROVIDED BY OTHER FEDERAL AGENCIES

66. What other Federal agencies provide emergency employment; and what is their relation to the WPA program? The Public Works Administration (PWA), because of the similarity of the initials, is sometimes confused with the WPA. The PWA is not primarily a work-relief agency; its principal objective is to stimulate reemployment, directly, through contractors carrying out PWA jobs, and indirectly through the stimulation of productive activity in heavy goods industries. PWA projects are restricted to construction activities. The PWA as such does not carry out the actual prosecution of projects (as does the WPA), but makes grants, sometimes supplemented by loans, to State and local governments, which in turn let contracts for the prosecution of the work under the general regulations of and subject to the approval of the Public Works Administration. The PWA regularly inspects the actual construction work as it is carried out. Under the act appropriating funds to the PWA for fiscal year 1939, need of relief is not a condition for employment on PWA jobs.

The CCC's special task is to help conserve and develop the Nation's parks, forests, and other natural resources; it provides employment and training in camps to about 300,000 workers, chiefly among unmarried youths from 17 to 23 years of age, but including also many war veterans.

The NYA provides part-time employment for needy students of both sexes, from 16 to 25 years of age, thus enabling many of them to continue their education. It also affords part-time employment through work projects to many young people between the ages of 18 and 25 who are not in school or college.

The Departments of Agriculture, Interior, Navy, War, and Treasury, and various other Government agencies, provide emergency employment by expanding the work which they ordinarily carry out under regular appropriations. Part of the work of certain agencies can be adapted readily to the employment of relief workers, with relatively small outlays for materials and equipment, and emergency projects of this nature are financed by the transfer of WPA funds. Other agencies are able to carry out projects of the heavy-construction type, on an expanded and emergency basis, and these projects are financed by the allocation of PWA funds, or by direct appropriations of an emergency nature. Some agencies, of course, operate emergency projects of both types.

Thus the War and Navy Departments employ relief workers to help construct and rehabilitate Army posts or navy yards; the United States Army Corps of Engineers is able to do more flood-control work and inland-waterway improvement; the Bureau of Public Roads allocates funds to States for the construction of more roads and the elimination of dangerous grade crossings; the Bureau of Entomology and Plant Quarantine conducts more extensive campaigns against plant diseases and insect pests; the United States Public Health Service carries on health projects and health surveys; and the Bureau of Reclamation conducts various irrigation projects—all either using workers from the relief rolls or providing jobs for other unemployed workers.

The WPA—besides cooperating with other Federal agencies in providing emergency employment—helps to operate about 35,000 local work projects all over the country. Its employment varies in inverse ratio with the level of private employment, having ranged from one and one-half millions in the fall of 1937 to three and one-fourth millions in the fall of 1938. It takes its workers almost entirely from the relief rolls; it employs many women as well as men; and its projects, while in the main devoted to such work as building roads and sewers, also include education, health, recreation, art, music, and other projects giving employment to trained professional and technical workers.

[3] The cooperating organizations were the American Engineering Council, the American Institute of Architects, the American Municipal Association, the American Public Welfare Association, the American Society of Planning Officials, the National Aeronautic Association, the National Educational Association (department of adult education), the National Recreation Association, the United States Bureau of Public Roads, and the United States Conference of Mayors.

Japan, Spain, Germany, England Absorb Trade Benefits Granted Filipinos by United States

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

ARTICLE BY PORFIRIO U. SEVILLA

Mr. ALEXANDER. Mr. Speaker, the Congress of the United States, through the Independence Act of 1934 has provided for the independence of the Philippines on July 4, 1946.

Attempts have been made by S. 1028 to emasculate that act so dear to the Philippine patriots. Largely through the efforts and zeal of Porfirio U. Sevilla, publisher of the Philippine-American Advocate, a young progressive leader and critic of Pacific affairs, including President Quezon's government of the Philippines, these attempts against Philippine independence have been defeated.

Herewith, with the consent of the House, I desire to publish in the RECORD the following statement of Publisher Sevilla showing why the Filipino leaders and people are defeated in their attempt to secure preferential trade relations with the United States as the benefits seem to be going to firms belonging to four foreign nations: Japan, Spain, England, and Germany. This information is in line with and supplements the facts disclosed in my own address in the House of Representatives this afternoon. Here is Publisher Sevilla's editorial:

[From the Philippine-American Advocate]

ALL LOCAL INDUSTRY AND BUSINESS IN THE PHILIPPINES IS OWNED AND CONTROLLED BY AGGRESSIVE FOREIGN CAPITAL—ALL AMERICA'S GENEROSITY IN THE ISLANDS IS QUICKLY GRABBED UP BY THE FOREIGNERS FAVORED AND PAMPERED BY PRESIDENT QUEZON—CONGRESS MUST STOP BEING "SANTA CLAUS"; STOP THE FILIPINO PEOPLE FROM BEING USED AS A DECOY TO PROTECT FOREIGN INVESTMENTS

(By Porfirio U. Sevilla)

Last year President Roosevelt created the Joint Preparatory Committee on Philippine Affairs to report on a ways and means to adjust and make secure the trade relations between the United States and the Philippines. This report was submitted to the President by the members respectively appointed by the two governments to study and make recommendations regarding Philippine-American trade relations in the future, and, in turn, President Roosevelt submitted the report to the United States Congress for congressional legislation and enactment.

We can now safely say that President Roosevelt is personally and officially interested in what is happening and what will happen in the Philippines after complete independence is granted to the people in 1946, as provided by the Tydings-McDuffie Act.

This American protectorate has, up to the present time, been used solely for the advantage of everyone except the Americans and Filipinos. Practically every foreign power has not only openly exploited the Filipino people but seized all financial and governmental assistance the United States has given to the islands.

Certain of these foreign powers have made the Philippines a virtual gold mine and a source of economic and financial stability for themselves. Some of these foreign powers have practically built their whole national financial security on the exploitation of the economic and financial situation of the Philippine people. Some of these powers have insidiously undermined the whole social structure and all the good the United States has done for the Filipinos by completely monopolizing all its industries.

Other powers have economically bled the Philippine Islands almost beyond repair. A foreign power has gone into the Philippines and completely absorbed one whole industry at a time. We will cite some examples of how an alien country has monopolized and now completely owns a particular industry to the absolute exclusion of every other nation. There is not one single Filipino

capitalist or industrialist strong enough to compete with these foreigners and foreign capital. For when a native Filipino seems to be making any headway at all in any industry, these foreign powers become so irate they conspire and gang together and financially ruin him. As a result, not a single native of the Philippines, not a true Filipino, has been able to successfully fight the collossal power exerted by financial groups of outside countries, who, in many instances, are using United States capital and credit for this very purpose.

The following is a partial list of leading industries and the particular countries that control them. It will show you how fully the Philippines are completely submerged by foreign capitalists. The following are specifically known instances of this invasion of the Philippines.

Firstly, Spanish interests in the Philippines are strategically invested in such a way as to dominate the sugar, cordage (manila rope), interisland shipping, insurance underwriting, lumber and mining industries, and all leading local trade. These various enterprises are owned and controlled by the Elizalde family. One of its members and former president of the Elizalde interests, Senor Joaquin "Mike" Elizalde, has recently been appointed by President Quezon as Philippine Resident Commissioner to Washington, over and against the plea of every true Filipino.

Andres Soriano's name throws fear into the heart of every small Filipino businessman and worker. Soriano, a foreign capitalist, is accepted as the Spanish banker and business colleague of Elizalde, and Elizalde knows that Soriano, his Spanish compatriot, will always protect Spanish interests regardless of whether the entire Filipino race and islands are destroyed. Andres Soriano is a close friend of President Quezon.

These two Spanish compatriots, in controlling these vast intermingling business enterprises, are naturally the uncrowned leaders in all social, economic, and political activities in the Philippines, and they let no one forget it.

Secondly, we have the Japanese interests. This merciless, aggressive Japanese penetration into the Philippines is connived at and abetted by certain Philippine lawmakers, lawyers, and public officials of the Quezon government in the Philippines, whom the Japanese, silently waiting for their chance, skillfully and cheaply hire, using them as their front to further entrench and expand Japanese enterprises, regardless of the cost or method.

We quote, herewith, from an article entitled "The Philippines—For Japan?" written by Robert Aura Smith, one of the foremost American newspaper correspondents in the Philippines and the Far East, and possibly one of the leading authorities on Philippine affairs on matters of political and economic conditions in the islands.

"Well, how will the Filipinos resist this invasion? The answer is simple: they can't and they won't. There need never be an issue. Incidents are expensive. A military expedition would be absurd. It might even provoke a war. Why send a battleship when a good-will cruise can be dispatched for a thousandth part of the cost? At the present time a Philippine-Japanese 'Friendly Society' has been formed, and its president, Maximo Kalaw, one of Quezon's stanch supporters and member of the national assembly, is reputedly the best economist in the islands and the former dean of the college of liberal arts of the University of the Philippines. Free lessons are being publicly offered in Manila and Filipino newspapermen are being taken freely on expenses-paid tours of Japan.

"At the present time, half of the arable land of the province of Davao is held by Japanese. Half of this, in turn, according to Quezon's own secretary of agriculture, is held illegally, in direct violation of the land-lease laws of the Philippines. Accordingly, early in 1936, President Quezon announced publicly that he was going to Davao to 'end this problem of illegal land leases, once and for all.' He got down there and was met by legal counsel for the Japanese companies. And the counsel was Pedro Sabido, former majority floor leader of the Philippine House and former member of enthusiastic independence missions. Quezon came back to Manila and announced blandly that there was 'no Davao problem.'

"It is manifestly ridiculous for General MacArthur to prepare the Filipinos to resist a Japanese army and to claim a practical invulnerability for them when the cost to Japan of sending three cruisers and a couple of regiments to the Philippines would put three-fourths of the total roster of the Philippine Assembly on the books of Mitsui, O. S. K., Furakwaa, and the other big Japanese credit-extending companies, as 'legal counsel' for the rest of their lives.

"This is not to say that the Filipinos are either traitors to their country or even more avaricious than many of their occidental cousins. But they have to live, and Japan will offer them cheap merchandise and a foreign market, provided she can name the terms."

Thirdly, we have the all-powerful English and Dutch financial combine represented by the Marsman interest, known as the English capitalists of the Filipinos. The unyielding Marsman interest is all over the Philippine, tenacious, and in every branch of correlated trade, such as real estate, gold mining, coconut oil, sugar, and rope. They have their branch office in Manila, but the executive force and directors of the corporation manage everything from London.

Fourthly, the Philippine government is now commencing to enter into trade relations with Germany. It has been publicly reported than Señor Manuel L. Quezon, President of the Commonwealth of the Philippines, during his last trip abroad in 1937, made attempts to see Chancelor Adolf Hitler, and while he was in Europe we do not know whether this meeting took place, but it is public knowledge that President Quezon was unable to see Chancelor Hitler for diplomatic reasons which would apply in Quezon making an attempt to personally see Chancelor Hitler, which, in turn, might tend to involve the sovereignty of the United States in matters of jurisdiction or in matters of foreign affairs.

However, it is understood that Mr. Quezon was able to see one of the important Under Secretaries of Commerce. And on his visit to this Under Secretary of Commerce, Mr. Quezon was escorted by a certain individual not connected with the German Government, but a spokesman representing aggressive German interests in the Philippines.

It is well known in the Philippines that these countries and interests completely control all the highly profitable industries. Should any of these financial interests care to come forth to dispute these statements, they will have a very able opponent who will stand alone and, unfailingly, prove that these intolerable conditions actually exist today.

It is also charged that the Filipino people are being used only as a tool to a means of security to further protect these foreign financial investments in the Philippines. It is a fact that the Filipino people do not get anything out of a more preferential trade from the American people under the existing conditions in the Philippines today, for their average pay is 30 to 50 centavos. On this they are expected to maintain a livelihood.

These powerful and gigantic financial groups are in the enviable position of being able to take advantage of the sensitive and complicated rate of exchange market that exists throughout the world, by getting good American dollars through the Philippines and changing it into their own rate of exchange and then selling back to the American consumers. So that, these foreign interests are not only getting the money from the American people through the Philippines; they, in turn, resell that same commodity to the United States, thereby receiving American money from both ends.

At no time will any of these foreign groups buy merchandise from the United States if the imposition of duty against importation of foreign merchandise in the Philippines is such that it would not be highly financial to their advantage.

The Filipinos believe and know that there is one way to quickly settle the entire question regarding Philippine-American trade relations, and that is, on the basis of trade reciprocity. We propose, however, that in order to achieve this, an unbiased American and Filipino committee be appointed by the President of the United States, and only with the consent of the United States Congress, entirely disregarding all of President Quezon's nominations of men to act on the Filipino side because of the fact that such men appointed by President Quezon, as a matter of public record and as a matter of financial affiliations, would be men representing only foreign capital investments in the Philippines.

CONGRESS ALONE

To this issue we have already set forth and described the financial alliances of the members of the Philippine committee group, which partly composes the Joint Preparatory Committee on Philippine Affairs created by President Roosevelt. Such charges have been read on the floor of the Senate and inserted into the CONGRESSIONAL RECORD of the United States Congress by United States Senator LYNN J. FRAZIER.

President Roosevelt desires, when the Philippines withdraws from the sovereignty of the United States in 1946, to extend trade relations from then until 1960. Trade relations to be extended an additional 14 years are of absolutely no use whatsoever to the Philippines, because the present government group will still be in power and do what they like with everything in the Philippines.

President Roosevelt's heroic efforts to free the Filipino people from deep despair and give them something to look forward to will undoubtedly go for naught under the present set-up and recommendations.

We know that when President Roosevelt created this committee, he did it with the fond hopes of a great emancipator, and we know he selected for the American group men whose integrity and ability are unquestionable and of the highest type, leaders with vast experience in public relations. We know these men were sincere in their efforts to give an unbiased report. But we definitely question, and any person will, how 40 years of work with a nation can be completely analyzed and grasped in the short period of about 6 weeks to 3 months the committee was in the Philippines. Their efforts were great, but no country or nation can be completely understood nor can its complicated system of government and trade relations be adequately analyzed in such a short period of time.

There is no doubt that President Quezon and his group fully realized this situation and naturally put the best foot forward on every occasion possible. Thus, we can see that the committee had no real opportunity under the existing conditions and for the short time allowed to get into the very depths of what is going on behind the scenes under the present administration.

There is no doubt that the foreign combines were tipped off beforehand that the American committee was coming to the islands, and each and every one of them ran to cover for the time being. The testimony which was secured and witnesses who appeared before the said committee, namely, those individuals working for the Government of the Philippines falsely branded as economic experts by President Quezon and his aides, represented a unit of the group behind the foreign banking combines.

KEEP THE PHILIPPINES

Local associations purporting to represent the Filipino economic conditions, were in actuality a camouflage for foreign investments. The following is a partial list of some of the many well-instructed witnesses who appeared before the Joint Preparatory Committee on Philippine Affairs. These same witnesses are fanatically devoted and loyal to Mr. Quezon's administration by virtue of their official connection with the government and other personal dealings with the President.

FALSE ECONOMIC EXPERTS

Such men as Arsenio Luz, director of the Philippine Carnival Association, and now managing director of an insurance association of the Philippines. Both these associations are quasi-government owned and controlled. It is natural his testimony would be biased, showing only one side of the picture.

Also such individuals as Rafael Alunan, formerly sugar administrator; former liaison officer between President Quezon and the National Assembly and now, a cabinet member of the Quezon government.

Placido Mapa, president of the Philippine Sugar Association, certainly could not honestly testify for the Filipino sugar growers, because, in reality, the ownership and investment in this association are solely owned and controlled by outside capital, such as the Spreckles, the Ehrmann, the Marsman, the Elizalde, the Osorio Bros. Every one of these interests is against any Filipino economic improvement. It is very evident the testimony from a source such as this would be solely in the interests and protection of foreign investments.

One must remember that this whole clique has lived in the islands. They understand the intricate workings from the ground up, and it is not possible that an American committee would be able to wade through the labyrinth of details and grasp the whole situation when they had to come up against people who were dyed-in-the-wool conspirators.

None of these gentlemen, purported to represent the Filipino economic interests, have been elected to any public office by the suffrage of the people. All their lives they have been tied up with the foreign financial interests dominating all the intercommerce in the Philippines.

We respectfully request and ask President Roosevelt in the light of all these many things, which are really only a small part of the actual conditions, to reconsider, to review again and ask whether or not this committee has given a report on which a definite stand could be taken at this time.

We feel sure, with his broad intimate knowledge of world relations and conditions today, that President Roosevelt would be rightfully justified in taking a different stand concerning the report of the Joint Preparatory Committee on Philippine Affairs.

The rack of desperation in which the Filipino people have been forced by foreign commercial giants leaves them with only one hope, and that is that the American people and the United States will show them the way to freedom for themselves and a country of their own, free from dictatorial groups.

It should be fresh in the minds of the American people the statement Señor Quezon made in 1937, while he was in the United States, regarding Philippine independence at an early date. He said, "It will make no difference. If the Filipino people can be free in 1946, there is no reason why they cannot be free in 1938 or '39. The same conditions will exist in 1946 as exist in 1938 or '39."

This childish impatience of Quezon should be taken into consideration. Should he be pampered and be given the Philippines free and independent today? Should the entire Philippine Islands, lock, stock, and barrel and the 16,000,000 persons, be given to Quezon today? Or shall we wait until 1946?

The report of the Joint Preparatory Committee on Philippine Affairs might have been greatly influenced by the political show put on by Quezon, and from the size of the show, the people wonder who is behind Quezon to make statements which certainly could never come from a man with any intelligence, and, least of all, from a man with any breadth of power great enough to govern a race of people.

Perhaps President Roosevelt and the committee have not realized what an unstable man President Quezon is. He has started this trouble pot aboiling, and now no one seems to know where anyone stands. He has tangled all the threads that tie and hold the Philippines together. Quezon has started all this trouble and perhaps it would be a good time for President Roosevelt, the Congress, and the American people to give Quezon what he wants.

We know it will be a terrible thing for the Filipino people, because probably there would be a Machado there the day afterward—machine guns and the screams of helpless women and children. But, maybe that is what Quezon wants. He has been playing with the government long enough. Maybe now he wants to play with human lives.

President Roosevelt, this looks like an excellent opportunity to give back to Quezon a taste of his own medicine in the form of freedom of the islands at once. The Tydings-McDuffie Act is a direct result of President Quezon's scheming and planning. He did not wait for the final results. He ran back to the Philippines. If there is any injustice in the act it is the immediate result of Quezon's judicial neglect.

When the act goes into effect in 1946 anything wrong with it will be of Quezon's doing, and if President Roosevelt extends trade relations beyond 1946, it will be an incentive to Quezon's lust for additional power, for the trade relations to be extended by the American people would certainly help Quezon to complete sovereignty, both economically and socially, over the Philippines.

We wish to high heaven that the Filipino people could find out today what kind of a leader they have so they would free themselves from Quezon's dogmatism. But, it is unfortunate that they will have to wait until 1946, when the Tydings-McDuffie Act becomes effective. Nevertheless, at that time they will see, in its true colors, and very bad colors, but they surely will see a horrible vision of modern corruption and greed backed and supported by foreign money interests.

Quezon is today a symbol of Machado. He is too old a man to change in his ways. He is lost, for he is too deep in the mire of corruption to free himself from the gentle but relentless iron grasp of foreign powers who are quickly and definitely consuming the whole Philippines.

Memorial Service of the United States Park Police

EXTENSION OF REMARKS

OF

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

ADDRESS BY HON. A. LEONARD ALLEN, OF LOUISIANA, ON JUNE 11, 1939

Mr. ALLEN of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me on June 11, 1939, on the occasion of the first memorial service held by the United States Park Police:

It is altogether fitting and proper that you have set apart this hour as a memorial service to honor the memory of your fellow officers who have departed this life. I greatly appreciate the honor that you have conferred upon me by extending your kind invitation to be with you in this, your first memorial service. And while we meet here to give thought to the lives and accomplishments of your honored dead, I trust that we shall not fail to take an inventory of our own lives and strive to attain in our lives the highest principles of Christian citizenship. Let us not make of this sacred service a formality, but may it result in a new awakening of our spiritual powers and a new realization of our responsibility to God and man to carry on according to the best traditions of our great American ideals and philosophies.

You who comprise the United States Park Police are members of an honorable organization running beyond the memory of living men. It occurs to me that there are two words that sum up your life activities—service and responsibility. Perhaps no other service in Washington requires more patience, more skill, more kindness, more humanity than yours. You serve in the heat, and in the cold; you meet the countless thousands from the nations of the world; you are asked questions all the day long; you are sometimes misunderstood and blamed and perhaps wrongfully accused, but through it all you must maintain your dignity, your self-control, and, figuratively speaking, turn the other cheek or go the second mile.

For, my friends, you are the representatives of a great arm of our Government. It is to you that our citizens far and near go for information; it is from your actions that they form an opinion of the courtesy and manhood exemplified by the Federal service; they rely on what you say, they place their confidence in you. To them your badge indicates that you are a friend, a counselor, one to be trusted, a servant, and above all a true gentleman. This places upon you a great responsibility. It is your obligation at all times to live up to these expectations. You are responsible to this Nation and to the humanity that pours through the gates of this great city. Truly yours is a noble calling. May I suggest to you that you look upon your work not as a job, but as a calling. You are in a position to do untold good. To your post perhaps may come a little child, an aged father or mother, or a wayward and lonely boy or girl, needing the hand of a friend. Yours is in part a divine responsibility, for you may whisper into these hearts the words of hope and cheer. A kindly word from you may change the course of a life. "A word fitly spoken is like apples of gold in pictures of silver."

Such was the service and responsibility of those whose chairs are empty this evening and in whose memory we meet. Their work is done, but the kindnesses shown, the service rendered, and the labor of love performed will live on and on. For service to humanity and to God are prompted by love, and love is eternal. I know in this age that we are often prone to discount the sentimental, to view the cold realities of history, and to regard only the material side of life, but show me a nation that leaves out of its thinking these concepts of service and I will show you a nation

that will not long stand. If you ask me about the future of America, I will answer that America will stand so long as she places the spiritual above the material.

These friends who served so nobly here may not have their names carved in any hall of fame, no cold and lifeless stone may record their deeds, but buried in the heart of a child there is the unforgettable act of kindness.

But, my friends, the greatest honor that we can show to our honored dead here this evening is not found in words of praise, although so worthily bestowed, but if we really love their memory and honor their deeds of heroism, sacrifice, and devotion to duty, there is no better way to show it than to resolve here and now that we will consecrate our lives to new and higher ideals of service, to a greater fulfillment of our own responsibility, and to the attainment of a more perfect life. Civilization rises on the experience of the past. Progress started by others is carried on by us. It is not so much the achievement of one particular period that counts, but the sum total of the continued onward and upward march of humanity that marks us as a great people.

Most of us are very ordinary people. Occasionally one rises to heights above his fellows, but I think it is the service rendered and the progress made by the average citizen that raises the level of the nation. We build permanently when each succeeding generation selected from its forebears only the best of the heritage bestowed. The thought was very forcibly put by John Ruskin when he said:

"When we build, let us think we build forever. Let it not be for present delight nor for present use alone. Let it be such work as our descendants will thank us for, and let us think, as we lay stone on stone, that a time is to come when those stones will be held sacred because our hands have touched them, and that men will say as they look upon the labor and wrought substance of them, 'See, this our fathers did for us.'"

Humanity cannot stand still. There is an inexorable law that talents unused will be taken from us. We must go upward or we will not hold the ground where we stand. We are told that one climbing to great heights is safest when he looks up, not down. As long as Simon Peter kept his eyes on the Saviour he could go forward. I once heard an old Negro woman make this statement: "There is no parking space on the road to Heaven." The more I thought of it, the more its truth burned into my soul. Goethe put it: "Nature knows no pause in progress and development, and attaches her curse on all inaction."

The great Henry Ward Beecher expressed the thought by saying: "We should so live and labor in our time that what came to us as seed may go to the next generation as blossom, and what came to us as blossom may go to them as fruit—that is what we mean by progress."

So, my friends, our effort to honor the dead here tonight will be all in vain unless we correctly evaluate and appraise their services and unless we read their contribution to the age in which they lived and unless we appropriate to ourselves and make a part of our lives the progressive principles upon which they stood and by which they were motivated.

I am not unmindful of the fact that men and nations sometimes seem to turn clearly from the course of progress, seem to turn their backs upon the best tradition of their elders, yea, seem to turn back the pages of history even to the days of paganism, and we are sometimes made to wonder after all if civilization is really making progress. When we see nations outlawing God and swinging entirely to the materialistic conception of life, when we see the struggle for existence crowding out the finer attributes of the human heart, I grant you that it is cause for very serious and sober thought. But I like to believe and I do believe that in the great processes of the ages these will prove only incidents and that after all the better nature of man will assert itself and he will resume his onward and upward march of progress to the goal set for him by the Master of all the universe. I refuse to accept a fatalistic view of events. I prefer to hold with Bulwer:

"Fate is not the ruler, but the servant of Providence."

Life, my friends, is a trust. The heritage handed down to us is not to keep, but to hand on. We owe it to our departed friends tonight to take up the task so nobly done by them, to pick up the mantles they worthily wore, and to transmit to our posterity not only the heritage we received but add our own contributions thereto. It is our responsibility to cultivate our moral natures, to improve our time, to see that our influence is exerted for the right. We should therefore regard life as a great privilege, but we should also realize that privileges carry corresponding responsibilities. We shall therefore be unfair and unfaithful to the trust imposed, yea, we will not truly honor the memory of our friends unless we see to it that their deeds live in us and are passed to those who come after us. Surely no less can be expected of us.

We have been talking largely of human achievements. But in an hour like this your minds turn to the question of immortality, and the question recurs to us that was asked by Job of old—"If a man die, shall he live again?" Is this the end and aim of life? Is this all there is to it? Does man, the highest of earthly creation, come into the world and spend a few brief years and pass on to nothingness? Are our labors and achievements inscribed only upon material elements contrived by man that at most can last for only a short span of time? Will man who is master of the beast in the field die as the members of the animal kingdom? Will he who thinks and reasons, who builds cities, who spans the oceans and sky, who preserves the human voice, who sends his message through limitless space, live no longer than the work of his own hands? Has he no attribute, no element, that will withstand the processes of decay?

Men in every clime, in every age, have pondered this question. It was uppermost in the minds of the cultured Egyptians and the philosophical Greeks and concerned even the most primitive man in the forest. Man has instinctively striven to look beyond. Hope wells universally in the human heart that after this brief life there will come a rest. Take that hope away from man and you destroy him.

The question of Job was answered emphatically 2,000 years ago. One came into the world and wrought among men and proved that "it is not all of death to die." The empty tomb was more eloquent and convincing than the thoughts and writings of all the ages. Yes; the fact of immortality was once and for all established.

So, my friends, on this memorial occasion, when you come to honor your dead, you come not with a forlorn hope, as did the ancients, but with a living, radiant hope, that transcends this present state, and you are able to say with Edward Markham:

"Let us not think of our departed dead
As caught and cumbered in these graves of earth;
But think of death as of another birth,
As a new freedom for the wings outspread,
A new adventure waiting on ahead,
As a new joy of more ethereal mirth,
As a new world with friends of nobler worth,
Where all may taste a more immortal bread."

I said in the beginning that this service ought to be the occasion of a reawakening, a reconsecration, of our spiritual side. Let us go from this hall with new hope, new faith, new courage. Let us resolve to put into life the best we have and the best will come back to us. I think I can do nothing better than to leave with you the immortal lines of William Cullen Bryant:

"So live that when thy summons comes to join
The innumerable caravan that moves
To that mysterious realm where each shall take
His chamber in the silent halls of death,
Thou go not like the quarry slave at night,
Scourged to his dungeon, but, sustained and soothed
By an unfaltering trust, approach thy grave
Like one who wraps the drapery of his couch
About him and lies down to pleasant dreams."

Some Facts About Youth

EXTENSION OF REMARKS

OF

HON. T. V. SMITH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

LETTER FROM DR. CHARLES H. JUDD

Mr. SMITH of Illinois. Mr. Speaker, under leave to extend my remarks, I insert in the RECORD a letter sent to me on the subject of Youth's Place in Our Economic System and supplementary material pertaining thereto.

WASHINGTON, D. C., *June 8, 1939.*

Hon. T. V. SMITH,
Representative at Large from Illinois, United States House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: I recall the service which you rendered in behalf of the young people of Illinois on a number of occasions when you were in the senate of that State. I am venturing, therefore, to solicit your interest and cooperation, now that you are in Congress, in securing for the young people of the Nation an adjustment of their relations to the present-day social and economic situation, which it is quite impossible for them to secure without action of the Federal Government.

It is, unfortunately, very little understood by the people of this country that the youth of the Nation are finding it extraordinarily difficult—far more so than in former times—to get a start in life. For the past half century, and especially during the past 30 years, it has become increasingly difficult for young people to secure employment. Exclusion of young people from industrial opportunities began long before the depression. Social and industrial changes have gradually taken place since 1870 that have ultimately made it very difficult for the average young person to find a job. With the increase of older people in the population of this country, competition for places in industry has grown keener and keener, and young people have been gradually eliminated.

At the same time it has become impossible for young people to move west and find places to live and establish homes on the public domain which was once given away freely by the Federal

Government. The public domain is used up. The Federal Government can no longer provide for people without drawing on financial resources which are derived from taxation. This fact is very commonly overlooked by people who complain because of the increases in taxes. They do not realize that care of young people by the Government is not something new. It is regarded as burdensome now because the exploitation of land and national resources is no longer possible as it was in former times.

During the past 30 years young people have crowded into the public schools for the reason that there is nowhere else for them to go. A single fact showing the truth of this statement is that the number of pupils in American high schools is now 13 times as great as it was in 1900. The new pupil population in high schools has created problems of curriculum revision and of support which it has not been able to solve, especially in recent times when school budgets have been drastically reduced. The people of this country do not understand that the schools have been the chief agencies that have been relied on by the public to make up for the exclusion of young people from employment and from opportunities to move into unoccupied parts of the country.

With the onset of the depression the situation grew acute. The Federal Government found it necessary to inaugurate experiments in care of young people by opening C. C. C. camps and distributing aid through the National Youth Administration to students in high schools and colleges and on work projects. The measures adopted by the Federal Government have helped to solve the urgent problems of a great many young people, but only a fraction of the youth in need of help have been reached. There are now at least 4,000,000 young people out of school and out of employment.

It seems easy to get the attention of legislatures and of the Congress for veterans, farmers, and old people. The young people of the country, who are unorganized and too young to vote, are seriously neglected. It may be well to start a movement to give young people 18 years of age the right to vote. It is certainly not out of place to call attention in very vigorous terms to the rights of young people to proper recognition in the social and political life of the United States.

I appeal to you to give serious consideration to the problems of youth. I hope you will be willing to use your influence to secure recognition of the importance of arriving at a solution of the problems which I have briefly reviewed. Young people, and those who represent their interests, are not asking for charity or relief; they are asking that young people be given an opportunity to contribute to the public good and to establish themselves as productive citizens. I believe that the voice of young people will shortly be heard. If you, and others in influential positions, will help young people to secure their rights, they can become powerful influences for the upbuilding of national life. It is, I believe, unnecessary to do more than make a clear statement of the situation in order to impress everyone with its urgency. Will you not speak and otherwise help to bring about effective action in behalf of young people?

Very sincerely yours,

CHARLES H. JUDD.

P. S.—I append hereto some data bearing concretely upon Federal appropriations for alleviating the present lot of American youth.—C. H. J.

THE NATIONAL YOUTH ADMINISTRATION BUDGET

YOUTHS 16 TO 24 YEARS OF AGE IN THE UNITED STATES

Total population in this age group is 21,000,000—5,000,000 are in schools and colleges; 7,000,000 are employed; 3,000,000 are in the home or not available for gainful work; 1,700,000 are partially employed; 4,300,000 are totally unemployed. Thus 6,000,000 young people are totally unemployed or partially employed.

Each year 200,000 more rural youths are coming of age than there are farm jobs available, and another 250,000 more urban youths are coming of age than there are jobs available—a net increase of 450,000 youths each year are adding pressure on the labor market.

The N. Y. A., by employing youths on public projects and extending educational opportunities to the underprivileged, has materially helped to reduce pressure on the labor market and competition for adult jobs.

REASONS FOR REQUEST FOR INCREASE IN APPROPRIATION FROM $75,000,000 TO $123,000,000

The current need for work and training among young people has not decreased, but remains dangerously acute. This vast "lost generation" which fluctuates between four and six million young people needs work experience, guidance, and education. They are practically disowned by industry, by our educational system, and by society. Idleness, ignorance, and the wasted energy of young people constitute a menace to our society and to our democratic institutions. The morale of young people has been adversely affected during the past 8 years. By providing youth with an articulate agency for the expression of their needs and a focal point of direct action, the Youth Administration has helped in part to meet this problem. There is no criticism of the National Youth Administration as to inadequacy of function so much as there is criticism of limitations of application. In other words, the types of programs which N. Y. A. operates are approved of specifically and in general, but there is criticism that N. Y. A. cannot assist more young people because of limited funds. The N. Y. A. has provided youth with facilities for education, work experience, practical guidance, and placement in private employment effectively and economically.

An increase in the N. Y. A. appropriation to $123,000,000 would give another 200,000 young people an education, work experience, and training; and in the next year 800,000 would be kept busy and their capacity to do constructive work would not be allowed to degenerate. Unemployment tends to produce unemployability, and youth are eager and capable for work. In addition, the N. Y. A. can reasonably place 200,000 youth in private jobs next year. Thus at least 1,000,000 young people will be kept conditioned by the more normal experience of work and education rather than the experience of idleness and hopelessness.

PLANS FOR THE N. Y. A. PROGRAM NEXT YEAR

1. To provide part-time work and educational opportunities to 460,000 needy young people to assist them in continuing in schools, colleges, and universities, an increase of 83,000 over this year.

2. To provide work experience and training on public projects to 350,000 out-of-school unemployed young people, an increase of 120,000 over this year's average employment.

3. A sane and moderate program of youth services to provide the young people on N. Y. A. projects with guidance and counseling services and occupational information; related training which will give the elementary essentials necessary to intelligent job performances; medical examinations and, wherever possible, to arrange through cooperative means, medical treatment; and recreational opportunities to N. Y. A. youth on resident projects.

4. Independent assumption of administrative functions previously performed by the W. P. A. due to the legal separation of the N. Y. A. from the W. P. A. by the reorganization plan No. I, which places the N. Y. A. in the Security Agency and the W. P. A. in the Federal Works Agency. The functions which the N. Y. A. must assume are finance, statistics, and employment. The latter function pertains to the maintenance of relations with public-welfare agencies, placement interviews, assignment to projects, and the maintenance of records pertaining to these operations throughout the country. These three functions will require as a minimum 1,474 employees and will, as a consequence, increase general administrative costs.

THE NATIONAL YOUTH ADMINISTRATION PROGRAM

1. Currently 378,000 are employed on the student-aid program, 235,000 on the works program, or a total of 613,000.

2. The payment to young people is on the basis of actual work performed, and averages $6.45 a month in the student-aid program and $18.89 a month on the works program.

3. The annual cost per youth to the N. Y. A. is extremely low. It averages $58.50 on the student-aid program to keep a young person in school or college for a year. On the works program the average annual cost is $233 per youth to bring him through actual work and training to the possession of a background of work experience and subsequent skills which enable him to obtain employment. For the annual cost of approximately $123, over 600,000 young people have been given educational and work experience which otherwise would have been in large part denied them.

4. The N. Y. A. project program does not encourage Government paternalism but urges young people to try for other avenues of experience. Thus about 10 percent of its project youth leave each month for private jobs, or to some other form of self-support, or to go back to school. This project turn-over demonstrates a healthy reaction on the part of both the supervisors and the youth.

5. The student-aid program reaches into all but 17 of the 3,071 counties in the United States; the works program operates projects in 2,777 counties, a complete integration into the urban and rural life of the Nation.

6. The N. Y. A. reaches young people from the low-income families as is shown by the fact that N. Y. A. students come from families with a median income of $667. N. Y. A. project workers came from relief families. More than half have never had jobs before, and only one-fourth of them have had the opportunity to finish high school.

7. In the student-aid program—N. Y. A. students have demonstrated that they can work for an education and at the same time maintain satisfactory scholarship. They are on the whole equal to, if not superior, to the average student in scholastic achievement. Therefore, the N. Y. A. has not only extended educational opportunities but has uncovered a reservoir of competent youth.

8. Local sponsorship of N. Y. A. work projects has resulted in $18,000,000 of contributions, or 13 percent of all funds expended on work projects for youth.

9. The N. Y. A. and its 3,000 advisory committees have shown the advantage of united effort. Concerted action has convinced many local communities that it is possible to employ, train, and direct their youth.

ADMINISTRATIVE POLICY

A system of decentralized control has resulted in the successful cooperation of a Federal agency with private as well as public agencies.

This decentralized plan has had a significant bearing in educational matters. By assisting the individual rather than the institutions or agencies, the implications of interference with the authority of local units have been avoided.

There has been practically no public criticism of the N. Y. A., its purpose, its operations, or its administrative policies.

The N. Y. A. Slash

EXTENSION OF REMARKS
OF
HON. JED JOHNSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

ARTICLE BY ERNEST LINDLEY

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I present a very timely and interesting discussion of the National Youth Administration by Ernest Lindley, published in the Washington Post for Sunday, June 11, 1939. The article follows:

[From the Washington Post of June 11, 1939]

THE N. Y. A. SLASH

(By Ernest Lindley)

THE PROBLEM OF UNEMPLOYED YOUTH

A House Subcommittee on Appropriations has been applying the meat ax to the National Youth Administration appropriation and the W. P. A. set-up for next year.

It has slashed more than one-third from the $123,000,000 which the President recommended for N. Y. A. next year. The sum of $81,000,000 has been agreed upon in the subcommittee. This is 6,000,000 more than N. Y. A. received for the current fiscal year, and, having won a small increase, the administration supporters in the subcommittee doubtless felt justified in promising—as they are reported to have done—not to challenge the subcommittee's report when it comes before the full Appropriations Committee.

It is an excellent testimonial to N. Y. A. that a subcommittee which is dominated by the idea of economy at any cost to the Nation, felt compelled to grant this small increase. But even the sum asked by the President was trifling in comparison with the need for the type of work done by N. Y. A.

More than one-third of the whole unemployment problem is among young people 16 to 24 years of age. In this age group are more than 21,000,000 people.

More than 5,000,000 are attending school and colleges.

More than 3,000,000—mostly girls—are at home or are not seeking work.

Almost 8,000,000 are privately employed.

But more than 4,000,000 who want work are totally unemployed by private industry and 1,500,000 or more are employed only part time.

Millions of them are caught in idleness in a great gap between school and work. A large percentage of them are wholly lacking in vocational skills—including the domestic skills which were once taught in the home to young women in preparation for their careers as housewives and mothers.

The two main activities of N. Y. A. are to help young people to remain in high school and college, through part-time jobs, and to provide part-time work and training for young people who have left school but have not found private employment. In this program, N. Y. A. has worked in the closest collaboration with authorities and organizations of all types. The aid to college and high-school students is administered by the authorities in the individual colleges and high schools. The out-of-school work program has elicited cooperation from voluntary organizatons such as local businessmen's clubs as well as public agencies.

The cost has been incredibly small. On the work program for out-of-school youth the over-all annual cost to the Federal Government has been about $233 per youth—less than one-fourth the cost of the C. C. C. To keep needy young people in high school, N. Y. A. has been expending about $40 a year per youth—usually just enough for carfare, books, and maybe a pair of shoes and a sweater. To enable young people to go to college it has been spending about $105 per year per young person.

This tiny sum, paid for work done, has meant the difference between going to college and not going to college for 100,000 or more young people every year for almost 5 years. Among that 100,000 are many young people of exceptional talents whose abilities might otherwise never have been developed. As a group, the N. Y. A.-aided students in most institutions have made better records than the non-N. Y. A. students as a group.

It was the remarkable success of N. Y. A. in getting so much done with so little money in a field where the need is immense that led the President to recommend that its appropriation for next year be increased. It was the only one of all the so-called relief agencies for which he requested a larger appropriation.

With $123,000,000, N. Y. A. could provide work, general education, and vocational experience for 800,000 youths at one time. Allowing for turn-over—for many youths move readily into jobs after receiving N. Y. A.-aided training—it probably could assist 1,200,000 or more young people during the fiscal year. It would reach perhaps one-third of those who could benefit from the N. Y. A. program.

The man who lets his machinery rust is considered a wastrel. But some Congressmen seem to think they are being thrifty when they allow the youth of the Nation to rust in idleness. Many of these young people have never learned how to work, much less learned any skills which will enable them to earn a decent living.

A reduction of one-third in the N. Y. A. appropriation is one of the most expensive cuts Congress can make.

For W. P. A. the President recommended a heavy reduction in appropriation for next year. As I write the House subcommittee is reported to have approved the total of $1,477,000,000 for which he asked—but with a provision earmarking $125,000,000 of it for the Public Works Administration. This would reduce W. P. A. to $1,352,000,000. If that amount has to last a whole year, the average W. P. A. enrollment will have to be dropped to about 1,900,000, as against 3,000,000 last winter and about 2,500,000 at the present time. W. P. A. doesn't provide much employment for the unemployed in need of relief.

The House subcommittee is reported, however, to have concocted an extraordinary mixture of reforms for W. P. A. One of these would confine the W. P. A. work program to projects costing not more than $25,000. This would knock out about three-quarters of all the present W. P. A. projects and annihilate its construction program. It would condemn W. P. A. to the petty leaf-raking type of project, which for years W. P. A. has been struggling, with considerable success, to get away from. Even if the maximum were increased to $50,000 or $100,000, the result would be much better.

The subcommittee also is reported to have agreed to put W. P. A. under a three-man board. Some kind of permanent advisory board or board of inspection can be justified. But a three-man board is no more efficient as an administrative body in the Government than in private business.

Some of the reforms which the House subcommittee is reported to look upon with favor may encounter less opposition. Much can be said for forcing everyone who has been on the W. P. A. rolls for a long period to take a "vacation." Everything can be said in favor of the closest check on administrative costs. Much can be said for making every W. P. A. worker work 130 hours a month for a security wage. That is what the administration wanted in the first instance in 1935—but it gave way before the demands of union labor, first advanced through Congress, for the payment of prevailing hourly wage rates to skilled workers. As a result a carpenter, or plumber, or other so-called skilled worker in the cities earns his W. P. A. payment in relatively few hours of work per week.

In several details the recommendations of the House subcommittee may not be as bad as the reports indicated. But enough has leaked out to justify thoroughly the President's decision to postpone his trip to the Pacific coast until what promises to be a glorious mess has been cleaned up as best it can be before July 1, when the money for the next fiscal year will be needed.

Pound-Foolish Economy and the Federal Works Program

EXTENSION OF REMARKS
OF
HON. ABE MURDOCK
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

Mr. MURDOCK of Utah. Mr. Speaker, probably no other public endeavor in history has been subjected to so much maliciously false criticism as the works program of the present administration. Certainly no other issue of modern times has been discussed with so little understanding, slandered so groundlessly, misrepresented so viciously. You have only to make a trip across the country, or, for that matter, survey the projects in your own State, to discover that our works program has rebuilt America, has cleaned it up, made it sanitary, beautified it, and made of it a more appropriate place for a free people to inhabit.

From one end of the country to the other, roaring cities, tiny villages, and the broad expanses of the country districts, reveal countless monuments to the vision, the courage, the noble purposes, and the powers of accomplishment of the American people when they are organized for action. Roads, paved streets, school buildings, civic halls, sewers, waterworks systems, reservoirs, and irrigation systems disclose the birth of a new civic consciousness, a new and nobler conception of democratic functions. Reclamation projects, reforestation, flood-control projects, erosion-control projects, river and harbor improvements reveal that Americans have resolved to live better, safer, and richer lives.

Much has been said of wasteful projects. I am, of course, unable to speak for any State but Utah. I have, however, carefully studied the public-works program in Utah; I have inspected projects; I have talked with the laborers and supervisors; I have discussed the projects with the local people who sponsored them and will benefit from them. Notwithstanding the hurricane of shoddy talk, talk of "boondoggling," of digging holes to fill them, and so forth, I challenge the critics to point to a single project in the State of Utah which has not been intelligently sponsored, conscientiously undertaken, and efficiently constructed.

In the country towns of my district we now have waterworks systems where formerly we had insanitary wells, we now have sewers where we formerly had cesspools; we now have comfortable and healthful school buildings where formerly our students were improperly housed; we now have beautiful auditoriums where formerly we had no adequate meeting places; we now have gymnasiums where formerly our children played basketball on vacant lots; we have good roads where formerly we had impassable trails; we have well-kept forests where formerly we had inaccessible wilderness. My people are thankful that the present administration has shown them the way to help themselves, to improve their homes, their schools, their towns and cities. I defy the critics to point to a single project in my district which will not repay a thousandfold the money that has been spent upon it. And yet when we measure the civic improvements and benefits produced by the works program we have not even touched its main purposes and accomplishments.

Through W. P. A., P. W. A., and C. C. C., and other agencies, we have provided the unemployed with jobs, with income, and with encouragement. The men and women who have built these roads, these school buildings, these sewers, and auditoriums, would otherwise have gone hungry and suffered the incalculable misery which inevitably comes with enforced idleness. In place of armies of unemployed, the administration has created armies of workers engaged in improving America. With these facts confronting us on every hand, it is incredible that this Congress should have persisted in its refusal to provide adequate funds for continuation of the works program. I know how the people of my district are suffering because the Congress did not heed the warning of the President. I thank God that I cast my votes in favor of continuation of the works program and adequate appropriations to meet the needs of the unemployed.

In the past few weeks I have received letters from almost every community in my district describing the consequences of the reduction in the relief appropriation. In an effort to get a true picture of conditions at home, I requested the State administrator of W. P. A., Hon. Darrell J. Greenwell, to advise me as to the status of the program and his plans for the future. By consent I desire to insert his reply. It is an intelligent and informed discussion of the needs of at least one great State. I recommend that the Members of Congress read it and see how it applies to the conditions in their own State.

UTAH WORKS PROGRESS ADMINISTRATION,
Salt Lake City, Utah, May 26, 1939.

Hon. ABE MURDOCK,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: With reference to your letter of May 22, I can say that the shower of letters you have received about lay-offs in Utah is not surprising. These people look upon you as a friend, and they need friends.

We have had to lay off about 2,500 persons from W. P. A. jobs. Nearly every one of these persons is needy. They have had to scramble in the open labor market for jobs—and jobs are mighty scarce. They are competing for jobs with about 1,900 other needy employable persons who are receiving small assistance from the welfare department. They are also competing for jobs with thousands of other unemployed registered at the State employment service. This latter group, however, while unemployed, have not reached the point where they have to go on relief.

In addition to the letters you have received about lay-offs, which is a real condition, you probably have received complaints about pay-roll adjustments in Utah. We have had to change pay-roll dates. These changes have upset the workers, who believe the adjustments will cause them to suffer a wage cut in May. We seem unable to convince them that the pushing forward of a pay-day date does not necessarily mean a monthly wage cut. But it is difficult to convince them. They charge that this is an "economy bloc" plot. But this fear will vanish when June rolls around and the workers learn that they haven't suffered.

The most cheerful thing that has happened lately is the announcement that we shall not have to make forced lay-offs in June. We can employ as many in June as in May, namely, 10,350 persons.

Another cheerful item is the reopening of the Park City mines, but as yet the mines have only taken about 75 from our Summit County W. P. A. projects.

There has developed within the last 2 weeks considerable seasonal employment, such as work in the beet fields, and there will be considerable berry picking, etc., but these jobs are going mainly to the boys and girls out of school for vacations. It seems to me we have a grave and long-time problem in what to do with the great unskilled group which makes up 65 percent of our W. P. A. work load. Mechanization of industry, including agriculture and road building, and the refusal of the larger employers to take on new men over 40 years of age have conspired to put the laborer in a pretty tough position.

There are large-scale operations for these people, such as I described in a recent letter, including conservation, etc. There is plenty of work for them to do on the types of W. P. A. projects we have been operating for 4 years. In fact, we have projects right now for more than a year's work. The problem is to get funds to employ all who need jobs at useful work.

You ask as to how the refusal of Congress to appropriate the amount recommended by the President will affect our people.

Well, we have laid off 2,500 persons, and you have felt the reaction away back in Washington. Imagine what appeals and pressure we have felt in the W. P. A. offices and welfare department offices. As I understand it, the President is asking for enough money to employ on W. P. A. an average of 2,000,000 persons in the fiscal year. Our average this year, I believe, has been 3,000,000 persons. It looks to me, then, that if Congress gives the President all he asks for, we can have only two-thirds as many persons on W. P. A. in the year to come as in the present year. Our average Utah employment was around 12,000. Two-thirds of that would be 8,000 as average employment after July 1. We have 10,350 employed now. So if the President gets all he asks for, we should still have to fire about 2,000 persons. If Congress gives him less, we shall have to fire more.

I do not know where we can find jobs for those needy persons we have laid off, let alone jobs for the others we probably shall have to release.

This is not a very cheerful picture, but I believe it is correct. However, I am pretty close to the relief or dark side of the situation. On the other hand, I believe two-thirds of the people in Utah are doing as well or better than ever before.

Please call upon me at any time for any information I can furnish.

Sincerely,

DARRELL J. GREENWELL,
State Administrator.

A Voter's Observations on Current Problems

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein a letter written by a valued constituent, the contents of which are self-explanatory. I am very proud, Mr. Speaker, of the high average intelligence of my constituents and of the uniform liberalism characterizing the viewpoint of the majority of the good folks who reside in that Providence-favored area known as the Puget Sound country. I am particularly appreciative of the writer's commendation of my H. R. 3121, known as the natural-resources bill.

The letter is as follows:

EATONVILLE, WASH., *April 16, 1939.*

Hon. JOHN M. COFFEE,
Member of Congress, Washington, D. C.

DEAR MR. COFFEE: Undoubtedly, conditions in Europe and elsewhere, with the bearing they have on our own country's welfare, constitute the most serious problem of the many that face America today.

It seems to me—and I am not alone in that belief—that President Roosevelt's courageous stand in opposition to dictatorial trends and aggressions is the most hopeful development of recent years. He supplies a leadership, rather tardily, perhaps, sadly needed in a world that is but a ghastly caricature of that "commonwealth of nations, peaceful living and serene," visioned in the minds and hearts of common folk since history first began.

The same conservative gentlemen who, for political effect, perhaps, loudly decry the President's utterances in opposition to fascist aggression, nonetheless enthusiastically vote for the expenditure of billions for men and equipment to eke out our national defense. A necessary expenditure, they say, and perhaps it is so.

I maintain however that high explosive and steel is not the only factor in the war that is now going on and must forever continue. It is a war of clashing economies and of ideals diametrically opposed. In that struggle there can be no retreat and no quarter.

Democracy can best state its case through utterances of its leaders. As the greatest and oldest democracy America has a right to be heard and who is better qualified to speak than our great President? We know what tremendous energy is being centered on the effort to implant on this hemisphere the ideologies and doctrines of oppressor nations in which the State has ceased to be the servant of the individual; in which instead the individual is not merely the servant but the abject slave of a state clutched in the iron grip of a dictator whose power is absolute.

To make America's voice heard in opposition to such encroachment of hostile power is not incitement to war. It is nothing else than elementary self-defense and should be recognized as such. It is so recognized I believe save only by those hide-bound isolationists who for political advantage continue their yapping at the President's heels as might a Pekingese before the cage of a lion.

Building up world sentiment, as the President is trying to do, against aggressors who know and use only the tactics of an Attila or a Tamerlane in their wanton gobbling up of small nations, seems to me fully as effective a method of defense as merely sitting tight behind the sights of machine guns. And it is likely to be much less prodigal, in the long run, of American lives and American treasure and resources.

I also wish to register hearty agreement with any and all attempts in the Congress to extend the principle of public ownership of utilities, and especially of utilities by nature monopolistic. One such attempt, and a worthy one, is House bill 3121, introduced by yourself, seeking as it does, to eliminate the wastes of useless duplication and competition in the coal, oil, electrical, and natural-gas industries.

None of these industries can be economically operated on a competitive basis, and this fact automatically takes them out of the field in which private capital should hold control, for it postulates that such industries must operate (1) wastefully under competitive conditions, or (2) efficiently as a monopoly. And as to private monopolies, I will only say that we know all too well how private capital turns such efficiency, gained by monopolistic control, to its own advantage instead of to the advantage of the people.

I am not one of those who hold to private exploitation of our natural resources as being in the nature of an inalienable right, allowing those who, as we know, often obtained their control by definitely questionable methods, to retain that control indefinitely.

These resources are being recklessly used up and, to a large extent, wasted. Efforts at coordination or control meet with obstacles in the form of conflicting State laws, and regulation by Government has in nearly all cases proven ineffective. I can see no solution likely to be of permanent value save only in public ownership, nor can I see any reason why the people should longer continue paying tribute in the form of high prices and wasted assets. Brought down to fundamentals, the situation with regard to these utilities is only a refinement of methods used by feudal lords in medieval Germany, who seized certain islands in the Rhine and exacted tribute from every vessel that passed. The river was an artery of traffic, a utility, if you please, which had cost the robber barons nothing, but the barons had control, and the people must use it. Therefore the people paid.

It is so today. The methods are more devious, but the principle is the same.

Hoping for the success of H. R. 3121, I remain,

Sincerely,

The Royal Visit

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

EDITORIAL BY WILLIAM ALLEN WHITE

Mr. LAMBERTSON. Mr. Speaker, under unanimous consent to extend, I am privileged to reprint an editorial from the Emporia (Kans.) Gazette of June 9 the words of America's best-known editor and Kansas' most distinguished citizen, William Allen White, on the royal visit, as follows:

[From the Emporia (Kans.) Gazette of June 9, 1939]

THE ROYAL VISIT

The visit of the King and Queen of England to America of course was not a casual, back fence, neighborly call. They didn't just run in on their way somewhere to get a square meal and see the Roosevelt children. Royal visits are never casual. Unquestionably, the purpose of the visit of the King and Queen was a high and honorable one: to cement the friendship closer between England and the United States. This is no sinister motive.

However, it is doubtful if the visit accomplished much. The breakage was too heavy for one thing. By breakage, we mean heart breakage of envious people who didn't get what they regarded as their social dues, and a lot of those envious people are high placed, who if they are envious are mean, and if they are mean they will bide their time and hit back. For another thing, America is deeply suspicious these days of any attempt to lure this country into any kind of alliance with any other nation. The Tory government of England has been so conspicuously greedy and selfish for England's own power and nothing else, that people of the United States distrust any gesture on the part of any British official. This obvious gesture of the royal visit will breed suspicion rather than achieve friends.

America was tremendously disheartened and disappointed at Prime Minister Chamberlain's Munich "appeasement." Before that America was unhappy about the obvious alliance between Franco and the British tories. And even before that, Great Britain's policy toward Mussolini in Ethiopia was a sad revelation of opportunist British diplomacy. Upon all this, going back 7 or 8 years to 1932 when America tried to stop Japan in the first excursion into Manchukuo; and Great Britain coldly refused diplomatic cooperation—then came the revealing sense to the United States that Great Britain's tories were playing with the tories of the world, the tories who were about to take charge of Germany, who were about to throttle Spain, who were in charge in Italy.

Great Britain is as much responsible for the rape of Central Europe and the conquest of Ethiopia and the Fascist Government in Spain as either Hitler or Mussolini. The difference is that Great Britain has been pie-faced and unctuous as she watched the world go totalitarian. The interest of the present Government of Great Britain in democracy is entirely academic. It is put on for show-window dressing.

So the presence of the King and Queen here will achieve little real good. The King and Queen are gracious, pleasant, kindly, intelligent people. They are doing all they can. Obviously they are not here because they want to be. They are a couple of lay figures of state on casters, being moved around by the British Government to make friends for a tory cabinet which is in sad trouble standing in grave danger and the need of prayer. No one can question the entirely proper conduct of the royal pair. No one can doubt they are doing their dear and dead level best. But the signs are not right.

Alas, but England cannot recover "face" in the United States through the benign and charming presence of her democratic King and his lovely Queen. The day has passed when that sort of thing might be accomplished in a democratic world.

The cosmic camera records America's thumbs down!

The Federal Trade Commission Investigation of the Fair Trade Laws

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

Mr. PATMAN. Mr. Speaker, the Federal Trade Commission, under a recent resolution, has begun a study of the Fair Trade Acts of the 44 States. Based on the history of other similar investigations, this study will not be completed for at least 2 or 3 years.

A great deal of question has been raised as to the qualifications of the Federal Trade Commission to conduct an impartial study of these laws which have swept the country during the past 5 years. From time to time the Federal Trade Commission, in official statements as well as statements by individual members and high officials in the Commission, has vigorously opposed this type of legislation. These statements have been made admittedly without factual support and the only basis for them has been the fear that the potential damage to consumers might be greater than the advantage to retail distribution which flows from the elimination of predatory price cutting and loss-leader selling.

I, for one, as a result of these statements, greatly fear that it will be impossible for the Commission to conduct this

investigation along fair and impartial lines. It will only be human for those in authority in the Commission to devise the mechanics of the investigation in such a way as to substantiate and justify the premature position already taken.

PRICE CUTTING MOST POTENT WEAPON OF MONOPOLY

The fair-trade laws represent a constitutional approach that has been devised to cure the recognized evils of predatory price cutting and loss leader selling which is the most potent weapon of monopoly. The full long-range effect of these laws cannot be accurately determined until sufficient experience has been had under them. If these laws are inimical to the general welfare of the public, they will be repealed.

This legislation has the unanimous support of small men in retail distribution the country over. They feel that the protection afforded by this legislation is essential for their survival against the competition of their powerful large-scale competitors and to properly protect the public against monopoly.

CORRECT INFORMATION SOUGHT

It is true that this law is considered an economic reform. However, it has been given the approval of the duly elected representatives—State and National—of over 100,000,000 citizens of the United States residing in 44 States. It has been carried through the Supreme Court of the United States and received a favorable opinion. Therefore, the people of the Nation deserve to receive a fair and impartial report from any investigation, which may be made from the effects of this legislation. Members of Congress and members of the State legislatures desire correct information upon which they can rely in passing upon this type of legislation in the future. If the law is wrong and against the public interest, they want to know it. If it is shown by a fair and impartial investigation that this law is against the public interest, I am sure that it would be repealed promptly.

H. R. 3838, THE DISTRICT OF COLUMBIA FAIR-TRADE BILL

First. This legislation is similar to that which is now in effect in 44 States, Hawaii, and Puerto Rico, every State in the Union save Vermont, Delaware, Missouri, and Texas. It is exactly the same as the Maryland law. No State fair-trade act has ever been repealed.

Second. An exactly similar bill passed the House of Representatives during the Seventy-fifth Congress.

Third. This legislation has but one purpose, namely, to permit manufacturers of products bearing their trade-mark, brand, or name to contract with their retail distributor as to a minimum resale price.

Fourth. Agreements or contracts between manufacturers or between wholesalers or between retailers are expressly prohibited by the act.

Fifth. Only products which are in free and open competition with products of the same general class produced by others are eligible to be the subject of contract under this act.

Sixth. These laws are permissive only; no manufacturer, wholesaler, or retailer is required to become a party to these contracts. The remedies under this act are purely civil in character.

Seventh. This legislation is expressly designed to protect small business from predatory loss leader below cost selling and has the support of small business generally in the United States.

Eighth. The Supreme Court of the United States, in a unanimous opinion, upholding its constitutionality delivered by Justice Sutherland in 1936, declared this legislation was not price fixing.

Ninth. All the States surrounding the District of Columbia have this legislation. This reason alone is usually considered sufficient for the enactment of similar legislation in the District of Columbia.

The June 1, 1939, issue of the National Association of Retail Druggists' Journal contains an interesting editorial on this subject that was written by Mr. John W. Dargavel, executive secretary of that association. It is as follows:

THE NATION NEEDS THE WHOLE TRUTH ABOUT FAIR TRADE

Druggists of the Nation will watch with a great deal of interest the investigation of fair trade which is now being pursued by the Federal Trade Commission through its Economic Division. Particularly, the druggists will be alert to observe the degree of impartiality which the Commission will maintain.

In many ways, the Federal Trade Commission is a body which should be very competent to conduct a survey of this character, and of so much importance to the citizens of the Nation.

But, in undertaking this survey, the Commission has placed itself in a peculiar position. Quasi judicial in the scope of its activities, the Commission and the judiciary have much in common. Yet no conscientious judge would undertake to render a decision on a case in which he had already given an opinion. It is the custom of lawyers, having been elevated to the bench where they are called upon to review a case in which they previously have participated, to voluntarily disqualify themselves.

Despite the fact that the Commission should be expected to conduct this survey with impartiality, can this quasi-judicial body, turned prosecutor and detective, completely erase from its composite mind the preformed opinions which it has so positively expressed upon a number of occasions—admittedly without facts to substantiate the opinions?

No one would welcome more warmly a fair and impartial study of fair trade than the druggists of this country and the organizations which represent them. We sincerely believe in fair trade; we are sure that an unprejudiced investigation will reveal it to be of great and lasting benefit to the public. If it is found to be so, then the Federal Trade Commission and every branch of Government and every honest business organization should acknowledge it to be a needed social and economic reform deserving of approbation and support. On the other hand, if fair trade is found, after an impartial investigation, to be against the best interests of the people, it has no reason for longer life.

It must be admitted generally that no comprehensive study of fair trade has yet been made. Local studies have been announced; the Druggists Research Bureau is now tabulating the findings in its first study, the results of which will not be available for some time. The Federal Trade Commission admits that it has no conclusive facts before it at present.

But this has not prevented some members of the Commission and leading members of its staff from expressing prejudicial views against fair-trade legislation; nor has it prevented the Commission from issuing official statements against fair trade. In a recent report, in which it expressed statements generally disapproving, the worst indictment which it could make was that the potential damages to the consumer might be of greater importance than the advantage to manufacturers and retailers.

Not only has the Commission expressed itself freely, albeit not factually, regarding fair trade—the Commission's attitude has resulted in a widespread opinion among those in position to observe closely the developments on Capitol Hill that the decision as to the result of the study may have been made in advance and that there is a likelihood that the mechanics of the study may be directed so as to produce that result.

It is to be sincerely hoped that this will not be the case. It is to be hoped that the Commission will recognize the grave responsibility which it has assumed, will really seek the facts and announce them impartially, rather than to seek verification of a predetermined assumption.

The taxpayers of the Nation have laid out a large sum of money to make possible this survey. Every druggist and drug organization in this country should cooperate in every way possible with the Commission to bring to light the facts. The people need it. The consumers who depend upon these retailers for their sources of supply deserve it. But these consumers will be the victims of a colossal travesty if anything but the strictest impartiality is allowed to rule the conduct of this investigation.

The Federal Trade Commission, having expressed itself concerning this legislation before seeking the facts, instead of after, certainly will have to lean backward in its endeavor to be impartial if it is to do the right and proper thing by the people whom it serves.

Predatory price cutting and loss-leader selling are two business methods which the Commission itself has always condemned. Fair-trade legislation is directly aimed at these two trade evils, and thus far is the only constitutional method which has been devised to curb them. The Commission runs a serious risk of placing itself in a paradoxical position when it voices disapproval of the only remedy thus far devised for the recognized ill.

Should the Commission decide to turn thumbs down on fair-trade legislation, then indeed we hope that it will have ready for immediate application an alternative remedy for the business evils which have been so roundly condemned—else the Commission will find chaos rampant in the distributional field, and the small businesses which form the foundation of the Nation headed for oblivion.

In our opinion, end of the fair-trade laws could have but one result—granting of unlimited license to the forces in the production and distribution fields which are aimed at monopoly. Unfettered by fair-trade laws, they might resume the rape which was under way a few years ago and pillage the small businesses of the Nation, and with them, the small communities. Then the consumers, today so pitied by professional weepers, would indeed find themselves the victims of greed and grasping—and the Federal

Trade Commission, were dictatorial monopolists to condone its continued existence, would have a far harder task to preserve fair-business principles than it has now, with logical laws for their control.

As I have stated, it is my sincere hope, and that of every independent druggist in this country, that the Commission fully realizes its grave responsibility in this investigation, and will exercise its utmost ability to preserve fairness and impartiality in its methods and its reports. Properly safeguarded, the Commission's investigations will be deserving of the fullest cooperation of all who are interested in fair trade, and its findings will be of the greatest importance to the Nation. Without these safeguards, its report not only will be without value, but will be a discredit to a governmental bureau that has been of great value to the Nation it was designed to serve.

The truth of the situation is bound to come out in the long run. Let us hope that the Federal Trade Commission will bring it forth.

James Hamilton Lewis

MEMORIAL ADDRESS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JAMES HAMILTON LEWIS, late a Senator from the State of Illinois

Mr. DICKSTEIN. Mr. Speaker, to the world at large Senator LEWIS was known as the gentleman and handsome Beau Brummel. To us in the House of Representatives he was known as a hard-working and devoted public servant.

Senator LEWIS died in the fullness of his power and in the vigor of his manhood on April 9, 1939. Death came unexpectedly and while the Senator was in the midst of his public activities. His loss is so recent that it is hard for us to believe that this genial personality is no longer with us.

There is not a person in the city of Washington, no matter how humble his calling, who did not know Senator LEWIS by sight, and scores of men knew him intimately. Thousands knew him for his public work.

There is no place in which friendships are more readily formed than among Members of our Congress, and whether one belongs to the House or to the Senate, a Member of Congress is a friend of every other Member of Congress. It was my great privilege to have known Senator LEWIS intimately and to have been able to count him among my friends, and to feel that in Senator LEWIS one could always find a warm-hearted public servant ever eager to listen to the woes of his constituents and to the pleas made on behalf of those underprivileged who occasionally come to our legislative body pleading for assistance.

No cause however trivial, if there was an opportunity of giving help to one who needed help, was alien to the Senator. I am sure that I voice the sentiment of everyone in the House when I give expression to my feeling that the death of the Senator from Illinois will ever be a loss from which there cannot be any compensation.

Royal S. Copeland

MEMORIAL ADDRESS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROYAL S. COPELAND, late a Senator from the State of New York

Mr. DICKSTEIN. Mr. Speaker, the sudden and unexpected passing of the senior Senator from New York, which occurred on June 17, 1938, was a blow from which his friends and colleagues will not be able to recover.

He who was always ready to administer to his colleagues when infirmity struck was to succumb himself to the grim reaper.

The senior Senator from New York lived not one but literally two full lives during his span of three score and ten. He was a native of Michigan and spent half of his life in that State, having been a practicing physician and later on mayor of Ann Arbor.

The second half of his life belongs to the State of New York. In 1916 Mayor Hylan chose him to be health commissioner for the State of New York, and his record in that office was so conspicuous that he became not only city- and State-wide but a Nation-wide figure. In 1922 the voters of the State of New York elected him to represent them in the Senate of the United States.

Senator COPELAND'S work was so brilliant and his ability so marked that just before his death he was drafted for a nomination as mayor of the city of New York, and who knows but even greater honors might have been in store for him had not death intervened to remove him from this earthly scene?

We mourn his loss as that of a true and devoted servant, a real American, a beautiful personality, a charming friend and companion, and above all a man who had the stamp of greatness upon him.

John J. Boylan

MEMORIAL ADDRESS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. DICKSTEIN. Mr. Speaker, Hon. JOHN J. BOYLAN, Representative in Congress from the Fifteenth District of the State of New York, was one of the most likable and brilliant Members of the House.

His genial manner and his sympathetic understanding of our everyday problems made him a beloved character in the House of Representatives. He was never too busy to counsel with his colleagues regarding any problem or legislative proposal they wished to discuss with him. His popularity was well deserved.

His interesting and active career included membership in the Assembly of the State of New York from 1910 through 1912, and in the Senate of the State of New York from 1913 through 1922. He was elected Representative in Congress, serving in the Sixty-eighth, Sixty-ninth, Seventieth, Seventy-first, Seventy-second, Seventy-third, Seventy-fourth, and Seventy-fifth Congresses, his death occurring on October 6, 1938.

This is an impressive record of private and political activities which won for him the friendship, loyalty, and confidence of everyone who learned to know him through the years of his useful and active life.

As my colleague in the House and one of our membership in the Assembly of the State of New York he was actively engaged at all times in the faithful discharge of his duties, and his untiring efforts in behalf of the district he had the honor to represent is well shown by the record he made in Congress.

He served with distinction as a member of the important Committee on Appropriations of the House of Representatives. His congressional district, the Fifteenth New York, which he so ably represented, has lost an able Representative and an outstanding statesman.

Commencement Exercises at Duquesne University, Pittsburgh, Pa.

EXTENSION OF REMARKS
OF
HON. BENNETT CHAMP CLARK
OF MISSOURI
IN THE SENATE OF THE UNITED STATES
Tuesday, June 13, 1939

ADDRESS BY HON. JOHN H. OVERTON, OF LOUISIANA

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the senior Senator from Louisiana [Mr. OVERTON] at the commencement exercises of Duquesne University, at Pittsburgh, Pa., on Wednesday, June 7, 1939, on which occasion the degree of doctor of laws was conferred upon the Senator from Louisiana by the university.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

NEUTRALITY

Tonight I shall speak to you upon the subject of neutrality, which, fairly adopted and honestly applied as a national policy, will have the effect, as far as humanly possible, of nonparticipation by the United States in any foreign war wherein no American state is involved.

Recent events abroad, such as the absorption of Austria, the dismemberment of Czechoslovakia, the overthrow of the Albanian Government, the meeting at Munich, the territorial demands of Italy against France, the precarious status of the Free City of Danzig, the feverish efforts of European democracies to encircle Germany and Italy through compacts with neighboring states, the Sino-Japanese undeclared war, and the warnings of the President of the United States that a major conflict might be impending, are causing the American people to consider more seriously than ever before the course that our Nation shall pursue in the event of another great catastrophe abroad.

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Happily, within the last few weeks the shadow of war has lessened; but the necessity for a general and definite declaration by Congress of the rules of neutrality that shall govern us has not diminished. Indeed, it is in times of peace that we should prepare not only for war but for the avoidance of war.

It is difficult to conceive of any public question that more vitally affects you, the men and women of this graduating class, because you—and all of your generation now entering upon the threshold of your careers—will have to bear the brunt and be the greatest sufferers in the event of our country becoming involved in another great holocaust. Furthermore, and as surely as I stand before you tonight, the entrance of the United States into another European conflict would mean another world war, and a world war with modern engines of destruction and the unsparing savage cruelty of modern warfare will result in a retrogression of civilization and the probable substitution in these United States of a dictatorship for our republican form of government. Whoever of us cherishes this civilization, whoever reveres our traditions and our institutions, whoever holds dear American liberty, freedom of religion and speech and equality of opportunity, whoever loves humanity should himself fight like a soldier against their greatest enemy—modern warfare.

Why should we become involved in another European strife? Let me ask you this question:

"Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor, or caprice?"

That, ladies and gentlemen, is the question verbatim that the Father of his Country propounded to the American people in his Farewell Address; and what Washington said is as true in 1939 as it was in 1796. Such also was the view of John Adams. And it was the view of Thomas Jefferson when, addressing the Congress in 1803, he declared:

"Separated by a wide ocean from the nations of Europe and from the political interest which entangle them together, with productions and wants which render our commerce and friendship useful to them and theirs to us, it cannot be the interest of any to assail us, nor ours to disturb them. We should be most unwise, indeed, were we to cast away the singular blessings of the position in which nature has placed us, the opportunity she has endowed us with of pursuing, at a distance from foreign contentions, the paths of industry, peace, and happiness, of cultivating general friendship and of bringing collisions of interest to the umpirage of reason rather than of force."

For over a century and a quarter, we followed the policy advocated and adhered to by our greatest statesmen from Washington to Wilson. We departed from it in 1917 to enter upon a "holy crusade" to end all wars, to protect the rights of all nations—great and small—and to make the world safe for democracy. We attained none of these ideals. We spent $41,765,000,000. We sacrificed the lives of over 100,000 of the flower of our young manhood. We have filled our veterans' hospitals with thousands of others, maimed, diseased, mentally incompetent. The chief legacy of this great misadventure has been an accumulated and dishonored foreign debt, owing to us by the countries of Europe, of more than $13,000,000,000, and an 11-year depression with its problems of unemployment, unbalanced Budget, and a rapidly mounting national debt of over $40,000,000,000.

We are told that our participation in the 1914–18 holocaust was inescapable and that even more unavoidable will be our entrance into another European embroglio. But let us remember that Norway, Sweden, Denmark, Holland, Switzerland, and Spain, located upon the very edge and brink of battlefields, and weaker States than ours, maintained their neutrality.

Three things are necessary to keep us out of foreign wars: (1) A sound foreign policy; (2) an impregnable national defense; and (3) a policy of strict neutrality.

The President is vested with the authority to negotiate treaties and to nominate the officials of our Foreign Service, all subject to the ratification or confirmation by the Senate. Hence the shaping of our foreign policy may be said to be predominantly a function of the Chief Executive. But the Congress—and the Congress alone—is authorized to regulate commerce with foreign nations, to raise and support armies, to provide and maintain a navy, to declare war, and to provide for the common defense. And Congress only is clothed with the authority to establish and ordain our policy of neutrality.

Impartiality is the soul and essence of neutrality. It seems to me that we should, in advance of another European war, prescribe as clearly and definitely as possible the rules of our neutrality. We cannot improvise such a policy in the midst of conflict, for neutrality legislation should be enacted in the cold light of reason, free from the sympathies, the hatreds, the interests, and the partisanships engendered by war. We should let the world know in advance of combat what our policy is, and we should not undertake to change the rules in the midst of the game.

There are those of our citizens who declare that we should not remain neutral in the controversy that is presently dividing Europe into two armed camps and that we should aline ourselves with the democracies and against the Rome-Berlin axis. You and I and the large majority of the citizens of this great democratic Nation may naturally and profoundly sympathize with all peace-loving democracies and entertain a feeling of antagonism toward totalitarian and aggressor nations. But we cannot overlook the fact that true neutrality recognizes the inherent right of each state to determine its own form of government. We cannot overlook the fact that the European democracies are preparing for the threatened international duel by seeking a military pact with one of the most undemocratic and despotic governments in the galaxy of the nations; and, while I am for the most part of English descent and proud of my lineage, I cannot deny that Britain owes her present great power largely to a policy of aggression and conquest.

None of us can forget that our heroic effort barely 20 years ago to aid the cause of world democracy ended in the greed and avarice that, like ghouls, sat at the council table at Versailles. And we know that one of these so-called European democracies has lately surrendered itself to a virtual dictatorship; and who, may I ask, can safely predict what changes in form of government the next few years may encompass in the national life of any world power?

Motivated, and for the most part sincerely and honestly so, by love of democracy, hatred of despotism, and fear that the aggressive policies of the axis states may endanger the safety of the American people, certain extreme internationalists would make of our Nation an immediate partisan and precipitate it into the vortex of the next European massacre—even before a gun is fired or a bomb is dropped. I cannot emphasize too strongly my personal view that we are in more acute danger of having our own democracy merged into a home-made dictatorship as the consequence of becoming involved in a world conflict, than ever our becoming subject to the yoke of foreign conquest and domination.

It is further proposed, notably in the amendment of Senator THOMAS of Utah to the present Neutrality Act, that a large discretion be entrusted to the President in regulating our trade and commerce with belligerents and in determining, in conjunction with Congress, what nations are to be considered as treaty violators and aggressors. There is not a semblance of neutrality in such a policy. Discriminatory regulations of export prescribed in the midst of war are, in themselves, provocative of hostility. To select the aggressor nation, and to penalize it with the imposition of sanctions and otherwise is in itself an unfriendly act and one that might lead to war. There is no obligation devolving upon the United States to sit in judgment upon the merits and demerits of Old World rivalries and animosities. There is neither just cause nor necessity for Uncle Sam to act as a world policeman. Standing before you as a Democrat, with a Democratic President occupying the White House, I do not hesitate to declare it is my well-considered judgment that our Constitution properly lodges the war-making power in the Congress of the United States and that as little discretion as possible should be given our Chief Executive, regardless of who he may be, to commit us to policies of either hostility or favoritism toward any belligerent state. "Measures short of war," however well intended, are well calculated to lead us into actual conflict.

If we are to avoid involvement in future wars, it is not sufficient to remain neutral, but, being neutral, we should also remove as far as possible those causes which led to our being forced into the World War. The chief aim and purpose of neutrality legislation should be to maintain our peaceful relationships with all nations. We should surrender many of our so-called neutral rights to the cause of peace. We should not, as a nation or as citizens, finance any belligerent in the prosecution of war, or else we may be unable to resist the pressure of international bankers and financial interests to protect with arms their foreign investments. We should, both as a moral duty and a pacific policy, prohibit the transportation of lethal weapons to belligerents and modify substantially our ancient conception of our neutral rights to the freedom of the seas.

There is, to be sure, no neutrality or other legislation or foreign policy, that can give us 100 percent guaranty against the eventuality of war. We can, however, lessen materially the chances of conflict by our adherence to the following program and formula of neutrality legislation.

Our neutrality legislation should provide that a state of war exists when so declared by any foreign belligerent, or when the President or the Congress finds an undeclared state of war to exist between two or more foreign States, or whenever the President or the Congress finds a state of civil strife to exist in a foreign state.

Our neutrality legislation should declare an absolute embargo on exportation of arms, munitions, and implements of war to belligerents, or to a state engaged in civil strife, or to a neutral state for the use of a belligerent; and it should prohibit the exportation of other goods to a belligerent until the title thereto has been transferred to foreign interests and all domestic title has been divested, under what is known as the cash-and-carry plan.

Our neutrality legislation should prohibit American vessels carrying goods and passengers to belligerents and carrying arms, munitions, and the implements of war to any belligerent state or to a state wherein civil strife has been found to exist.

Such legislation should prohibit the financing of any belligerent state or the purchase of its securities, bonds, or obligations by any person within the United States with the exception of ordinary commercial credit and short-time obligations, including no solicitation of funds for or on behalf of a belligerent.

Such legislation should provide for the registration and licensing of persons engaged in the United States in the business of exporting, manufacturing, or importing the munitions of war under the supervision of a national munitions-control board, as the present law now provides. It should exempt from its provisions only an American republic engaged in war with a foreign state.

If we adhere to these rules and principles of neutrality, we shall go far toward immunizing ourselves from foreign conflict. They require some sacrifices on our part, but none in comparison to the sacrifices which modernized carnage entail.

But neutrality alone is insufficient to grant us the safety for which we hope and pray. The history of the world, including current events, warns us that it is the weakness of a state or nation that often invites aggression, absorption, or conquest. We should associate with a policy of strict neutrality a program of adequate national defense. We must be able, at all times, to defend our own neutrality against the world. Paradoxical as it may seem, neutrality and national defense are the twin sisters of peace.

* * * * * * *

The prudent rule of national conduct for us to follow is epitomized in the advice of Polonius to his son Laertes:

"* * * Beware
Of entrance to a quarrel, but, being in,
Bear't that the opposed may beware of thee."

Or, in the language of the late President Theodore Roosevelt: "Speak softly, and carry a big stick."

And, in conclusion, may I not, in this presence, and as the honored guest of a university conducted by fathers who are disciples of the Prince of Peace, pay reverent tribute to His Holiness Pope Pius XII for his efforts to obtain a peace conference among the discordant and distracted nations of Europe and to bring to reality the divine message that heralded the birth of our blessed Saviour: "Peace on earth, good will toward men."

The Future of the American Farmer

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1939

RADIO ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD an exceptionally able address delivered over a Nation-wide hook-up by the senior Senator from Illinois [Mr. LUCAS] on the subject of The Future of the American Farmer.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As the guest speaker of the Star Radio Forum, I express my appreciation for the opportunity to discuss briefly some thoughts I have with respect to the future of the American farmer.

I am not a prophet or a son of a prophet; yet I have no hesitancy in speculating with a certain degree of boldness on future agricultural trends. My reason for taking this leap in the dark is based primarily upon the fact that I was born and reared on a farm. I am the owner of farm lands in Mason County, Ill.; and during my tenure of office in the House of Representatives and the United States Senate, I have had the privilege and honor of serving as a member of the Committee on Agriculture.

No one doubts that the farmer's problems are strongly associated with the conservation of the soil and the conservation of human life. Man's ingenuity and industry are ever striving in this modern age to make his position in society more secure and contented without doing extreme violence to the position of his neighbor. And so any conjecture upon the future of this important subject has for its genesis a note of optimism which is based upon the facts of yesterday.

This Nation, my friends, was founded in and based upon an economy strictly agrarian in its nature. The Constitution, the Bill of Rights, the system of checks and balances which characterize our democracy all were conceived at a time when the only problem which confronted agriculture was that of providing enough farm produce to sustain a rapidly growing population. So, for many generations the opportunities of farming and the rewards it extended to hard work and honest service fulfilled the requirements of individual enterprise which had become the ideal of American life. Farming was really not an industry; it was a way of life—one might well say that in those days it was the way of life.

As the pioneers pushed westward, they opened the fertile plains of Illinois, the level prairies of Kansas and the Dakotas. The soil and climate of Wisconsin and Minnesota were found ideal for dairy farming. The broad expanses of Texas and Arkansas were found adaptable to the production of more cotton. Livestock roamed endless pastures of waving grass. Cattle and sheep and hogs were raised in ever-increasing quantities, and there developed huge livestock markets at such centers as Chicago and Kansas City to supply the Nation's need for meat products. The corn that flourished on the plains of Illinois and Iowa not only provided food for our people and raw material for manufacture but a great deal of it, as well, was converted into feed for livestock en route to market.

Moreover, the rich productivity of American farm land left enough over to sell to our foreign neighbors, and this produce, bettered by the native ingenuity of American farmers, was welcomed in lands across the sea. Our cotton and wheat found a ready outlet in nations where either there was insufficient farm land or where the farm land available had been exhausted of its fertility through centuries of use.

The American farmer was happy. He looked forward in high hope that each new season would bring forth good weather and bountiful crops, all of which in almost every year was tantamount to financial success.

And then one day something happened to the economic law of supply and demand. We were suddenly confronted with good weather and billions of acres producing unmarketable surpluses which drove the price of basic commodities to the floor level of ruin. The more the farmer produced the less he could sell, and the nearer he came to entering the doors of bankruptcy. It was indeed a sad and dejected picture. What a paradox to find that in this great country we have sufficient natural resources, when effectively used, to feed and clothe almost half the people of the world, yet when we overproduce the farmer goes broke and the economy of all groups is so disturbed that we find millions upon millions of our own people without adequate purchasing power to aid in the distribution of the huge surplus which gluts our markets.

And while this condition has been with us for nigh on to two decades, we have as yet not found the answer. No statesman or economist to date has devised a remedy for this strange and unnatural economic situation. So, during the interim the Congress of the United States has been called upon by leaders of agricultural thought to stem this economic tide through legislative action.

During the past 20 years Democratic and Republican Members of the Congress representing agricultural districts and States have attempted to control the chronic surpluses of basic commodities through adequate legislation. However, they were rebuffed by Republican Presidential vetoes on two different occasions and pushed rudely aside in 1936 when the Supreme Court invalidated the Agricultural Adjustment Act. While I respected the opinion of the Court, I never agreed that it was correct. The precedent established in that case in no way embalmed the principle for which agriculture has aggressively fought.

The farmer kept on fighting for what he honestly conceived to be his legislative rights. The Congress passed a new Agricultural Adjustment Act in 1938, and only a few months ago the Supreme Court held the act constitutional, giving to the farmer for the first time in 20 years a permanent legislative base from which to operate.

It is generally conceded that the holding of the original Triple A unconstitutional delayed recovery and without doubt is in a large measure responsible for the present plight of cotton and wheat as we know it today. When we lost control of acreage curtailment under that decision immediately good weather gave us staggering, unmarketable surpluses. Had the original Agricultural Adjustment Act been held constitutional, I boldly assert that we would not at this hour be compelled to hazard a prophecy as to the future of the cotton farmer of the South. He would not today be confronted with a 13,000,000-bale carry-over. Our exports in cotton would not be the smallest since 1880. The exports in this season, which is more than two-thirds completed, are expected to be only three and a half million bales.

How can we recoup the losses sustained? Shall we follow the philosophy of some who would crawl complacently in our national shell and produce only what we consume, or shall we continue to use our trading and bartering ingenuity, as well as to subsidize the exporter, in order that American surplus cotton may continue to flow freely in the world market? I am one who believes that America is entitled to her fair share of world trade in the sale of cotton. We should never retreat, but constantly carry on an offensive in every honorable way with nations who need this raw material.

In addition to our support of this export feature, we should also expend every dollar that is necessary in laboratory and research work in order that we may find more use in domestic consumption for this indispensable commodity. Under such a program, working in conjunction with the present Agricultural Adjustment Act, the current surplus will gradually disappear, and the cotton farmer will again find his place in the economic sun. We must look at the cotton problem over a long period of time. It is a short-sighted policy that looks only to the current crop, losing sight of the tremendous surplus in the warehouses.

What happened to cotton also happened to wheat when the Court removed from the statute books the basic law of control. We found farmers in the fall of 1937 and the spring of 1938 planting 80,000,000 acres of wheat, producing the second largest crop in the history of this country, and creating a surplus which drove the market price of this commodity down to the point where it was far less than the cost of production.

With the great majority of wheat farmers cooperating this year in acreage curtailment in conformity with the present law, I prophesy that the wheat farmer will realize a satisfactory price for the crop produced this year. Wheat today is selling for 68 to 70 cents per bushel at the elevator in my section of the country, with subsidy payments for cooperators bringing the price to about 90 cents, while at Liverpool last Saturday wheat hit a new 6-year low. It is significant that the Chicago wheat price is now about 20 cents a bushel over Liverpool, whereas prior to the adoption of the American farm program Liverpool was about 18 cents per bushel, on an average, over the Chicago price. This would appear to be clinching proof that the Government program of loans and subsidy payments has stabilized and steadied American wheat prices. The future will bring little or no basic change in the law affecting wheat farmers. Another year of active participation under the present legislation will produce more contentment among the wheat farmers of this Nation.

When we return to the years of 1934 and 1935 we know that the corn farmer was making tremendous progress under the corn-hog program of the Agricultural Adjustment Act. And as one who has spent his entire life in the heart of the Corn Belt district of Illinois, I am glad to testify over the air that the great majority of corn farmers of this Nation approve the present legislation of soil conservation, adjustment payments, and mandatory loans. They have never before enjoyed such stabilization and security of price. They are certain that the economic barriers have once and for all eliminated the Hoover 10-cent corn that they experienced in 1932.

Under the present program the wide range of fluctuation of prices is impossible. And while the price of corn at the present time is far below parity, yet the loan and price adjustment have given to the cooperating farmer a decent, livable price for his 1938 crop. The best proof of the success of the present program affecting the corn and hog farmer can be found in the fact that nearly 1,400,000 farmers in the commercial corn-producing area have indicated their intention of participating in the 1939 program by signing individual contracts. This is an increase of 250,000 over last year. The corn farmer, with his American market, feeding 85 percent of the total crop to hogs and cattle, is obviously in the most strategic and sound position. He has given Uncle Sam little or no financial trouble. He stands on a somewhat different footing from that of the cotton and wheat farmer because of the export factors which influence cotton and wheat prices.

From the corn farmer we move over into the dairy district. Probably at no time in the history of legislation has the dairy farmer been given such special attention as during the present session of the Congress. In the appropriation of $113,000,000 to be added to the money received under section 32 of the Agricultural Adjustment Act, the dairy farmer will receive some $50,000,000 for domestic consumption. This amount will be used in keeping surplus butter and other auxiliary surplus products from directly affecting a livable price for the daily output of the dairy farmer. At the same time this surplus will be used by the Government to provide many of the necessities of life for those on relief. In other words, here is a two-edged sword that vitally affects the general welfare of many people.

The real relief for the dairy farmer in the future, however, does not lie in subsidies but in legislative action which will give him a better price for his milk in the milkshed. Today the dairy farmer in northern Illinois receives from 3 to 4 cents per quart while the consumer in Cook County pays at his kitchen door the sum of 12 cents. This is an unwarrantable spread. Too much money is being paid for cooling, pasteurizing, and distributing this vital commodity. The producer and consumer both suffer. Evidence before the Committee on Agriculture of the Senate discloses that the distributor in the city of Chicago gets as much per quart for distribution as the dairy farmer with all his cows, his standardized equipment, as well as his long hours of labor, gets for producing it. Wherever such a condition exists economic justice is being thwarted, and it is a subject which should be investigated with a view to giving relief to the dairy farmer.

Yes; the Congress made this appropriation of $113,000,000 primarily to take care of the dairy farmer, the cotton farmer, the fruit and vegetable farmer, the hog raiser, and other agricultural producers who are in distress. And as a result thereof we find all over this land much idle talk and irresponsible comment about the American farmer raiding the Federal Treasury. We appropriate billions for relief, billions for national defense, millions upon millions for various other purposes with little or no comment as to where we are going to get the money.

My friends, the farmer wants only equality before the law. He emphatically says a tariff for all or a tariff for none so long as his purchasing power is out of line with other industry. Give the farmer parity price for his produce, and he will gladly relinquish all his right in benefit payments. The farmer is not looking for hand-outs. He suffers irritation and displeasure at being told that benefit payments are putting him on the dole when he knows that last year out of every $100 received by him in farm income, $93.60 was taken from the soil with his own hard labor and industry and only $6.40 came to him from Uncle Sam.

The farmer also knows what the future has in store for him with respect to the $225,000,000 appropriation made by the Congress for parity payments. He knows what many other prejudiced individuals do not know, that if this year's cotton crop sells for 12 cents a pound, if wheat sells for $1 per bushel, and if corn sells for 62 cents per bushel, not a single dime of the money appropriated for these commodities will be expended. But you have heard little or nothing about that contingency.

I should like to repeat tonight what I have so frequently said in other addresses touching agrarian matters. It is the first law of nature for every man or group of men representing a particular commodity to protect themselves and their interests therein. But it should be remembered that we all must look at this problem from a national viewpoint. And tomorrow, as of today and yesterday, we need unity of thought, unity of action, unity of aim, and unity of plan. Therein lies permanent success for every group of American farmers, which means continued economic security.

And in the days to come, especially in 1940 when politicians begin singing their lullabies I ask the American farmer to be on guard for those who are full of sound and fury but offer nothing constructive. Analyze all political platforms dealing with agriculture to see if any of the boys back of the scenes are drafting platitudes, twaddle, and moonshine, rather than a substantial program to aid you and your family.

Now, my friends, it would be foolish for me to stand before this microphone and tell the farmers of America that their problems are all solved and settled, but I do believe that every thinking farmer and every thinking citizen who makes an impartial study of the farm problem cannot help but agree that the present program, even though it has been in existence only a short time, has what it takes to sustain and increase the annual national farm income.

In conclusion, I wish to commend the Honorable Henry A. Wallace, Secretary of Agriculture, and the heads of the various agencies of his Department for the interest, the labor, and the enthusiasm they have consistently demonstrated in attempting to give to the farmers a workable program. Nor can I conclude without paying a tribute to the sympathetic, keen, and understandable interest that the President of the United States has constantly shown in behalf of the problems of agriculture. No man who has ever served as Chief Executive of this Nation has done as much for the American farmer.

The Work of the Post Office Department

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1939

ADDRESS BY POSTMASTER GENERAL FARLEY AT CHEYENNE, WYO.

Mr. O'MAHONEY. Mr. President, on May 23 the postmasters of Wyoming had the great pleasure of greeting the

Postmaster General, Hon. James A. Farley, upon the occasion of their annual convention in the city of Cheyenne. It was the first time in the history of the State that the head of the Postal Department was able to attend such a convention, and a warm memory of the event will be cherished by all who were in attendance.

On this occasion the Postmaster General delivered a notable speech upon the work of the Post Office Department. I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am happy indeed to have the opportunity to be in Cheyenne tonight and to meet with the postmasters of Wyoming. It gives me a thrill to travel in this part of our country and to meet you good people who are so typical of the progressive spirit of the West. There was a time when Cheyenne and Wyoming were regarded as far-away places; romantic regions where only the courageous and hardy pioneers could survive. Today, while you still retain in a large measure the charm and color and wholesomeness of the old West, you have combined with it in a delightful way commerce and industry, the last word in modern enterprises, and hospitality that impresses every visitor with the warmth and sincerity of your welcome.

A few years ago a trip from Cheyenne to either the eastern or western seaboard was a tedious, tiresome journey. Now you may travel in modern, high-speed airplanes to the east coast in much less than a day and to San Francisco in a few hours. Likewise, railroad transportation has been speeded up so that now you reach overnight many of the most important cities in the country. I am proud to say that the Postal Service has played an important part in the development of these modern transportation agencies, which have made neighbors of the easterners, the westerners, the northerners, and the southerners. The old sectional barriers that at one time existed in this country have been battered down, and the greatest forces in the flattening-out process have been our communication and transportation agencies. The telephone, the telegraph, and the radio have had amazing development and to the promoters, the fine upstanding businessmen, and to the capable engineers and scientists who have developed these means of communication, this Nation will be forever grateful. We are living in a great age. We are citizens of the greatest country in the world, and we should all be proud and happy that we are Americans. We are living at peace with one another. We have a great President, Franklin D. Roosevelt, who will go down in history as one of our keenest and most courageous leaders.

Business is good in America and it is getting better. For the third successive year the revenues of the Postal Service are reaching an all-time high, and I think everyone knows that when postal receipts are up the business of the country is on the upswing. While the ordinary postal revenues derived from the collection of postage last year exceeded $728,000,000, which I think you will agree is quite a sizable sum of money, and it is these revenues that indicate mail volume, business and social correspondence, yet this sum is only a small part of the financial transactions of the Postal Service. It is hard for anyone to realize, but it is a fact reported by the Comptroller General of the United States, that during the fiscal year 1938 the United States Postal Service was an $8,000,000,000 business. By that I mean that the actual money transactions in the Postal Service resulted in a total cash turn-over of more than eight billion. This amount exceeds all of the money in circulation and is more than the total appropriations made by Congress for carrying on the whole Federal establishment. The actual transaction of this business is performed in the post offices of the country under the supervision of the postmasters; therefore it is quite evident that postmasters and postal employees, in the performance of their daily tasks, are playing a most vital and most essential part in the social and economic progress of this Nation.

The railroads, the air lines, the telephone, the telegraph, the radio—in fact, every commercial and industrial organization in America—are dependent upon the Postal Service for their successful operation. Aside from the fact that we contribute in a substantial way financially to the maintenance of the great transportation systems in payments for carrying the mails, the mails carry the heavy communications of commerce and industry, the long letters, the business reports, the orders, the bills of lading, the daily newspapers, magazines, trade journals, and the personal correspondence, which form the basis and which are really the bloodstream of commercial and social intercourse. The Postal Service reaches places and people not reached by any other means of communication. I am proud to be at the head of this magnificent and universal communication system, and I am proud to be associated with the fine men and women who make up its field forces. You are doing a fine job and I am always pleased to publicly express my appreciation to the personnel of the Postal Service.

I make no extravagant claim and assert no right to any excessive amount of personal credit for the present high efficiency of the Post Office Department. I recognize that the spirit of loyalty and industry is inherent in the postal workers of today. I do claim that under this administration we have gained ground. Starting in 1933 we adopted policies which were calculated to safeguard this great public business, to improve its efficiency, to save money for the taxpayers, and to assume our full responsibility to the workers—and as we have gone along we have found no occasion to deviate from those fixed purposes. I can say without fear of successful contradiction that the adoption of these simple, straightforward policies has been the basis of our success.

The net deficit for the fiscal year 1932, which was the last full year of operation under the previous administration, was more than $152,000,000, and there was a net deficit in the fiscal year of 1933 of more than $50,000,000, notwithstanding that in the beginning of that year the postage rate on all first-class matter was raised from 2 to 3 cents. The fiscal year 1934 was the first full year of operation under this administration, and as the result of my recommendation at the beginning of that year the local rate on first-class matter was reduced from 3 to 2 cents, and in spite of the loss in revenue we suffered by that reduction in rate a net surplus was shown from our operations in that year. In 1935 we attained another net surplus. In the fiscal year 1936, due to the adoption of the shorter workweek, which cost millions of dollars and put thousands of men to work, and due to the fact that in that year the post office took over for the first time the custody of post-office buildings from the Treasury, we suffered a net deficit of less than $17,000,000. As the result of increased efficiency on the part of employees, coupled with increased revenues which reached an all-time high of $726,000,000 in the fiscal year 1937, we succeeded again in that year in maintaining our operations with a net surplus. In the fiscal year 1938 another surplus was shown; therefore, by adopting the same methods of bookkeeping as my predecessors, and by taking credit for the nonpostal items in the same manner that previous administrations claimed this credit, in 4 of the 5 full years of operation under my administration we have shown a net surplus from that part of our services which we render to the public for hire.

It was only in the fiscal year 1936 that we operated a full year with a net postal deficit. As I have said, this was the year in which we granted the shorter workweek to the employees, and I am convinced that the people of this country agree with me that it was wise for us to suffer that net deficit in order to advance the interest of the employees, to give them more time for recreation, and to enable us by this forward-looking labor measure to put more people to work.

We have established in the Department a new method of accounting, which keeps me currently and accurately advised concerning our fiscal affairs. The information furnished me recently by the Comptroller of the Department convinces me that the receipts for the present fiscal year of 1939 will at least equal and probably exceed the record-breaking receipts of the last fiscal year.

While we have been at this task of balancing our real operating expense with our income, we have carried on constant surveys looking to the improvement of our collection, distribution, transportation, and delivery services, and we shall continue to do this. I feel quite sure that with continued business prosperity, which means the continuance of the present gains in postal revenues and postal volume, and with no changes in postage rates, we can look forward to the time when under proper management the postal system of the United States will be maintained entirely from the postal revenues, and that cash withdrawals from the Treasury will not be required to meet the essential, non-revenue-producing activities of the Department.

It is obvious that the Postal Service, like any other business, can be operated more economically when the volume of business to be handled is large; therefore, it appears to be most important and in the interest of all concerned to urge the people to make the fullest possible use of the facilities offered. In my opinion, the rates of postage now in effect on all classes of mail matter are low enough to place them within reach of all the people. Letters may be mailed throughout the Nation and possessions of the United States, to Canada, and to Mexico for the domestic rate of 3 cents. Local letters for delivery within the district served by the post office at point of mailing are carried for 2 cents. Parcels containing merchandise and papers of almost any conceivable description, with the exception of poisons, may be mailed at nominal rates. No other transportation agency can offer to the public and to business the opportunities for wide distribution at so little cost.

Industrial and commercial establishments in increasing numbers are using this service as their agency of distribution yet there are many businessmen who have not availed themselves fully of the facilities offered. Therefore, I believe that it is in the interest of business and in the interest of the success of the Postal Service for postmasters to disseminate information about these matters. I do not advocate that postmasters attempt to interfere in any way with private enterprise. On the contrary I want the Postal Service to encourage private enterprise in every conceivable way. I do not want postmasters to solicit business with the idea of taking that business away from a privately operated concern. What the postmasters and postal employees should do in their publicity campaigns and in the dissemination of information is to encourage new business, and to point out to the merchants in their communities the possibilities of greater sales and other benefits to be derived by availing themselves of our various means of contact with the patrons. If you proceed in your service promotion campaigns along this line you will be rendering a public service that I am sure will be appreciated, and you will engender good will which, of course, is all important.

I shall greatly appreciate your continued cooperation both in maintaining efficient service and in the further development of the Post Office Establishment. I have enjoyed being here with you this evening and hope that I will have an opportunity to come to Wyoming again in the near future.

Balancing the Federal Budget

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1939

DISCUSSION OVER AMERICAN FORUM OF THE AIR

Mr. BILBO. Mr. President, on Sunday, May 28, 1939, there was a very interesting discussion over the American Forum of the Air between six Representatives and Senators on the subject of balancing the Federal Budget. I ask unanimous consent that it be made a part of the Appendix of the RECORD.

There being no objection, the discussion was ordered to be printed in the RECORD, as follows:

Announcer MCCORMICK. The American Forum of the Air!

We bring you another in the weekly series of Forum broadcasts heard from coast to coast over the Mutual network from the studio-auditorium of the new Department of the Interior Building in Washington, D. C. These broadcasts are produced by WOL in cooperation with WOR.

The program takes place before a large audience in this new and modern auditorium through the kind offices of the Secretary of the Interior, Harold L. Ickes, in the interest of stimulating unrestricted discussion of nationally important topics under the direction of a nonpartisan organization.

The Forum is arranged and directed by Theodore Granik, prominent attorney and pioneer radio educator, who is chairman tonight. The Forum will be presented in two parts. First you will hear two distinguished speakers present their views on the issue. The topic then will be discussed informally by a panel. And now we turn the program over to the chairman, Mr. Granik.

Chairman GRANIK. Thank you, Mr. McCormick.

To businessmen who have been asking for relief from taxes Secretary of the Treasury Henry Morgenthau yesterday presented to Congress what some of the press have termed the administration's "business appeasement tax program." He recommended to the House Ways and Means Committee the enactment of tax legislation to promote the use of idle money for industrial expansion, asking that consideration be given to the removal of irritants to business.

But in removing defects or making adjustments at the present time, the committee should guard against changes which would fail to maintain revenues, the Secretary warned.

"We must take no step," he said, "which the public may interpret as moving away from the objective of a balanced Budget."

Budget balancing has been the highlight of political discussion during the past week. Following upon the heels of the Republican Party's announcement that they would celebrate National Debt Week, urging a reduction in Federal spending, came the answer of President Roosevelt. Speaking before the American Retail Federation, he said:

"But the people who run the three branches of our Government do not have the moral right to gamble with the well-being of 120,000,000 Americans. If millions of citizens starve, it is no answer to the starving to say that in the sweet by-and-by business, left to itself, will give them a job. Partisans are going around the country scaring parents who are not starving by telling them of an increased national debt which their grandchildren will have to pay. Certainly that is not as alarming as telling the parents who are already starving, that an untrammeled business set-up will provide their grandchildren with food in 1989. Yet that is what the radical gamblers of business and politics might have to say, if they put their theories into practice next year."

While the President's speech was a defense of the spending theory, and a renewal of his pledge to do whatever possible by governmental incentives or otherwise to raise the national income to the desired $80,000,000,000 level, critics of the administration's program maintain that it has been reckless and wasteful. They contend that the national debt is too high, that the Nation's credit has been undermined, and that the continuance of deficit spending and failure to balance the Federal Budget will bring financial disaster to the Government and to the thousands of wage earners throughout the country.

While congressional and industrial leaders weigh the problems of Budget balancing, the American Forum of the Air is pleased to present its discussion by several distinguished Members of our Congress.

Our opening speaker will be Senator JOHN A. DANAHER, of Connecticut. He will be followed by Senator CLAUDE A. PEPPER, of Florida.

And immediately following, we will present an informal panel discussion.

Our panel members are: Senator ALLEN J. ELLENDER, of Louisiana; Congressman JED JOHNSON, of Oklahoma; Congressman FRED L. CRAWFORD, of Michigan; and Congressman ROBERT A. GRANT, of Indiana.

And now Senator DANAHER.

ADDRESS BY SENATOR JOHN A. DANAHER

It was with some trepidation and great humility that I accepted an invitation to discuss with you my attitude, at least in part, toward the issue raised by a continuation of this administration's program. I have the highest personal respect for my distinguished colleague, the junior Senator from Florida, who appears upon this program with me. It is no secret to either of us that I differ from him on some of the fundamentals of the problems confronting our Nation. I am not fatuous enough to insist that my views are necessarily right but I am equally insistent that neither are his. It is part of the American way, however, that we should discuss this situation with you and point out our respective approaches in the hope and expectation that our people will ultimately give thoughtful and earnest consideration to the issues, and when they have arrived at the conclusions which will actuate the electorate, our people will select as their agents those candidates for office who represent the majority views. Out of the conflict of ideas, out of the compromises in phrasing our legislation, there will ultimately be reconciled what we know as our law. When through the legislative processes the national viewpoints have been crystallized into law, we are all and of right ought to be bound by that law.

It is the more necessary, therefore, in these trying and critical times that we define the issue, and in so doing we are justified in turning to the language of the President of the United States, not that the idea embodied therein is necessarily his; indeed, there is a growing attitude that the ideas are not his, but at least he is the spokesman of them.

The issue now before us is, Whether or not the people of the United States of America want a new economic order, one which the President said was to be built "upon essentially democratic institutions." On January 3, 1936, he told the Congress and over the radio told the country: "It goes without saying that to create such an economic constitutional order more than a single legislative enactment was called for. * * * Now after 34 months of work, we contemplate a fairly rounded whole. We have returned the control of the Federal Government to the city of Washington. * * * They (his critics) realize that in 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people. * * * I recommend to Congress that we advance and that we do not retreat."

On various occasions he has told us of a planned economy which he has in store for us. He told us, and I quote: "We planned it that way."

On last Monday night speaking before the National Retailers' Forum he told us again: "You cannot expect this administration to alter the principles and objectives for which we have struggled the last 6 years."

And there you have it. Not only did the Congress receive a recommendation in 1936 that we advance and that we do not retreat, but we are now told that this administration cannot be expected to alter the objectives which it has sought for the past 6 years, a centralized government, with power which in any other hands would shackle the liberties of our people, a government which so far departed from the principles and the declarations upon which it sought and obtained office that it is reasonable to conclude an unbalanced Budget may continue to be unbalanced as part of the program.

But what of it? The President says: "Our national debt after all is an internal debt owed not only by the Nation but to the Nation." I hope that the retailers who heard that declaration were able to tell their supplying manufacturers: "Don't pay any attention to our debt to you, it's an internal debt and after all you're among friends." I hope that the charge customers of the retailers will take courage and will tell the retailers: "Just forget about last month's bill, this is an internal debt, this is just between you and me."

Well, let's see what's been happening.

On the credit side of the ledger there have been great social reforms. There have been curbs upon unlimited exploitation of finance and of people. It is certainly reasonable and probably accurate to say that there has been enacted in the past 6 years more desirable social legislation than over any similar period in the history of government. It is to be doubted that any considerable portion of our people would wish to reverse or repeal these reforms. Very properly and in all fairness it should be conceded that over many generations throughout history there had grown up abuses which called for such corrective measures and the newer and better and preponderant group among the Republican Party, as among the people as a whole, should and will accept these contributions to the body of our law.

But to balance the Federal Budget in terms reflecting this administration's program otherwise ceases at that point. In the effort to create a new economic order the administration has signally failed. The millions upon millions of unemployed throughout this country are still unemployed with no prospect whatever for their release from their plight. To me it is the

source of overwhelming dismay that the administration, despite a dominant control of the Congress, has not during the past 5 months of this session introduced a plan, nor has it contributed even an idea looking toward economic relief.

Despite the fact that hundreds of millions of dollars have sought investment, there has been no tangible evidence of encouragement in that direction. The administration has not taken one step to correct the economic fallacies which have continued the plight of our people.

The price of cotton, for instance, was pegged or fixed so that not only did we not sell our cotton abroad, we are losing our markets to foreign countries. The same number of people who bought our cotton before want it now. The same uses for cotton abroad still exist. Our President talks about placing an export bounty to move our cotton into foreign markets and then about subsidizing American manufacturers against the competition which would follow from manufacture of textiles abroad.

The capital-gains tax has been continued and constitutes an effective throttle upon even an urge to invest our money in productive enterprise. I ask any one of you if he had $100,000 to invest right now, into what business or into what field would you place it for investment? The Government says in effect: "Go ahead and invest your money. If there's a profit we'll take it, or most of it, but if there is a loss it's too bad, that's your hard luck."

You have no idea but what before the week is out, the administration might enter into a new trade agreement with some foreign power and sell your industry down the river. Hundreds of millions of dollars of agricultural products are coming into this country annually under the trade-agreements program. They displace American agricultural products. The zinc mines of Wisconsin are closed. Movements of Swiss watches are imported and displace movements made by American mechanics. British woolen goods are displacing American woolen goods in the American markets. The instances are too numerous to repeat, but the administration through its centralizing of power in the hands of the Executive, is able to tell Hitler, as the President did in the White House letter of May 14: "* * * The Government of the United States would be prepared to take part in discussions looking toward the most practical manner of opening up avenues of international trade to the end that every nation of the earth may be enabled to buy and sell on equal terms in the world market. * * *"

Do not American people realize that the goods and the articles of commerce formerly made by American workers are right now being displaced in our markets or are being threatened with displacements by importations produced by cheap foreign labor? Why would anyone want to invest money and make employment under these conditions? And, I ask you, what of the Americans walking the streets today looking for work?

Every adult listener knows the history of the development of the automobile. Do you ever think of the millions which were spent in developing inventions in connection with it? Take free-wheeling if you choose. Just a few years ago all of the automobile engineers were working on the free-wheeling device. Millions were spent in its development, and it was finally placed into a great many stock cars. It turned out to be a highly practical invention, but the public didn't like it and now you won't find free-wheeling in any stock car, and if you still have it on your own car you probably don't use it. There have been millions and millions of dollars spent in the development of the radio, in short, these millions represent investment but it was lost. And without the hope of possible profit, no one wants to risk his money.

This administration spends millions of dollars irrigating valleys in Nebraska for the production of beet sugar. Then it puts a quota on the production of sugar, places a limitation on the amount that is produced, and Nebraska can't produce sugar. Domestic sugar producers are limited to 55 percent of the domestic demand.

Two weeks ago the Senate passed the Barkley trust indenture bill, under which every agreement against which there are bond issues in excess of $1,000,000, must be approved by the Securities Exchange Commission. There is not a business with outstanding bond issues in excess of $1,000,000 which today can tell upon what terms and conditions the S. E. C. will approve a refunding indenture. At maturity, the corporation must come to Washington and it must get the approval of this agency before issuing refunding bonds. If approval is not granted, receivership will be the result. Even the very life of the business will depend upon the Commission—a new instrument of public power.

The continuation of deficits to the extent of billions of dollars a year means that the United States Government is withdrawing from our trustee institutions, our banks, our insurance companies, the people's money, giving the institutions I O U's in return, and hence withdrawing capital which would otherwise have been available for private investment. And meanwhile these Government bonds are tax-exempt to the holders, while our people are being taxed more than a billion dollars a year to pay interest on the bonds. Above all, the administration is linking the ultimate destiny of these institutions, your institutions, to its own!

There have been millions and millions of dollars spent in the development of inventions that have been failures, but there must be risk capital provided. Without the opportunity of a possible profit, no one wants to risk his money.

I ask you to look at the paper money in your pocket if you have any. If not, examine the next paper money you see and you will find that you are carrying around what passes as money now, almost every piece of it bearing the word "silver certificate." These certificates were issued against the world's silver at an artificial price of $1.29 an ounce. Never mind if the market is 46 cents an ounce, the United States says the value is $1.29, and now we have over 900,000,000 ounces of the stuff buried in a hole in the ground at West Point. For what? We can't sell it! There's no market for it unless we make it. It might just as well be beans, or tin—in fact, better, we could eat the beans and we could sell the tin. In the meantime the President retains his power to issue $3,000,000,000 in greenbacks, and when we reach our debt limit of $45,000,000,000 the President will have what he calls a club because of his power to issue the greenbacks.

While those who are employed and the farmers and business are struggling to make ends meet and at the same time pay for this administration's program, don't lose sight of the fact that you are going to build up a new economic order with new instruments of public power. Don't forget that this power may yet provide shackles for the liberties of our people.

If when you review this program in your mind you are satisfied that you get your money's worth, the Federal Budget can be said to be balanced. I choose to believe, however, that a nation, one-third of whose people is still ill-fed and ill-housed and ill-clad, is still very much in the red and it is not a new economic order that I want. I want to see our Nation produce. I want to see our Nation distribute. I want to see that ill-fed one-third, 40,000,000 people, become a happy people. I want to see a market for our goods. I want to balance the Federal Budget in terms of happiness and not of misery.

Chairman GRANIK. Thank you, Senator DANAHER. You are listening to the American Forum of the Air presenting a discussion on Balancing the Federal Budget. You have just heard Senator JOHN A. DANAHER, of Connecticut.

And now we present Senator CLAUDE PEPPER, of Florida.

ADDRESS BY SENATOR CLAUDE PEPPER

When the propagandists and the Presidential aspirants and the statesmen of the Republican Party attempt to frighten the American people with the national debt, under the head of a name that some high-priced commercial publicity agent supplied for them, National Debt Week, common honesty demands that they tell the American people the truth. The truth is that the national debt is $40,000,000,000. The truth also is that twenty of those billions of dollars existed as the national debt when Franklin D. Roosevelt took office in March 1933. The truth further is that a Republican President, Herbert Hoover, created $4,000,000,000 of that national debt with little to show for it except bread lines by the hundreds in the greatest and richest nation in the world. The truth further is that had not Andrew Mellon, under the permission and the patronage of do-nothing Calvin Coolidge, given as far as he could the fruits of American prosperity in the late twenties to the big-business interest of this country, had he not taken off their backs the just tax burden they should have borne during those days, there would have been no national debt when the depression began and the whole credit facilities of this country would have been available for an intelligent leadership and statesmanship to have made effective war upon this, the greatest enemy which has ever landed upon America's shores.

So, twenty billion from forty billion leaves $20,000,000,000 that that administration has added to the national debt. The truth also is that $2,000,000,000 of that debt went to pay the bonus—a part of the debt that the American people owed to the veterans of the World War. The truth also is that Franklin D. Roosevelt vetoed the bonus, and the Congress, with the evident approval of the American people and with the congressional support of the Republican Party, passed it over his veto. The truth also is that if Herbert Hoover's Republican administration had had a fair appreciation of the country's obligation to her veterans of the World War, he, in the day of American prosperity, instead of taking the taxes off the back of the very rich in this country so they could use those savings for speculative purposes, would have paid this bonus and been through with it instead of driving America's war heroes out of the city of Washington at the point of the bullet and the bayonet under the personal direction of the Chief of Staff of the United States Army, acting under the personal command of the President of the United States.

Two billion from twenty billion leaves eighteen billion then. There are more than three billion in the Treasury unspent. That is cash on hand. Three billion from eighteen billion then leaves fifteen billion. The truth further is that there are two billion in the stabilization fund. That, too, is cash on hand. That leaves thirteen billion. The truth further is that there are $4,000,000,000 of recoverable assets; that is to say, securities actually on hand which will yield that amount, securities which would be worth that in any bank's portfolio, the kind of securities the banks, insurance companies, and other financial institutions do have in their portfolios. That leaves $9,000,000,000. The truth further is that the people of the United States, and therefore the Government of the United States, has something definitely to show for that $9,000,000,000, because it went primarily into the greatest public construction program this country has ever seen.

That includes every structure of every kind that the P. W. A. and the W. P. A. have helped to build, all that has been done in the C. C. C. program, all the aid that's been given to agriculture, a great deal of the expenditures we made upon the national defense, all that's been done in the development of the country's natural resources in soil conservation, reforestation, the development of power resources, the T. V. A., the Boulder Dam, the Coulee Dam, the Bonneville Dam, the reclamation program of the West, the flood control of the Mississippi, the Missouri, the Ohio, the greatly

enlarged road-building program, the Dust Bowl improvement program, the public parks, playgrounds, and other recreational facilities of the country which every day are making, through the children of this country, a healthier and a happier America. These are valuable and lasting assets. Something to show for what has been spent as well as something to give a job to a man or a woman who otherwise faced starvation or the humiliation of the bread lines. The truth is that these assets are to be enjoyed by our children and their children while they paid a share of their cost and construction.

Every American knows that when this program was inaugurated it was done by the common consent of this Nation and all parties politically; everybody knows that the Republican Party went along with this program, and even until today they are essentially going along with it in the Congress in its basic principles. While the Republican high command, through its publicity department, castigates the New Deal, when they vote on the floor of the Congress they vote for Federal expenditures with as great a unanimity as do the Democrats. When $400,000,000 agricultural appropriation bill was voted by the Senate a few days ago there were hardly enough Republican "noes" to be audible except that one prominently mentioned Republican Presidential aspirant, coming from an industrial center, was willing to put himself on record as being opposed to a program to help the farmers of America.

Fundamentally we have faced in America in the last few years a different problem from that which we faced ever before in our history. The great depression would probably have come upon this country about the end of the first decade of this century. The event which postponed that great depression was the World War, which reduced the productivity of Europe for nonwar purposes and for both war and nonwar commodities gave America the greatest market it had ever had. We carried on, therefore, until the early twenties under the impetus of this European demand. The great depression would have come again immediately in the early twenties after the World War but for another intervening policy. That was our policy of continued foreign loans to aid in the restoration of war-stricken Europe. The same policy extended vast loans to construction activities the world over—Central America, South America, Asia, and the wide world. It is not commonly mentioned that that construction was being paid for—in other words, that the market for American goods was being provided by American money, $11,000,000,000 of which during the war was Federal money raised by the issue of Federal securities, added to the national debt. Another part of that money was afforded by credit that was extended by private business enterprise which was borrowed in turn by private business from the reservoir of savings of the American people. It is also overlooked that in the post-war days this new purchasing power was provided by an increase in the public and private debt, which came as all capital must, out of the savings of the American people. Supplementing the borrowings of private business in the twenties were the borrowings and the expenditures of local political subdivisions in America—States, counties, cities, districts. By the late twenties the total outstanding debt for these purposes of private business, local governmental units, and the National Government, was approximately the figure it now is. So the prosperity of that period came out of the expenditures that were derived from the savings of the American people. When the vast debt which now largely bears them to earth was being piled upon the backs of the States, counties, cities, and districts of this country the voice of Coolidge and Hoover in the White House was as silent as the tomb in protest.

When the debacle occurred in 1929 and the depression deepened to the tragic depths of 1932, loans abroad had long ceased. The States, counties, cities, and districts were overburdened with outstanding debt. The first load of relief fell upon their already weakened shoulders and many expanded their debt to the point of bankruptcy. With the productivity of the American economy system abruptly curtailed by the loss of foreign and domestic markets, with agriculture in a state of paralysis, and business in a collapse, the purchasing power of the people gone, and the vicious cycle growing worse, by common consent the people of America demanded a change in national policy. They saw, for the first time, that only the National Government could make an effective approach to the question of national prosperity and national employment and against national disaster. They rebelled against national inertia, timidity, or incompetency which allowed the national income to drop from $80,000,000,000 in 1929 to $40,000,000,000 in 1932. They demanded not only reforms in the economic and social order, but they demanded that the people of America have a chance to work, and when private enterprise did not and could not afford that opportunity, when the States, counties, cities, and districts could not make it possible, they demanded that the only agency that could do it—the National Government—do it and do it effectively.

So since 1932 we have had a different political philosophy in America. The National Government has assumed obligations it never before bore. Obligations, as the Democratic platform of 1936 said, "which are the first concern of any modern government—to protect the home, to give fair economic opportunity and relief against disaster." The Government essentially has been the go-between between idle capital and idle men. It has been the link in the economic chain which could pull the two together to strengthen the bonds of the Nation. Private enterprise could not take all the risks in this troubled period because the problem was so tremendous that no single economic unit was able to master it. But through the agency of the Government the risk could be distributed over the whole system and there could be a united attack upon the problem. That is to say, if a private enterprise borrowed from the savings of America the money to start a new business, that business might, for the lack of customers, perish. The investment would be lost, the business collapse and unemployment gain no benefit. But if the Government borrowed this savings and created with them useful work there was no risk in the first place but such risks as there were were distributed over the whole economic system. The happy result was that the lender had a safe investment and got a fair return on that investment. The borrower created a useful product, the unemployed got a chance to work, and the Nation an asset that contributed to its income and its whole wealth. All that has happened is that idle capital has been turned to useful purpose by governmental instrumentalities to the enrichment of the Nation and the employment of the people.

Now, this policy under attack by the Republican opposition is subject to the fair scrutiny of the American people. There has always been a sense of fair play in the American people. There has been a spiritual element in America's policy. Let America turn the light of honest inquiry upon the opposition for the moment. Do they propose to give America better health than it now has? Do they propose to save lives snuffed out yearly by preventable diseases with further governmental effort? Do they propose to improve the school system and the educational facilities of America? Do they propose more attention and effort upon vocational guidance and rehabilitation? Do they offer the families of America better homes? Do they hold up so they can be seen, so they can be assured, more jobs for the men and women of America? Do they offer more security to America's aged? Do they actually hold before the American farmer the assurance of a greater market and a better price for what he grows? Do they offer to the American people a more wholesome, a cleaner, a more noble society than they now have? Do they show their ability to stimulate the moral fervor and the spiritual enthusiasm of the American people to greater heights? What is it that they have to give to America that deserves America's confidence and America's cooperation? What cure do they offer for America's ills? Where would they supply the supports for the weakened portions of the system?

We have bridged the gap between money and the unemployed. We have provided hospitals. We have given better health. We have given a measure of security to the aged as well as the unemployed. We have given security to savings. We have elevated the moral tone of American business. We have, in a way becoming a Christian nation, been the Good Samaritan and tried to bind up and pour oil upon the wounds of the helpless, and by the basic reforms which we have made in the economic order in response to the demands of the times and the people, we have secured the maintenance in this country as a shining example for all the world, the maintenance and effectiveness of the principle of democracy. Under Roosevelt this is a government of, by, and for the American people.

When these cynics sit in the scorner's seat and hurl the cynic's band, let them answer for the life and the home they would build for the man by the side of the road.

Chairman GRANIK. Thank you, Senator PEPPER. This concludes the first part of tonight's presentation.

Announcer MCCORMICK. The panel discussion will proceed immediately following station identification. This is the coast-to-coast network of the Mutual Broadcasting System.

We continue with the second portion of the American Forum of the Air, originating in the studio auditorium of the new Department of the Interior Building in Washington, D. C.

We return to the chairman, Mr. Granik.

Chairman GRANIK. And now, as part 2 of tonight's forum on Balancing the Federal Budget, we present an informal panel discussion. Our panel members are Senator ALLEN J. ELLENDER, of Louisiana; Congressman JED JOHNSON, of Oklahoma; Congressman FRED L. CRAWFORD, of Michigan; and Congressman ROBERT A. GRANT, of Indiana.

Senator ELLENDER will open the discussion.

Senator ELLENDER. Mr. Chairman, ladies, and gentlemen, I am certain that all of you who are before me, as well as the radio audience, are extremely interested in the subject under discussion and enjoyed the presentation made by Senators DANAHER and PEPPER. However, I cannot help but express surprise at the speech made by my good friend and colleague, Senator DANAHER. Being fresh from the people, I thought he would adopt a new method of approach on such an important subject rather than the usual evasive manner adopted by his fellow Republicans. I felt confident he would tell us how the Budget should be balanced. I thought, maybe, he would point out to us what appropriations should be pruned. Also, what methods were proposed by him and his colleagues to remedy the situation. But, instead, he has attempted to criticize some of the policies of the New Deal which have little or nothing to do with balancing the Budget. He has sought to make mountains out of molehills with the evident intent of clouding the issue.

You know, of course, that the New Deal has been blamed for almost all the evils under creation. It was blamed for having caused the locusts and grasshoppers to do untold damage to the farmers of the West. It was also criticized for having caused the duststorms. I cannot trace the authenticity of such fantastic criticisms. I propose to point out to you, however, that in his speech the Senator has attempted to blame the New Deal for the millions that were lost by the automobile industry when the public failed to use free wheeling! I quote: "Take free wheeling, if you choose. Just a few years ago all of the automobile engineers were working on the free-wheeling device. Millions were spent in its development and it was finally placed into a great many stock

cars. It turned out to be a highly practical invention, but the public didn't like it, and now you won't find free wheeling in any stock car, and if you still have it on your own car you probably don't use it." The Senator also states in the same breath that millions of dollars were spent in developing radio, and all of this investment has been lost. I suppose the blame for such losses is likewise being laid on the doorsteps of the New Deal! Personally, I believe that the radio has provided one of the most profitable of our new industries.

The subject for discussion this evening is Balancing the Federal Budget. I wonder if Congressman JOHNSON can shed any light on that subject in keeping with the presentation made.

Congressman JOHNSON of Oklahoma. Mr. Chairman and ladies and gentlemen, I was interested also in the Senator's statement about how he would balance the Budget, or, rather, the fact that that is conspicuous by absence from his speech. The gentleman speaks in glittering generalities, as all the Republican spellbinders do, about the New Deal. But not one of them says, and the gentleman from Connecticut didn't say, that he would abolish any part of the New Deal program.

I was amazed when the gentleman made this admission, and he got a good hand on this, the only good hand he got: "There has been enacted in the past 6 years more desirable social legislation than in any single period in the history of government of the United States." And he got a good hand on it.

Then he went on to say, "It is to be doubted that any considerable portion of our people would wish to reverse or repeal these reforms." So evidently the gentleman doesn't wish to repeal or abandon that part of the program. Now are we supposed to ask questions, Mr. Chairman? I think the distinguished Senator ought to be able to defend himself. He made a very forceful speech, and yet he didn't say he would abandon the N. Y. A., the C. C. C., or any part of the program, and he admits that the social security has taken very forward steps, and I would like to know if he would like to abandon it and what part of the New Deal he would abandon in order to balance the Federal Budget.

Senator ELLENDER. Congressman JOHNSON, the Senators who have spoken cannot participate in this discussion, and maybe Congressman GRANT can give us some information on the subject. Suppose we find out from him.

Congressman GRANT of Indiana. Well, Mr. Chairman, I was particularly impressed by these words in the speech of the Senator when he said when this program of spending was inaugurated, it was done by the common consent of the Nation and all parties politically, and that the members of the Republican delegation in Congress went along. And that is true. At that they had some hopes for the future as promised by the man who had just been inaugurated as President.

Experience has proven to us, however, that the Economy Act of 1933, cutting the payments to veterans, is about the only thing that has remained. They alone have been the victims of this economy program. I am more inclined to believe the President in his statement that he made in 1932, that "any government, like any family, can for a year spend a little more than it earns, but you and I know a continuation of that program leads to the poorhouse."

Congressman JOHNSON of Oklahoma. Now, why not let's get down to cases? Why don't you tell this audience and the radio audience what part of the New Deal you would abandon this time in order to balance the Budget? Isn't that a fair question and isn't that what we are discussing?

Congressman GRANT of Indiana. No; I don't believe it is a fair question, but I want to say something about it. First of all, I don't believe the Budget can be balanced by mere pruning of expenses here and there. It was said in the speech by the Senator that in 1932 we saw the coming of an entirely new political philosophy in America, and that is the thing that distresses me, but when you ask which of those things we ought to cut out, true, those of themselves wouldn't balance the Budget, but I would quit putting in a million dollars to promote W. P. A. at the world's fair, I would quit spending a million and a half in W. P. A. for travel expense, I would quit talking about spending two or three hundred million dollars to build a ditch across the State of Florida, and other such useless uses of the Federal money.

Senator ELLENDER. Isn't it a fact that the Congress voted down that proposition, Congressman GRANT?

Congressman GRANT of Indiana. Quite true, but I believe—I only say I believe—that it had the endorsement of the administration. I think it is not denied that the distinguished Senator from Florida, who is with us tonight, is known as one of the administration spokesmen. He was one of the most ardent supporters of that matter before the Senate.

Congressman CRAWFORD. Mr. Chairman, may I answer you and answer this question about balancing the Budget? I have an exact answer; it is absolute; it doesn't deal in generalities. It comes from John W. Hanes, Under Secretary of the Treasury. Speaking at Indianapolis, Ind., May 4, he said this, and I recommend this to all new dealers and to those Members of Congress who have just propounded this question. The Under Secretary of the Treasury says: "The economic history of our country points clearly to the only sound solution for employment, for weak capital markets, and for an unbalanced Budget. That solution is the creation of a healthy, prosperous economy, whose maximum powers can be generated only under profitable private enterprise."

I think that is a good enough answer for anybody, and, so far as I am concerned, I am going to accept it.

I was very much interested in the legerdemain the Senator from Florida gave a while ago with reference to these figures on the National Budget. I thought something like this would come up in the way of giving the pedigree of all the Republican Presidents that were past, so I want to deal with cases. I am going to deal with something very specifically, instead of generalities. I have here before me the statement of the public debt of the United States, February 28, 1939, and my colleagues are looking over my shoulder and they can verify these figures.

The gross Federal debt on that date was forty and one-half billion dollars. The cash balance in the Treasury General Fund on May 24 was only two million nine fifty-two—not the figures quoted by the distinguished Senator from Florida.

Senator ELLENDER. Mr. CRAWFORD——

Congressman CRAWFORD. Wait a minute; you are very anxious to get something in detail. Furthermore, I find on the same sheet that Government has guaranteed by the United States, based on guarantee, $5,438,000,000. It has in the form of obligations based on credit of the United States another $1,289,000,000. It has an additional four billion three hundred forty-three million debt for Federal Reserve notes, but we will leave that out.

Let's take the forty and one-half billion, plus five billion four thirty-eight, plus one billion two eighty-nine, that gives forty-seven billion two twenty-seven. Let's deduct from that the $12,000,000,000 which the Democrats extended to the western European countries which they haven't tried to collect in the last 6 years, not even the interest.

Senator ELLENDER. You mean the Republicans.

Congressman CRAWFORD. That debt was made during the war, under Wilson's administration.

Senator ELLENDER. That may be true, but the Republicans were the stanchest advocates of our entry into the war.

Congressman CRAWFORD. When you sum that up you have a $47,000,000,000 debt. If we eliminate $11,000,000,000 owed by four or five or six European countries, we find three billion one twenty-eight coming back to us in the way of capital stock in R. F. C., for instance, a few things like that.

Congressman JOHNSON of Oklahoma. What does that stand for, relief for Charlie?

Congressman CRAWFORD. He doesn't want details, he wants generalities so he can demagogue back at us. Three billion one twenty-eight off the $47,000,000,000 leaves you $44,000,000,000; and if you will take off that $2,000,000,000 bonus, it leaves a debt tonight of $42,361,000,000.

Now, let them deal with a few of those things; let's stick to the issues and keep away from generalities.

Senator ELLENDER. Just a minute, Mr. CRAWFORD; you wouldn't attribute the war debt of over $12,000,000,000 to the Democrats, would you?

Congressman CRAWFORD. I certainly would. We were going to keep out of war in November 1916, and in April 1917 we were going to save the world for democracy.

Congressman JOHNSON of Oklahoma. And who scaled down those debts?

Congressman CRAWFORD. It wasn't a question of scaling down the debt, because the present administration has been scaling down these debts since 1933; and that is one of the biggest demagogic points they have today, how they have scaled down the debt. They have scaled down every debt except the debt of the taxpayer, and that is going up all the time.

Senator ELLENDER. I have before me a message of the President on the Budget——

Congressman CRAWFORD. Yes; I have that, too.

Senator ELLENDER. Delivered by the President of the United States to the Congress.

Congressman CRAWFORD. I have about 5 pounds of messages, all in print.

Senator ELLENDER. If you want to keep on talking, go ahead. I just thought I would be given an opportunity of presenting actual figures pertaining to the Budget.

Congressman CRAWFORD. I withdraw. I hope the Senator doesn't dispute these Treasury statements. If he does, I withdraw.

Senator ELLENDER. No. But I do dispute the method by which you have manipulated the figures.

Congressman CRAWFORD. I didn't manipulate them half as bad as Senator PEPPER did.

Senator ELLENDER. I cannot agree with you. You have added the cost of the World War; you have added every bond issue the Government has guaranteed in order to help business, such as Federal Housing, Slum Clearance, Rural Electrification, Reconstruction Finance, and the like.

Congressman CRAWFORD. I deducted twelve billion.

Senator ELLENDER. You have also added the cost of the Bonneville Dam, Tennessee Valley Authority, Grand Coulee, Boulder Dam——

Congressman JOHNSON of Oklahoma (interposing). All of which will pay out.

Senator ELLENDER. Exactly. Then there is also the Home Owners' Loan Corporation, which is paying out; export-import banks, which is being operated at a profit; and the like; and you charged all their obligations as a debt of the United States. But now let me give the figures as reflected in the Budget. The entire amount of revenues that was collected by the Federal Government in the past 6 years, under the Roosevelt administration, aggregated $28,088,000,000. The total amount of actual expenditures were $47,247,000,000, thereby leaving a deficit of $19,159,000,000. Now, let me point out to you how that money was spent.

Congressman CRAWFORD. Did you add into that these other guaranties?

Senator ELLENDER. Those are not direct obligations——

Congressman CRAWFORD. Oh, no. Talk about legerdemain in figures—here is $5,439,000,000 he hasn't added in there at all.

Senator ELLENDER. But those obligations are secured by ample collateral.

Congressman CRAWFORD. Those are guaranteed obligations by the United States Government.

Senator ELLENDER. But, my dear sir, they are secured with safe and bankable papers. They are secured by mortgages, bonds, and so forth, in the same manner as bank assets.

Congressman JOHNSON of Oklahoma. You gentlemen are never going to agree on what the Government owes. It owes plenty, no question about that, but let me make this suggestion. Do you know what the corporations of the United States owe at this time?

Congressman CRAWFORD. Let's talk about the Federal debt. Let's not worry about that.

Congressman JOHNSON of Oklahoma. They owe $185,000,000,000, and they are not worrying about it because they have assets. So does the Government of the United States have assets.

Congressman CRAWFORD. But the Corporation assets are items of exchange; they can be liquidated.

Congressman JOHNSON of Oklahoma. You never have told us yet what part of the New Deal you would abandon.

Congressman CRAWFORD. That wasn't the question you asked. You asked how to balance the Budget.

Senator ELLENDER. In order to balance the Budget would it not be necessary to do away with some of the New Deal activities—such as W. P. A., flood control, roads, C. C. C., and the like?

Congressman CRAWFORD. No; take Mr. Hanes' formula.

with N. Y. A., with C. C. C. or housing?

Congressman JOHNSON of Oklahoma. You don't want to do away

Congressman CRAWFORD. Check the way I voted. I voted against this debt myself.

Congressman GRANT of Indiana. May I ask the Senator a question: What do you think we have to show for this extra $20,000,000,000 debt?

Senator ELLENDER. I have the answer before me.

Congressman GRANT of Indiana. We still have people walking the streets looking for work.

Senator ELLENDER. That is true, but bear in mind that we now have 5,000,000 more employable persons than we had in 1929. This administration has spent over $1,000,000,000 in excess of ordinary expenses for national defense. I think every man on both sides voted for those items with the exception probably of my friend, Mr. CRAWFORD, who says he didn't vote for any part of the debt. Then we have the Veterans' Administration. We paid the veterans $2,000,000,000 by redeeming their bonds. For public works, for highways, for providing electricity, for reclamation, and other items, over $5,000,000,000. We have built schools, hospitals, sewer systems, sidewalks, parks, swimming pools, and so forth, for the enjoyment of the people, through W. P. A. We have——

Congressman GRANT of Indiana. If the Senator will yield, I mean in tangible results. You haven't put people back to work. There isn't confidence in business—things don't go ahead.

Senator ELLENDER. Nothing tangible? What else can be done? Has business responded? Business must cooperate with the Government. Forget the war scare. The Republicans are for practically all New Deal reforms. They say they can manage better. They desire tax reforms that will lower taxes so as to restore confidence. How can the same services be rendered in behalf of the masses with a lower income and at the same time balance the Budget? No, Congressman; the "outs" desire to get "in" so that our Government can be operated for the benefit of the few.

Congressman GRANT of Indiana. There are lots of people who would like to see the day when they can get a job.

Congressman JOHNSON of Oklahoma. Again I insist you tell us what part of the New Deal you would abandon in order to balance the Budget.

Congressman CRAWFORD. The Congressman from Oklahoma insists on getting away from the question. The question is Government spending, and that is what we are here to discuss.

Congressman JOHNSON of Oklahoma. There is very little of it you boys voted against, if it was in your own districts.

Congressman GRANT of Indiana. Back home in Indiana I heard about priming the pump, and if we put a bucketful of water in, it was supposed to make the well start to run, but under the New Deal all you get back is the primer; you put in a bucketful and get back a bucketful and the well dries up. It happened in 1937, the minute we stopped the spending program.

Congressman JOHNSON of Oklahoma. Do you know any Congressman in Indiana or any State who voted against any appropriation for his own district or State? It all depends on who locks the door as to whether or not you vote for it.

Sit-Down Strikes

EXTENSION OF REMARKS

OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

ARTICLE FROM SOCIAL JUSTICE OF JUNE 12, 1939

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from Social Justice of June 12:

[From Social Justice for June 12, 1939]

PENNSYLVANIA LEGISLATURE PASSES BILL PROHIBITING UNION VIOLENCE—WOULD NOT HARM BONA FIDE LABOR GROUPS—HITS REDS—RACKETEERS

HARRISBURG, PA.—Both the C. I. O. and the A. F. of L. have condemned the bill passed last week by the Pennsylvania State Legislature, which outlaws sit-down strikes and imposes other restrictions interpreted by union leaders as oppressive.

Granted that the bill does curb certain popular union practices, it is difficult to see where rank and file workers are deprived of any rights due them under law or ethics.

The measure surely cannot be compared to the reactionary act passed in Oregon last November.

Pennsylvania is only one of several States which have risen to defend themselves against unwarranted strikes and violence that victimize workers as well as employers. Minnesota, Missouri, and Wisconsin also have passed restrictive labor laws in the last few months.

If anyone is to blame for these measures, it is leaders of the John L. Lewis and Harry Bridges school of rule by force and bloodshed. With their deliberately conceived riots and general strikes, such leaders have so discredited themselves in the eyes of the public that reaction was a natural sequel.

RADICAL AGITATORS CAUSE REACTIONARY MEASURES

Now they cry that labor is being persecuted. Labor is being persecuted by its own leaders, whose irresponsible direction is doing the laboring man more harm than good.

Examination of the Pennsylvania bill fails to reveal any interference with labor's right to organize, to bargain collectively through an agency of its own choosing, or to enjoy any other right guaranteed by the law of the land.

On the contrary, the measure seeks to protect the worker both from employer domination and from predatory union leaders who would force him to join organizations against his will.

Coercion of employees by employers is forbidden. Under provisions of the bill an employer, another employee, a union leader, or anyone else may not forbid or force an employee to join any union. Nor may an employer be compelled by intimidation to submit to the dictates of power-drunk union leaders, who too frequently bear the "red" label of communism.

Surely the outlawing of sit-down strikes is not an encroachment upon the rights of workers. The United States Supreme Court has ruled that weapon illegal. It is recognized by practically everyone but C. I. O. leaders as an unlawful seizure of another's property.

In addition to forbidding sit-downs, the measure orders the State labor board to respect craft unions' rights to decide for themselves who shall be their collective bargaining agent. Obviously this is a blow to the C. I. O., which attempts and pretends to represent all workers in many plants where craft unions oppose C. I. O. representation.

SHOULD AFFECT ONLY RACKETEERS AND "REDS"

The bill would prohibit the deduction of union dues from an employee's pay check unless the employee individually and specifically would approve such deduction.

This provision, like the others, is not directed at bona fide labor organizations which promote the welfare of workers and cooperate with industry in the interest both of employer and employee. But it is intended to curb the activities of racketeers, who pose as friends of labor while exploiting workers for their own aggrandizement. It also seeks to squelch the growing influence of radical hate-stirring leaders bent on recruiting American labor to the ranks of communism.

Financial Policy of the Administration

EXTENSION OF REMARKS
OF
HON. WARREN G. MAGNUSON
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 7, 1939

Mr. MAGNUSON. Mr. Speaker, on May 22 the President of the United States addressed the Retailers' National Forum at the Mayflower Hotel in the city of Washington.

The President chose as his subject the financial policy of the administration, and to my mind he delivered one of the most able explanations of that financial policy which it has been my privilege to listen to.

Of necessity a financial policy entails taxation. We have heard a great deal lately from the opposition relative to the taxing policy which is complement to the financial activities of the administration. Many have complained about the burden of taxation. Others have objected to the methods of taxation. Still others have disagreed as to the distribution of the load. All in all, the subject involved in the fiscal policy of this Government is a live one.

It might, therefore, be interesting to compare our taxation with that of a common nation, England. Not that their tax rate is any justification for or against our tax rate, but it is indicative of our burden as compared with such countries as Britain.

The President, on the occasion above mentioned, directed a specific question to one of the guests at the dinner. Again his question was not in justification, but as one of interesting comparison. The President asked, during the course of his speech, for a disclosure of the kind of taxes an English merchant has to pay to "keep England afloat."

The distinguished guest to whom the question was directed was H. Gordon Selfridge, Jr., a former classmate of King George VI, head of one of the world's greatest department stores and one of the merchant princes of the British Empire.

Following the dinner, Mr. Selfridge gave an exclusive newspaper interview relative to Britain's taxation. The comparison is interesting. He said, generally, the average British subject pays much more than the average American. The 39-year-old Mr. Selfridge told not only of British taxes but declared the President a "really great man" and complimented him highly on his "marvelous speech." I further quote the rest of the interview relative to British taxation:

The British tax on gasoline is 16 cents a gallon, bringing the retail price up to 38 cents a gallon. Automobile tax is $6 for each horsepower, which brings the tax on my own car up to $225 each year.

British income tax is 27½ percent on all profits, worked out on a government schedule which is apt to be a little more than the balance-sheet profit because of the smaller amount allowed by the Government to be spent for depreciation, usually less than is actually spent by a firm.

Local taxes, based on occupation of property, vary from 50 percent to 150 percent of assessed rental—whether or not the company owns the property or rents.

A graduated tax is paid by my company on all salaries for national health insurance. Employees pay a tax themselves toward this insurance, and so does the Government, for the benefit of both the health of the employee and for unemployment benefits. It is a sliding scale, heavier in larger salaries, smaller on smaller salaries.

Another heavy burden is to be laid on business shortly through certain passage of a new bill now in Parliament providing that companies in vulnerable parts of the country must erect air-raid shelters for all employees within at least 5 minutes travel from the place of employment. These shelters must be finished by September, or the Government will not contribute 27½-percent subsidy promised if they are completed in time.

Total taxes paid by British citizens this year of a population of about 40,000,000 would estimate about $7,000,000,000.

It so happens that England, maintaining a civilization similar to ours, has one of the lowest tax rates, as compared to other similar countries in Europe. I do not have the figures relative to Italy, France, Germany, or the other major European powers, but they run exceedingly higher than the British rate.

It might be well for those who complain so bitterly, without considering whether or not we get value received for our tax dollar, to make a comparison with these other countries, such as Mr. Selfridge has made, before he condemns too bitterly the administration's financial policy.

The same figures obtain relative to a comparison of British income taxation rates, which run from 2.5 percent higher than the American rate on thousand-dollar incomes up to as high as 68 percent in excess in the higher brackets. For details of this interesting and lucid comparison may I refer you to the CONGRESSIONAL RECORD, volume 83, part 11, page 3079, of the Seventy-fifth Congress, under the remarks of the able Representative from Maryland, the Honorable David J. Lewis, in an article which goes into detail relative to British and American taxation.

That comparison cannot help but show that we in America are still pretty well off.

Flag Day

EXTENSION OF REMARKS
OF
HON. JOHN McDOWELL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1939

STATEMENT BY THE GOVERNOR OF PENNSYLVANIA

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by the Governor of Pennsylvania on Flag Day:

COMMONWEALTH OF PENNSYLVANIA,
GOVERNOR'S OFFICE,
Harrisburg, Pa., June 12, 1939.

STATEMENT BY THE GOVERNOR ON FLAG DAY

The flag, our Nation's well-beloved Stars and Stripes, was adopted by Congress 162 years ago in Philadelphia.

The day was June 14, 1777, and again, as is our custom, we pay tribute to those brave men who designated our Nation's emblem—the symbol of democracy, freedom, liberty, and justice—by observing Flag Day this year on June 14.

The flag stands for what we stand for, and we stand for what the flag stands for. Our fate and the fate of our flag are inextricably intertwined. It is well, on Flag Day, that we pause to realize how true these facts are. When we salute the flag we salute the Nation, which means that we salute those who have died in giving us our cherished heritage of freedom, those who carry on today to preserve what has been given us, and those yet unborn who will carry on in defense of the rights of a free people.

The Nation's flag was adopted on Pennsylvania's soil by a Congress which shortly afterward, with shot flying in nearby Brandywine, had to move from Philadelphia to Lancaster and York. The Stars and Stripes constituted a precious piece of bunting to the men who marched under it on Pennsylvania's rolling hills, because it stood for their lives, their families, their homes, their freedom, and their fortunes.

Today that flag is just as precious. Our lives, our families, our homes, our freedom, and or fortunes stand or fall with it. Our flag was conceived in the midst of battle and born at a time when liberty was most dangerously beset—an emblem for freemen to rally 'round. It is inspiring to recall that the resolution of Congress which created the flag was passed without a single word of recorded debate or argument. Those were days when men were on guard and they spoke against anything that displeased them with fiery eloquence and at length—but on the subject of their flag they were, to a man, in solid and invincible, and unalterable accord. That is the sort of spirit we need today when we think or speak of the Stars and Stripes.

Pennsylvania's men and women have played roles in the fight for freedom which are immortal. We think of them whenever we think of the Declaration of Independence, the Constitution, and the flag, particularly at this time when we are again about to celebrate Flag Day. More particularly we recall Pennsylvania's little seamstress of the flag, Betsy Ross, who lived on Arch Street in Philadelphia. Despite the fact that treasonable acts were being sought out by the enemy everywhere, Betsy went about her flag-making business with a courage which has come to be a source of inspiration to all of us. Our men and women share alike in the story of our flag.

Pennsylvania, because it is the State that has given the flag to the Nation, sets Flag Day apart as a legal holiday, so that its citizens may be free to participate in suitable celebrations. The flag will be flown from all State buildings and properties, and I know that all of our citizens will properly display the flag from their homes.

Economic Totalitarianism

EXTENSION OF REMARKS
OF
HON. CARL E. MAPES
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1939

EDITORIAL BY RAYMOND MOLEY

Mr. MAPES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by Raymond Moley, which appears in the current issue of Newsweek:

[From Newsweek of June 12, 1939]

PERSPECTIVE—ECONOMIC TOTALITARIANISM

(By Raymond Moley)

The testimony of Mr. A. A. Berle, Jr., before the monopoly committee recently deserves far more attention than it is getting. A plan such as Mr. Berle describes is not to be laughed off, as are most of the scrambled economic schemes emanating from the administration. Mr. Berle thinks clearly. He knows precisely what he is driving at. His proposal is a considered one and a plausible one. It would also stand our present economic system on its head.

Briefly, Mr. Berle proposes that Government set up a special banking system for capital credit to serve the needs both of private business and of public agencies. Money is to be lent for private businesses and for "nonproductive purposes" such as, presumably, the building of hospitals, bridges, and other public conveniences. A very low rate of interest is to be charged. The Government is to guarantee such loans, which would not appear as expenditures in the Federal Budget. The process by which money would be routed to the happy recipients of these funds would be a sort of phantom circuit or induction. But, of course, the Government credit would be burdened indirectly, just as an individual's credit is burdened when he endorses another man's note. Any man who has found his fellow endorsers unable to meet their obligations knows that bankruptcy can be reached by this road as well as by any other.

The foundation of this plan is imbedded in a profound conviction of Mr. Berle. He believes that the present lack of capital expenditures is the result not of restrictions imposed upon individuals by the present regime in Washington, but of the failure of the present financial system to meet "changing needs in a changing economy." How our economy is changing and where it is going—these questions are not answered in any detail. However, it might be well to ignore theory for the moment and consider, first, the practicability of Mr. Berle's scheme.

The R. F. C. and the Federal Reserve have been lending money to business borrowers for quite some time. In 7 years the total lending of this sort has been only $218,000,000. These agencies have advertised that they would make loans that the bankers would not make. But it will be readily seen that their ability to find risk-worthy borrowers is limited, for a bank that lends $218,000,000 in 7 years is not much of a bank. Presumably the Berle bank would do better. It would find risk-worthy borrowers such as hospitals. Loans would also be made to new and growing industries. Here Mr. Berle mentions a few—"rayon, steel specialties, or knockdown houses." Some of these enterprises probably have no difficulty in getting loans now, for those he has mentioned are among the most risk-worthy. But the more Berle enumerates of loan prospects, the more he raises questions of detail. And every proposition, in detail, can be kicked over, because we are a skeptical people these days. He does not, for example, mention loans to makers of labor-saving machinery. He does not mention the inevitable row with labor and subcontractors his bank would risk by loans to a prefabricated housing enterprise. He does not mention them because these skepticisms, in detail, add up to the grand skepticism which is depression.

Presumably the Berle bank, if it were to improve on the record of the R. F. C. and the Federal Reserve, would move to the tune of a greater faith than that which characterizes the typical banker's mind. It would be less concerned with the sordid item of profit, less hopeful of "breaking even" on certain deals, and more interested in "the plain need" of society for this or that venture with other people's money. For the more important side of the new bank's activities would be lending money to communities at inconsequential rates of interest.

At the present time, with the exception of money that the Federal Government gives or lends to communities, the limit of what a community can do for itself in public improvement depends to a great extent upon the judgments of the bankers, through whom it is compelled to borrow money, and upon the judgments of the individuals who have savings to invest in the securities of local governments. There is nothing in the past record of our local governments to indicate that there is any limit at all to the appetite of local politicians for money for public improvements. But they have been limited by the means I have suggested and by legal debt limitations. And here is the point where Mr. Berle's faith shows itself at its most effulgent. Mr. Berle believes it is possible, by law, to protect this sort of lending by his bank against "partisan political administration." As though paper protections could not be circumvented by politicians and by pressure groups such as the potent lobby of mayors, social-welfare organizations, a vast army of reliefers, and a puissant bureaucracy in Washington eager to stay in power.

So much for some of the practical aspects of the scheme. Now for its theory, or rather its theories, for Berle starts with two theories: The first is that capital can be "created" outright through a banking mechanism; that it is not, as we have always assumed, created by the savings of people invested for a productive purpose; that the banking mechanism can, out of nothing, "create" new capital substantially by fiat—by some financial legerdemain which is not related to savings; and when one gets to this point in the examination of the Berle thesis one is moved to brush aside all of the verbiage and say that if this is what the game is why don't we print money and hand it out to whatever applicant can persuade the people in Washington that it is for, in Mr. Berle's words, "the plain need" of society, or the "obvious needs," or the "needs which everybody recognizes."

The other theory, which Mr. Berle attributes to John Maynard Keynes, is the idea that the national income is increased by about two and a half times the amount spent on heavy capital production financed by Government funds. Berle indicates that there are differences of opinion on this point, and in that difference of opinion I want to be included on the profoundly skeptical side, for reasons that space does not permit me to state here. Certainly the Keynes theory has never been "demonstrated," as Mr. Berle says, if I understand the meaning of the word "demonstrated."

I am unable to see how this plan, if seriously attempted, could result in anything except a new economic system, in which the motive powers that now drive men "to scorn delights and live laborious days" are wiped out and, in their place, is put the discretion of an omnipotent state. For individual judgment about the uses of individual savings and the employment of risk capital would be substituted the judgment of government. This is economic totalitarianism.

I think Mr. Berle is to be respected for the frankness and clarity with which he has stated this case. If he is correct in his assumptions that private initiative has failed, then the next step must be such a mechanism as he suggests. But the American people, I believe, prefer individual selection not only in the making of their investments and in the creation of new forms of business activity, but in the choice of their legislators and administrators. Since this is true, they will exercise their selective prerogative by voting out of power, root and branch, those officeholders who have lost faith in the present economic system. They will give that system another chance under people who believe in it.

Alcohol as a Dilution Agent for Gasoline

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 13, 1939

EDITORIAL FROM THE PEORIA (ILL.) JOURNAL TRANSCRIPT OF JUNE 2, 1939

Mr. DIRKSEN. Mr. Speaker, it is most significant that the motorcar which won the international speed classic at Indianapolis on Memorial Day was powered with a motor fuel made of alcohol and gasoline. In connection with that subject I ask leave to insert a brief editorial from the Peoria Journal Transcript, published June 2, 1939.

[From the Peoria (Ill.) Journal Transcript of June 2, 1939]

DEATH IN THE AFTERNOON

When death flicked Floyd Roberts on the head on Memorial Day afternoon at the Indianapolis Speedway, a diminutive, dapper, daredevil named Wilbur Shaw was tramping a heavy foot on the accelerator of his racing machine to whirl past the wrecked car of his rival driver to a victory in the race classic.

Thus, in the midst of death in the afternoon, men had demonstrated to them the wisdom and practicality of the use of alcohol as a dilution agent for gasoline. For Shaw's car was powered with a mixture of gasoline and alcohol.

To Peorians this feat of Shaw's is of particular importance. This community is the distilling center of the world. It is the logical place to locate plants for the manufacture of alcohol from farm products and farm wastes. The use of alcohol for dilution of motor fuel is being done abroad and here. Shaw's victory last Tuesday in an 8-cylinder Italian-made car demonstrates in dramatic fashion the potentialities of such a mixture. Nor must all the credit go to him. The men who were injured, the man who died, and the others who risked their lives to provide the competition all deserve a share of the credit. To their courage we pay homage. To the practical lesson of Shaw's victory we attach some local significance because of the potential demand for alcohol for gasoline dilution which his performance creates.

Farmers Are Greatly Helped by Farm Security Administration

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

Mr. PATMAN. Mr. Speaker, the Farm Security Administration has completed a survey of the progress made by a group of typical rehabilitation borrowers, as of January 1, 1939. This survey, covering 1,498 families in the 11 counties of the First Congressional District of Texas, showed they had increased their total net worth since coming into the program from $274,536 to $928,300 at the end of the 1938 crop year, over and above all debts.

WEALTH INCREASED $436.42 PER FARM FAMILY

These families, therefore, had added a total of $653,764 to the wealth of their communities, or an average of $436.42 per family. These net worth figures, which reflect the difference between the total assets and total liabilities of each family, are considered an even better indication of progress than repayment figures, because they show the actual progress made by the family.

AVERAGE OF $144.85 PER FAMILY INCREASE PAST CROP YEAR

During the past crop year alone, these families increased their total net worth by $217,000, or an average of $144.85 for each family.

RAISE LIVING AT HOME ENCOURAGED

One of the primary aims of the rehabilitation program is to enable borrowers to raise their own food supplies and livestock feed, so they will be less dependent upon cash crops. Their progress is indicated by the fact that the 1,498 typical F. S. A. families, who reported in our district, had stored away 431,000 quarts of fruits and vegetables last year to tide them through the winter. The average family has increased its annual production of home-canned food by 250 quarts since it first received an F. S. A. loan.

Moreover, the production of meat for home use has risen a total of 551,156 pounds annually, or 368 pounds per family; and the average increase in egg production for home consumption was 83 dozen per family.

Relatively few families owned milk cows when they first sought F. S. A. aid, and this lack often was reflected in the health of their children. By the end of the 1938 crop year, however, the borrowers in our district reported that they had increased their milk production by an average of 435 gallons annually, or a total of 652,040 gallons.

This increase in the production of foodstuffs does not mean additional competition with farmers in other areas, since virtually the entire output was consumed at home. It represents improved diet, based on foodstuffs which previously were not available, usually accompanied by a marked improvement in health.

DEBTS ADJUSTED

One of the most frequent causes of distress among farmers is the fact that they are overburdened with debts. Consequently the Farm Security Administration has set up local farm debt adjustment committees to bring the debtor and his creditors together for a friendly discussion of their mutual problems. These committees have no legal authority to compel adjustments, but usually they find it possible to reach agreements for extending the time of payment, reducing interest rates, or scaling down the obligations. As a result, the farmer is saved from foreclosure, and his creditors obtain substantial payments on what might otherwise have been uncollectible debts.

In our district 139 farm families had been helped through such debt adjustments up to January 1939. Their obligations were scaled down from $336,758 to $298,842, a total reduction of $37,916, or 11.2 percent. As a direct result of these adjustments, a total of $4,170 in back taxes was paid to local governmental agencies. In addition, four group cases were adjusted, which benefited 182 farmers. In these instances debts amounting to $615,500 were scaled down to $164,625, a reduction of $450,875, or 73.2 percent.

BETTER LAND TENURE FOR TENANTS

Another main object of the rehabilitation program is to get better land tenure for borrowers who are tenants or sharecroppers. While many of the borrowing families are owners, the report showed that among the tenants 415 had obtained written instead of oral leases. Moreover, 136 had advanced from a sharecropper to a tenant status during the year.

MANY RECEIVING MEDICAL ATTENTION

There are three other measures of the progress made by these rehabilitation borrowers. The report showed that 122 families were getting medical attention through participation in group medical care programs, 992 were practicing definite erosion-control measures, and 1,969 children of school age were enabled to attend school as a direct result of the rehabilitation program.

The field workers of F. S. A. reported that they knew personally of 1,626 families in our district who were eligible and in need of rehabilitation loans, but were unable to obtain them because of lack of funds.

TENANT LOANS TO PURCHASE HOMES

Next to the rehabilitation program the Farm Security Administration's chief function is to make loans to tenants, sharecroppers, and farm laborers for the purchase of family-size farms under the terms of the Bankhead-Jones Farm Tenant Act.

While loans have been confined to certain counties in each State we will have made approximately 69 such loans in our district, aggregating $359,564.56, by the end of this fiscal year.

Last year, the first in which the tenant-purchase program was in operation, 18 loans tataling $81,557 were made in our district. This year we estimate we will be able to make 51 loans aggregating about $278,007.56.

Testimonial to Rt. Rev. Msgr. Michael J. Lavelle

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1939

ADDRESS BY HON. JAMES A. FARLEY AT TESTIMONIAL BANQUET

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Hon.

James A. Farley, Postmaster General, at the testimonial banquet in honor of the diamond jubilee of Rt. Rev. Msgr. Michael J. Lavelle, the distinguished and universally beloved prelate, at the Commodore Hotel in New York City on June 6, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Your Excellency, Archbishop Spellman; Your Excellency, Bishop Donohue; Rt. Rev. Monsignor Lavelle, honored guest; Governor Lehman; Mayor LaGuardia; Governor Smith; right reverend and very reverend monsignori; reverend fathers; honored guests; ladies and gentlemen; as has been so aptly said by the preceding speakers, it is given to few to serve so long with such distinction as has our beloved friend in whose honor we are gathered here tonight. In every field of service to his fellowman, Monsignor Lavelle has given of himself without reserve or without thought of reward. In the service of his church, his city, his State, and his country, he typifies not only the model of service but also the ideal of service for which many strive but few attain. His career has been the exceptional one, though built on the performance of the commonplace. His thoughts have been of others. His labors have been for others. His has been a life replete with charitable intentions accomplished, administrative duties performed, pastoral responsibilities completely met.

We mark here just another milestone in his extraordinary career. When most men would be thinking of slackening up in their labors, his exceptional vigor and energy, coupled with his determined courage, and will to carry on, insure a continuance of his active participation in the activities of both the church and the community. His presence, among those with whom he has worked, today contributes, not only the fruits of his zeal, but also the benefits of a wisdom, mellowed and sharpened by the experience of most normal lifetimes. His is not only the privilege to serve, but the duty to counsel.

At this time, when so many young men are starting on the performance of their duties as priests, it might not be remiss for us to look back 60 years, to the time when Monsignor Lavelle first came to St. Patrick's as an assistant pastor. In those days, most men were more concerned about their own interests than about the welfare of others. Life then was a struggle of individuals. Living was not so confused. But during the years that have intervened, not only has the problem of living become a changed one, but also the motives of men have changed. No longer can the individual think only of himself. He must think of others, for the welfare of others bears directly on the welfare of each individual. Living has become more complicated and not a bit less difficult.

Monsignor Lavelle, with that rare vision given to few, must have foreseen what was coming, for his whole life has exemplified that cooperative service which, in the last decade, has become so prevalent among the influential men and women of America, whether they be churchmen, industrialists, labor leaders, or public servants. He, in the distant past, was a pioneer in a field, where now he numbers as co-workers, many who were not born until long after his labors began. It has been his good fortune to see the struggle of a few hardy souls become the pattern for the many. He, as a young man, took part in the prologue of the drama that now, in its last act, is approaching the happy ending. May God spare him, so that in the epilog he may actively be part of the successful culmination, the attainment of which will have been due to the efforts of such unselfish and tireless workers, as has been this man of Christ, Monsignor Lavelle.

The General Anthony Wayne Memorial Commission

EXTENSION OF REMARKS

OF

HON. EUGENE B. CROWE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

REPORT OF THE REORGANIZATION MEETING, MAY 17, 1939

Mr. CROWE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report of the reorganization meeting of the General Anthony Wayne Memorial Commission, Wednesday, May 17, 1939:

Reorganization meeting of the General Anthony Wayne Memorial Commission was held May 17, 1939, in office immediately off the Speaker's lobby, in the House of Representatives, Washington, D. C.

In attendance at the meeting were Senator Robert Taft and Representative Cliff Clevenger, of Ohio; Representative Eugene B. Crowe, of Indiana, Ninth District; Harry G. Hogan and W. A. Kunkel, Jr., of Fort Wayne, Ind.

Absent from the meeting were Senator Frederick Van Nuys, of Indiana; Senator Vic Donahey, of Ohio; Representative Dow Harter, of Ohio; and William Wayne, of Pennsylvania.

Invited to attend and present also were Representative George W. Gillie, Fourth District, Indiana; his secretary, Charles Baird; and Mark Thistlethwaite, of the Fort Wayne Journal-Gazette Washington Bureau.

The meeting was called to order at 10 a. m. by W. A. Kunkel, Jr., secretary. The chairman of the Commission, Senator Arthur Vandenberg, having resigned, W. A. Kunkel, Jr., suggested that Eugene B. Crowe be appointed temporary chairman. Mr. W. A. Kunkel, Jr., seconded by Senator Robert Taft, moved that Mr. Crowe be elected permanent chairman. Mr. Crowe was unanimously elected. It was also unanimously agreed that the present secretary and treasurer of the Commission, W. A. Kunkel, Jr., and Harry G. Hogan, respectively, retain their offices until such time as successors should be duly elected and qualified.

A resolution was passed authorizing the chairman of the Commission to communicate with the Director of the Budget requesting him, on behalf of the President, to submit to the Congress an estimate in the amount of $2,500 for the purpose of carrying on the activities of the Commission and this to be a basis of appropriation therefor.

The secretary called attention to H. R. 6269, a bill authorizing a survey of the route of the proposed General Anthony Wayne Memorial Parkway between Fort Wayne and Toledo introduced in Congress on May 10, 1939, by Cliff Clevenger, Bryan, Ohio. It was observed that this bill was somewhat in conflict with H. J. Res. 406, approved August 19, 1937, creating the Commission.

After some discussion participated in by Senator Taft, Representatives Crowe and Clevenger, and Messrs. Hogan and Kunkel, it was concluded that the conflict between the two resolutions could be covered by the body of the resolution being amended, or a new bill introduced.

Moved by Harry G. Hogan, seconded by Senator ROBERT TAFT, that said H. R. 6269 either be amended or a resolution of same purport be introduced that would include a determination for a permanent shrine or memorial in Fort Wayne, as provided in the original resolution. Motion carried.

Accordingly, Representative EUGENE B. CROWE introduced on May 17, 1939, the following bill, No. H. R. 6375.

"*Be it enacted, etc.*, That in order to further and amplify the purposes outlined in House Joint Resolution 406, first session Seventy-fifth Congress, the Secretary of the Interior is hereby authorized and directed to cause the National Park Service to make a survey of the military route of Gen. Anthony Wayne during his campaign against the Indians in the Northwest Territory in 1794. The said survey shall outline and locate a parkway as nearly as practicable in the original route, and indicate the type and location of an appropriate permanent shrine or memorial to Gen. Anthony Wayne along said parkway or at its terminus. An estimate of the cost of construction of this combined memorial project and such other data as would be valuable shall be obtained by said survey.

"SEC. 2. There is hereby authorized to be appropriated the sum of $30,000, or so much thereof as may be necessary, to be expended in carrying out the provisions of this act."

On motion of Harry G. Hogan, seconded by CLIFF CLEVENGER, the meeting adjourned, to further convene on call of the chairman.

W. A. KUNKEL, JR., *Secretary.*

Treadmill for Dogs Will Cost $1,350

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

Mr. ENGEL. Mr. Speaker, on June 7, 1939, on page 2455, I extended my remarks in the Appendix of the RECORD and included therein an invitation to bid by the Procurement Division of the Treasury Department on a "treadmill for dogs." I also made certain comments thereon. I was immediately besieged with requests for information as to the purpose for which this treadmill was to be used.

In view of the fact that, according to the unemployment statistics issued by the American Federation of Labor, we had 3,000 more people on the unemployment list in January 1939 than the average number of unemployed during the year 1932, and in view of the further fact that according to

Relief Administrator Harrington's figures we had some 3,000,000 more people on relief in February 1939 than in February 1933, the last month the Republican Party was in power, the only reason I could see as to why the treadmill was being purchased by the administration was for a yardstick with which to measure the progress the New Deal has made in the solution of the problems of recovery, unemployment, and relief since March 4, 1933.

I call especial attention to the item enclosed herewith from the International News Service to the effect that the treadmill would cost $1,350. The article reads as follows:

TREASURY BUYS TREADMILL FOR ITS WATCHDOG

The mythical United States Treasury watchdog apparently is a reality. Fiscal experts disclosed yesterday the Government is buying a treadmill at a cost of $1,350 for a dog owned by the financial agency. The canine, whose identity was not revealed, serves under the Treasury's Public Health Division, and will be put through the treadmill for scientific research into fatigue.

The Works Progress Administration Investigation

EXTENSION OF REMARKS

OF

HON. CLARENCE CANNON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

STATEMENT BY COL. F. C. HARRINGTON, ADMINISTRATOR OF THE WORKS PROGRESS ADMINISTRATION

Mr. CANNON of Missouri. Mr. Speaker, under consent granted for extension of remarks, I desire to include the following statement made by Col. F. C. Harrington, Administrator of the Works Progress Administration, on June 13, 1939, before the committee investigating the W. P. A.:

I have been following the general trend of the testimony which has been presented to this committee in connection with its investigation, but have not read such testimony in detail. Furthermore, I have purposely refrained from issuing any statements in connection with the testimony given, although much of it was inaccurate and some was obviously unfair. Relying upon the assurance that I would be given this opportunity to appear before the committee, I did not desire to make any public comment on these matters.

On April 5, 1939, I addressed a letter to the committee chairman enumerating important issues which I thought the committee should study in connection with the formulation of policies for the future of the Works Progress Administration. Subsequently, on April 20, 1939, at the committee's request, I presented my own views on these various points and submitted with that letter a number of exhibits giving data concerning the Works Progress Administration program in somewhat elaborate and detailed form.

I request authority at this point to insert copies of both of these letters in the record. Since some of the exhibits which accompanied my second letter were in rather bulky form, I am not asking that all of them be inserted in the record. However, some of the exhibits were relatively brief and because of their importance and pertinency to this investigation I would like to submit them with supplemental data, together with a brief summary of the more bulky exhibits, in the record.

There are certain general comments upon this investigation, insofar as it has developed up to the present time, which I would like to make at this point. The first is that so far as I have been able to determine, no official of the Works Progress Administration occupying an important and responsible position has been revealed as having engaged in any wrongdoing, either ethical or financial. Human nature being what it is, it is not possible to hope that in an organization comprising approximately 3,000,000 individuals there would not be abuses, but on the whole I believe that the record of the Works Progress Administration, as revealed in this investigation, is one of remarkable integrity, especially in view of the complex problem with which it had to deal, and the very large sums of money which it has had to handle.

The second matter to which I desire to call attention is that many cases concerning which testimony has been given before this committee are cases in which the investigation had been initiated by the Works Progress Administration through its own Division of Investigation and which had been handled through to a proper conclusion under law and regulations either by a referral to the Department of Justice or to the General Accounting Office, or by administrative action within the Works Progress Administration. I feel a very considerable degree of confidence in our Division of Investigation and its handling of these matters. The Director of the Division reports to me directly, so that I have the Division under my personal control.

Another point I would like to bring out is that many of the matters concerning which testimony has been given to the committee are really in the realm of past history. They represent occurrences which we had already investigated and concerning which action had been taken. I am quite willing to admit that some of these involved mistakes. I wish to repeat, however, that I do not believe it would have been possible for anyone to conduct this vast program without making mistakes, and I think the record conclusively shows that we have been, throughout the period of operation of the Works Progress Administration, attempting to eliminate these errors and improve the administration of the program.

During the course of the investigation there have been certain glaring misstatements of fact presented to the committee. I do not wish to attempt to refute these at this time, as my interest is more with the broader issues which are involved, but I cannot refrain from making the general observation that some of the things to which the committee has listened have been completely untrue. I wish to cite one instance of which I had personal knowledge in my former capacity as Chief Engineer. One of the committee's investigators, Mr. Burton, produced as a witness a Mr. Lancelot Armstrong, who is an attorney for a truckers' association in New York City. Mr. Armstrong's sole motivation in his dealings with the Works Progress Administration was that of securing a decision favorable to his clients. The issue was whether the Works Progress Administration in New York City was justified in requiring that bids on heavy trucks should be limited to trucks of not over a certain age. The decision in this matter was made solely upon the basis of securing suitable modern equipment for the work which was being done in New York City and thereby contributing to the efficiency of operations there.

Mr. Armstrong was given every conceivable consideration. He had a conference with Colonel Somervell, the New York City Administrator in New York, with me in Washington, and with Colonel Somervell and me jointly in my office in Washington. His contention that the trucks to which contracts were awarded were under capacity was investigated by loading these trucks and weighing the loads which they carried, which demonstrated conclusively that his contention was unfounded.

In the face of all this, Mr. Armstrong appeared before the committee and made the wholly ridiculous statement that the decision made in this matter had cost the Works Progress Administration in New York City a million and a half dollars which might otherwise have been saved. Whether Mr. Armstrong was making a deliberate misstatement or was entirely ignorant of the economics of truck operation I do not know, but my opinion inclines to the former. Certain other testimony before the committee relating to such matters as administrative costs, sponsors' contributions and efficiency percentage on Works Progress Administration projects, indicates either a complete lack of knowledge of Works Progress Administration operations or very careless investigators.

However, I cite this one instance of which I have personal knowledge merely to bring to the attention of the committee the fact that much of the testimony which has been given before it could be completely and conclusively refuted if time were available.

I wish now to pass to a few points of general policy which are exceedingly important insofar as they relate to the future of the Works Progress Administration program. These points are as follows:

(a) The efficiency with which the program has been conducted.

(b) Should the construction program operated by the Works Progress Administration be curtailed by legislative provisions?

(c) The nonconstruction program of the Works Progress Administration with particular reference to the group of activities comprised in the Federal Arts Projects.

(d) Cost of administration.

(e) The relations of the Works Progress Administration with labor organizations and specifically with the Workers Alliance.

THE EFFICIENCY WITH WHICH THE PROGRAM HAS BEEN CONDUCTED

Efficiency is a much-abused word. The same methods which may be efficient in one situation may be highly inefficient in another. The conduct of the Works Progress Administration represents a special and peculiar problem.

Up to the time when I was first detailed for duty with the Works Progress Administration in September 1935 my entire training along engineering lines had been to conduct construction operations at lowest possible unit costs. Under modern conditions this inevitably involves the use of the maximum of equipment and machinery and the minimum of labor. It very soon became apparent to me, however, that the operation of the Works Progress Administration program along these lines would certainly not carry out the obvious intent of Congress in appropriating funds for the relief of the needy unemployed through the conduct of a work program. Since my appointment as Federal Administrator, I have publicly stated in the following language what I conceive to be my mission in administering the Works Progress Administration:

(a) To administer the program in such a way as to place the maximum proportion of the funds appropriated in the hands of the able-bodied, needy unemployed.

(b) To secure from the funds expended the maximum results in the creation of valuable public assets.

I desire to place all possible emphasis on the order in which I have stated these two factors. I conceive this necessary in order to carry out my responsibilities.

I believe that an examination of the Works Progress Administration program on the foregoing basis will demonstrate that it has achieved a notable success. For example, over 95 percent of Works Progress Administration workers are taken from the certified relief rolls, that is, are needy and unemployed. Furthermore, 86 percent of the total Federal Works Progress Administration expenditures are going directly into the hands of project workers in the form of wages. Approximately 10½ percent of the Federal funds are expended for materials and equipment, and administrative costs are being held to a figure of approximately 3½ percent, although 5 percent is permitted under the terms of the current appropriation act.

There are certain other conditions peculiar to the Works Progress Administration program which affect this question of efficiency. One is that our heaviest load and greatest responsibility for providing employment arises in those seasons of the year when private construction activities are reduced to the minimum. We have to continue our operations during the winter months under severe handicaps in order to provide our workers with the wages which to them mean food, clothing, and shelter. Any construction enterprise which is operated to give low-unit costs curtails its operations to the minimum during this period. In fact, it is this very curtailment of private enterprise which makes our problem more difficult.

Another handicap against which we have had to struggle is that of labor turn-over on our projects. It is highly proper that every effort should be made to encourage, in fact, to require, that Works Progress Administration workers shall leave our rolls when opportunities for private employment are offered. However, this means at times that 200,000 workers per month are separated from the program and almost inevitably these are among our more efficient workers. This introduces a handicap against which we have to struggle in conducting our projects efficiently.

A third difficulty which faces us is the combination of a monthly security wage set on the basis of providing a minimum subsistence standard with a prevailing hourly rate requirement imposed upon us by law. This means that on a given project we may have monthly hours of work for various individuals ranging from 50 to 130 hours per month. To permit the persons earning the higher hourly rates to work the same number of hours as those who earn lower ones would greatly increase the cost of the program and cannot be done. Therefore, we face the necessity of obtaining results with a working crew whose individual members will change continuously throughout each month.

I do not wish to present any alibi in this matter of efficiency, but much has been said about cheaper results that could be obtained in construction under contract. I have had a good many years of experience in administering contract work, and I believe thoroughly in the contract system as applied to many forms of construction. However, I think it has been misleading that in the testimony given before this committee the method of contract operation has been held up as a uniform paragon of efficiency in comparison to the construction methods used by the Works Progress Administration.

In leaving this topic, I wish to say in conclusion that if efficiency is judged from the standpoint of accomplishing the purpose for which the Works Progress Administration was organized, I think that our efficiency has been high. I am perfectly willing to concede without argument that it would have been possible to have taken the amount of money that has been spent upon our construction program and secured more results in the way of finished work, which, of course, is equivalent to saying that our unit costs could have been reduced. The effect of this would inevitably have been that the cost in Federal funds of each worker on the program would have been greatly increased and that with the same amount of money that has been provided a much smaller volume of employment would have been secured. If a reasonable concept of efficiency is adhered to, I am willing to leave the case in the hands of any impartial individual. In fact, written testimony is now in the files of the committee from public officials and citizens from over 8,000 local communities testifying to the high degree of efficiency and usefulness of Works Progress Administration projects.

SHOULD THE CONSTRUCTION PROGRAM OPERATED BY THE WORKS PROGRESS ADMINISTRATION BE CURTAILED BY LEGISLATIVE PROVISIONS?

There has been discussion of various proposals for limiting the construction program of the Works Progress Administration by various restrictions. These have ranged from proposals that the Works Progress Administration program for the constuction of public buildings should be eliminated or greatly curtailed to a proposal that the Works Progress Administration should not be permitted to engage in any construction project costing more than $25,000.

So far as building construction is concerned, expenditures on public-building projects by the Works Progress Administration through March 1939 represent 10.2 percent of total Works Progress Administration expenditures during this period. The following is a partial list of the various types of public buildings which the Works Progress Administration has constructed: Educational buildings—schools, libraries; recreational buildings—auditoriums, stadiums, grandstands, etc., gymnasiums, pavilions, bathhouses, etc.; hospitals; penal institutions; courthouses, offices and other administrative buildings; fire houses; public garages; aircraft hangars; warehouses; armories.

In addition to the construction of buildings, a large amount of rehabilitation of existing structures and construction of additions to existing structures is also carried on under the Works Progress Administration public-building program.

The total cost of each of these building projects varies from less than $2,500 to well over $100,000. In the case of Works Progress Administration public-building projects approved by the President under the Emergency Relief Appropriation Act of 1938, projects for which the estimated total cost is $100,000 or more per project, account for over half of the total cost of all such projects, as shown in the following table:

Percent distribution of total cost of Works Progress Administration public-building projects approved by the President under the Emergency Relief Appropriation Act of 1938, by size of project, through February 28, 1939

Size of project:	
Less than $25,000	18.1
$25,000–$49,999	15.6
$50,000–$99,999	14.6
$100,000 and over	51.7

Employment on the public-building projects of the Works Progress Administration ranged from 153,000 persons in November 1937 to 279,000 persons in November 1938, and at the present time numbers 237,000 persons or about 10 percent of employment on all Works Progress Administration projects.

It would be well to consider some of the implications of eliminating public-building projects from the Works Progress Administration program. In the first place, there has been no criticism of the usefulness of public-building projects. The testimony has been uniform that the quality of workmanship has been good and the construction excellent in quality. The elimination of public buildings from the Works Progress Administration program would mean that these worth-while public buildings, which are frequently the type of public works most needed by a community, would simply not be constructed and the skilled workers who would otherwise be employed on them would be dependent on direct relief or be forced to take unskilled jobs, with the resulting deterioration of their skills. Also all skilled as well as unskilled workers employed by the Works Progress Administration on these building projects are taken from the local unemployed rolls in the community where the project is to be constructed.

In the second place, since a larger percentage of total expenditures on public-building projects can be secured from sponsors than on other types of work, the amount of funds sponsors put into the whole program would be reduced. During the first 9 months of the current fiscal year sponsors' funds amounted to 23.6 percent of total expenditures on Works Progress Administration public-building projects, as compared with 18 percent for all other types of projects.

It is important to remember that Works Progress Administration expenditures for all types of projects are limited to the labor cost plus $7 per man per month for nonlabor costs in each State. If the sponsor wants a large public building, involving high material costs, it is necessary for the sponsor to furnish these additional expenditures for materials. If the sponsor wishes to pay for the equipment and machinery necessary for a large public building, there seems to be no logical reason for not doing such work, inasmuch as the Works Progress Administration costs are not affected by such a decision. Thus the type of building desired by the sponsor and the skills of the unemployed in need in each community govern both the type of construction used and the amount of the sponsor's contribution. In fact, it is one of the most desirable kinds of work, because not only is the completed building final testimony to the worthwhileness of the work, but also such type of construction provides sizeable sponsors' contributions.

It is obvious that the best results in project operation can be obtained when the sponsors are sufficiently interested in the work to provide adequate plans, specifications, supervision, materials, and equipment. Thus the large proportion of total expenditures on Works Progress Administration public-building projects contributed by sponsors tends to produce maximum efficiency and minimum cost.

In planning and conducting its public-buildings program, the Works Progress Administration has consistently cooperated with other Government agencies administering Federal funds expended for the construction of public buildings. Under the new Federal Works Agency, which will become operative July 1, in which the principal Federal agencies now conducting the Government's public-works program are to be consolidated, even closer cooperation can be achieved. With the great amount of work needed to be done in the public-building field, it will be possible for the subordinate administrations of this agency to prosecute projects both by the contract method and by force account, depending upon local unemployment conditions, the financial abilities of sponsors, and the types of work needed.

A provision that all Works Progress Administration construction projects be limited to those costing not more than $25,000 would practically wreck the program now in operation. Many of our most efficient projects are large ones on which, through proper organization, we are able to secure outstanding results. If a requirement of this kind were imposed, the tendency of sponsors

would inevitably be to submit the separate items of a combined undertaking as individual projects. We in turn would become involved in the maze of administrative procedure in operating these small projects with separate accounting on each one. The resulting confusion and waste would be enormous.

I have never seen any logical presentation of arguments in favor of this size limitation on projects and am at a loss to know just what is supposed to be accomplished if such a provision were adopted. I can, however, clearly foresee the waste and confusion that such a provision would cause, and I cannot too strongly urge upon the committee that nothing of the kind should be included in legislation. I desire at this time to leave as an exhibit with the committee a detailed statement showing the location, description, and cost of all public building projects completed or now being operated by the Works Progress Administration which cost in excess of $25,000. This exhibit does not include other types of construction such as roads, streets, sewer lines, water mains, parks and playgrounds, or airports.

I desire to submit for the record a table showing the percentage distribution by estimated total cost of all types of Works Progress Administration construction projects.

Percentage distribution of value of Works Progress Administration construction projects approved by the President under the Emergency Relief Administration Act of 1938, by estimated total cost and by major types of projects, through February 28, 1939

Type of project	Percentage distribution, by estimated total cost					
	Total, all projects	Less than $25,000	$25,000 to $49,999	$50,000 to $99,999	$100,000 to $249,999	$250,000 and over
All types	100.0	5.6	6.2	8.6	14.3	65.3
Highways, roads, and streets	100.0	3.0	4.4	7.1	13.0	72.5
Public buildings	100.0	18.1	15.6	14.6	19.8	31.9
Parks and other recreational facilities	100.0	6.7	7.4	9.0	9.6	67.3
Flood control and other conservation	100.0	6.7	7.5	13.3	22.8	49.7
Water and sewer systems	100.0	5.9	6.7	10.8	16.2	60.4
Airports and other transportation facilities	100.0	1.0	1.7	4.6	9.3	83.4
Sanitation and health	100.0	7.1	6.6	6.8	8.7	70.8
Miscellaneous	100.0	7.5	4.8	4.6	25.7	57.4

THE NONCONSTRUCTION PROGRAM OF THE WORKS PROGRESS ADMINISTRATION, WITH PARTICULAR REFERENCE TO THE GROUP OF ACTIVITIES COMPRISED IN THE FEDERAL ART PROJECTS

The nonconstruction program of the Works Progress Administration constitutes about 20 percent of the whole in point of numbers and expenditures, but embraces a very complex variety of projects. As to the justification for continuing this part of the program, I would like to repeat at this point a statement concerning it which was made by the President in his message of April 27:

"I wish to state with emphasis, since the opposite view is frequently expressed, that the program of the Works Progress Administration should, as at present, include some projects of the nonconstruction type to meet the needs of those unemployed workers whose training is such that they are not adapted to employment on construction projects. The provision of work for those people at occupations which will conserve their skills is of prime importance, and the emphasis placed upon construction projects should not obscure the necessity for this portion of the program."

So far as I have been able to observe, there has been no great criticism of the nonconstruction program in general, but very severe criticism has been made of that portion of it which is embraced in what are known as the Federal arts projects. This group includes five activities—theater, writing, art, music, and the historical records survey. The committee has apparently heard no criticism at all of either the music project or the historical records survey. So far as I know, the only mention of the art project during the investigation has been in connection with the production of a book of photographs of models, which the press seized upon as news worthy. I do know how seriously the committee took this matter, but it seems hardly necessary to point out that the use of models in connection with painting is the normal and uniform practice. Severe criticism has been made of the writers' project, and the theater project has been even more drastically attacked by the witnesses who appeared before the committee. Some of these witnesses are old customers of the Works Progress Administration and include some who have appeared before other congressional committees.

I also desire to call the attention of the committee to the fact that a great number of outstanding professional people in the fields of writing and theater have highly commended these projects.

I wish to make a plea for all of these Federal arts projects. They represent only a small proportion of total Works Progress Administration employment, but they also represent an experiment which is making a real contribution to cultural values in American life, and they are providing a suitable type of employment for persons who may become just as hungry as construction workers.

I am quite prepared to admit that mistakes have been made in the administration of these projects. I merely wish to state that it would have been miraculous if it had been possible to make this great experiment in an uncharted field without making such mistakes. Before this committee was created I had planned certain measures in connection with the Federal arts projects looking to improved administration, and have delayed the execution of these plans only to avoid conflict with the work of the committee. In general I propose the following measures:

(a) To move the offices of the directors of all projects to Washington, where they will function under the close supervision of the national office.

(b) To endeavor to secure local sponsorship in as great a degree as possible for these projects.

(c) To reorganize the Federal theater project with a view to improved administration and efficiency.

(d) To make certain changes in personnel to the end of securing more effective project operation.

I am very anxious to have an opportunity to carry out these steps which I have in mind, and I certainly hope that restrictions which would practically wreck this very valuable program will not be included in legislation.

COST OF ADMINISTRATION

There has been criticism of the administrative expenditures of the Works Progress Administration, which in general I believe is not warranted. Our administrative expenditures in the current fiscal year up to April 1, 1939, have been 3.3 percent as opposed to an authority to expend not to exceed 5 percent for administration. I think this record is a remarkable one, but am striving to reduce these costs even further.

The salaries paid our administrative employees are not too high. There has been furnished to this committee a list showing the salaries of all administrative employees of the Works Progress Administration, and after this had been obtained these salaries were compared to those paid throughout the Government service. The result showed that the average Works Progress Administration administrative salary was $1,581 a year, which was $290 under the average in the Government service.

The principal steps which I have in mind for administrative economies, some of which are partially in force, are the following:

(a) A reduction in the expenditure for travel.

(b) A reduction in the expenditure for communications, and in particular a restriction upon the use of long-distance telephone as a means of communication.

(c) Reductions in personnel where possible.

The principal measures already in effect are those in the central office in Washington. The personnel of that office during the current fiscal year has been as follows:

January, 2,012; February, 1,960; March, 1,931; April, 1,878; May, 1,875. (Of the 1,875, 29 were in final-leave status on June 1.)

Long-distance telephone bills in the central office are being drastically reduced as shown by the following table:

February	$6,054.05
March	4,965.70
April	3,072.10
May	2,122.95

These economies are being extended to the field as rapidly as possible. A Division of Administration has been established in the Washington office, which includes a budget section to study and control the administration costs of the State administrations, and a Personnel Section to develop proper and uniform personnel policies. The control of travel and communication expense which I have proposed is through the method of budgeting these costs month by month, and I am sure that this will effectively prevent any undue expenditures on these items.

I desire, however, to state emphatically to the committee that I do believe that our present limitation on administrative costs of 5 percent should not be lowered. The program for the fiscal year 1940 contemplates a reduction in the amount of Works Progress Administration employment with a consequent reduction in total expenditures. Anyone with administrative experience knows that when a program declines, overhead costs cannot be brought down in the same proportion. In other words, while it may be possible to conduct a program employing 3,000,000 people with an administrative cost of 3½ percent, if the program declines to 2,000,000 people, the administrative expenditures will diminish but the percentage of administrative costs will necessarily increase. This is practically axiomatic.

Another point which I believe should be considered is that certain increases in administrative costs might very wisely be made with a view to increasing the effectiveness and efficiency of the program. I have previously testified to the committee that I would like to institute periodic reviews of the need of persons on the Works Progress Administration. This cannot be accomplished without increased administrative expense, but I believe that expenditures for this purpose would be amply justified.

THE RELATIONS OF THE WORKS PROGRESS ADMINISTRATION WITH LABOR ORGANIZATIONS AND SPECIFICALLY WITH THE WORKERS ALLIANCE

The labor relations policy of an organization as large as the Works Progress Administration is a matter of prime importance, and I believe it might be well for me to state very briefly my own opinion concerning this matter. I believe in the right of workers to organize and to present their views through the channels of organization to those who are responsible for the operation of the

program. Injustices are bound to arise in as vast an undertaking as the Works Progress Administration, and the individual, particularly at the bottom of the heap, is often powerless to present his case unless some labor relations machinery is provided. The fact that Works Progress Administration project workers are receiving their wages from Federal funds does not appear to me to be any argument against their right to form organizations for the purpose of presenting their views.

Something has been said to the general effect that this right of organization should not apply to project workers because their organizations become pressure groups seeking larger appropriations. "Pressure groups" is a term in quite common use today, and the existence of such groups is of course undeniable, as you gentlemen know only too well, but perhaps in the last analysis it may be said that the making of representations to the Congress as to measures that should be enacted, including those for the appropriation of funds, is merely the functioning of a democratic system of government. If the general principle of denying the right of organization to any individuals who receive Federal benefits were adopted, it would decimate the membership of many organizations other than those formed by Works Progress Administration workers.

It is my policy to deal on equal terms with all labor organizations where their requests are properly presented and to consider each such organization as representative of its membership. There is no sole bargaining agency for Works Progress Administration workers. This is not only my policy, but that of my predecessor, as evidenced by General Letter No. 90, the provisions of which I would like to read at this point.

So much has been said about the Workers Alliance that I would like to devote a portion of my testimony to that organization. I was appointed Federal Administrator on December 24, 1938. Prior to that time my acquaintance with Mr. David Lasser, president of the Workers Alliance, was extremely limited, and I had had no conferences with him whatever, as there was no reason for him to deal with the portion of the Works Progress Administration which constituted my field of responsibility. Since my appointment I have seen Mr. Lasser, each time in company with Mr. Herbert Benjamin, secretary of the Workers Alliance, on four occasions, namely, December 28, 1938, February 9, April 12, and June 7, 1939. I would like to give the committee a brief résumé of what occurred at each of these meetings.

The first meeting, on December 28, 1938, was devoted largely to a general discussion of relations between the Works Progress Administration and the Workers Alliance, and specifically to certain points which had been raised by Mr. Lasser in a letter of December 6, 1938, to Mr. Aubrey Williams, a copy of which I desire to insert in the record at this point. As I had just been appointed Federal Administrator, I was obviously in no position to make any commitments to Mr. Lasser and told him so frankly, and according to my recollection he replied that he appreciated my position.

During our meeting of February 9, 1939, Mr. Lasser presented to me a letter dated February 8, 1939, concerning (1) changes in the 1938 Relief Act, (2) labor relations on Works Progress Administration, and (3) wages on Works Progress Administration. A reply to this letter was made under date of February 18, and I desire to submit a copy of the reply for the record at this time.

Early in April I had an exchange of correspondence with Mr. Lasser consisting of a telegram from him to me dated April 1 and my reply of April 3. These had to do with the matter of the reductions in the Works Progress Administration program which were necessary at that time. I would like to read these into the record.

An exchange of correspondence upon another matter occurred at about the same time. This had to do with the question as to whether the Workers Alliance was the sole bargaining agency for Works Progress Administration workers. The correspondence on this matter consisted of the following: Letter dated March 30 from Mr. Lasser to Mr. Rauch about Congressman MAAS; reply of April 3, and letter from Mr. Lasser of April 4.

I wish particularly to call attention to the fact that Mr. Lasser's letter of April 4 contains a definite statement that he does not claim that the Workers Alliance should be recognized as the sole bargaining agency for Works Progress Administration workers.

On April 12, 1939, I met Mr. Lasser and Mr. Benjamin for the third time, the topic of discussion at this meeting being the size of the reductions which I proposed to make in the Works Progress Administration program from that date until the end of the fiscal year. The discussion was very general in nature and consisted largely in my listening to the ideas which Mr. Lasser and Mr. Benjamin expressed as to the way in which reductions should be made.

My fourth and last meeting with Mr. Lasser was on June 7, at which time he and Mr. Benjamin, with 11 delegates from the Right-to-Work Congress, which was then in session in Washington, called at my office. They submitted to me at that time a letter setting forth certain requests, which I desire to submit for the record. These requests related to—

(a) The size of the appropriation for the fiscal year 1940, including their recommendation that it be $2,250,000,000.

(b) The labor-relations machinery which should be set up by the Works Progress Administration.

(c) The inadequacy of Works Progress Administration security wages.

(d) The establishment of competitive tests for administrative and supervisory positions.

(e) The continuation of the Federal project No. 1.

The foregoing represents a summary of my relationships with the head of the Workers Alliance. I wish to state again that this organization, so far as I am concerned, represents its membership, and I believe that Mr. Lasser testified before you that it had about 150,000 dues-paying members. I cannot avoid feeling that representations that the Workers Alliance is a subversive organization have been considerably exaggerated. I can certainly say that so far as my personal dealings have been concerned, no improper request has been presented to me by that organization and no demand has been made of me as a demand. I have stated to the representatives of the Workers Alliance that I would discuss matters concerning labor relations, but that decisions in those matters were my own responsibility which I could not under any circumstances delegate to anyone outside of the Works Progress Administration.

Perhaps the proportion of Communists in the Workers Alliance is relatively high. I do not know. However, if that is the case, I do not think it is unusual, because the Workers Alliance is recruiting its membership from project workers who have been pretty severely buffeted by fate, who have taken an economic licking, and whose normal tendency would be to aline themselves with a political party which promised a utopia in which everyone would be happy and prosperous.

I have gone into this question of relations with the Workers Alliance in some detail because of the relatively large amount of discussion in the public press on this subject, which led me to believe that the situation required clarification. I would be very glad indeed to answer any questions on this matter which the committee may desire to ask me.

In closing my prepared statement I would like to say that investigators and witnesses for the committee have given testimony which has been quite severely critical of several of our State administrations, the operation of a few of our projects, and our relation with sponsors as to their financial participation. I am therefore asking to be permitted to submit for the record a rebuttal of such of this testimony as time has permitted us to collect.

However, in view of my previously announced desire to limit my testimony at this time to broader issues, I do not wish to discuss these matters now, and therefore close my statement.

The Duty of the Press

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

Mr. LUDLOW. Mr. Speaker, the centenary of the Press Gallery of Congress, which we are celebrating this year, may well be accompanied by thoughtful meditations on the duty of the press. We have in this country a free press, and let us pray that it will ever remain free.

When we observe how the press in other lands is bulldosed, controlled, suppressed, and manipulated by dictators, we should thank God on bended knee that no such condition obtains in America. In the totalitarian states the citizen either gets no information at all through the press or such twisted, garbled, and colored information as suits the whim of the dictator. In free America it is altogether different. When I read some of the things that are printed about our well-meaning President in hostile newspapers I feel like licking the editor, but I thank the Almighty that the editor has a right to print such things.

The absolute freedom which the press enjoys under our Bill of Rights, the inability of those in authority to dictate to it or to control it, imposes upon our newspapers a high responsibility of so conducting themselves that they will be a helpful influence and not an undermining, corroding influence in the social order.

The newspaper should be something more than a mirror of life. The vast power which the newspaper editor in America enjoys under the constitutional guaranty of freedom of the press makes it possible for him to be a trail blazer, a proponent of better things, a doer of great deeds, a public servant in the greatest sense of that term.

Some years ago, when I was president of the National Press Club, the world's largest organization of newspapermen, I

was asked to write an article on The Duty of the Press, and at that time I put on paper some views derived in a long career devoted to journalism. In the hope that my observations may be regarded as having an appropriateness in association with the centenary of the Press Gallery, I present the article referred to for printing in the RECORD. It is as follows:

THE DUTY OF THE PRESS

(By LOUIS LUDLOW, president of the National Press Club)

An invitation to write a "short article" on the Duty of the Press brought instantly to my mind two occurrences. One of these was told to me long ago by a good old Presbyterian elder and I was an earwitness of the other. At a busy meeting of the Presbyterian General Assembly many years ago, when there was a full program and time was precious, the moderator made this announcement:

"The next event will be a discussion by the Reverend James McCosh, president of Princeton University. Subject: The Immortality of the Soul. Time allotted, 1 minute."

The other incident was of more recent vintage. A few weeks ago the National Press Club celebrated "Lame Duck Night," when defeated Members of Congress were the guests of honor. Leo Sack, the clever and adroit ring-master, warned all of the crippled ducks at the outset that speeches would be limited to 8 minutes. This threatened arbitrary application of the gag irked Senator Irvine L. Lenroot, of Wisconsin, who, when he arose to speak, said in an outburst of simulated indignation:

"The very idea of expecting a United States Senator to discuss any subject under the sun in 8 minutes! How ridiculous!"

Paraphrasing Senator Lenroot, I can well exclaim:

"The very idea of expecting a prolix and prosy correspondent to discuss the Duty of the Press in 2,000 words! How ridiculous!"

Probably the upshot will be that I will do as Rev. Mr. McCosh and Senator Lenroot did. The distinguished clergyman treated that 1-minute limitation as a scrap of paper and he thrashed around for half an hour, or so, on The Immortality of the Soul without in any way exhausting the subject. Senator Lenroot defied Leo Sack to do his worst and, although Mr. Sack was armed with a portentous gavel that Speaker Longworth had loaned him, it had no efficiency whatever in providing terminal facilities for the Senator's brilliant speech, which rippled on to the great delectation of the audience for about 40 minutes.

Personally, I am glad that the invitation to write this article came in the form of a sliding scale, which specified 2,000 words as the minimum and 2,500 as the maximum. I speak for that extra 500 words right now.

The responsibilities of the press are very great and very real. The eulogium on "The Power of the Press" which is a part of the unctious politican's stock in trade may seem to be a bromide of the stalest and most unprofitable sort, but it cloaks an obvious truth. The press is, indeed, mighty and writing for publication is a serious business. No man can foresee how far the words of a lowly reporter will travel or what astounding consequences may sometimes develop from an article that is seemingly inconsequential at the time of publication.

Out of my own life I might cite some striking instances in point. In doing so I disclaim any thought of self-glorification. It is only because these experiences come vividly to my mind and I can vouch for their authenticity that I herewith commit them to paper. My purpose in recalling these events is to illustrate the power of suggestion which often gives the words of the reporter a potency and projectile force that is amazing to the last degree.

In the fall of 1906, when I was on the staff of the Indianapolis Star, I went on a roving commission into the various congressional districts of Indiana to write up the political situations. In the Republican ranks of the Eleventh District there was a schism and an undercurrent of revolution, the extent of which was by no means apparent on the surface. In an article sent from Logansport and featured on the first page of the Star I drew an analogy between the Republican opponents of Representative Fred Landis and the frogs that infest the millpond back of the barn on almost any Indiana farm, which, although only three in number, sound like a million frogs when they croak in unison.

"In the Eleventh District the air is full of frog music," I wrote, "but diligent inquiry reveals the fact that there are only a few frogs as compared with the entire voting population."

Immediately after this article appeared the power of suggestion got to work. The particular idea the article suggested to the Republican opponents of Mr. Landis was the organization of "Bullfrog Clubs," which was done forthwith all over the district. A button was especially designed with an embossed frog as the emblem of the malcontents. "Knee-deep" was adopted as the password and hailing sign of the anti-Landis bullfrog Clubs, and largely by this means a body of anti-Landis sentiment was worked up that turned the district topsy-turvy, swept Landis out of office, and for 10 years sent a Democrat to Congress from that district, which had long been regarded as impregnably Republican.

Although my Logansport article backfired most outrageously the next important suggestion that I was lucky enough to launch got off in the right direction, and it almost made a President of the United States before it spent its force. In the summer after the eleventh district upheaval we experienced our usual off-year dullness in campaign circles. These doldrums always tested the inventive genius of political reporters like myself, who were hard put to maintain the dignity of a regular column. One day I was conversing with Albert W. Wishard, an Indianapolis Republican leader, who was always sympathetic and helpful in advancing ideas to be elaborated and expanded and window-dressed in my individualistic way into filling the yawning space set aside for my signed articles.

"Why don't you propose Tom Marshall for the Democratic gubernatorial nomination?" said Wishard. "He's the best timber in the Democratic Party and he would carry the State. You needn't say so out loud," he added, with a chuckle, "but I would vote for him myself."

Wishard and Marshall had been students together at Wabash College and were fast friends.

"I will take a flyer on Tom Marshall," I responded, and I wrote an article on Marshall for Governor that traveled with 10-league boots. Mr. Marshall himself, on page 154 of his Hoosier Salad, tells the story of how he was catapulted into public life.

"I was lost, or thought I was, in the pine forests of northern Michigan in the summer of 1907," he says, "when word reached me that my good friend, LOUIS LUDLOW, had taken his life and his reputation in his hands and had dared to assert that he thought I would make a good Democratic candidate for Governor. His suggestion was immediately approved in a two-column editorial in the Fort Wayne Journal-Gazette by the most loyal soul who ever lived on earth, Andy Moynihan. Mrs. Marshall and I came back from our vacation brown as berries and impecunious as tramps. I found that my law office was about to be turned into political headquarters. My partners had searched in vain for anything in my life that distinguished me from the common run of men, so they had ventured into the field of fiction, had written and had printed an 8-page pamphlet reviewing the history of the Marshall family from the time of the flood down to the year 1907."

Marshall was elected Governor and then he ascended in pyrotechnic fashion to the Vice Presidency, and when President Wilson became a casualty of the World War and his life hung in the balance there were many lingering months when the elevation of Mr. Marshall to the Presidency was expected momentarily.

What has all this to do with "the duty of the press"? Nothing, except that it proves in a rather convincing way, I take it, the power of the press, the indefinable, the far-reaching efficiency of the subtle force that operates so potentially on men's minds and which is based upon suggestion. Up to the moment when Albert W. Wishard, a stalwart Republican, suggested Marshall, a stalwart Democrat, for Governor, and I whipped the suggestion into a newspaper article, Mr. Marshall, who was a prosperous lawyer with a large practice, had no more thought than the man in the moon of entering upon a political career. If a humble reporter on an Indianapolis newspaper could start a man straight toward the White House, what then may we expect of others in the profession who are in higher station and more influentially circumstanced? And since a large element of the American people believes what it sees in the newspapers, is not the field in which this power of suggestion operates, either for weal or for woe, practically illimitable?

There have been and always will be hairsplitting arguments as to what the newspapers should print and what they should not print, and countless homilies have been spoken and written on the duties of the press, but it has always seemed to me that there is nothing very abstruse or recondite about the matter. On the contrary, it strikes me as being, in the main, a very elemental proposition. God places upon every human being who inhabits the earth the responsibility to do right according to his lights and opportunities and no exception is made in the case of reporters, editors, and publishers. It seems to me that if this simple rule were applied to given cases it might often lead us out of the bog of confusion when no amount of disputation over theories and formulas would get us anywhere.

I would say, therefore, that first of all a newspaper should have a conscience. Its primary responsibility is to serve mankind, and no other agency on the globe is as well fitted to perform that service in myriad ways. It cannot discharge that obligation if it is made a sewer of filth through which flows the putrid output sometimes misnamed "news" that acts as a perpetual stimulus to vice and crime. I refer now, especially, to the sensation-mongering sheets that feature the "human triangles" and play up all of the salacious details of the Peaches Browning cases. No argument that could be advanced for untrammeled freedom of the press—and it is of the highest importance that the press shall be kept free—offsets the fact that the publication of these prurient details brings great power for evil to bear, through the influence of suggestion, upon impressionable young minds.

The press has a responsibility not to print as well as to print. Many of the stories of human errors that are printed nowadays with garish display in a certain class of newspapers should be

minimized and "played down," while many others could be and should be omitted altogether.

With all of the respect due to a great newspaper genius, I cannot but feel that Charles A. Dana erred grievously when he said:

"I have always felt that whatever the divine Providence permitted to occur I was not too proud to report."

Dana's dictum on news was that everything should be published that was of human interest, but I will venture the assertion that multitudinous things of human interest happened which he did not describe in his New York Sun. The hoary dictum of Dana, so often invoked by apologists for sensational newspapers, is not a dependable criterion. I prefer the Canons of Journalism adopted by the American Society of Newspaper Editors, which declare:

"A newspaper cannot escape conviction of insincerity if, while professing high moral purpose, it supplies incentives to base conduct, such as are to be found in details of crime and vice, publication of which is not demonstrably for the public good."

In my judgment the function of a newspaper is to suppress, as well as to publish. I know that in my long and exceedingly active career as a newspaper worker I have suppressed as many items as I have written for publication. I have no apology to offer for it. On the whole, I think I am prouder of the items I have suppressed than of those I have published. While in many instances the items that I sent to the graveyard measured up to Dana's standard of "human interest," publication would have wrought injustice to some one or would have brought pain to some poor soul who did not deserve it. I think one of the funniest and strangest sights I ever witnessed was that of a bow-legged boy delivering a high-school commencement address out in Indiana. His legs looked like two animated brackets and, as if to accentuate his physical imperfection, while he was droning through his speech a cat came from somewhere in the rear of the hall, sauntered across the stage and walked with tail up between his legs. The audience roared. Here were the makings of what Mr. Dana would have called a good "human interest" story and I was not slow to grasp it, but when I looked down from the reporters' box and saw the face of the boy's mother as it colored crimson red and thought of how she had almost worked her fingers off to put her son through school I said to myself that I would rather die than write anything that would call attention to that young man's deformities. When I cut out the cat story I killed the best part of my report, but even now I am glad I did it.

E. Lansing Ray, publisher of the St. Louis Globe-Democrat, one of the great newspapermen of the country, has said that the first essential of a newspaper is that it be interesting. A newspaper can be interesting without being putrid. In this world of ours there is an infinite variety of interesting subjects to be written about without stressing those things that cause minds to be polluted and hearts to ache. God expects of newspapermen exactly what He expects of all of His children everywhere, and that is that they will do all they can to make the world a better place in which to live, only, I think He must expect a little more of newspapermen because they have richer opportunities and their power is greater. Any newspaperman, whether he be a silk-hatted journalist or a cub reporter, who uses his power for any selfish or unworthy purpose is faithless to a high trust.

These thoughts bring up the question, "To what extent should a newspaper be a mirror of events and to what extent should it be a preacher?" My answer is that it can, and should, be largely both mirror and upbuilder. It cannot overlook the sordid and seamy side of life, but it can present the news of crime and criminals in a way that will do the least harm to the social structure and that will tend to lift society into a more sublimated atmosphere. The modern newspaper is not performing its function if it merely chronicles the news. "For unto whomsoever much is given, of him shall be much required." The editor should be a leader among his fellows, a proponent of better things, and a doer of great deeds for the benefit of his community. He should be a trail blazer in all kinds of community service that will contribute to the welfare of society. Whether his activities for the moment take the form of an effort to secure a town auditorium, or another railroad, or a community house, or what not, is immaterial, for there will always be something worth while for his mind and his hands to do.

In conclusion let me say that, in my opinion, what the journalism of America needs today is more of the spirit of the Master. I have in mind now two great newspapers, both of which I represented for many years as Washington correspondent, and with the traits of which I am equally familiar. One is an iconoclast. Some call it a tyrant. The other is an upbuilder. Each one dominates the city where it is located. The former governs because everybody is afraid of its power, which is often ruthlessly exercised. The latter is a great humanitarian newspaper and lives up to its golden precept of helping individuals and enterprises that are worthy of assistance, the result being that it rules by loving kindness. While both of these newspapers are tremendous money makers, it is demonstrated in the case of the latter that a newspaper can be run on a basis of the broadest humanitarian sympathies and community service without damage to its counting room. Many worthy men and women, always speaking in terms of endearment, have told me how they have been helped by this newspaper. If all our journals were like it, life would indeed be a real brotherhood.

Address by Postmaster General Farley to Tennessee Postmasters

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Tuesday, June 13, 1939

EDITORIAL FROM THE CHATTANOOGA (TENN.) NEWS

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Chattanooga News of June 6, 1939.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Chattanooga News of June 6, 1939]

A TIMELY SPEECH BY A USEFUL PUBLIC SERVANT

James A. Farley, Postmaster General of the United States and chairman of the National Democratic Committee, made an excellent impression here Monday morning in his speech at the breakfast of the Tennessee postmasters. He was as genial as only "Gentleman Jim" knows how to be. He was close in touch with the essential qualities which postmasters need to seek and to observe, in their functioning in the No. 1 business of the Nation. And he was admirably sound and persuasive in his expressions of general views of politics and public policy.

Mr. Farley stressed the obligation upon all post-office people who should show the utmost courtesy to the public they are serving, whether complaints as to that service be right or wrong. He emphasized other elements of the Government's business. In what he said he gave further reason for the common judgment that his administration of this great functioning arm of our Federal Government has been admirably done under his shrewd and painstaking administration.

Then, as to general matters, he was at his best in emphasizing the objectives of the administration. He said these in a simple and easily understandable format. Mr. Farley stated them thus:

"1. Business should make a reasonable profit from its investments.

"2. Labor should secure a wage that is sufficient to bring a sense of dignity and security.

"3. Farmers should reap rewards from their toil sufficient to lift the mortgage from the farm and leave a bank balance.

"4. We want the banks to thrive and to use their gold to meet the needs of industry and finance home building.

"5. We want business to boom—but we want all America in on the business.

"6. We want the aged workers free from the haunting fear of a twilight of misery and poverty.

"7. We want free press, free speech, and the right to worship God according to the dictates of conscience."

To this he added that the tumults and alarms now afflicting the world as a whole make it of major consequence that we here in America learn how to present a united front of liberty and democracy to the rest of the nations.

"Let the American people," urged the Postmaster General, "lay aside all backbiting and bickering, and let us present a united democracy as an example to the world. Liberty and freedom can never be extinguished while the torchlight of Jeffersonian democracy is held aloft by the citizens of this Republic." It was a timely speech, made by a public servant as able as he is genial and kind.

Editorial Endorsement of the National Youth Administration

EXTENSION OF REMARKS

OF

HON. ROSS A. COLLINS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

Mr. COLLINS. Mr. Speaker, the editors of the country have only kind words for the National Youth Administration.

This is particularly true of those who are close to the scene, who actually know what this well-administered, community-serving Federal agency is doing in their own respective localities. It has its critics of the New Deal and relief legislation in all their aspects but little fault has been leveled at the National Youth Administration itself.

Editorial endorsement of N. Y. A. comes from papers of all shades of political opinion in cities and towns of all sizes. The National Youth Administration probably has been the object of less hostile comment than any other Federal emergency agency. There is no section of the Nation, so far as I am aware, that is without editorial tribute to the constructive achievements of the National Youth Administration. Indeed, considering the fact that the N. Y. A. operates in all but a very few of the 3,000 and more counties of the United States, newspaper opinion seems practically unanimous in applauding its good work.

Let me call attention to some of these expressions of recognition and good will. They speak for themselves. They are not propaganda. They emanate from the newspapers themselves. They show what the home-town paper and home community think of the N. Y. A. This general chorus of praise and appreciation is by far the most convincing testimonial to the intelligence and sincerity, as well as the administrative efficiency, of Administrator Aubrey Williams and his staff that could be laid before Congress.

Whatever may be said of the editors of this Nation, they are not sentimentalists. If some have made an exception of the N. Y. A. in their broadsides against the progressive measures of this administration, you may be sure there is a sound reason for their attitude. But let them tell their own story.

Here is an editorial published June 9 in the Charleston Gazette, of Charleston, W. Va., which is greatly disturbed by the rumors that N. Y. A. is to be given but $81,000,000 for the coming fiscal year, instead of the $123,000,000 sought by President Roosevelt. Under the heading "Human Material," it says:

There are more than two and one-half million youths between the ages of 16 and 25 in this country, members of families with income of less than $40 per month. The President has asked Congress to provide $123,000,000 to insure the future of these youths. Congress is haggling over the price of this human material, tentatively offering to compromise on approximately $81,000,000.

There is no one who can gainsay the fact that the youth of today are the citizenship of tomorrow. The surest—the only way to build an ever finer America is to train our youth for future responsibilities and leadership. Herein lie potential human values almost beyond comprehension. Is it not our foremost, our prime duty to our country to provide for its future? Yet Congress haggles.

The record of the National Youth Administration is that of major accomplishment. We know of no Government agency that has done more, for it has been building citizenship. Its administrative cost is less than 4 percent; salaries paid its administrative staff are less than those of the average Federal employee. We have seen no evidence of waste of funds. We have seen much accomplished. We devoutly desire to see more done.

Referring to the N. Y. A. achievements in West Virginia, the Gazette concludes:

As for our Democratic Congressmen, it would be an absurdity for them to vote curtailment of a project which is so free from waste and politics and which is doing so much for our State.

That the N. Y. A. must have a splendid program and reputation in West Virginia is indicated by the fact that the News-Register is equally strong for an appropriation of $123,000,000. On June 8 it published this editorial under the caption, "Encouraging Youth":

There are 4,000,000 youths in the Nation who are unemployed, and 80,000 of them between the ages of 18 and 25 are in West Virginia. President Roosevelt has requested Congress to appropriate $123,000,000 for the National Youth Administration for the ensuing year.

If Congress approves that appropriation, it will give the N. Y. A. an opportunity to broaden its field in training the youth that is the future backbone of the Nation.

Three main features of the program include employment of youth out of school on work projects, resident training centers in which N. Y. A. attempts to ascertain the type of work for which youth is best suited, and student aid whereby needy high-school, college, and graduate students are enabled to continue in school.

Of all Government movements, none is more worth while than the Youth Administration. Every dollar spent in this direction will come back a hundredfold in keeping kindled the spirit and courage of our youth.

It is a long way from West Virginia to New Mexico, but I have here an editorial from the Albuquerque Tribune, of Albuquerque, that is one of the finest examples of newspaper cooperation with a Government agency I have ever noted. The Tribune, for some time past, has been conducting a newspaper campaign for community youth centers in Albuquerque, to be constructed by N. Y. A. and urging municipal cooperation to provide them.

I am particularly glad to call your attention to this editorial endorsement of N. Y. A., because the Albuquerque Tribune is a member of the powerful and lately quite critical Scripps-Howard newspaper chain. But it likes what N. Y. A. has done and can do in its own town and writes about it in an editorial, in April last, entitled, "Why Not a Chain of Community Centers?" It begins the editorial with the following quotation from President Roosevelt:

In providing for the health and education of its children for the formation of their minds and characters, in ways which are in harmony with the institutions of a free country, democracy is training its future leaders. The safety of democracy therefore depends upon the widespread diffusion of opportunities for developing these qualities of mind and character that are essential to leadership in our modern age.

The editor then says:

President Roosevelt has pointed squarely at a project for Albuquerque. Federal funds are available. They may not be always. The time to go to work is now. The Tribune would like to see established in Albuquerque a chain of community centers. We have two. We need at least five. The program is entirely feasible. The N. Y. A. stands ready to provide labor for construction of clubhouses and personnel to supervise the play. It has already cooperated in two splendid projects, one in the Heights and one at Barelas * * *. We hear a lot of preachment about saving democracy these days. Some of our statesmen are worrying about democracy in Europe. We've got plenty to do at home. President Roosevelt says, and he is right, that the safety of democracy lies in opportunities for its children. Albuquerque can demonstrate practical interest in the welfare of democracy and of the city by joining in a campaign to establish this chain of community centers. The conditions were never more ideal nor the need more urgent.

Some of the keenest editorial opinion of our day comes from the columnists and syndicate writers who study the Washington scene and whose writings appear in hundreds of newspapers. One of the most widely known and quoted of these national observers is Ernest Lindley, who made an intensive study of the National Youth Administration in 1938 and published a volume on its program entitled "A New Deal for Youth." With reference to the then reported intention of the Appropriations Committee to reduce the appropriation sought by N. Y. A., Mr. Lindley wrote in the Washington Post of Sunday, June 11, an interesting summary of N. Y. A.'s accomplishment, in which he said:

The man who lets his machinery rust is considered a wastrel. But some Congressmen seem to think they are being thrifty when they allow the youth of the Nation to rust in idleness. Many of these young people have never learned how to work—much less learned any skills which will enable them to earn a decent living. A reduction of one-third in the N. Y. A. appropriation is one of the most expensive cuts Congress can make.

Bruce Catton, of the N. E. A. Service, writes for some 700 newspapers from Washington. Commenting upon the statement by Administrator Williams that the increase in funds sought for the coming fiscal year would give aid to another half million youngsters, Mr. Catton writes:

Is all of this worth what it costs? Well, for one thing, it is enabling 400,000 youngsters to continue their education. It is giving a quarter of a million more the experience by which, later on, they can get jobs and become self-sustaining. The material it is working with is pretty high grade, too. Currently, for instance, 88 percent of the N. Y. A. students are among the top-ranking students in their respective schools. Perhaps it is a general recognition of that fact that has spared N. Y. A. much of the criticism that is visited on so many other New Deal projects.

When the question of converting an old school property into a playground came up, the Seattle Post-Intelligencer, of Seattle, Wash., urged action and cooperation with the N. Y. A. in an editorial headed "Our Playground Problem," in which it said:

The National Youth Administration and the Junior Chamber of Commerce have proposed that the present property be taken over for a large-scale recreational project. This proposal is soon to be submitted in detailed form by the school board. Certainly the needs of boys and girls of this district for an adequate playground must be given attention in any plans for future utilization of this property.

Commenting upon the turning over of some municipal property for an N. Y. A. training center, the Williamsport Sun, of Williamsport, Pa., in an editorial entitled "Service to Youth," says of the N. Y. A.:

The practical character of the N. Y. A. program and the generally recognized importance of its work in salvaging youth from the worst effects of enforced unemployment and denial of economic and social opportunities should make this community deeply interested in doing what it can to make a success of the youth training center to be established here.

The same idea is forcefully expressed by the Lowell Sun, of Lowell, Mass., up in staid and conservative New England, where N. Y. A. assistance in many of the textile centers has been much appreciated. "Saving Youth for America" is the caption on the Sun's editorial, which reads:

The National Youth Administration has done a good deal to help young people who were cast adrift by the depression. Its value as a defense against the peril of dictatorship has generally been overlooked; but that it plays a useful role in that regard is indicated by speeches at a regional conference of N. Y. A. supervisors.

Dr. Henry Busch, a college professor, pointed out that unemployment and dissatisfied youth constitute the most fertile field a would-be dictator can cultivate. If such a leader can take such young people, give them uniforms and a program, promise them jobs, and make them feel that they are part of a great cause, his battle is half won. "For youth," says Dr. Busch, "will not sit around forever waiting for something to turn up."

It is in removing youth from the danger of this kind of exploitation that the National Youth Administration performs one of its greatest services.

The Star, of Minneapolis, Minn., feels the same way about it. Under the caption of "N. Y. A.'s Achievement" it comments editorially:

Like the C. C. C., the N. Y. A.—National Youth Administration—has been one of the New Deal projects which has gained far more approval than criticism and has attracted, in fact, a large measure of public acceptance * * *. With C. C. C., N. Y. A. is carrying a great share of the burden of keeping youth busy and happy and making it increasingly apt in productive study and work, which will some day "pay out" in better citizens.

A little farther west the Tribune-Herald, of Casper, Wyo., waxes enthusiastic praise of N. Y. A.'s activities in its own city. "N. Y. A. Dividends" is the title of the editorial, which reads in part, concerning acknowledgment of the good management of the N. Y. A. program, as follows:

On the latter score it is doubtful if there is a city or community in Wyoming which can equal Casper's record in enthusiasm or cooperation, or in net results * * *. And for the national program, as a whole, much can be said if experiences elsewhere measure up in any substantial degree with results here. Directing the forces of unoccupied youth into clean, constructive channels always pays good dividends.

Commenting upon a woodcraft project, the Times, of Reading, Pa., said recently:

Useful projects of this kind are a boon to the community as a whole as well as to the individuals who are thus given employment. In all fairness to the Works Progress Administration, National Youth Administration, and other Federal agencies, we should bear such projects in mind when Government "spending" is up for criticism.

When a proposal was made to provide an N. Y. A. training center in Altoona, Pa., the Mirror, of that city, got behind the plan and gave it an editorial endorsement, as follows:

Establishment in Altoona of a training school in the mechanical trades for graduates of Blair and Altoona County high schools, projected by the National Youth Administration and presented to the Altoona School Board, should prove attractive and advantageous. The Government would benefit by drawing students with whom the mechanical skills are traditional, the young men would be provided training at no expense to themselves, with employment assured, the city would have additional buying power, and the school district would have better served the community as a whole by participating in the program.

The Brownwood Bulletin, of Brownwood, Tex., gives credit to the N. Y. A. for aiding young people at a critical time. In an editorial entitled "N. Y. A. to the Rescue" it says:

Conditions of the past few years have placed heavy burdens upon many ambitious young people whose educational plans have been seriously disrupted because of lack of funds and of jobs to make them partially self-supporting while attending school. The N. Y. A. has come to their rescue and has been the answer to the needs of a great many of them. Because of the good work it has been doing, this division of the general recovery and rehabilitation program of the National Government has been subjected to a minimum of criticism.

In North Carolina, where the National Youth Administration has established a "related training" program, James A. Best, writing in the Asheville Citizen Times, said:

Having only meager resources with which to work—the National Youth Administration gets only a comparatively small portion of the billions appropriated for relief—this agency is attempting to give youths work that will pay them a small amount, and at the same time provide them with a trade and an education that will make them self-supporting.

A survey of the Works Progress Administration rolls will show that a great majority of those who must turn to the Government for a livelihood lack the skill to compete successfully in private work. Many looked to the communities or local governments for assistance before establishment of the Works Progress Administration.

Therefore the National Youth Administration is not only helping these young people to learn a trade but is helping to relieve an economic condition that otherwise would continue unabated.

In Beaver Dam, Wis., N. Y. A. has established a machine shop training project, and the Beaver Dam Citizen, in describing the project, had this to say:

As they hammer sheets of copper from confiscated stills and illegal gambling devices into useful office equipment, National Youth Administration youth on the metal "trade finding" project here are getting a new lease on the future.

Unemployed for months, these National Youth Administration workers welcomed the opportunity to "get off the streets" and receive valuable and practical experience toward chosen fields in metal-trade work.

The entire program is one of guiding youth in finding a vocation suited to them. It is not intended to turn out skilled workmen, but rather to correct haphazard job training or complete lack of training for any definite trade, among unemployed youth, and turn out better citizens well placed industrially according to aptitude and ability.

In describing work done by N. Y. A. students in the Cleveland School of Art, Grace V. Kelly, writing in a recent issue of the Cleveland Plain Dealer, said:

All of these students, gifted and industrious, were enabled to secure their educations through practical work done by them under the N. Y. A., which would appear to be a Government activity the usefulness of which hardly could be questioned.

The Paris (Tex.) News comments on the girls' training project set up by the N. Y. A. in that city:

And while counting up the educational facilities available to American youth, don't overlook the girls' resident training project of the National Youth Administration which is functioning here. Certainly this project is worthy of continuation. This will be agreed by every person who has come in contact with the work.

The N. Y. A. boys and girls themselves get a bouquet from the Here and There column in the Fort Worth Star-Telegram. Speaking of the N. Y. A. group in that Texas city, the writer says:

The membership is made up of young men and women in all kinds of jobs. They are Jacks and Jills carrying their own pails and qualifying as American citizens. This part of the youth movement is moving effectively and happily.

Protesting strongly against the refusal of Harvard University to participate in the N. Y. A. student-aid program, the Harvard Crimson, student daily newspaper, calls this "narrow-minded individualism," and points out that:

Only two strings are tied to National Youth Administration aid. Those who benefit must be in such great need that without it they could not attend college; and they must be in good standing scholastically. Beyond this there is nothing. Methods of administration, the nature and amount of work required in return,

the choosing of recipients—all these are solely in the hands of the university. Even to Harvard, traditionally terrified by anything smacking of Government interference, such terms must appear generous and straightforward. Ninety-eight percent of all the Nation's schools eligible to receive aid, including Yale and Radcliffe, have gladly accepted, and as yet there have been no signs of their being compromised by the gift.

In reference to the educational opportunities provided by the related training program of the National Youth Administration, the Journal of Antigo, Wis., recently stated editorially:

Another activity that promises even greater possibilities in an educational way to deserving young men is the N. Y. A. training course now being given to some 20 young men here. These young men are taken from the country and are not financially able to attend school, but are desirous of improving themselves along lines in which they are interested. There are some 10 or 11 schools of this kind in the State. Each school specializes in certain work. The Antigo School, which will serve 3 counties, will direct its training largely to agriculture. If the young man finds he is best in auto mechanics, for instance, he can be transferred from the Antigo School to one specializing in that work. But regardless of the specialty each school will give a general education that will better fit the young man to earn a living at work that is suited to him. And the fine thing about it is that he works during his training and is earning enough to pay expenses.

The Boston (Mass.) Herald, in a recent editorial devoted to the National Youth Administration program in that State said:

The turn-over in the N. Y. A. is rapid. Every youth is encouraged to leave it as soon as he can. Vocational aptitudes are studied and counsel on work-finding is freely given. It is always difficult to measure the success of such an enterprise. N. Y. A. aided youngsters usually get marks at least as good as those of non-N. Y. A. students. N. Y. A. project workers are continually going into private employment, but never fast enough to satisfy Mr. Casey (State N. Y. A. director) and his associates. The N. Y. A.'s principal service, it seems, has been in keeping thousands of otherwise unemployed boys and girls busy, and in so doing it has unquestionably helped to keep down the curve of juvenile delinquency. Compared to C. C. C. costs, which run to $1,200 per year per boy, its expense is trifling. A youngster in high school is kept occupied at one-thirtieth of the C. C. C. price; a college student at one-tenth; and an older youth in a work project at one-fifth.

A sign-making project which was operated in Lynn, Mass., recently occasioned the following comment in the Telegram News of that city:

City officials and the public in general in Lynn are paying compliments to the Lynn boys employed under the National Youth Administration who have completed hundreds of well-made and artistic signs for the various city departments. Lynn N. Y. A. boys engaged in this particular pursuit are performing their work under the most competent supervision, thus enabling them an opportunity to develop their talents to the fullest degree. The needy in the city have benefited by the assistance given by the N. Y. A. boys in the repairing, staining, and painting of their furniture.

A most pleasing aspect of this N. Y. A. work program in Lynn is the fact that many of the youths have been able to find private employment as a result of the training received under the National Youth Administration.

The Lawrence Tribune, of Lawrence, Mass., in commenting on the N. Y. A. program in operation in that city recently stated:

Much good is being done throughout the town by the local members of the National Youth Administration.

When the National Youth Administration opened its regional center at the Algiers Navy Yard at New Orleans, the New Orleans States said in reference to job training under the N. Y. A. program:

Having such an army of young Americans prepared to fill useful places in the trials of war or the arts of peace according to the demands of the times, strikes us as being wise national policy. No one will begrudge the millions expended on the N. Y. A. if results such as these are the product.

The Daily Courier-Democrat, of Russellville, Ark., had the following to say in regard to the National Youth Administration in a recent editorial:

The N. Y. A. was created 4 years ago as a depression emergency program, though it has proven so practical and constructive that it should remain a part of our national education program.

The N. Y. A. has operated in Arkansas since President J. W. Hull, of Arkansas Polytechnic College, was appointed director in 1935, and today approximately 12,500 boys and girls in Arkansas are enabled through the N. Y. A. to remain in high school or college or find work on projects such as construction, arts and crafts, clerical assistants, etc. Youths from low-income families, both white and Negro, whose families are in need of Government assistance, are eligible for N. Y. A. benefits, and thousands of young people in the State have received training under expert instructors that has enabled them to find employment in private business and industry.

And the N. Y. A. has left its physical monuments in Arkansas that will live even though this agency should be abolished. The training and employment program is centered in the construction of school buildings, gymnasiums, auditoriums, etc., mostly in the rural communities, where the youths work under the direction of skilled foremen who conduct discussion periods to supplement the actual work. To date 98 major construction projects have been completed in the State and 116 are in active status.

N. Y. A. program should be carried on as part of our education program, either as a separate unit or through consolidation with some other department. Within limited scope it fills a place which has long been regarded by educators generally as a weak spot in our education system.

In reference to the program of the National Youth Administration in Arkansas, the Daily Citizen, of Searcy, said in a recent editorial:

Much credit is due the many agencies working for the social and economic betterment of the youth of the United States. Not merely because Searcy has materially benefited by the work of the organization, we sincerely believe that no governmental agency in Arkansas is doing a more constructive piece of work than the National Youth Administration.

The Daily Banner, of Magnolia, Ark., had the following to say in regard to appropriation of funds for continuation of the National Youth Administration:

When Congress appropriates money for its relief agencies, it will do well to place the program for youth at the top of its "must" list. The work that the N. Y. A. is doing is vital and fundamental and should be enlarged and made into an independent organization free from any regulations which would not work to the best advantage of the youth workers. The more we can do for our youth today, the better our civilization of tomorrow will be.

The program of the National Youth Administration in Arkansas evoked high praise in a recent editorial of the Daily Tribune, of Jonesboro, which had the following to say:

The National Youth Administration has undoubtedly been one of the most effective New Deal agencies to operate within this State.

Craighead County has benefited materially by the N. Y. A. program in both construction work and student aid to both high-school and college students.

We commend the work of this organization and express the hope that it may be permitted to continue serving the young people of Arkansas.

A recent editorial in the Sarasota Herald, of Sarasota, Fla., on the subject of the National Youth Administration, urged the city to undertake an N. Y. A. project with the following statement:

It would seem wise for Sarasota to establish a construction project for the National Youth Administration, not only that it may acquire a fine building, but also to provide skilled men who can take technical jobs to become available in the future.

In an editorial entitled "Valuable Agency," which was devoted to the National Youth Administration, the Miami Daily News, of Miami, Fla., had this to say:

Perhaps one of the most submerged of these agencies, insofar as publicity goes, is the National Youth Administration. Yet here in Dade County the N. Y. A. has been operating on an efficient basis for 5 years and has helped between 500 and 1,000 young men and women find themselves either in student work or in healthy able-bodied occupations.

In south Florida, the projects have operated smoothly and without political favoritism. Some 200 young men and women of Dade County are working on N. Y. A. part-time projects at the present time.

The experiment has been a success in south Florida, an advantage to the affected young people and a benefit to these communities. Certainly there has been no justification for the rather vaguely whispered charges that the N. Y. A. is "regimenting" youth into a private political army.

I find the Morning Tribune, of Tampa, Fla., saying this, under the caption "A New Deal for Youth":

Among the New Deal agencies that may become permanent at the will of Congress is the National Youth Administration. For many years young people have felt more and more that the odds of life were against them; they have felt their insecurity. The N. Y. A. is aiding materially in relieving the situation. It is helping young

people to find anchor until they can work out their own problems. Congress has always shown a helpful spirit toward the care and education of young people and it is believed that the agency may finally develop into a clearing house for the problems of unemployment of American youth.

Another Tampa newspaper, the Times, editorially says:

A significant contribution to social welfare, law enforcement, and civic economy in the Tampa area can be made through the projected new county detention home for delinquent Negro children which the National Youth Administration will begin building next week and for which the county commissioners have appropriated $3,700 for equipment and maintenance. * * * The whole idea sounds excellent, and with proper administration of the detention home the county should get big dividends in crime reduction and better citizenship in years to come.

The Edmonson News, of Brownsville, Ky., has a most unusual editorial on N. Y. A., entitled, "N. Y. A. Boys Accomplish Something With Nothing." It reads in part:

It is so seldom that the Edmonson News feels justified to make favorable comment on the accomplishment of any of the many alphabetical agencies of the Federal Government, and when we do that is news within itself.

However, let credit go where it is due, and we do feel moved to make favorable comment on the project of the Edmonson County N. Y. A. in the building of a permanent workshop at the Brownsville High School. This project is a concrete-block building, built entirely with labor of boys, and even a casual examination of the building should convince some of the "experts" employed by other divisions of the New Deal in Edmonson County that they have been strangely miscarried.

In analyzing the youth unemployment situation in Georgia, the Atlanta Constitution has the following to say on Aids to Youth:

The third and possibly the most valuable agency in its final analysis is the National Youth Administration, which has been applying these same principles in a different manner throughout the State of Georgia. The Youth Administration has been slowly working out an adequate, efficient method of training underprivileged youth in gainful occupations that will mean, in the future, much to Georgia.

In North Carolina the Asheville Citizen a few months ago paid tribute to the N. Y. A. program in a long editorial entitled "School of Experience," in which it said:

Since N. Y. A. first began functioning in 1935 as an auxiliary of W. P. A., some 220,000 young people have been given training. In a real sense, as one N. Y. A. official describes the work: "N. Y. A. projects are not apprenticeships, they are not vocational schools * * *. They are efforts to show inexperienced youth what it means to hold a job, to work for wages, to give a dollar's service for a dollar's pay, to punch a time clock with no alibis accepted."

The good work of the N. Y. A. has been recognized in an editorial in the News-Press, of Fort Myers, Fla., entitled "Boys Get a Break," in which it says:

Rapidly growing to augment the good work of the Civilian Conservation Corps is another New Deal agency, known as the N. Y. A.—National Youth Administration. Without much publicity, the N. Y. A. has supplied outdoor and educational work for a number of Fort Myers boys and girls at the municipal recreation center.

"Giving Youth a Lift," is the headline over an editorial in the Star, of Minneapolis, Minn., which reads:

The work of the National Youth Administration has played a vital role not only in seeing thousands of young people through the depression years but in giving them worthy aims and purposes in life * * * something to live for and work for.

The value of educating intelligent youth who want education but cannot pay for it themselves is incalculable, in terms of social good and individual good.

Certainly this endeavor, as Administrator Aubrey Williams says, is worth continuing, for it pays out in better citizenship, higher accomplishment, an educated and high-grade citizenry guaranteed not to go to seed.

The News, of Wilmington, Del., endorses the N. Y. A.'s program in the following words:

Young people who enroll in the service of the Youth Administration thereby manifest a spirit of industry. When they find permanent employment, that is further evidence of their desire to be useful not only to themselves but also to others. It is to their credit that they accept private employment when there is an opportunity to do so.

National Youth Administration supplies the means of employment when other work is not available. Thus it enables young people to maintain their industrious tendencies and at the same time be earning and learning.

The Times, of Fairmont, W. Va., is generous in its editorial endorsement of N. Y. A. In one editorial entitled, "The Good Work of the N. Y. A.," it says:

Since its State unit was established and its labor begun in the various counties, The Times has maintained that the National Youth Administration was one of the soundest and most valuable of the Federal Government's emergency movements. We came to this belief because of the knowledge of the fine work that N. Y. A. is doing for the unfortunate boys and girls of the State, thousands of whom have been assisted in receiving educations after every other avenue of assistance had been denied the youths.

The Grand Rapids Herald, of Grand Rapids, Mich., lauds N. Y. A. under an editorial caption, "Good Job, Well Done." It concludes the editorial by saying:

We hear only a little about N. Y. A. for it is not a highly ballyhooed project. Perhaps that is one of the things which makes it more worth while than some of those which are always in the newspapers but accomplish little of real value either for themselves or for their community. N. Y. A. really does a good job and does it well.

In Texas, the Lubbock Avalanche hands N. Y. A. "A Pat on the Back," as its editorial comment is headed, for a college project. It says:

Easily one of the finest National Youth Administration undertakings to come under Lubbock observation is the vocational agricultural project at Texas Technological College for which a 6 months' extension has just been authorized.

Last fall the Illinois N. Y. A. conducted a 60-day drive to obtain jobs for 4,000 N. Y. A. youths. It was so successful that many more than 5,000 secured positions in private industry throughout the State. The East St. Louis Journal, praising this achievement editorially and referring to the old charge of boondoggling, said:

There may be some basis for some of the boondoggling charges, but certainly the job that the National Youth Administration has done in this district and throughout the State is proof that that agency, at least, is doing something constructive and that the young people of the Nation are ready and anxious to make their own way in the world if given the opportunity.

The Toledo Blade, of Toledo, Ohio, commends National Youth Administration providing student aid at the University of Toledo. "Help From the N. Y. A." is the heading of its editorial, which says, in part:

Critics of the National Youth Administration will have to think hard to find some way in which to turn this gesture around and put it in a bad light. There is nothing bad which can be said about education being made available to those who might not otherwise be able to afford it. The National Youth Administration is to be commended for this helpful hand given to those who need it.

In the Muskingum Valley, in Ohio, the National Youth Administration has recently established a large regional work-experience center, located near New Philadelphia. Said the Cleveland Plain Dealer, when this project was started:

Establishment near New Philadelphia, Ohio, of one of six regional training schools by the National Youth Administration will greatly facilitate the work of this agency which has done an important job in fitting out-of-school youths into regular employment. * * * Employers today demand skilled workers. Many youths find themselves excluded from possible jobs because they lack the necessary training. This they can get through the National Youth Administration. The need for such a scheme is amply shown by the fact that there is a waiting list of 12,000 for places in the National Youth Administration work projects.

The Hamilton Journal-News, of the same State, warmly endorses the National Youth Administration and its New Philadelphia project. The Journal-News says editorially:

The purpose of these camps is commendable in that they prepare boys for their future work and means of livelihood. * * * Many boys who leave high school find it impossible to obtain employment. This camp will provide the opportunity for some of them at least to choose their life work and lay the foundation in training to meet the requirements of that work. There has been much complaint that manufacturers have found it impossible to secure young men, properly trained to take the places of those who because of age or other causes, are compelled to leave their employment. With such a school as the one proposed, this complaint can be removed and the younger men properly trained to meet industry's requirements.

Mr. Speaker, if the press is the voice of America, then I think I have shown that it has spoken on N. Y. A. and in no

uncertain terms. I do not presume to say there has been no unfavorable criticism; I do not presume to say the N. Y. A. does not have an opponent in the newspaper world. But as I said in the beginning, N. Y. A. per se has been subjected to practically no censure. Some of our conservative editors, who do not like the philosophy of the New Deal, include the N. Y. A. in their general onslaught upon President Roosevelt's policies, but few, indeed, I believe, have found any cause to attack the management and accomplishments of the N. Y. A. under the able leadership of Administrator Williams.

The comments I have given you are but a portion of the immense volume of favorable opinion published by the American press on N. Y. A. In every locality that I have heard of, it is integrated to the community and is well thought of; in fact, the local sponsorship of projects indicates the high regard in which local public agencies and local citizens hold N. Y. A. I might cite the names of many, many other newspapers which have encouraged, supported, and appreciated the efforts of the N. Y. A. to do something for young America; it is one of the most gratifying and, I hold, significant things in the life of our Government today, that there should be such unanimity and enthusiasm on the part of the press for this little publicized Federal agency to aid young people.

The Columbia Basin's "Big Four"

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

ARTICLE FROM LIFE MAGAZINE

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the CONGRESSIONAL RECORD and to include therein a brief article in the June 5 issue of Life magazine entitled "America's Future, the Pacific Northwest: the Story of a Vision and a Promised Land."

In the article, since it deals with those who had the original concept of the Grand Coulee Dam, the name of one of the pioneers, whose name cannot be forgotten in any chronicle of this mighty undertaking, is not mentioned. He is James O'Sullivan, of Ephrata, Wash., who, probably more than any other one man, has been the real force behind Grand Coulee development.

O'Sullivan's interest in the Grand Coulee dates back more than 20 years and since that time his abilities, both as a lawyer and engineer, have been invaluable. It was he who first envisioned the dam as it now is, and who persistently and insistently answered all critics and those who would see private interests enriched at the expense of public convenience and progress. Later he was appointed secretary of the Columbia Basin Commission by the Governor of Washington and held that post until the commission was consolidated with another State agency about 2 years ago. He was then employed by several communities to direct the formation of what recently became the largest irrigation district in the world. At the present time he is the executive secretary of the Quincy Columbia Basin League.

Mr. Speaker, I do not mean to minimize the honor which is due William M. ("Billy") Clapp, Gale Mathews, and Rufus Woods. Theirs is a distinction which will make them immortal in the Pacific Northwest. Nor will they object to my nomination of Jim O'Sullivan to the "big four" of the Grand Coulee.

In years to come the teeming millions who will find happy and contented homes in this most favored section of the United States, tilling its rich virgin soil, laboring in its humming factories, carrying on its diversified businesses or following its many professions, will gratefully remember these four men who first conceived the idea of repeating Mother Nature's artifice in damming the mighty Columbia, but for an economic and useful and lasting purpose. We of the present generation pay homage to the "big four" of the Columbia Basin.

The article is as follows:

[From Life Magazine of June 5, 1939]

AMERICA'S FUTURE—PACIFIC NORTHWEST—THE STORY OF A VISION AND A PROMISED LAND

In the Ephrata Cafe in Ephrata, Wash. (population, 516), three obscure small-town Americans—a lawyer, a newspaper editor, and an abstractor—were sitting over their lunch one July day in 1918. Most citizens were talking about the second battle of the Marne that day, but these three, looking ahead to peace, were thinking about the future of the great raw, thinly settled Northwest country to which two of them had migrated from Nebraska, one from Wisconsin. Inevitably, thoughts turned to the mighty Columbia, second largest river in America, pouring unchecked down to the Pacific, wasting untold quantities of potential hydroelectric power and of water to irrigate the country's rich but arid land. Musing on those lost riches, the lawyer, William M. ("Billy") Clapp, had an idea.

Fifty miles north of Ephrata in central Washington eons ago the Columbia had been dammed by ice. Swelling to a great lake behind this obstruction, the river had flooded over its high canyon walls, flowed off at right angles to its old course. By the time the ice melted and the river returned to its original channel it had carved out a new channel some 50 miles long, 2 to 5 miles wide, 500 to 1,000 feet deep. This gorge, left dry and barren high above the river, was named the Grand Coulee. In the dry country around and to the south of it lay 1,200,000 acres of the Nation's richest land, needing only water to be transformed into a national garden. For 15 years, since the Bureau of Reclamation had reported on the land's potentialities, men had been racking their brains for a way to get water to it.

Billy Clapp turned to his companions. "Why not," he said, "dam the Columbia and pump the water back into the Coulee?" If he had proposed a bridge across the Pacific or a ladder to the moon, it could hardly have seemed more fantastic. To replace the ancient ice with concrete and steel called for a greater building feat than any that man had attempted in all history. But Billy Clapp's friends were men of vision, too. Gale Mathews, the abstractor, bobbed his head. The editor, Rufus Woods, of the Wenatchee (Wash.) Daily World, banged a fist on the table. "Billy has it!"

Past now are the years when they were ridiculed as idle dreamers while Woods campaigned for the dam in his paper and all three pushed their crusade with speeches up and down the State, pleas to legislators, letters to Washington, mimeographed press releases by the thousand. Franklin Roosevelt caught their vision of the Northwest's promise when he visited it as a Vice Presidential candidate in 1920. Thirteen years later, when he became President in 1933, their great dream of water and power at last began to take shape. Today 7,000 men, midway in the 8-year job, are rearing monstrous Grand Coulee Dam.

Vast as it is, the area to be irrigated by Coulee is a relatively small chunk of the Northwest country comprised in the four big States of Washington, Oregon, Idaho, and Montana. Rufus Woods, Billy Clapp, and Gale Mathews are only three of many enthusiastic, confident northwesterners who see their region as America's "last frontier" and "promised land." Life, beginning this special issue on the future of America, salutes the seers, the vision, and the land.

THE LAND IS RICH IN NATURE'S GOODS—LUMBER, METALS, WHEAT, AND FRUIT

The look of the land bears out the Northwest's frontier promise. Behind the cities of the coast lie mighty reaches of forest, mountain, valley, and river, where you may go for miles and see only a thread of railroad track or a lonely settler's clearing as evidence of man's presence on the giant earth. The four Northwest States contain 13 percent of America's land, less than 3 percent of its population, and 41 percent of its potential hydroelectric power.

Unlike great open spaces to the south and west, the Northwest land is rich. Out of it pours a flood of useful wealth: more than a third of the Nation's lumber, a seventh of its wheat, a tenth of its flour, a third of its apples, a sixth of its wool, an eighth of its salmon and potatoes. Rich in minerals, the Northwest since 1848 has produced some $6,000,000,000 worth of gold, silver, copper, lead, and zinc. In the Northwest stands over one-half of all the virgin timber left in America—enough to supply the Nation's needs forever if it is properly conserved and replenished. President Jefferson did well indeed when he sent Meriwether Lewis and William Clark in 1804 to explore the Northwest wilderness and claim it for the United States.

The Northwest's chief industrial handicap has been its distance from the manufacturing centers and markets of the Midwest and East. Hence little manufacturing, except of forest products, has developed. But America itself was once thus distant from the markets of Europe and overcame the handicap by creating its greatest market at home. This is what the Northwest hopes to do. If the people from the parched and eroded lands of the Great Plains continue to crowd into this "promised land," manufacturing industries seem sure to follow—especially with the lure of cheap and abundant electric power. Not much heavy manufacturing is expected to develop soon because of transportation costs and lack of coal and iron. But the Northwest can manufacture for itself and for California, in new abundance, many of the light goods which it now largely imports. In this lies the hope, shared by

President Roosevelt, that the Northwest may also prove a promised land for idle workers from the overcrowded factory towns and slums of the East and Middle West.

IRRIGATION MAKES THE NORTHWEST LAND BLOOM

The western valley of the Northwest, lying between the low Coast Range and the towering Cascade Mountains which slice down through Washington and Oregon, in general, gets abundant rain. But the Cascades catch and condense the flying Pacific rain clouds. In the reaches to the east the land is dry. Unwatered, most of it is good for little but grazing and precarious wheat farming. But the Northwest makes the land bloom by damming or diverting the rivers which rush down from its mountains, draining them onto the land through irrigation canals.

Five million acres in the Northwest, a land of dams and ditches, have been irrigated. Five million more are suitable for irrigation. The giant Grand Coulee project alone will water more than one-fifth of these. Still another 5,000,000 fertile acres remain to be reclaimed by clearing cut-over timberland, draining swamps, etc.

Into this pioneer country, whose hardy settlers were still fighting Indians when Mrs. William Astor was giving regal lawn parties at Newport, have migrated 400,000 people since 1930. They include 25,000 drought-driven families from the Great Plains, like those described in John Steinbeck's stirring new novel, The Grapes of Wrath. Most of these have settled on poor, cheap land. In the short-range view the Nation's farm problem is overproduction and low crop prices. But if America over the years is to flourish as it might, it must make the best possible use of its soil and human resources. Some 600,000 American families are now miserably farming, at little profit to themselves and the Nation, 86,000,000 acres of submarginal land which should no longer be cultivated. The Federal Government has helped some by lending money to buy new land, must help many more if there is to be any great shift of American farmers from overcrowded and worn-out lands to the productive acres of the Northwest.

GRAND COULEE DAM—POWER AND PROMISE

This is Grand Coulee Dam, the dream of Billy Clapp, Rufus Woods, and Gale Mathews, as it stood—flanked by the towns for its 7,000 builders on either side of the Columbia—at the end of May 1939. It is three-fifths finished. When completed, in a year and a half, it will be as high as the Washington Monument. It will be wide and thick enough to imbed four United States Capitols. It will contain two and a half times as much concrete as Boulder Dam, biggest thing built by man to date.

Piling up a 151-mile lake behind it, it will lift the level of the river 355 feet. The world's biggest pumps will force 500 tons of water per second up another 280 feet through the diversion tunnels shown just left of dam on far side, into the Coulee shown stretching off at right, thence to be sluiced down on 1,200,000 thirsty acres to the south.

Irrigation will begin in 1943. The generators which will make Grand Coulee the world's greatest single source of electric power are to be installed in units over the next 20 years. The dam and power plant will cost some $200,000,000, the irrigation project another $200,000,000. Smaller Bonneville Dam, another New Deal project, 290 miles down the Columbia in Oregon, is already finished. It has two of its prospective 10 generators in place. Between them Grand Coulee and Bonneville will open up nearly the whole Columbia River to navigation, supply enough power to electrify an agricultural-industrial empire.

Will the empire rise? This is the challenge to America—to all Americans.

The old American frontier, where a strong man with ax and plow could take up free land and make his way regardless of his neighbors is gone. In the industrial civilization of today and tomorrow no region, no city, no business, no individual in America will ever again be able to prosper alone and independent of the rest. The new frontier is one on which, working together for the common good, Americans will use their great technical and creative resources to produce the full abundance of which the American land is capable, an abundance which will make the long American dream of dignity and freedom and equal opportunity for every citizen at last come true.

Partial Description of a Few of the Provisions of S. 1970

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

STATEMENT OF HON. CLARE E. HOFFMAN, OF MICHIGAN, BEFORE THE SUBCOMMITTEE OF THE SENATE COMMITTEE ON EDUCATION AND LABOR HOLDING HEARINGS ON S. 1970

Mr. HOFFMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herein the substance of a statement made by me before the Subcommittee of the Senate Committee on Education and Labor holding hearings on the so-called Thomas-LaFollette bill, S. 1970, having added additional paragraphs on labor boycotts and extortion:

A PARTIAL DESCRIPTION OF A FEW OF THE UNFAIR CIVIL LIBERTY DESTROYING PROVISIONS CONTAINED IN S. 1970

Only by viewing this measure in the light of other Federal activities and laws can we understand and appreciate some of its provisions.

S. 1970 complements the plan and the activities which have received recognition and support through the investigations of the Senate Civil Liberties Committee and the National Labor Relations Act, as interpreted by the National Labor Relations Board.

The Senate Civil Liberties Committee, while ostensibly holding hearings for the purpose, among others, of bringing further evidence to show the deprivation of civil liberties, either called as witnesses those who had grievances against employers or called employers and subjected them to methods of examination and cross-examination which were not such as to elicit the whole truth.

The record of these hearings fails to show that any real, continuous effort was made to bring out those instances where employees, where men who desired to work, were deprived of their opportunity to work because of union activities.

The hearings by that committee tended to intimidate employers, to coerce employees, into yielding to the advice or demands of labor organizers and to bring about industrial unrest.

The National Labor Relations Act, as interpreted and administered by the National Labor Relations Board, judged in the forum of public opinion as shown by various polls, has been condemned as unfair and as needing either repeal or drastic revision. It, too, as interpreted by the Board, has denied to hundreds of thousands the right to work at a job where wages, hours, and conditions of employment were reasonably acceptable. It, as interpreted by the Board, has proven to be a fertile field for the growth of industrial disputes and a breeder of disputes affecting and burdening interstate commerce.

It has been used, according to the A. F. of L., as the tool of the C. I. O., aiding the C. I. O. in its organizing activities and bringing injury to the A. F. of L.

Its interpretation and enforcement, as at present carried on, is making it more and more difficult for employers to operate their plants efficiently and successfully to furnish jobs. It is destructive rather than constructive in its tendency.

The act and those enforcing it proceed, as apparently did the Senate Civil Liberties Committee, upon the assumption that no one other than a certain group or class of employees, i. e., those belonging to a certain organization, is entitled to consideration; that business can continue to exist regardless of the demands made upon it by the worker.

The N. L. R. A. and this bill ignore the fact that organized labor is but a small part of labor in this country. That act and this bill disregard the fact that there are today in this country millions of workers who do not belong to any labor organization; who do not desire to belong to any labor organization; who desire only that their civil liberties be protected; that they be permitted to work; and that employers be permitted, proceeding fairly and honestly, to give them employment.

The measure is entitled "A bill to eliminate certain oppressive labor practices affecting interstate and foreign commerce, and for other purposes."

Considered in the light of our legislative history prior to the enactment of the New Deal emergency legislation, it is so extraordinary in form and substance that one is startled to learn that it was approved without qualification by the Attorney General of the United States, whose utterances would lead one to believe that he was extremely desirous of protecting the civil liberties of those subject to oppression, until it is remembered that the Attorney General is the man who, as Governor of the State of Michigan, for more than a month deprived hundreds of thousands of men of the very essential civil liberty—the right to work.

It may be possible that the arduous duties of the new Attorney General and his almost continuous traveling about the country prevented any personal examination by him of the legal structure of this bill and the consequences of a proposal which would disarm every mill, mine, factory, and business house in America and give notice to every hold-up man and thief that the prevention of bloodshed was more important than the protection of property, liberty, or life—all of which, under the provisions of this bill, might well be required to be sacrificed to avoid bloodshed.

The measure attempts to "gag" its critics by incorporating in the first section a finding that the utilization of certain agencies which have come in the public mind—and largely through the activities of the Senate Civil Liberties Committee—to be considered unfair and disreputable, deprive employees of certain recognized rights.

The bill then proceeds very insidiously to bring within the agencies so designated a large group of persons and of activities which in no way properly fall within the terms of accurate definitions of the agencies so described.

THE PURPOSE OF THE ACT DEFEATED BY ITS PROVISIONS

Assuming that the purpose of this bill is to aid in lessening the disputes affecting interstate and foreign commerce it proceeds upon an erroneous theory. It assumes that there must inevitably be strife and discord between employer and employee. It overlooks the fact that of necessity, to create an industrial dispute, there must be two contesting parties, and in order to solve the question

at issue in such dispute it applies restrictive measures to but one of those involved in the controversy.

The measure is based upon the premise that the employer is always wrong, the employee is always right, and that a correct, just, and equitable solution can only be reached by disarming the employer and permitting the employee to arm; compelling the employer to submit; granting demands of the employee.

The trend of the bill is well illustrated by recalling the old, old reply of the small girl, who, admonished by her mother to quit pulling the cat's tail, made answer, "Mother, I am not pulling the cat's tail. I am only holding it. The cat is doing the pulling."

The utter hypocrisy of this measure is demonstrated by a reading of section 3, which provides that it is an oppressive labor practice for any person, for example, to employ or utilize any labor spy; to employ or utilize any strikebreaker or strikebreaking agency; and remembering the definitions of a labor spy, of a strikebreaker, of a strikebreaking agency, and keeping in mind that the bill contains no definition of nor prohibition against the activities of a strikemaker, a strikemaking agency, and that the definition of a labor spy does not include a spy in a labor dispute who is employed by a union organization.

There are many other provisions of the bill which bring one to the inevitable conclusion that the measure will not lessen but will increase and add to the violence of labor disputes.

Following the pattern of the N. L. R. A., the bill defines activities which, if practiced by an employer, render him guilty of a criminal offense, subject him to punishment as a criminal and to civil liabilities, while like conduct on the part of an employee, a labor organizer, or a labor organization is in no instance rendered criminal or designated as the basis for a civil action. Experience with the Wagner Act has demonstrated beyond controversy that such a theory renders a law fatally defective.

Sailing under a title which might well enlist the active support of the casual reader, the bill, if taken apart, analyzed, and put together again in its proper order, stands disclosed as a measure which would not only place industry but the individual worker at the mercy of the labor organizer, labor organization, and the professional labor politician, some of whom have nothing other than their pretended activities in behalf of labor to commend them to the public.

The bill, if it became law, would not only aid in destroying civil liberties but it would be an active force in subjecting to a labor dictator or a labor politician all those millions of workers who have no desire whatever to fall under the legalized racketeering carried on under the National Labor Relations Act, as it is administered.

The measure, if enacted into law, will, if that be possible, prove more destructive to civil liberties than has the National Labor Relations Act or the activities of the Senate Civil Liberties Committee.

It takes up and carries on where the National Labor Relations Act ends the persecution and oppression not only of employers, not only of the public, but of that vast army of employees who do not recognize and bow to the commands of certain so-called labor organizers or leaders.

The second amendment to the Constitution reads:

"Right to bear arms: A well-regulated Militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed."

This bill would disarm the peaceful, law-abiding citizen, if an employer, and place him at the mercy of the armed goon squad or flying squadron of invading labor organizers.

That very thing happened in Michigan when, from the 1st day of January 1937 until the 8th day of February following, the then Governor Murphy, now Attorney General Murphy, announced his policy of permitting strikers to violate the law, on the theory that there should be no bloodshed, and when, during the latter portion of that period, by the use of the armed forces of the State, he permitted the commission of felonies, the violation of ordinances, the destruction of civil liberties, and denied to the people of the State and to the city of Flint the right to enforce the laws of the State, the ordinances of the city, on the theory that it was better to submit and surrender our civil liberties than to dispute their destruction, if such dispute involved bloodshed.

Time will not permit a complete analysis of the bill nor a full disclosure of the vicious practices which might lawfully be carried on if it became the law of the land. Sufficient to condemn the bill may be learned by a brief analysis of some of its provisions.

Let me take apart some of the provisions of this bill and then replace them in their proper relation to each other, so that the true effect may be discerned.

Let us give to some of the words of section 1 of title I the definitions found in section 2; keep in mind that some of the acts described in section 1 of title I are by section 3 declared to be oppressive labor practices; ascertain from section 4 the acts which are prohibited and made unlawful, and learn from section 6 the penalties imposed for the commission of such prohibited acts.

From section 1 of title I we learn that—

"The Congress hereby finds that the utilization of labor spies * * * (1) violates the right of employees to organize, bargain collectively, and engage in concerted activities for their mutual aid and protection; (2) causes and provokes acts of violence, breaches of the peace, and destruction of property, affecting commerce; (3) leads to labor disputes burdening and obstructing commerce and the free flow of commerce; (4) obstructs the settlement of labor disputes through negotiation and the orderly procedure of collective bargaining, thereby tending to prolong interruption of the free flow of commerce; (5) burdens and obstructs commerce and the free flow of commerce; (6) interferes with the United States and its agencies in obtaining goods and services pursuant to contract; and (7) interferes with and obstructs the effective exercise by the several States of their respective police powers."

"LABOR SPIES"

Who is a "labor spy"? Section 2 (1) (p. 5) gives us the definition. Let me quote in part:

"The term 'labor spy' means any person who for any compensation, promise of compensation, or other inducement, and whether done as a separate duty or as an additional duty in connection with other work, engages in industrial espionage," etc.

We are forced now to learn the meaning of "industrial espionage." Section 2 (m) (p. 5) reads:

"(m) The term 'industrial espionage' means reporting, securing and reporting, or attempting to secure and report to an employer, directly or indirectly—

"(1) Information with respect to the plans or activities of any of his employees or any labor organization with reference to self-organization or mutual aid or protection, or with respect to the identity, number, or composition of the membership of any labor organization, without the express consent of such employees or of such labor organization, as the case may be; or

"(2) Information with respect to the political or economic views or activities of any of his employees or prospective employees, or of any organizer, officer, or member of a labor organization, or with respect to the affiliation of any of his employees or prospective employees with a labor organization, without the express consent of such employees or prospective employees, or of such organizer, officer, or member of a labor organization, as the case may be."

Let us apply these various sections to a hypothetical case, one which is all too often an actual case. Employees are satisfied with wages, hours, and working conditions. An organizer or a union deems it advisable that that particular factory, mill, or mine should be organized, should operate as a closed shop, and, for the purpose of unionizing the industry, pickets the plant in mass formation or by the use of pickets who are armed with clubs, stones, or knives. An employee working in the plant for compensation, although he has not been instructed so to do, reports to the employer that the pickets who came in from outside, who were never employed in that plant, or that employees who are on the picket line do not represent a majority of the employees; or that pickets advocate the taking possession of the plant by force; or that pickets are armed; or that pickets assert that they will not permit any employee who may leave the place of employment to return to his job.

The person so reporting is a "labor spy." He is guilty of "industrial espionage." Under section 3 the employer is guilty of an oppressive labor practice and, under section 4 (a), page 10, he is guilty of a "prohibited act" and may be punished, under section 6, page 12, by a fine of $10,000 or 6 months' imprisonment, or both.

Thus we find that under this bill any employee who advises his employer of either the political or the economic views or activities of any other employee or prospective employee of any labor organizer or member of a labor organization, without the express consent of such employee or prospective employee or of such organizer, is a "labor spy" engaged in "industrial espionage."

Under this bill, if a Communist, if an anarchist who believed and who is engaged in activities looking toward the destruction of individual ownership, toward the common ownership of the factory; who believed in and was engaged in activities looking toward the taking over of the industry and its future conduct by members of his organization—was attempting to convert employees to his views and to induce them to take and hold forcible possession of the factory until his demands or the demands of his organization were granted, and an employee advised the employer of these facts, or of any of them, the employee so advising is a "labor spy"; the employer is guilty of an "oppressive labor practice" and subject to a fine and imprisonment.

Under the law of some States the employee who failed to make known to employer or public authorities the commission of the proposed unlawful act would be an accessory before the fact. In Michigan, if he advised or counseled or took part in the malicious injury to property of the value of more than $25, he would be guilty of a felony as a principal.

Why is it that the definition of a "labor spy" does not include those who are hired by the unions to spy out the activities of the employer and to report to the union and its organizers the activities of the employer?

Is it not true that spies have been employed by the Senate Civil Liberties Committee? By other committees of the Senate? By the various departments of the Federal Government itself?

If the use of spies is to be outlawed, why not then outlaw their use by unions and by organizers as well as by employers?

Did not Arthur J. Wiltse, plant manager of the Ann Arbor Press, of Ann Arbor, Mich., one of the nation's small-business men, recently give testimony before the Senate Committee on Education and Labor which, in substance, is as follows:

"It works both ways, you know. The employers are not the only ones that have spies in the plants. In fact, Roy L. Tucker admitted here in Washington that he was in the Ann Arbor Press purely and solely as an employee of the Typographical Union and that he collected all kinds of evidence that we were in interstate

commerce, and he turned over printed samples, and he watched our work all the time that he was in there in the employ of the Typographical Union, and we asked him how many plants he had worked in in the last 7 years, and he said that he had worked in 500 plants for the Typographical Union.

"This fellow admitted that he came in there purely as a representative, and it is a part of the record of Harry A. Reifen. We asked him, 'Weren't you working for the Ann Arbor Press? You were taking their money?' And he said, 'Well, they thought I was.'

"That is the way they formulated and fomented their strike with that kind of people. There were at least three people that were professional strike makers placed in our plant to organize and make the trouble that affected commerce and let the National Labor Relations Board in. If it was not for any other purpose—it was not that they wanted to affect commerce * * *. But, anyway, here are some checks that we received from the Michigan Mutual Fire Insurance Co.

"When we had this strike we had insurance of $200,000 in our plant, because we were afraid that they would blow it up or burn it up, or do something to it, and we got this fellow in sabotage absolutely. He had destroyed $1,800 worth in 1 week of work where he had changed letters in jobs just going to the press or had misspelled things purposely, and done it after proofreading had been done, and destroyed $1,800 worth of printing, and I took it up with our insurance company, and they immediately paid us in a settlement on it of $500 * * *."

Is it not true that this bill condemns the labor spy if he acts in the interest of the employer—visits no condemnation upon him if he acts for the union or for an organizer? Do the authors of this bill contend for one moment that that which is wrong and unlawful if done by the employer is proper and lawful if done by the employee?

STRIKEBREAKERS

Again we find that section 1 (a), title I, reads:

"The Congress hereby finds that the utilization of * * * strikebreakers * * * violates the right of employees to organize, bargain collectively, and," etc.

We learn from section 2 (n) (p. 6) that—

"(n) The term "strikebreaker" means any person who, during or in anticipation of a labor dispute, is hired—

"(1) To replace any regular employee whose work ceases as a consequence of or in connection with such labor dispute if such person receives or is offered a wage, salary, or other compensation from any source (including transportation to the place of employment, board, lodgings, or other facilities) at a rate in excess of the rate received by such regular employee immediately prior to the cessation of his work; or," etc.

By reference to section 2 (g) (p. 4), we learn that—

"The term 'labor dispute' includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association, or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee."

Let us make application to a concrete case. A retail store here in Washington, where all the employees are white, or part are Negro and part white, is located in a district where the majority of the residents are colored. An organization, none of whose members had ever been employees (as was the case in the *New Negro Alliance* v. *Grocery Company matter*, 303 U. S. 552), demands that the store employ either a greater number of or all Negroes. Thus we have a labor dispute.

If a Negro regular employee quits because of such dispute—if the employer hires another person at the same compensation, including, for example, transportation from the city of Baltimore, such employee coming from Baltimore becomes a strikebreaker; or, if the employer is forced because of the strike, to replace the regular employee with one who receives a higher wage, the person so employed becomes a strikebreaker, the employer is guilty of an "oppressive labor practice"; he is guilty of an unlawful act and may be punished as a criminal and is also liable in a civil action.

Here is another case which illustrates the injustice, the absurdity, of this bill. Relations between employer and employees are harmonious. Employees are satisfied with wages, hours, and working conditions; in short, they have no complaint. But they are not members of a union. An organizer appears upon the scene. The demand is that a closed shop, with the check-off, be established. Perhaps a small minority, as in the sit-down strikes in Flint early in 1937, with the aid of armed outside organizers and pickets, takes possession or establishes a picket line without taking possession of the factory and demands that before any man proceeds to work he must join the union and the employer must employ only members of that particular organization; must deduct all union dues and special assessments from the pay checks, letting the butcher, the baker—yes; and the undertaker—bills be paid subsequently to union dues.

Conditions are tense; there is fear of violence. Some of the more timid of the regular employees quit because of the labor dispute. Farmer boys, having had no experience with the head-cracking activities of the organizers or of the picket lines, are willing, for an additional compensation, to go to work. If they are put to work they become strikebreakers; the employer is guilty under this measure of a criminal offense and may be fined and imprisoned.

Analyzed, this part of the bill shows that, if it becomes a law, employees who are driven from their jobs may not be returned to work if additional compensation for the additional risk involved in their reemployment is paid them.

STRIKE MAKERS

If the purpose of the bill be to promote industrial peace: if the use of a strikebreaker tends to defeat that end, all knowing that the activities of a strike maker bring industrial strife, why is it that this bill does not define a strike maker and prohibit his activities?

Is it right, is it fair, is it just that unions should be permitted, as they are now permitted, to send from one city, from one State to another, armed men who are not, who never were employees in the plant where a strike is about to be called or where a strike is in existence?

Neither the committee nor Congress should close its eyes to the fact that organizers are sent from one city to another, from one State to another, and on more than one occasion violate the laws of the State into which they go, bring violence, civil strife, and in some instances necessitate the calling out of State troops.

Two years ago I introduced a bill which in substance prohibited the crossing of a State line by strike makers, but that measure was successfully and permanently buried in committee.

On what theory of justice, by what reasoning, do the authors of this bill arrive at the conclusion that no one should be permitted to take, at additional compensation, a job refused by a man who does not desire to work and, by failing to include him in the restrictions of this bill, sanction the use of a paid, armed agent of a union who seeks to keep employees who would work from their places of employment?

The authors of this bill, by failing to define a strike maker, to place any restrictions upon his activities, lend their approval to the proposition that a union or an organization may send armed men across a city or State line to deprive men of their jobs when the only offense of such jobholders is that they decline to join a particular organization.

STRIKEBREAKING AGENCIES

Section 1 of title I also provides that—

"The Congress hereby finds that the utilization of * * * strikebreaking agencies * * * violates the right of employees to organize, bargain collectively, and," etc.

Section 2 (o) (p. 7):

"The term 'strikebreaking agency' means any person engaged, directly or indirectly, in whole or in part, in the business of hiring, recruiting, enlisting, or inducing any person to act as a strikebreaker or labor spy."

We have seen how any employee by advising his employer that a Communist, who was attempting to organize the employees, advocated a sit-down strike, the driving of employees from their jobs, or the destruction of personal property, becomes a "labor spy." We have seen how any person who comes from another locality or a more distant place at the employer's expense to take the place of a striker is a strikebreaker.

So we learn that any newspaperman who, through an advertisement calling attention to the strike and to the need for workers, induces a person either to give information or, at a compensation greater than that paid the man whose place he takes, accept employment, is conducting a strikebreaking agency.

And again, the employer, inserting an ad asking for employees to carry on his business and advising that a greater rate of compensation will be paid than was paid to the former worker, is guilty of a criminal offense.

It is only by that degree of fairness and impartiality which our people have come to believe essential in every law, in every act, of the Federal Government, if such law or activity is to be effective and permanent, incorporated within this measure that it can accomplish its assumed objective.

This bill defines strikebreaking agencies and prohibits their activities. So, too, it should define "strike-making agencies" and should limit their activities.

Apply the reasoning back of this bill to a domestic situation. Husband and wife are living together in peace and harmony. But a neighbor, viewing their lives, insists that one or the other is not properly treated. So, acting upon his views, he intrudes, creates domestic discord, and insists that the spouse whose cause he championed is always right, the other always wrong.

If employer and employee are satisfied with the relationship existing between them, why should a third party, a labor union, an organizer, a Communist, be permitted to interfere and disrupt the relationship?

INDUSTRIAL MUNITIONS

Section 1 (a) of title I provides that—

"The Congress hereby finds that the utilization of * * * industrial munitions" is an oppressive labor practice, unlawful, and punishable by a fine and imprisonment.

Section 2 (i) (pp. 4–5) states:

"The term 'industrial munitions' means any bomb, grenade, canister, or shell designed to be projected or capable of being projected by explosive or mechanical force, by hand, or otherwise, and containing, or capable of emitting, any tear gas, sickening gas, or nauseating gas; any shotgun having a barrel of less than 25 inches in length; or any weapon which shoots or is designed to shoot, automatically or semiautomatically, more than one shot without manual reloading, by a single function of the trigger."

It is an oppressive labor practice (p. 9)—

"(4) (A) To possess or utilize industrial munitions in or about any place of employment, or to furnish industrial munitions to any person or to any law-enforcement officer or agency of any State or political subdivision thereof: *Provided*, That the possession, sale, or

disposition of industrial munitions in the regular course of business by any manufacturer or importer thereof, or dealer therein, shall not be deemed to be an oppressive labor practice, (B) to utilize industrial munitions in connection with any labor dispute, or to possess industrial munitions for the purpose of utilizing them in connection with any labor dispute."

From these quotations we learn that it is an oppressive labor practice, a violation of the law, punishable by imprisonment or fine or both, for an employer, including the officers of a bank, to possess or use in or about any place of employment any shotgun with a barrel less than 25 inches in length, or any automatic or semi-automatic weapon, in or about his place of employment. This provision would not only disarm all industrial plants but all banks and like institutions.

Again let us take a concrete case. Armed forces, men in mass formation, greatly outnumbering the employees of a particular plant, march down upon it and demand that the employees march out and either join a particular organization or cease work. The members of this organizing group, these flying squadrons, or whatever they may be called, are not prohibited by this law from arming themselves, for section 2 (e) (p. 4) expressly provides that the term "employer" does not include any labor organization or anyone acting in the capacity of officer or agent of such organization.

This section (4) (A) not only does this thing but in a case where the local authorities were either unwilling or unable financially to arm themselves in order to resist invasion, this bill makes it unlawful for the employer to furnish to the lawfully elected officers of the community the weapons to make their lawful acts effective.

INDUSTRIAL MUNITIONS USED BY STRIKERS

It is true that section 3 (a) (4) (A) (p. 9) defines as an oppressive labor practice the possession or utilization of industrial munitions by any person in or about any place of employment, and this would seem to include strikers and strike makers.

The definition of "industrial munitions" should, however, include clubs, stones, brick, and other weapons, and to the definition of the term "person" as contained in the bill should be added the words "labor union, labor organization, labor organizer, and striker"; and from the definition of the term "employer" should be stricken those words which exempt "any labor organization or anyone acting in the capacity of officer or agent of such labor organization."

There should also be added to the bill, if justice is to be done, a provision which would prohibit the use of "industrial munitions" by strikers, organizers, agents of unions, in or about the homes of employers or employees.

The practice of labor organizers or those acting for or in their behalf of going from home to home of employees who do not desire to strike, who wish to return to work, and by show of force or intimidating such employees through direct threats or through threats to members of their families should be made an offense.

The bill should also make it an oppressive labor practice to by force of numbers or by violence other than through the use of weapons, prevent men who desire to return to their jobs from so doing. Violence, intimidation, and coercion and a deprivation of civil liberties may be brought about by mass picketing as well as by the use of industrial munitions.

There should be added to the bill a paragraph making it an oppressive labor practice for employees or any organization of employees, or for any other organization, to boycott the products of a manufacturer or producer; and a secondary or sympathetic strike should be made an oppressive labor practice.

Members of some organizations have declined not only to handle but to permit the handling of manufactured products and of produce shipped in interstate commerce for the reason that such products were manufactured or produced by others than members of their own organization.

While it is true that no man should be required to do work that he does not wish to do, it is equally true that, if our form of government is to continue and if we are to avoid the rule of a dictator over labor, no employee should be permitted to refuse to let others perform the work which he declines to do or he should be required to do that work himself.

It is also true that, if those employees who are engaged in occupations which affect interstate commerce are to be permitted to insist that all manufacturers and all producers and all the employees of each be required to belong to a particular organization and pay tribute, then we have a dictatorship over labor and the legalization of a racket which would make all others appear insignificant.

Take this illustration: If the farmers of my home State, producing eggs, as some of our cooperative organizations do, by the carload, desire to ship those eggs into New York City, where some organization is permitted to demand that they shall not be placed on the market until the farmers owning the hens which produce the eggs become members of the New York organization, the free flow of commerce is ended, independence of action in this country has ceased.

We have an example of this on the west coast, where employees belonging to one organization cut the timber, manufacture it into lumber, while members of another organization refuse to handle that lumber in the construction of buildings on which they are employed.

The press also reports that products of the farm have been denied entrance into some cities until the producers were ready to pay the tribute levied by the city organization.

I have an instance in my own congressional distrnct where the products of the farm were denied access, for shipment, to a wharf in New York State until union demands were met.

In Somerset County, Pa., where farmers wanted to work on a highway financed through Federal and State funds, the demand was made that they first join a labor organization, paying $15 each, membership fee, and then monthly dues.

Just why should there be superimposed upon all of our activities an organization levying and collecting tribute for the right to earn a living?

A more strife-producing, liberty-destroying enactment it would be difficult to conceive.

Some may think that the revolution in this country has proceeded far enough so that they can get by with a law of this type. But there are many of us who not only believe that the substantial, patriotic citizens of the country will not only repudiate at the polls those who sponsor this oppressive legislation, but that they stand willing to sacrifice their liberty and, if need be, their lives in resisting to the utmost measures such as this.

Our people are patient; they are long suffering; but they have common sense and they love their liberties. They are patriotic, and when once it is made clear to them the shackles which are being forged to destroy their liberties, they will not be slow to act, and those who would bring about the destruction of civil liberties, even though they profess to maintain them, should realize that there is much truth in the old saying, "Though the mills of God grind slowly, yet they grind exceeding fine," and that the day has come when the people of this land will not much longer submit to the insidious inroads which of late have been made upon our liberties.

Dedication of Palmyra Post Office

EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

ADDRESS BY HON. JOHN C. KUNKEL, OF PENNSYLVANIA, MAY 27, 1939

Mr. KUNKEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at the dedication of the Palmyra post office, May 27, 1939:

The post office is probably the most important institution in the town. More than any other one institution, it forms the tie that binds the city, the town, the community to the outside world. It was the early development of the post office that made it possible for our pioneering forefathers to keep in touch with their friends and relatives back home while they themselves were establishing new frontiers. It was the post office that has been one of the great factors in modern commercial expansion. It has provided outlets for our products and it has provided the means of arranging for the disposition of those products. It has provided opportunity for expressions of sympathy and thoughts of kindness which means so much in our moral and spiritual life. It would not be an overstatement to say that one can trace the outline, the history, and development of our Nation by a study of the history of our Postal Service. It is one case of Government in business—for we must admit that the post office is not only business but big business—which has been successful and economical.

The establishment of a post-office building is always an event of tremendous importance in any community.

It is not only important because of the building. It is not important merely because it provides a little temporary activity in the community although those are factors to be considered.

The importance of a new post office lies in the fact that it is a step forward in the progress of the Postal Service, the intercommunication between citizens, that great agency which makes the communication of intelligence, of ideas, and of ideals possible between men. It is a step forward for the community.

Think what it would mean to us today if the mails should stop. Think what would have been our condition if the mail service had never been developed. There is in all probability no single agency in Government that has had the great educational and moral effect and benefit of the Postal Service. There is probably no agency since the printing press that has more far-reaching effects in this direction than postal service. By means of it men have exchanged ideas; philosophy has become widespread; the problems of life have become matters of common discussion and common solution—no problem of life—no difficulty of the individual—no necessity of a man or a nation is untouched by the mail service. It has to do with them all.

It seems to me that the most interesting feature of the development of our Postal Service has been its ability to solve particular problems as they arose. For instance, the establishing of the time-saving device of sorting mail in transit. The establishment of Air Mail Service when modern invention developed the airplane. And in this connection, let me point out that today as in the past the post office's problems are particular everyday problems. It does not deal with theories. It studies concrete problems such as where to build a new post office, where to extend or curtail service, where to have a star route or an R. F. D.

We can draw a lesson today from this success from attention to everyday life and to detail and to the solution of everyday problems as and when they occur. That lesson is that attention to detail and his own problems by the individual is more important in the long run in the solution of governmental problems than is any general grand theory as to how these problems may be solved. I am particularly convinced of this because today we have conflicting theories in all fields and they can't all be right. For instance, Secretary of the Treasury Morgenthau, and President Eccles, of the Reserve Board, have divergent views on financing. Both are highly intelligent men and yet both can't be right. We have a two-party system of government. Someone has said neither party was ever entirely right on all lines at any one time. And yet through the years our Government has charted a forward movement. Why? Because at no time did the country ever follow wholly the theories of one party or the other. It charted a middle course and that course was determined by the individual actions and judgments of the individuals of the country. The better those judgments were and the more careful those actions were, the more nearly correct was the course.

The solution of our problems doesn't depend so much on anyone as it does upon the sum total of all of us. A noted statesman once said: "The continuance of democracy depends upon the capacity of the people to cope with the problems of government." It seems to me that is true and that theories or planning by individuals or small groups can never solve the problems of government if we are to continue as a democracy. On the other hand, does anyone deny or even doubt that the American people, who transformed a wilderness into the greatest country on the face of the earth have that capacity?

We hear a great deal of false philosophy about the fact that America has reached its peak, that the machine age has overpowered us, that problems today are impossible to solve. I just don't believe any of these things. But I also don't believe any one person will solve them. They will just get solved if everyone keeps his pride in himself, in his ability, in his country, and in his religion. There isn't anything new about this. It is inherent in every page of the history of our country and in the Christian religion. "The essence of Christianity is its insistence on the supreme value of the individual," says Henry C. Link in the Rediscovery of Man. "In Christianity men are not the puppets of the state; they are the sons of God. They are not cogs in a machine but creatures with souls."

Our problems will be met in time and in part by our citizens in communities like this—courageously meeting their own problems as best they can and insisting on their own value their own identity which their Christian faith and their American citizenship teaches them. This is a challenge and an inspiration to each one of us—when we solve our own questions, when we develop our own personalities, we at the same time are helping in the solution of those of our friends and neighbors and in directing the chart and course of our democracy closest to the best possible course. It is no accident that in those countries where democracy no longer exists that attacks on religion have occurred. It is much easier to make a unit in a totalitarian State of one who does not believe he is the captain of his fate.

I am delighted to be here with you today at the dedication of this post-office building because it marks a step in progress in the Postal Service whose motto always has been "The mails must go through."

A post office is a monument. It is a monument to the years of faithful untiring service of the many who in continuous succession through the years have seen to it that the "mails went through." It is a monument to the industry, growth, and development of the community in which it is located. It is a monument to those who worked to secure it and to those who worked on it—and finally it is a monument to the relationship between this community, other communities, and the Nation. It is a United States post office and a symbol of a united, undivided, forward-marching nation.

It is peculiarly appropriate to dedicate this post office, this monument to the community and the undivided Nation so close to Memorial Day, when we will again commemorate those who offered their lives to keep this Nation one and indivisible and when we think of those who later fought in behalf of idealism and to preserve democracy. It is peculiarly interesting that this important milestone in the life of Palmyra and its postal service should occur at approximately the same time as that important milestone in the history of the Postal Service—the starting of the trans-Atlantic mail.

May the fine building, beautiful and useful, a fitting tribute to a fine community, long remain.

May the countless millions of letters that come through and go out from this building bring success and joy and happiness to you and to your children and to your children's children.

Politics Would Take Over Medicine

EXTENSION OF REMARKS

OF

HON. FRED J. DOUGLAS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

ARTICLE BY CHARLES MORRIS MILLS

Mr. DOUGLAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article written by Charles Morris Mills that appeared in the New York Herald Tribune.

[From the New York Herald Tribune]

POLITICS WOULD TAKE OVER MEDICINE

(By Charles Morris Mills)

The family doctor is a cornerstone of American life. To millions he is a priest rather than a physician—a father confessor knowing more about the second mortgage or the deferred payment on the Ford than Charlie's cough or Mary's mumps. The day of high-pressure specialists and high-sounding sanatoria has not changed him. The burden of calls upon the poor and needy has not broken him. The allure of fame and fortune in unknown trails of research has not dazzled him. The darkness of depression and debt has not dismayed him. Rich or poor, in costly hospitals or free clinics, in lofty apartments or third floors back, the American doctor has carried on. The Nation is proud of his record.

Now, however, we are told that medicine has failed in America, that we must put a large share of our doctors on the Federal pay roll, that we must build our hospitals at the beck and call of politicians, not physicians; that we must regulate our maternal and child care through absentee bureaucrats in Washington. The day of free enterprise in American medicine is to be ended. The glory of American achievement in prevention of disease is to be snuffed out. The pride of research against the enemies of health is to be subdued.

Instead, American medicine is to be streamlined a la European models. Free hospital and medical service is to be provided for the 40,000,000 poor (W. P. A. statistics derived by dividing 120,000,000 population by one-third; the American Medical Association, by careful survey, shows the figure to be about 40,000) who are supposed to be unable to get adequate attention. Hospitals are to be erected all over the Nation irrespective of existing church and community facilities. Sickness disability payments, otherwise known as compulsory health insurance, are to be determined by the Social Security Board. The rich States are to put $2 in the hat and get back 50 percent from Uncle Sam, while the poor States receive a 200-percent jackpot.

Yet these are the essential points in the Wagner health bill, introduced on February 28 and upon which hearings are now being held. No one except possibly the President and Senator WAGNER knows why this bill, entailing the ultimate expenditure of more than a billion dollars a year, was introduced at this time. No epidemic or sickness emergency exists, for the records show the health of the Nation at its highest peak. No high-pressure demands have been made for its passage, for federally controlled hospitals or for federally hired doctors. Yet when the President admits that the Budget cannot be balanced under the present conditions, when business and unemployment grow steadily worse, when national defense becomes paramount if we are to survive as a nation, this great new burden threatens to descend upon the neck of every citizen.

Why, therefore, is this bill presented now rather than in 1935 or 1942? The answer is that patriotism has been shoved aside for politics and principles for partisanship. A New Deal victory is more important in 1940 than safeguarding the Nation's best interest in 1939.

The Wagner health bill is a typical New Deal measure. It is sloppy, vague, discriminatory. It was conceived without the benefit of clergy—without advice from the medical profession by professional bureaucrats in Washington. It further establishes the "grants-in-aid-to-States" policy which is undermining the stamina and structure of the States themselves. It sets up a vast Federal bureaucracy of unlimited character. It envisions huge appropriations without visible revenue. Yet on May 10 the General Federation of Women's Clubs in the annual convention at San Francisco voted 187 to 72 for this bill. The delegates from the Eastern and Middle Western States demanded more time for study, but were outvoted by the Southern and far Western States. The debate was largely a battle between the "haves and the have nots," with the cry of the dust bowl louder than that of the cash-laden conservatives.

On May 11, the A. F. of L. and C. I. O. both indorsed the bill, but complained that the measure did not go far enough. Matthew Woll, of the A. F. of L., said "the cost of medical care should

be lowered so that it is within the reach of the large part of the population which has less than $1,500 income. Little do these leaders of American labor realize what they are endorsing.

Little do they know of the results of compulsory health insurance in England and Germany. They do not understand that the average house call of a state doctor in England is from 5 to 7 minutes and that the average clinic interview is 3 minutes. They have never heard that England is becoming a nation of medicine drinkers—"You, know, Doc, I want some more of the same old stuff." The cold bare facts show that in the last 10 years, America under the free-enterprise system has reduced mortality rates for tuberculosis and diptheria 36 and 68 percent, respectively, compared with compulsory health-insurance figures of 28 and 3 percent in England and 23 percent decrease and 212 percent increase in Germany. Yet Senator WAGNER says that his bill "will not break with the American tradition."

Two weeks ago the American Medical Association held its annual convention in St. Louis. Last December the officers of this association, which represents 112,200 doctors, were indicted by a Federal grand jury in the District of Columbia for alleged violation of the Sherman Antitrust Act. Assistant Attorney General Arnold then attempted to salve the situation by use of "the consent decree" already developed through the petroleum and automobile finance cases in the Middle West. Arnold suggested to the doctors that if they "agreed to constructive proposals" laid down by him beyond the tenets of the law, they might escape going to Leavenworth. If the physicians failed to comply, the heat would be turned on, and that is exactly what happened, for the next move was the threat of an income-tax investigation on this nonprofit scientific association.

The Wagner health bill was the next slap against American medicine. The chief author of the bill is currently reported to be an official of one of the financial branches of the Government. Thus the proposition becomes as preposterous as if the teachers of the country were to be regulated by the W. P. A. or the lawyers by the C. C. C. The bill is far more cuckoo than Passamaquoddy or the Florida ship canal. Those propositions dealt with physical chances; this deals with the undermining of a profession. Thus, there was little surprise when the St. Louis convention by unanimous vote of its 174 delegates condemned the Wagner bill for 22 reasons because it "insidiously promotes the development of a complete system of tax-supported governmental care * * * provides for supreme Federal control * * * inconsistent with the fundamental principles of medical care established by scientific medical experience and therefore contrary to the best interests of the American people."

The resolution charged the bill did not provide for the use of thousands of vacant beds available in church and community hospitals; did not recognize the environmental conditions necessary to continuous prevention of disease; did not provide for the extent of medical services for which allotments were to be made. The association proposed that, instead of permanent Federal control of medicine, any State, in the case of medical emergency, should be able to obtain Federal help rather than impose burdens upon all the States.

There are undoubtedly certain practices and policies pursued by the A. M. A. which may be subjected to severe criticism. There have been certain attitudes of the "high hat" which have angered the rank and file. There have been personal animosities. However, this does not condone a vitriolic attack upon the A. M. A. or the introduction of a Wagner bill at this time.

No wonder, therefore, that every right-thinking doctor is aroused to preserve his profession. If every patient and friend of every doctor wheels into action, the most powerful lobby in history will be created to fight political medicine. The great middle class, upon whom the average doctor depends for support, would then overwhelm the endorsement of both branches of organized labor and any other groups. To accomplish this result the doctors themselves must drop professional shrouds and act as citizens. The question of professional ethics is not involved when one's profession is at stake. The dangerous shadow of totalitarianism in the professions affects every lawyer, teacher, minister, and engineer, as well as every doctor.

National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

LETTER FROM OTIS C. MOYER

Mr. MURRAY. Mr. Speaker, under leave to revise and extend my remarks, I include the following letter with resolution received from Mr. Otis C. Moyer, secretary of the International Brotherhood of Paper Makers, Local No. 116, of Stevens Point, Wis., regarding the amendments to the Wagner Act:

INTERNATIONAL BROTHERHOOD OF PAPER MAKERS,
LOCAL NO. 116,
Stevens Point, Wis., March 1, 1939.

Hon. REID F. MURRAY,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: The enclosed resolutions were drawn up and adopted by the Stevens Point Local, No. 116, at a special meeting February 19.

We believe that any changes in the Wagner bill at this time would be detrimental to the labor movement. As industry will try to insert amendments into the bill that will make it a weapon with which to fight labor, rather than a protection for labor against unfair practices of the industrialist.

The local urges that you cooperate with us in fighting any proposed changes to be made in the Wagner bill.

Yours sincerely,

[SEAL] STEVENS POINT LOCAL, No. 116,
By OTIS C. MOYER, *Secretary.*

Resolution 1

Whereas we believe that labor as a whole is opposed to any and all amendments to the National Labor Relations Act.

Whereas any and all amendments at this time to the Wagner labor bill would be detrimental to the labor movement.

Whereas amendments to the Wagner bill would give industry a decided advantage over labor.

Be it resolved, That the rank and file of the labor organizations shall assert themselves by demanding that the National Labor Relations Act shall be left intact.

1. That the Honorable Franklin D. Roosevelt, President of the United States, be hereby requested to use his power and influence to prevent changes in the National Labor Relations Act.

2. We earnestly urge that all local unions and organized groups, regardless of affiliation, join us in this request petitioning the President of the United States, the president of the American Federation of Labor, the United States Senators, and United States Congressmen to use their power and influence to prevent changes or amendments being made to the National Labor Relations Act.

Resolution 2

Whereas the La Follette subcommittee on civil liberties and the Labor Relations Board are essential in sighting violations of the Labor Act and settling labor disputes: Be it

Resolved, That Congress appropriate adequate funds for the La Follette subcommittee on civil liberties and the Labor Relations Board.

The Other Side

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

Mr. BOREN. Mr. Speaker, there has been a great deal of material placed in the CONGRESSIONAL RECORD in the last few months regarding the attitude of the State administration in Oklahoma toward the construction of a flood-control project on the Red River. Everything that has been put in the CONGRESSIONAL RECORD has been on one side of the case. Irrespective of what one's attitude may be on a specific problem, impartial judgment of this body should have their attention called to the views of those who hold a position opposite to what heretofore has been presented. There are certainly two sides to any issue.

My particular interest in this project has been entirely confined to the district I represent. I felt at the outset that the city of Tishomingo and the good lands immediately adjacent thereto should not be inundated. The project has been revised to take care of that particular problem. It may be that revision of the project which saved the city of Tishomingo from inundation will also solve other problems affecting the State of Oklahoma fundamental to causing the project to become an issue.

Of the State-wide problem, I am not well advised, having confined, as I say, my attitude solely to the interests of the Fourth Congressional District. In any event, an issue is never properly met and the correct answer never found in

an attempt to overshadow the right and wrong of an idea by impugning the motives of its adherents. I have always taken for granted that a man who opposed me on any issues that arose in this Congress was sincere in his opposition. I have tried to meet each issue here solely on evidence of right and wrong on the question involved.

There is a judge in the district which I represent in Oklahoma who is well known for his caustic wit and keen intellect. A certain lawyer attempted over a period of years to renew a certain case in this judge's court. The judge constantly overruled him because the lawyer was never able to present evidence to substantiate his claim. Finally, the judge dismissed the case permanently, advising the lawyer that it was time for him to get a new case.

I ask unanimous consent to extend at this point in the RECORD an article from the Tulsa Daily World of Friday, May 26, which presents the other side of the case, a side which has heretofore been unrecorded.

[From the Tulsa Daily World of May 26, 1939]

STATE CAPITAL GOSSIP—SENATOR JOSH LEE STILL HAZY AS TO WHY GOVERNOR PHILLIPS IS OPPOSED TO DENISON DAM PROJECT

(By Edward D. Burks)

OKLAHOMA CITY, May 25.—Reports from the hearing at Washington on the Denison Dam indicate that JOSH LEE, the State's junior Senator, who is favoring construction of the project which is opposed by Gov. Leon C. Phillips, apparently got his wires twisted—again.

An Associated Press dispatch from Washington quotes Senator LEE as charging the Phillips opposition is influenced by power interests.

He said Governor Phillips' three representatives at the hearing "had strangely failed to criticize" 10 other dams authorized for the State of Oklahoma which did not generate power.

The fact Governor Phillips has opposed Red River Dam is not news—in fact, he was opposed to it when he served as minority leader of the house 2 years ago—he was opposed to the principle involved in 1935, when as speaker of the house he approved the bill providing for the Grand River Dam Authority, which is a power project.

The Governor was openly opposed to the Denison River Dam project when, as Governor, he signed a senate bill increasing from $15,000,000 to $25,000,000 the authority of the G. R. D. A. to issue bonds for the construction of dams at Fort Gibson and Markhams Ferry, both of which are power projects.

The Governor also was openly opposed to the Denison Dam when he signed a bill creating the Fairfax-Kaw City Authority, which would be set up to obtain a power dam for the Arkansas River in Osage County.

Senator LEE probably has not been informed then that the Governor has given his wholehearted approval of four power-dam projects lying within the State of Oklahoma, the Grand River, Markhams Ferry, Fort Gibson, and Fairfax-Kaw City, although each has received the enthusiastic support of the Governor, both as chief executive of the State and as a legislative leader.

However, Senator LEE, in the past, has made statements that have not always checked out when compared with the record.

Neither has he been able to get simple geographic facts straight. It is recalled that when he made the address at the Will Rogers memorial services in Claremore shortly after the Alaskan tragedy, he pictured the "sparkling Spavinaw" as coursing down through the "Osage hills."

Governor Phillips first voiced his opposition, publicly, to construction of the Denison Dam when he was minority leader of the house, and that was when he spoke in favor of house resolution 37, which authorized the sending of a committee to St. Louis to protest construction of the dam.

That same session of the legislature he hit at the principle involved in the project which has motivated his opposition to it. He came near a break with William O. Coe, member of the house from Oklahoma City, who strangely enough is representing the State in protest to the dam.

Coe was supporting house bill 566, which would have granted the citizens of Texas the equal right with Oklahomans to fish in the Red River without a fishing license.

"That was the first threat to the rights of Oklahoma in the Red River," said the Governor.

That same session the Governor supported house bill 3, which amended house bill 385 of the fifteenth session. Effective, house bill 3 was to remove from the Grand River Dam Authority bill the so-called Kirkpatrick amendment, which provided that power generated by the dam could only be distributed through power companies.

Thus Governor Phillips, contrary to charges of JOSH LEE and others, has consistently supported, as a legislator and chief executive of the State, Federal projects which would generate cheap power in competition with the utility companies.

He is opposed, however, to any project which would throw State rights to the Red River country into controversy.

The Townsend Bill

EXTENSION OF REMARKS

OF

HON. JOHN W. BOEHNE, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

Mr. BOEHNE. Mr. Speaker, on page 2537 of the Appendix of the RECORD of Monday, June 12, there appears an extension of remarks by my colleague from Indiana [Mr. GILLIE], in which he takes the House Ways and Means Committee to task for the method which it pursued in bringing the so-called Townsend bill to a vote on the floor of the House. I think it is entirely proper for one, who is a member of that committee, to correct some of the inferences drawn by my colleague.

Beginning in the fourth paragraph of these remarks, I quote the following words:

The new Townsend bill on which we were obliged to vote was introduced in the House on May 23 without benefit of hearings.

Even though this is an accurate statement of facts, it does not portray what actually happened in the Ways and Means Committee. As everyone knows, the first Townsend bill this year was introduced by the gentleman from Florida, Congressman HENDRICKS, on January 3, 1939, and bore the number H. R. 2. During the latter part of January the committee decided to conduct open hearings on the amendments to the Social Security Act and all of its phases. As a result, the Townsend movement was given all of the opportunity it desired to have that legislation explained in detail. The record shows that about 600 pages of written testimony is a part of the official records of that committee. From this testimony I want to repeat a few lines that can be found on page 660 of the printed hearings:

Mr. TREADWAY. If I may supplement what the chairman has said, Doctor, you have been perfectly pleased and satisfied with the manner in which you have been received by the committee at this time?

Dr. TOWNSEND. I have, indeed.

Mr. TREADWAY. In speaking for other witnesses in behalf of your measure, that would apply likewise to their testimony?

Dr. TOWNSEND. Yes, sir.

Mr. TREADWAY. And I think you will also give us credit for the line of questions we have asked, that they have been for informative purposes rather than to in any way embarrass either you or any of your associates.

Dr. TOWNSEND. I do, and I thank you all and individually.

Mr. TREADWAY. I had just one question. You have suffered no persecution from the lawyers on this committee?

Dr. TOWNSEND. No. Gentlemen, I came up here with a little trepidation, I admit. My experience with committees has not been such as to make me seek this sort of thing, but my courage was bolstered by the fact of the fairness, and the evident intent of this committee to be fair all the way through, and by the fact that it was only three jumps to the door.

Just to keep the record straight, Dr. Townsend suggested certain amendments, minor in character, in his testimony before the committee. These amendments were included in the new bill, which bore the number H. R. 6466, which was introduced on May 23. However, the hearings on H. R. 2 were to be applied to H. R. 6466. My colleague from Indiana goes on to say as follows:

It—the new bill, H. R. 6466—was hastily thrown together and included many absurd provisions, such as the following: "Throughout the act the present tense includes the past and future tenses, and the future the present. The masculine gender includes the feminine and neuter. The singular number includes the plural, and the plural the singular. Shall means must and is mandatory."

I just want to remind everyone that even though this language was contained in the new bill, H. R. 6466, it also was contained in the original Townsend bill, known as H. R. 2, and can be found in the first six lines on page 5 of that bill.

Further quoting my colleague from Indiana:

Just what this—

Meaning the above phraseology—

meant, I do not know; but it was no more amazing than many other provisions of this measure. The House Ways and Means

Committee might have eliminated these provisions, but it declined to do so, and the Rules Committee reported a "gag" rule, which meant that amendments were barred. I think my Townsend friends were badly treated by being denied the usual privilege of perfecting their bill by amendments. The entire aim of the Democratic leadership seemed to be to make the bill as obnoxious as possible to insure its defeat.

In order to clear up a misunderstanding, may I refer you to the colloquy between the gentleman from Florida, Congressman HENDRICKS, and the gentleman from Georgia, Congressman COX, which can be found on page 6362 of the CONGRESSIONAL RECORD of May 31, and which reads as follows:

Mr. HENDRICKS. There may be some question as to where the friends of this bill stand on this closed rule and on this bill. You have heard the argument, and will again, that this is not the bill H. R. 2; that instead of being H. R. 2 it is H. R. 6466. Minor changes only have been made. Furthermore, the hearings on H. R. 2 are available to every Member of the House. I dare to say that if the opponents of this rule were asked if they had read the testimony on H. R. 2 that practically every one of them would have to say, "No; I have not." Had this bill been before the House for 6 months and hearings been held on it, those same Members would not have read the hearings on this bill.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HENDRICKS. I yield gladly.

Mr. COX. Is the House to understand from what the gentleman has stated that he and his associates, the advocates of the adoption of this proposal, join with him in asking for the adoption of the rule, and that the gentleman and his associates, the advocates of the measure, will vote for the previous question?

Mr. HENDRICKS. I am sure that is true, I may say to the gentleman from Georgia. I have not questioned every one of them. We would have preferred more time, but we have agreed to this.

Mr. COX. I have understood that that was also the request of the founder of the movement.

Mr. HENDRICKS. I shall be glad to clear that up by reading a couple of letters written by Dr. Townsend, one addressed to myself and one addressed to the chairman of the Committee on Rules.

Under date of May 15, 1939, Dr. Townsend wrote me as follows:

"MY DEAR REPRESENTATIVE: It is my understanding that while there has not yet been any official action taken by the Committee on Ways and Means on H. R. 2, that if we will present a new bill including the amendments which are submitted to the committee, the committee will report the bill without recommendation, and the leaders will give us 4 hours in which to discuss the bill, after which we will have a roll-call vote.

"I do not think the time allotted to this bill is sufficient. I believe its importance justifies at least 10 hours' debate; however, in order to get a roll-call vote on our bill, which is what we desire, I feel that our supporters are justified in agreeing to the 4 hours' debate.

"I trust that every Member of Congress will give this measure his most careful and sympathetic consideration as a constructive contribution to the national recovery we all desire."

Under date of May 24 last, Dr. Townsend addressed a letter to the chairman of the Committee on Rules, from which I read the following:

"Congressman HENDRICKS has called my attention to the fact that the Committee on Ways and Means reported H. R. 6466 to the House of Representatives without a recommendation. It is my understanding that the chairman of the committee was also instructed to ask for a rule on this bill. Congressman HENDRICKS called my attention to the fact that all concerned were desirous of knowing whether this bill, H. R. 6466, had my approval.

"While we all realize that this bill is not a perfect bill, we believe it to be the best that we can get at this time, and we are therefore asking the Rules Committee to give us a rule in order that this bill may be discussed in the House of Representatives and a record vote taken on this bill as the Townsend issue at this time."

Mr. Speaker, Dr. Townsend asked me further to convey this message to friends of this bill in the House of Representatives:

"Friends have advised me that in all probability there will be certain dilatory tactics used to damage our bill. I understand that there will be an attempt to vote down the previous question on the rule and also a motion to recommit the bill.

"Will you kindly assure our friends that either move will be considered an attempt to scuttle our bill and ask them to cooperate with you in voting against these tactics?"

Mr. Speaker, I believe I am justified in saying that any vote to vote down the previous question on this rule or any vote to recommit this bill will be considered a vote against the Townsend bill.

It must be borne in mind that if it was the "aim of the Democratic leadership to make the bill as obnoxious as possible," then it must also be said that the Ways and Means Committee reported the bill as written by Dr. Townsend, including the amendments that were offered by him, and which were included in H. R. 6466, and that the bill was reported without recommendation by the Ways and Means Committee, no member of it offering a motion to report the bill favorably.

It is also interesing to note that in spite of the charge that H. R. 6466 was hastily thrown together, and that no hearings were held on it, that the only change between this bill and the original H. R. 2, on which full hearings were conducted, was a minor change in the taxing provisions designed to create the revenues to put this pension scheme into effect.

I think it is well that the above facts be cited in order to show that not only was H. R. 6466, as written, the bill that the Townsend followers demanded, but that the so-called "gag" rule was the rule requested by the supporters of this movement.

Facts, rather than fiction, should be the basis for a post-discussion of the procedure before and during the vote of June 1, and should also be the basis on which an alibi should be constructed.

The Case for the Wagner-Rogers Bill

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 13, 1939

STATEMENT BY HOWARD A. SEITZ BEFORE THE COMMITTEE ON IMMIGRATION AND NATURALIZATION

Mr. MASON. Mr. Speaker, under permission to extend my remarks in the RECORD, I am inserting herein the statement of Howard A. Seitz before the Immigration and Naturalization Committee.

Fifteen years ago the Congress in its wisdom determined to restrict immigration into this country. Its reasons for so doing were ample and the restrictions then laid down are and will remain, I believe, the law of the land. The choice of policy, however, at all times rests with the Congress. It determines alike when a rule is to be laid down and when an exception is to be made. Sound adherence to policy may from time to time require sound discrimination as to the need of exception. You who were the judges of the country's need when you laid down the policy of restriction are likewise the judges of the country's right to live up to the American tradition of kindliness, gentleness, and tolerance. If you determine that the 20,000 children whose cause I plead touch the history and the heart of America deeply and essentially, it is not only your duty but your privilege to express that determination in a modification of the general policy suited to the emergency now before you.

Let us examine for a moment exactly what the proposal before you is. Permission is sought to admit 10,000 children a year into the United States for the next 2 years. Under the terms of the resolution the authority so sought is carefully safeguarded. Only children under 14 years of age may be admitted. No visa shall be issued to any child who does not meet mentally and physically the exacting requirements of the present immigration laws. Moreover—and fundamental to the whole proposal—no children may be admitted unless assurances which comply with the requirements of the executive departments having jurisdiction are given with regard to each individual child insuring that they will not become public charges. Finally, appropriate provisions are made vesting in the Departments of State and Labor the necessary power to administer the provisions of the resolution.

I do not have to take your time to describe in detail the need for this legislation. The policy of the German Government with respect to its minorities is a matter of common knowledge to all of you. The testimony of the witnesses who have appeared before you has established the completeness and thoroughness of the persecutions which have now become a central policy of that Government. We are presented with a situation unique in modern history. In the language of one of the witnesses who appeared before you, "Its like has not been seen since the days of Herod." Children from homes shattered by the dictator wander helplessly over the face of Europe. They are not the victims of a war or of a famine or of some natural catastrophe. They are the victims of a planned program of extermination.

As the full extent of the tragedy which has befallen these children has become known to the American people, demand has grown that our great land should take some part in the work of rescue. The American Friends Service Committee at once assumed its historic position of leadership in this effort. Its attempt to ameliorate suffering has proceeded continuously to such extent as the situation made possible. The efforts of the Friends were supported in this country by thousands of other Americans to

whom liberty, justice, gentleness, and tolerance were cherished ideals. Out of this common effort was born the Nonsectarian Committee for German Refugee Children. This is the group which has sponsored the resolution now before you, and it has been planning continuously since its organization for the rescue and care of some of the child victims of German oppression.

The plan which the nonsectarian committee has worked out has been given to you in detail by four witnesses. I need not repeat it to you now. Selection of the children will be made in Germany by qualified persons acting under the supervision of the American Friends service committee and allied organizations. The children thus selected will be brought to this country and placed under the supervision of social agencies of their own faiths. They will be kept for a brief period at the ports of entry, and then will be placed either with responsible American families who will undertake their entire and permanent care or will be settled in boarding homes. The selection of the families to which these children will be entrusted will be under the supervision of established child-welfare agencies in this country, agencies which for many years have been leaders in the field of child care and child placement. These agencies will not only see to the placement of the children but will continue supervision after placement to insure that each child remains in a healthy and favorable environment. Each step of the process of selection, transit, placement, and supervision has been considered and planned by the leading American experts in the field.

The appeal of the children themselves, the sponsorship underlying the resolution, and the care with which the entire plan for handling the children has been worked out have combined to produce the extraordinary support for the resolution now before you. Ex-President Hoover was among the first to accord the measure his support. Former Governors Landon and La Follette and Mayor LaGuardia have spoken out in favor of the resolution. The Senate of the State of New York has memorialized to Congress to the same end, and the California Assembly has approved the project by the overwhelming vote of 47 to 10.

Church support has been equally generous. All of the leading religious denominations have voiced approval of the bill through recognized spokesmen, and the Federal Council of Churches has submitted a formal resolution in support. Labor has added its voice in gratifying and generous measure. Mr. Green, president of the American Federation of Labor; Mr. Lewis, chairman of the Congress of Industrial Organization; Mr. Whitney, president of the Brotherhood of Railroad Trainmen; and Mr. Dubinsky, president of the International Ladies' Garment Workers Union, have made their views known to you in detail. Resolutions of various unions have likewise been submitted for your consideration. Educators in large numbers have sent messages or appeared before you. President Neilson, of Smith College; President Hutchins, of Chicago University; President Graham, of the University of North Carolina; President Wilbur, of Leland Stanford; and President-elect Rainey, of the University of Texas, have made their views known to you. Business, professional, men's and women's associations have forwarded to you their opinions in behalf of the resolution. From the leaders of opinion in all sections of the country the response has been clear, unambiguous, and insistent. Editorial comment has been almost universally favorable throughout the length and breadth of the land. You will recall the statement of the editor of Collier's Weekly, which has earnestly supported American action in behalf of refugees, that out of an estimated total of 12,000,000 readers not more than 20 expressed themselves as opposed to the position of the magazine in this regard. From every corner of America, then, have come voices urging the Congress to make the gesture which this resolution embodies.

I would add a word concerning the main objections which have from time to time been urged against the resolution.

1. "The resolution is an opening wedge for breaking down the quota law."

While admittedly the effect of the resolution is to permit the entry of 10,000 children a year for 2 years, in addition to the number permitted to enter under the present German quota, the resolution is strictly an emergency measure and does not alter, except for the emergency, our basic immigration policy.

2. "The children so admitted would, at a later date, seek priority for the admission of their parents into the United States."

Even if such were the outcome, this would not increase the total number of persons admitted to the United States; only the order of admission would be changed. Visas for these parents would be dependent on the quota law, and it certainly would be of little, if any, importance whether they or some other adult were admitted.

3. "The resolution is limited to German children and ignores suffering children in other countries."

It is the German situation which is the most acute, and the resolution recognizes just that. Other central European countries have not adopted policies comparable to those adopted in Germany. As for the Spanish children, desperate as their plight has been and is, most of them will and can return to Spain when war conditions have ameliorated, and those who cannot can find haven in Mexico, which has offered to receive them.

4. "The resolution would add heavily to the burden of unemployment in this country."

The children whom it is proposed to bring in would not enter the labor market for some years, and then only gradually. In the meanwhile they would be consumers. In this connection it is noteworthy that labor has raised its voice in behalf of the resolution.

5. "As long as there are needy children in this country it is unwise to offer refuge to children of other lands."

The provision to be made for the refugee children would not serve to relieve the problems of a great number of suffering American children who must be cared for not in foster homes but in their own homes. Moreover, the country's leading child-welfare workers testified in favor of the resolution, and have expressed their feeling that the sympathy aroused for German children will open up new channels of support for the work being done to help American children.

6. "Bringing in these children would cause a break-up of many families in Germany."

Obviously, it is the present German Government which is forcing the breaking-up of families. There is no intention to bring to the United States any children except from families which have already been broken or who are eager to part with their children despite the personal sacrifice involved.

7. "The children do not constitute a desirable group."

The children would be carefully selected by agencies specially equipped for such selection. No child will be admitted who fails to meet the requirements of existing law as to physical and mental health.

8. "How can we be sure that the children will not become public charges?"

The resolution vests in the appropriate executive department the authority to require satisfactory assurances, and even after the enactment of the resolution, not a single child can be admitted until those requirements have been fully met.

In connection with the foregoing objections, one other proposal frequently mentioned during these hearings should be referred to. The question has been put on several occasions as to whether the children proposed to be helped by the resolution should not be given priority under the existing quota. It is urged that these children could be thus rescued without any impairment of the existing quota system. I cannot refrain from expressing unyielding opposition to this suggestion. To dam up one of the few remaining outlets for the adult victims of persecution would convert the resolution now before you from a humanitarian proposal into an act of needless cruelty.

There is nothing more to add. The proposal before you is a simple and kindly gesture, typically American, and symbolic of America's best. We are still the great democracy—the leading exponent of tolerance and of liberty. May I in closing paraphrase the lines that are carved at the base of the Statue of Liberty:

"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, the tempest-tost, to me:
I lift my lamp beside the golden door."

John Joseph Boylan

MEMORIAL ADDRESS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN JOSEPH BOYLAN, late a Representative from the State of New York

Mr. CELLER. Mr. Speaker, I desire to pay tribute to the life and memory of my friend and colleague the late Honorable JOHN J. BOYLAN, of New York.

It was my great privilege and real pleasure to have known Mr. BOYLAN intimately, and to have served with him in the Congress for many years. During this entire period of time, I never found him to be other than a gentleman of unassuming manner, of honesty, sincerity, and courage. Kindly and courteous to all, faithful to every trust, devoted to his fellow men, conscientious in the performance of his every duty—these words, in brief, sum up the life and work of our departed friend.

It is a sad realization that the services of this devoted public servant have been terminated; but we should be happy in the knowledge that the ideals for which he stood and which he championed, live on. Great has been the loss that has come to us through the death of our beloved colleague; yet equally great has been our gain and the enrichment of the Nation through his having been here. For of JOHN J. BOYLAN, it may be truly written: he has left his footprints of beneficent deeds in the sands of time.

We who remain to carry on the ideals which he so nobly cherished, salute his memory and say: Well done, good and faithful servant; rest peacefully, dear friend, in your new home in the land of eternity.

Another Anniversary Recalled

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 12, 1939

Mr. LUDLOW. Mr. Speaker, since the centenary of the Press Gallery is bringing the press into the limelight, it is interesting to recall that Sunday, June 11, was the twelfth anniversary of one of the most notable events ever sponsored by the press in the National Capital—the reception tendered under auspices of the National Press Club to Col. Charles A. Lindbergh on the night of his return to America from his epochal flight to Paris.

The cruiser *Memphis* brought the returning hero to the Capital of his native land on Saturday, June 11, 1927, and a vast concourse greeted him in the Mall, where President Coolidge spoke in the afternoon.

The evening reception was placed in charge of the National Press Club, of which I happened at the time to be the president. Never before or since have I beheld such scenes of wild enthusiasm as greeted him when he appeared at the auditorium on Nineteenth Street.

Members of the press have a rather canny faculty of being able to detect the real from the phony and they were charmed by the sheer audacity and heroism of this lone pioneer of the air. Acting under instructions of our board of governors, I sent the following cablegram:

CHARLES A. LINDBERGH,
Care of Ambassador Herrick, Paris, France:
National Press Club is thrilled by your matchless achievement. Heartiest congratulations.

LOUIS LUDLOW, *President.*

The enthusiasm of our newspaper group continued to mount and in a few days it was decided that the only way we could properly manifest our appreciation of the "Lone Eagle" would be to sponsor a mammoth reception for him on the night of his return to this country. This could not be done, of course, without the approval of the President, speaking for our Government, which had arranged for the aviator's transportation home, and the approval of Mr. Lindbergh himself. The President's approval was readily given and I then sent the following cablegram to the famous flyer:

CHARLES A. LINDBERGH,
Care of Ambassador Herrick, Paris, France:
Recognizing that you have written a matchless page of history, and desiring as an organization to show our appreciation of superlative valor and genius, the National Press Club, composed of 1,700 representative newspapermen of America, invites you to be our guest at a luncheon and reception upon your return to Washington, and would appreciate an answer assigning us a definite date.

LOUIS LUDLOW, *President.*

The hoped-for answer was received and the arrangements for the reception proceeded feverishly.

When the time came the auditorium was packed and thousands of people were jammed into New York Avenue, Nineteenth, Twentieth, D, and surrounding streets, struggling in vain to secure entrance. Colonel Lindbergh, who had just been elevated to a colonelcy, appeared about 10 o'clock, in immaculate evening dress, accompanied by his mother, Mrs. Evangeline Lodge Lindbergh. Although radio was not very far advanced there was a broadcast that carried the voices of the speakers to all parts of the country and into foreign lands. The program opened with an address by the late Richard V. Oulahan, chief correspondent of the New York Times, the gracious and dignified dean of the corps of correspondents.

With characteristic modesty the aviator himself made only a few extemporaneous remarks of appreciation. Addresses were delivered by Charles Michelson, Washington correspondent of the New York World, Secretary of State Frank B. Kellogg, Postmaster General Harry S. New, and others, and messages from the British Ambassador and other members of the diplomatic corps, were read lauding the Colonel in superlative language. It is much to be regretted, I think, that most of the speeches made that night were not preserved in textual form. It fell to my lot as president of the club to present the honored guest. Rummaging among some old papers the other day I ran across a copy of my address, which was as follows:

Mr. Chairman, ladies, and gentlemen, not for ages has the imagination of man been stirred as it was 3 weeks ago when Charles A. Lindbergh, fired by the intrepid spirit of the Western World, launched forth in his airplane alone, provisioned with four sandwiches and a bottle of water, a pioneer of the trackless seas. As America's shores receded in the distance he faced a vast wilderness of treacherous ocean.

As if roiled by the very boldness of this Columbus of the air—this winged Mercury, speeding like a thunderbolt of Jove—nature sent her tempestuous elements athwart his path, and while he battled with the storm and sleet millions upon millions of his fellow beings sent up prayers for his safety to the throne of God. The 33 hours and 30 minutes from New York to Paris was a period of tragic suspense, when the whole world poured forth in a myriad of mystic ways its admiration for the incomparable aviator and its love for the mother who had brought forth such a boy.

To him mountains of peril were as nothing. His faith was buoyant and his hopes were high. Courage was his woof and fiber, and it is not difficult to imagine that stern fate, surprised by this peremptory challenge of her inexorable decree, lifted her beetled brows and was touched by the very sublimity of his heroism, for she gave him a sporting chance.

And when he reached the other shores he arose to another test of character as greatly as when he battled with time and the elements. Amid all of the adulations of kings and parliaments he remained a modest, unassuming American, an honor to his home country, an ambassador of good will, doing more to foster amity between nations than could have been done by a thousand ministers of state.

"After all," he said in London, "two Britishers were the first to fly across the Atlantic." Again, when he learned that Chamberlain had started on the long flight, he remarked fervently, "I hope he makes it." Here he struck the major chord of his character in his desire to give to his comrades at home and across the seas a share of his imperishable glory. And when, in foreign lands, the ties of home began to press and strain against his heart and he confessed, in simple truth and sincerity, to being homesick, how America did yearn to take him to her bosom!

His name is now among the immortals. Around the firesides and in the vast, crowded halls of the future, wherever worth is recognized and genius is extolled, his achievement will be recalled with pride by countless generations yet unborn. Nothing finer could have been done; nothing grander could have been done; no greater epic could have been written into history, and tonight we thank Almighty God that in His infinite goodness and mercy He has permitted Charles A. Lindbergh to return to the arms of those who love him.

I now present Colonel Lindbergh.

The Late Joseph A. Lyons, Prime Minister of Australia

REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

Mr. DONDERO. Mr. Speaker, last week the Prime Minister of Australia passed away. He left behind a philosophy on which we in this legislative body of the American people might well meditate. In an editorial the Daily Tribune, of Royal Oak, Mich., my home city, had this to say:

Something of the economic philosophy of Poor Richard found expression in the fiscal principles of Prime Minister Joseph A. Lyons, who was credited with saving Australia from bankruptcy.

To him a debt was an obligation which meant failure if evaded, and accordingly he considered it futile to spend money the Commonwealth did not possess. None of this spending-our-way-out-of-debt business for him. He put Australia on a sound basis the hard way. When the pinch came he bore down on government expenditures and cut them 20 percent. The immediate effect of that and other measures was to convert an impending deficit of $1,000,000,000 into a surplus. So greatly did his economy policies bolster the Commonwealth's morale that within 3 years unemployment has been reduced 50 percent.

There must be something to Mr. Lyons' fiscal program, which he pursued until his death last week. This country, reversing his technique, still has a vast number of unemployed, and the debt and the spending show no shrinkage either. Of course, Mr. Lyons' program called for governmental sacrifices. But isn't it about time that government—Federal, State, and local—got over the notion that sacrifices are the exclusive province of the taxpayer?

Preservation of Indiana's Forest Resources

REMARKS

OF

HON. EUGENE B. CROWE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

Mr. CROWE. Mr. Speaker, I have introduced for the RECORD a resolution passed at the Fiftieth Annual Convention of the Indiana Federation of Clubs, which was held at the Claypool Hotel, Indianapolis, Ind., on May 24, 1939, which has to do with and is in the interest of preserving our national forests and for the reforestation of eroded, worn-out hill land and other depleted lands.

In Indiana we have the Hoosier forest area, which has had no funds to speak of for several years on account of a clause issued by the National Forest Reservation Commission which does not permit a State to participate in appropriations made for purchases of forest lands which does not have 20 percent or more of its principal forest area already purchased. We have 35,000 acres in our State purchased in an area that covers some 722,000 acres, and we should have more money to purchase forest lands in Indiana. We have been and are now being discriminated against by this National Forest Reservation Commission. They are doing a great injustice to our State and are destroying the forest work in Indiana. I urge that whatever sums are appropriated that our State receive its fair share of the appropriation.

The resolution referred to above follows:

RESOLUTION PASSED AT FIFTIETH ANNUAL CONVENTION OF INDIANA FEDERATION OF CLUBS HELD AT INDIANAPOLIS, IND., MAY 24, 1939

Whereas Indiana's forest resources have been depleted to the point where wood-using industries are forced to stop operations for lack of raw material, resulting in further unemployment; and

Whereas sloping hills once farmed but now so badly eroded as to make them unfit for any other use than the growing of timber; and

Whereas erosion has caused farm abandonment in some southern counties to the extent of 105 farms per county; and

Whereas tax delinquency caused largely by lack of farm income requires State aid for 85 percent of the schools in the southern counties; and

Whereas habitat for wildlife needs to be restored by establishing forest cover through planting and fire protection; and

Whereas many of these permanent benefits can be secured through the development of the Hoosier National Forest: Be it therefore

Resolved, That we, the Indiana Federation of Clubs, in State convention assembled, do endorse the national-forest program in Indiana and hereby urge that the restriction imposed in Indiana against the expenditure of Federal funds for land acquisition for the Hoosier National Forest be immediately removed; and be it further

Resolved, That each Member of Congress and of the Senate from Indiana be furnished copies of this resolution.

There Is No Sense Quitting a Good Job in the Middle—Farm Security Administration Should Have Ample Funds This Year to Continue Most Constructive Farm Job in America

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 22, 1939

Mr. LYNDON B. JOHNSON. Mr. Speaker, we are giving our consideration in Congress at this time to an appropriation to carry forward the splendid work of the Farm Security Administration during the coming year.

To my mind, in a time when our whole agricultural economy is in a state of flux, uncertainty, and difficulty, we have no more important business than to make provisions to go on uninterruptedly with this program.

President Roosevelt has recommended an appropriation of $138,000,000 for 1940, including reappropriated balances left over from the current fiscal year. This compares with an appropriation of $198,000,000 for the current year.

Now think of this:

If the Farm Security Administration is given the proposed $138,000,000 for 1940, that will constitute practically all the funds available to needy farm families in the United States. You and I know that in times of distress, when hail and storm strike, when drought clamps down and floods come washing across the land the farmer cannot turn to the W. P. A. Mighty few farmers have got any help from the W. P. A. But the Farm Security Administration has come to their rescue time and again.

Last year $198,000,000 was considered necessary to carry on this work as a minimum. That is $60,000,000 more than is proposed for next year.

The lower amount will by no means meet the urgent demands for help from destitute farm folk. It cannot begin to meet them. Why? Well, when $198,000,000 cannot do the job thoroughly there is little chance that $138,000,000 will get the job done. During this present year nearly 400,000 needy and destitute farm families who applied to the F. S. A. for assistance had to be turned away. Half a million families! That means at least 2,000,000 individuals—an intolerable situation.

I know intimately about the work of the Farm Security Administration. Every time I look about my central Texas district I can see evidences of its work. We have a great many stubborn farm problems in Texas. Our economy is a farm and ranch economy. The F. S. A. is making an intelligent attack upon these problems.

The major activity of the Farm Security Administration is the rehabilitation of needy and low-income families through small loans, accompanied by guidance in practical farm methods to insure the best possible use of the money.

Most of these families would be considered poor risks by ordinary standards. None of them can get any credit on decent terms anywhere else. A good many of them have been on relief. The F. S. A. program aims to make them independent of further help by putting in their hands the equipment and training necessary for successful farming. From the beginning of the program in 1935 until January 1, 1939, a total of $232,410,369 had been loaned to approximately 650,000 farm families in the United States. These borrowers have already paid back into the Federal Treasury $72,000,000 of these loans, although many of them are on a long-term basis.

One of the chief purposes is to make it possible for borrowers to raise their own food supplies and livestock feed, so they will be less dependent upon cash crops. The increase in the production of foodstuffs does not mean additional competition with farmers in other areas, since virtually the entire output is consumed at home. It represents better and more adequate diet, improved by foodstuffs previously not obtainable.

A glimpse at a group of 373 typical families in my own central Texas district will show you what this means. These families during 1 year stored away 78,500 quarts of fruits and vegetables for winter. Meat for home consumption rose 57,136 pounds during the year. Few owned milk cows when they first sought F. S. A. loans and their children generally reflected the condition. By the end of 1938 these borrowers had reported an increase in milk production and consumption of 122,600 gallons.

One of the commonest troubles with farmers is debt—unadjusted debt. Farm debt adjustment committees, operated by the F. S. A., with no legal authority to force conciliation, helped 259 of my families last year. Their original obligations

amounted to more than half a million dollars. Their assets were negligible. Today that half million is collectible.

Under the Farm Security Administration the provisions of the Bankhead tenant purchase program are being carried out. There is no need to go into details about this program to do the first job on any American's calendar—get American farm folks on farms of their own.

I do not feel, in the light of all these things, that we can afford to go back. I do not think we can afford to tinker with a good thing. I think it will ultimately cost us a lot more in actual money if we chop off portions of the F. S. A. program and delude ourselves that we can "save money" that way. We had better put up sufficient funds and go on with the work we have started.

National Youth Administration

EXTENSION OF REMARKS
OF
HON. ROSS A. COLLINS
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

Mr. COLLINS. Mr. Speaker, I have presented recently for your inspection facts about the National Youth Administration program operations in each State. Yesterday I gave a sampling of editorial comment on the N. Y. A. which showed unusual support by the local press of the exceptional place which the N. Y. A. occupies among Federal programs. This commendation has come to my attention, not only editorially but from citizens who represent the leaders in the Nation, the community, and the State—men and women who do not give mere political "lip service," but who watch for results and who evaluate results in terms of constructive human benefit and practical effectiveness. These people say without qualification that the N. Y. A. is a better investment of Federal money than any other Federal-assistance program; they stress the urgent need for this program in extending the principles of democracy; they stress the value of the work being performed by the young men and women on the N. Y. A. as fundamental to a solution of the national problem.

From my own State of Mississippi, Dr. B. L. Parkinson, president of the Mississippi State College for Women at Columbus, says:

National Youth Administration funds, efficiently and honestly administered in Mississippi, have been better invested, in my opinion, than any other of the special Federal aids.

Minor L. Bott, superintendent of the Bay Springs High School in Mississippi, writes:

I wish you would do all you can for the program which has done so much to merit the approval of the general public and justify the money that has been allotted to this department.

From the graduate school of education of Harvard University, Dr. Payson Smith makes no reservation as to his feeling about the N. Y. A.:

I have had opportunity to know intimately of the work of the National Youth Administration. Without any question it has been and is a powerfully stabilizing and constructive force for youth during an exceedingly critical period. It would be impossible to calculate the benefits that are coming and will come both to individuals and to society out of the wise leadership the Nation has provided in this matter.

Dr. Ben G. Graham, superintendent of schools in Pittsburgh, Pa., urges the necessity of continuing the care of our distressed youth through the programs which have been developed under the N. Y. A. and makes strong argument for this program:

May I urge your support of this measure in behalf of high-school and college students? Many deserving youth in Pennsylvania would be unable to attend college today were it not for what the National Youth Administration has made possible. The same is true of many high-school students who could not be decently clothed and able to hold up their heads among their fellow students were it not for what the National Youth Administration has made possible.

I wish to urge, also, the importance of the work projects which have been developed for young people who are out of high school and unable to find work. They are the prey of community influences which tend toward juvenile delinquency and even to criminality. The work projects have given these young people worthwhile work and have brought them back into the vocational schools for trade training. This training has enabled a number of them to be placed in profitable employment.

Also, Alexander J. Stoddard, superintendent of schools in Philadelphia, Pa., urges:

Urge very strongly continuation of adequate funds for the remedial and preventive human-welfare program involved in the National Youth Administration.

John D. Beatty, head of the bureau of recommendations, Carnegie Institute of Technology of Pittsburgh, Pa., and a member of the American College Personnel Association's executive council, states that his observations lead him to believe that the N. Y. A. is one of the most efficient and economic methods of assisting the youth of America and urges support for the recommended appropriation to the National Youth Administration.

Archbishop Gerken, of Santa Fe, N. Mex., an outstanding Catholic leader, says:

We believe there is a great need for increased employment and work-experience opportunities for out-of-school youth in the Southwest. Therefore we strongly support proposed National Youth Administration appropriation of $123,000,000.

Chancelor E. H. Lindley, of the University of Kansas, a noted educational authority, supports the N. Y. A. student-aid program wholeheartedly:

Work of National Youth Administration in judgment of many leaders of education has been one of the most successful contributions to the youth problem in this country. It has given educational opportunities to large numbers of capable and ambitious young persons. In one-half of the American colleges and universities they rank in the upper third in scholarship, which is evidence of care in selection of capable students. I sincerely trust this important work will be continued.

From Shawnee, Okla., comes a message from W. E. Harber, president of the American National Bank in that city:

Notice by press reports committee reducing N. Y. A. appropriation substantially. Wiring to urge that appropriation not be reduced. Under able leadership Hon. Aubrey Williams as national director doing a great work.

Dr. Homer P. Rainey, former director of the American Youth Commission and now president of that great institution the University of Texas, urges the full appropriation as proposed by President Roosevelt:

The work of the National Youth Administration in recent years in keeping hundreds of thousands of American youth in schools and colleges has been of incalculable value. The National Youth Administration has handled these funds for the benefit of American youth with rare efficiency and with almost universal approval of the college and university authorities of the country. I can think of no finer way for the Federal Government to help equalize the educational opportunities of American youth, and at the same time contribute further to the solution of a national emergency, than the appropriation of the President's request for the National Youth Administration. I, therefore, sincerely hope that the Congress will support his proposed budget.

American businessmen are aware of the training and work experience which the N. Y. A. is giving to young people and their support is well expressed by Mr. Charles W. Taussig, president of the American Molasses Co. in New York City:

Your approval of the full Budget request of $123,000,000 for the National Youth Administration is seriously solicited. This agency has performed a most valuable service for the youth of America. The student-aid and out-of-school programs this year have meant the difference between needed additional education and work experience for 750,000 young people on the one hand or complete lack of confidence and stagnation on the other if this aid had not been forthcoming. The low per-year cost of $125, the complete decentralization of these programs to fit the needs of the youth in the community, the splendid response received from 3,000 local advisory committees, the large number of placements of youth who have had N. Y. A. work experience in private industry, and the splendid administrative efficiency of this agency under the able leadership of Mr. Aubrey Williams are urgent reasons for the complete approval of the Budget estimate. Legislative restrictions for administrative expenses should be avoided. It is important that the best supervisory assistance be maintained and any restriction for an administrative expense limit of less than

6 percent would cripple the efficiency of the work for the young people involved. I feel certain that forward-looking businessmen in this country who are interested in the success of the democratic form of government realize that these expenditures for the youth which will provide additional education and work experience are important and should be continued in line with the Budget estimate.

American educators are known to be conservative in their enthusiasms and are not given to favorable comment of Federal activities unless they are certain that these are not detrimental to the American system of education and to American youth. I feel a certain pride in including in the RECORD a few of the messages which have been received in support of the National Youth Administration and in support of the President's recommendation of $123,000,000 for this agency.

Dr. Willard E. Givens, executive secretary of the National Education Association of the United States, writes:

In legislative halls, both State and Nation, we are hearing much these days about appropriations for relief, unemployment, old-age pensions, roads, and armaments, each of which has its place, but we are hearing entirely too little about appropriations for the education and welfare of children and youth. Children come first in a democracy. Unless their needs are taken care of satisfactorily, nothing else has great significance.

The appropriations made available to the National Youth Administration during recent years have helped many, many thousands of worthy and needy girls and boys to continue their work in secondary schools and colleges and thousands of others to secure worthy employment.

The National Education Association of the United States, which is interested in better educational opportunities for all youth in our country, asks you to do everything that you can to secure an appropriation adequate to the present needs of youth which we all know are great.

From C. B. Glenn, superintendent of schools, in Birmingham, Ala., comes a telegram of endorsement of the N. Y. A. program:

I endorse plan of aid to youth through N. Y. A. and urge increased appropriations for it. Many pupils now in our high schools would be debarred without it.

Harry V. Masters, president of Albright College, in Reading, Pa., writes the following:

The value of the assistance which has been given young people in colleges and universities through the National Youth Administration can be fully appreciated only by those who are in close contact with these students and their problems. The expenditure of governmental funds in this very worthy enterprise should be continued by all means.

As a president of one of the colleges of Pennsylvania, I am asking that you give particular attention to this very needy group and, if at all possible, lend your support to the continuation of the program for their assistance during their years in college.

Dr. Alonzo G. Grace, commissioner of education, Hartford, Conn., states:

The National Youth Administration has been one of the most effective agencies ministering to the needs of youth in this country. This department has a very close relationship with the State youth administration, and I urge continuance of the program.

A letter from N. R. Crozier, superintendent of schools, Dallas, Tex., in endorsement of the work which is being done by N. Y. A.:

Of all the work that is being done by the Federal Government, it seems to me there is none that meets a more pressing need than what we call in the schools the N. Y. A. scholarships. The small scholarship of $6 per month has done untold good. I have contacted all of our high-school principals, and they tell me that this money has enabled 300 high-school pupils to stay in school in Dallas. What is true in Dallas is probably true of every city in the United States. We can invest in buildings, we can invest in roads, we can invest in dwelling houses, but an investment in youth will perhaps pay bigger dividends than any other investment that can be made.

Congress is confronted with the appropriation of funds for the N. Y. A. next year. We cannot afford to lose our sense of discrimination in granting funds for the increased activities of a Federal agency which is performing such a beneficial piece of work and which holds the respect of citizens in the communities, in the States, and in the Nation. Its critics are few, and its supporters are legion.

Threats to Democracy

EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

RADIO ADDRESS BY HON. HENRY C. DWORSHAK, OF IDAHO, JUNE 13, 1939

Mr. DWORSHAK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered June 13 over the Columbia Broadcasting System:

This week has been designated as a time to discuss the subject "Keep America Out of War," sponsored by the National Committee to Keep America Out of Foreign Wars. I am speaking to you tonight not only as a Congressman, but as a veteran of that last conflict waged on foreign soil in which America participated. I am not speaking as an alarmist, but as an American who has vivid recollections of that crisis through which our country passed two decades ago. I am not a pacifist, as I have for many years vigorously advocated adequate preparedness for national defense.

Reports during the past few years indicate that various European nations have been embroiled in territorial disputes and one crisis after another has been precipitated. Despite this, those who have visited Europe during the past few months declare that there is far less public concern there over the possibilities of war than agitation in our own country. For more than a year we have witnessed a relentless campaign in the United States to disseminate propaganda designed to create a war hysteria by inflaming the fears and passions of our people, thereby inciting hatreds against foreign nations. Unquestionably sentiment throughout this country is overwhelmingly against intervention in foreign disputes and decidedly in favor of preserving our neutrality and independence. Nevertheless actions of many responsible officials have created a condition which minimizes the possibility of preserving peace, thereby necessitating the use of the facilities of the press, the radio, and the platform to counteract such propaganda in facing realistic facts. If we fail to do this, we may become unintentionally committed so that our involvement in a possible European war would be inevitable.

Current reports indicate the Congress may be in session throughout the summer and fall in an effort to crystallize definite American policies on neutrality. There is almost complete agreement on the part of our citizens that strict neutrality is the only justifiable course, but there is confusion and disagreement relative to formulating our country's policy on neutrality. The Chief Executive has frequently announced his intention to utilize our Government's influence in behalf of the so-called democracies of Europe and to employ methods short of war. Some officials contend that we should have the right to name aggressor nations and then to arbitrarily assail and denounce them. Others believe that this country should remain aloof in case hostilities should be initiated, but also contend that we should furnish munitions, food, and war supplies to nations with whom we may be in sympathy.

However, neutrality really means remaining neutral; not becoming involved in controversies between others, "refraining from taking part directly or indirectly in a war between other powers."

In 1914, following the outbreak of the World War, certain industrial and financial leaders in this country ignored President Wilson's appeal for neutrality and aggressively sought to aid the Allies. War supplies, munitions, and food were purchased in this country, said contraband being shipped aboard American vessels. Such policies eventually plunged the United States into the war as associates of the Allies, resulting in the American people being aroused to a high pitch of patriotism with appeals, "to make the world safe for democracy," and to outlaw war. Failure to adhere to a strict policy of neutrality was responsible in 1917 for our involvement in that memorable encounter.

On the subject of neutrality the United States Government should profit by experiences with European powers. Secretary of State Bainbridge Colby, in testifying before the Senate Foreign Affairs Committee last month, said:

"Instead of enlarging the discretion of the President, I think it would be a wise step toward preserving the constitutional distribution of power to reaffirm congressional control of this great issue of war and to devise legislation to safeguard it. We cannot intervene in European problems with benefit to Europe or without inevitable disaster to ourselves."

Surely Mr. Colby knows whereof he speaks, as he was the head of our State Department during the last war. I am not in favor of Congress delegating its constitutional powers in this regard to the executive branch of our Government, but believe firmly that Congress should and will adequately cope with any difficulties of this nature, if and when they may arise.

It is easy to recall our experiences following the signing of the armistice in 1918 and the efforts made by our wartime President to preserve the traditions and ideals for which America fought. Then followed the Versailles Treaty, and, much to our chagrin, we found the Allies primarily interested in claiming the spoils of victory rather than being concerned with the negotiations of an equitable peace designed to outlaw war. The United States—thanks to foresighted Americans in Congress—did not ratify the Versailles Treaty and failed to subscribe to the terms of the League of Nations, which proposed to enforce the iniquitous terms of that treaty. The principles of democracy were completely overlooked by our Allies as they greedily "grabbed" more than 1,000,000 square miles of colonial possessions from the Central Powers. There was a complete reversal in sentiment, forcing the United States to recognize the futility of attaining its objectives in the war. Statesmen at the conclusion of said conference predicted that ultimately resentment on the part of the then vanquished nations would culminate in another upheaval.

Century-old hatreds and animosities have been responsible for perpetual outbreaks of war on the European continent. Washington 150 years ago admonished this new nation to maintain trade relations with foreign countries but to preserve its independence by remaining aloof from entangling alliances. Europe today is struggling to solve many difficulties which are an outgrowth of the Versailles Treaty. Italy maintains that she was not given her just share of the spoils, and she is obviously seeking to force France to relinquish certain territories in Africa. Germany and other nations have contended that they were unjustly penalized, which they now maintain entitles them to redress. Elsewhere on the European continent trouble is brewing as a result of protectorates set up under the Versailles Treaty, and we could further analyze the various causes of the disputes which have occasioned frequent outbursts of diplomatic intrigue.

Two decades after the World War Americans must recognize that we accomplished little, if anything, during the World War; thus we must consider deliberately and cautiously the advisability of maintaining a policy of nonintervention, or otherwise becoming involved in disputes and possible warfare because of failure to "mind our own business."

We hear much talk about the necessity of preserving democracy in Europe, but I challenge any student of political science to show me one genuine form of democratic government in existence in Europe today. I desire to point out that these so-called democracies have principles of government entirely foreign to us. Democracy means freedom and liberty, insuring citizens of these God-given rights: freedom of speech, press, religion, and assembly. Only a few weeks ago our mother country chose to ban from its radio audience the spoken words of a member of the royal family. Is that true democracy? France recently delegated dictatorial powers to its premier. Is that true democracy? Russia has utilized the heartless purge to stifle political freedom. Is that true democracy?

I firmly believe in promoting friendly relations with all countries, regardless of race, creed, or color. I believe that as Americans we should be tolerant and extend to those across the Atlantic the same privileges which we enjoy. We would—and rightly so—rise up in arms if any official or government should assail the form of government under which we live. Since the inception of our national autonomy, we have insisted that foreign powers maintain a strict policy of "hands off" in matters pertaining to the Western Hemisphere. This has been our consistent policy since President Monroe declared on December 2, 1823, that:

"In the wars of the European powers in matters relating to themselves, we have never taken any part, nor does it comport with our policy so to do. It is only when our rights are invaded or seriously menaced that we resent injuries or make preparations for our defense. With the movements in this hemisphere, we are of necessity more immediately connected. * * * Our policy in regard to Europe, nevertheless, remains the same, which is not to interfere in the internal concerns of any of its powers; to cultivate friendly relations with it, and to preserve those relations by a frank, firm, and manly policy."

Therein lies the cogency of the long-adhered-to Monroe Doctrine, recognized throughout the world. I maintain that it is beyond our prerogative, at this time, to disregard the principles of this doctrine.

In the two decades since the World War the United States has displayed leadership in disarmament conferences and in negotiating peace pacts among various nations. Some countries have observed such treaties when it was selfishly advantageous to do so, but many of them have ruthlessly disregarded their obligations. Likewise, many nations with whom we were associated during the World War have nonchalantly ignored their war debts, although the United States has canceled a large share of such obligations and expected repayment only of loans made for purposes of rehabilitation following the signing of the armistice. There has been little difference in the nationalistic policies of Old World nations, whether they are operating under so-called democratic forms of government or are controlled by self-imposed dictators.

The greatest menace to the United States has been the susceptibility of our people to European propaganda. Although the League of Nations was repudiated by us 20 years ago, persistent efforts have been made to commit our Government to some alliance similar to the League of Nations. This we should resent.

The British viewpoint was disclosed in an article published in the London Observer last February and which was recently reprinted in a Washington newspaper, adroitly analyzing the steps necessary to successfully aline the United States with that country and deliberately seeking to create the impression that if Britain becomes involved in war it is inevitable that the United States will participate.

This article adds that the best policy for the United States is to help France and Great Britain to buy all the armaments and supplies here that they need, because the stronger they are the less likely is war and the less need of intervention by the United States.

Such propaganda is conclusive evidence that Great Britain does not believe in American neutrality, despite claims of administration leaders. We are told that neutrality is designed to keep America out of European affairs, while disclosures are made of virtual alliances and efforts being made to use our country as a buffer against the totalitarian states. It is time that we unmasked such unholy alliances and Americans apprised of the subtle attempts to place the burden of another war upon our country.

We fought in the World War to legalize aggression by our Allies. Must we fight again to protect their right to retain possession of those territorial gains?

Foreign powers would not hesitate to desert the United States in any crisis if such action were advantageous to their welfare. Britain's attitude toward Manchuria in 1932 proves this assertion. The American frontier is not in France, regardless of such specious claims. The British Navy is not the first line of defense for the United States despite assertions to the contrary.

Our country has the superb protection of two great oceans, which minimizes the possibilities of invasion. Adequate military and naval preparedness will reinforce that defensive position.

About a year ago the May bill was proposed in Congress to give the Chief Executive dictatorial powers over every phase of American life if this country is plunged into war. This proposal was so repugnant and foreign to American ideals of self-government that it has been side-tracked. But a state of war would immediately revive such legislation and subject this country to a dictatorship as ruthless as any foreign tyranny. The rights of individuals guaranteed by the Constitution would be summarily withdrawn, and all vestiges of freedom and liberty would be destroyed.

The real threat to American democracy is not in Europe but in our own country. The preservation of the status quo in another hemisphere is not so vital to our country as the imperative need of solving domestic problems. There can be no solidarity here until we restore confidence in the hearts of Americans in the invincibility of our form of government. Greater security must be provided for the 10,000,000 who are now victims of unemployment by accelerating industrial and business activity and restoring to labor its rightful rewards. The farmers of our country must be protected from agricultural imports and higher price levels restored for farm commodities.

The fiscal policies of our Government must be revised to avert national bankruptcy and our financial house placed in order, so that a crushing debt will not foredoom the United States to defeat in case we are faced by another major crisis.

There may be enemies abroad, but actually the insidious encroachments of subversive creeds and the promotion of fascism, nazi-ism, and communism by aliens within our own borders are far more menacing to the future security and welfare of our country.

If Americans are intrigued by the glamour of war, they can utilize our national energies and resources in combating the devastating influences of the depression.

Let us, therefore, resolve to demonstrate our national esprit de corps in this country rather than on foreign soil, and meet the challenge to preserve our traditionally inspired ideals of democracy.

The Flag Speaks

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

Mr. HARTER of New York. Mr. Speaker, this being the day when our citizens throughout this land—and, yes, throughout the world—are pausing to honor Old Glory, I would like my colleagues to pause and reflect on the story told in The Flag Speaks. I do not know who the author of this proud story is, but I read it while in the office of Miss Louise C. Gerry, of Buffalo, N. Y., one of the feminine leaders of our country, and a former international president of Zonta International.

This story, as I understand, accompanied a gift to Miss Gerry through the ladies making up the membership of Zonta Clubs.

Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following bit of verse, and I hope that

you and each of our colleagues will enjoy, as I have, the splendid story told in—

THE FLAG SPEAKS

Born during the Nation's infancy,
I have grown with it,
My stars increasing in number as the country has grown in size;
The domain over which I wave expanding until the sun on my flying folds now never sets.
Filled with significance are my colors of red, white, and blue
Into which have been woven the strength and courage of American manhood,
The love and loyalty of American womanhood.
Stirring are the stories of my Stars and Stripes.
I represent the Declaration of Independence.
I stand for the Constitution of the United States.
I reflect the wealth and grandeur of this great land of opportunity.
I signify the law of the land.
I tell of the achievements and progress of the American people.
In art and science, culture and literature, invention and commerce, transportation and industry,
I stand for peace and good will among the nations of the world.
I believe in tolerance.
I am the badge of the Nation's greatness and the emblem of its destiny.
Threaten me and millions will spring to my defense.
I am the American Flag.

Thomas Brackett Reed

EXTENSION OF REMARKS
OF
HON. JAMES C. OLIVER
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

Mr. OLIVER. Mr. Speaker, under permission granted to me to extend my remarks, I am pleased to make the following reference to a famous former Speaker of this House and a great American:

Today, June 14, has been designated as Flag Day of our Nation, and in view of the patriotic significance of this designation it is particularly appropriate that I call to the attention of the membership of the Seventy-sixth Congress a letter received from the president of the Thomas Brackett Reed Centennial Association.

Just 100 years ago there was born in the city of Portland, Maine, a great statesman, a great orator, and a great parliamentarian, Thomas Brackett Reed. The service rendered by this famous native son of Maine is too well known to require at this time any detailed statement commemorating his ability; the simple reference alone to his name is sufficient.

I am indeed proud and honored to represent in this, the greatest parliamentary body on earth, the same constituency that he represented, and I know of no finer example to emulate than that which may be found in his honesty, courage, and devotion to principle regardless of the shifting winds of political popularity and opinion. The letter to which I have referred, and which most appropriately refers to Thomas Brackett Reed and Henry Wadsworth Longfellow as famous sons of Bowdoin College, reads as follows:

WASHINGTON, D. C., *Flag Day, June 14, 1939.*

Hon. JAMES C. OLIVER,
Member of Congress,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: On October 18, 1939, there will be celebrated in Maine, Washington, New York, and elsewhere, the one hundredth anniversary of the birth of Thomas Brackett Reed, one of the greatest of your predecessors and one of the world's greatest parliamentarians.

Your present critics are few in number and mild as a May morning compared to his; yet he thrived and luxuriated in opposition, and so will you.

As you were both graduates of grand old Bowdoin College, whose commencement exercises will be held this week, what could be more appropriate than recognition in the RECORD, together with poems by the greatest of all Bowdoin men, the world's best loved poet, Henry Wadsworth Longfellow, who, like yourself and Speaker Reed, was born in Portland, and whose birthplace, a stately three-story old colonial mansion, has become a world shrine and place of pilgrimage.

Sincerely,
ARTHUR C. JACKSON,
President, Thomas Bracket Reed Centennial Association and the International Longfellow Society.

Any reference at any time to the name of the best beloved poet of the known world would be completely inadequate if at the same time it did not contain one of the famous and well-known writings of this immortal genius.

A PSALM OF LIFE

Tell me not, in mournful numbers,
Life is but an empty dream!
For the soul is dead that slumbers,
And things are not what they seem.

Life is real! Life is earnest!
And the grave is not its goal;
Dust thou art, to dust returnest,
Was not spoken of the soul.

Not enjoyment, and not sorrow,
Is our destined end or way;
But to act, that each tomorrow
Find us farther than today.

Art is long, and Time is fleeting,
And our hearts, though stout and brave
Still, like muffled drums, are beating
Funeral marches to the grave.

In the world's broad field of battle,
In the bivouac of Life,
Be not like dumb, driven cattle!
Be a hero in the strife!

Trust no Future, howe'er pleasant!
Let the dead Past bury its dead!
Act—act in the living Present!
Heart within, and God o'erhead!

Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time;

Footprints, that perhaps another,
Sailing o'er life's solemn main,
A forlorn and shipwrecked brother,
Seeing, shall take heart again.

Let us, then, be up and doing,
With a heart for any fate;
Still achieving, still pursuing,
Learn to labor and to wait.

Misuse of W. P. A. Labor in Pennsylvania

EXTENSION OF REMARKS
OF
HON. JOHN McDOWELL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

ARTICLE FROM THE PITTSBURGH POST-GAZETTE

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Pittsburgh Post-Gazette:

[From the Pittsburgh Post-Gazette]

DANDO, FIVE OTHERS ARE HELD GUILTY—DEMOCRATIC STATE SENATOR CONVICTED OF WORKS PROGRESS ADMINISTRATION LABOR MISUSE—WILL ASK NEW TRIAL—PRISON TERM POSSIBLE PENALTY OF POLITICIANS IN SCHUYLKILL

PHILADELPHIA, June 12.—State Senator Joseph P. Dando and five other Schuylkill countians were convicted in Federal court today of conspiracy to divert Works Progress Administration labor to the Democratic legislator's amusement center in Llewellyn.

The jury freed one of the eight accused, all of whom were Works Progress Administration foremen and timekeepers. The judge had ordered acquittal of two others.

Should the convictions stand, the maximum penalty possible is 2 years in prison and a $10,000 fine for each defendant.

Convicted with the Democratic senator were Charles Simmett and Forrest Pinkerton, of Llewellyn; Clyde Schock and Roy Hosler, of Pottsville; and Oswald Bendrick, of Minersville.

The jury acquitted John E. Kelly, of Pottsville, and recommended mercy for Schock.

Previously acquitted by directed verdict were James Butler and Francis Validus, of Minersville.

ALL ARE FREED ON BOND

Pending arguments for a new trial, Dando was freed under $1,500 bond and each of the others on $500 bond.

Three hours and fifty minutes the jury of eight men and four women deliberated after hearing defense counsel warn them to "guard against political crucifixion in this case."

Attorney Thomas C. Egan had called Dando a "great humanitarian."

In his defense, Dando contended the W. P. A. labor had been used on his recreation beer hall, trapshooting range, swimming pool, and tennis courts without his direct knowledge.

Picturing his client as a benefactor, Egan declared he had turned the amusement property over to the National Youth Administration.

"The humanitarian idea," declared Gerald A. Gleeson, assistant United States attorney, "was a myth."

"As a matter of fact," Gleeson declared, "Senator Dando diverted 268 days of labor for his private benefit, close to $1,000."

Small-Business Men Urge Constructive Tax-Revision Program Before Adjournment

EXTENSION OF REMARKS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

LETTER FROM MR. FRANCIS C. SPENCE, EXECUTIVE DIRECTOR OF THE MICHIGAN DIVISION OF THE NATIONAL SMALL-BUSINESS MEN'S ASSOCIATION

Mr. SHAFER of Michigan. Mr. Speaker, the small-business men of the Nation are looking to this Congress to aid them by revising the present tax program and by enacting needed amendments to the Wagner Act. In support of this statement I ask unanimous consent to include herein a letter received from Mr. Francis C. Spence, executive director of the Michigan division of the National Small-Business Men's Association. This letter urges this Congress to remain in session until a constructive tax-revision program is adopted and amendments made to the National Labor Relations Act. The letter follows:

DETROIT, MICH., *June 12, 1939.*

Hon. PAUL W. SHAFER,
House Office Building, Washington, D. C.

DEAR SIR: The members of this association, through its representatives, have repeatedly expressed their attitude on legislation pending before this Congress. They are particularly interested in amendments to the Wagner Act and in a tax-revision program that will permit business expansion and reemployment in preference to the continual losses now evident in the large majority of business establishments in this State.

We would like to call your attention to our letter to Senator VANDENBERG on this point, which was placed in the RECORD Monday, May 8. Our letter clearly indicates the need for tax revision. Additional response to the survey since the writing of that letter most emphatically points out the increasing seriousness of the situation. Careful scrutiny of the responses shows that restrictions of the Wagner Act, coupled with the restrictions of the Social Security Act, are very definitely hampering reemployment and retarding business. We can give you specific instances of organizations that have closed down or intend to liquidate because of tax burdens and present labor legislation. These firms are not contemplating liquidation as a matter of choice. They prefer to keep their establishments running and continue to provide steady employment for their employees, but to do so while digging into reserves to pay taxes is a financial suicide.

At the request of the Detroit unit of our association we obtained the consensus of opinion of our members throughout the State. As a result of that poll, the board of trustees at a meeting held June 8 instructed that all the Michigan Congressmen and Senators should stay in session until a constructive tax revision program has been adopted and amendments made to the Wagner Act.

Testimony before the committee investigating the Wagner Act conclusively points out the need of amendments to it. The members of the association have repeatedly endorsed the Burke amendments and they unqualifiedly support Representative HOFFMAN'S bill to establish a new Labor Board.

The need for action on business relief measures has been evident to Congress since January.

A further shilly-shallying behind a smoke screen of war scare and neutrality legislation is not going to help the situation.

By and large the actions of our Congressmen have been most constructive. Therefore, in view of the seriousness of this situation, we now look to them for increasingly intensive effort along these lines. We sincerely hope that you are in sympathy with the attitude of our members and I am sure that a letter from you in this regard that we can report in our next regular bulletin will be much appreciated by them.

Yours very truly,

F. C. SPENCE,
Executive Secretary.

Easy Credit—and Government Banking

EXTENSION OF REMARKS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

Mr. BENDER. Mr. Speaker, in 1933 the newly elected President of the United States, Franklin Delano Roosevelt, took the oath of office and delivered an address which must frequently rise to haunt him in the night. The enormous scope upon which his administration has failed to achieve the goals he outlined, the complete repudiation of economy as a principle of sound government, the steadily mounting burdens of Federal Government which have accentuated the burdens of the Nation should be an endless source of ironic disappointment to those who cast their votes for the Democratic Party in 1932. During the course of that memorable election campaign Mr. Roosevelt cudgeled the Republican Party with crushing blows because of its "extravagance" and the constantly mounting size of the Federal Government.

Among other things, in his first inaugural address, President Roosevelt pointed his finger at the Nation's bankers to heap scorn upon their heads. He said of them, "Faced by failure of credit, they have proposed only the lending of more money."

Today the failure of credit is more pronounced than it has ever been before in the history of our Nation, and the New Deal offers Congress a measure which proposes precisely the same thing which President Roosevelt bitterly condemned in 1933, the lending of more money. It is undoubtedly a commendable motive which has moved the administration to activity on behalf of small-business men. Everywhere they are complaining of the difficulties they encounter in borrowing money. But it is not the Government alone which has discovered obstacles in the path of renewed credit. Banks and bankers, for all their vulnerability, for all their excellent availability for the slings and arrows of the New Deal, are still very much on the alert. They have been trying desperately to move their lendable funds. Advertisements, personal solicitation have been used to stimulate loans. Consumers' credit has been extended in many instances to an extent unheard of in other days.

None of this has proven effective. Businessmen who have good prospects of repayment are not seeking loans. The Government itself has discovered this truth. In the last 5 years the Federal Reserve Banking System of the Nation and the Reconstruction Finance Corporation have been engaged in the business of lending money to business. At the present time the total amount of loans outstanding to the credit of the entire machinery of the Federal Government is $125,000,000. The 12 banks of the Federal Reserve System have succeeded in the entire 5-year period in lending only $58,000,000. These amounts are utterly insignificant in the credit structure of the Nation. Today, even in the midst of depressed circumstances, there are outstanding $21,000,000,000 in bank loans. It is more than obvious that the R. F. C. and the Federal Reserve lending agencies have been

no more successful in stimulating borrowing than the private bankers of our country.

Now the New Deal proposes to enlarge the Nation's credit facilities even further. Who will be the borrowers? There is plenty of money lying in the vaults of our banks begging for use. Banks have tried to move it out, but no bank will be justified in lending to borrowers who cannot repay. What the Government seeks to do, seemingly, is to lend funds to businessmen who are such poor risks that private bankers, anxious as they are to lend, cannot venture.

If it is this group to whom we are now about to lend, we are faced with another subtle program. Loans may be a mask for gifts, designed to maintain in power the generous giver without regard to the economic structure which they may disrupt completely. Economists who have studied the present difficulties confronting American capitalism agree that the Nation does not need easy credit today so much as it needs a group of men who will willingly undertake to risk their funds in new enterprises—not creditors, but partners. These men are the chief victims of the restrictive measures imposed by the New Deal. With their hope of profits cut to meaningless proportions, with their assurance that any speculation today is subject to the unpredictable whims of a national administration which delights in harassing business, those who are willing to take their chance with the investment of their funds are few and far between.

Were it not so tragic, the spectacle would be a source of grim humor. Faced with the same problems, Mr. Roosevelt falls back upon precisely the same solution which he branded as worthless in the not so distant past. The Nation is discovering daily that in the last analysis we must return to sound economic methods to achieve sound economic results.

Annual Alumni Dinner, Massachusetts Institute of Technology

EXTENSION OF REMARKS

OF

HON. FOSTER STEARNS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

ADDRESS BY KARL T. COMPTON, PRESIDENT OF MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Mr. STEARNS of New Hampshire. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from an address by President Karl T. Compton, of the Massachusetts Institute of Technology, at the annual alumni dinner on June 5:

However interesting things may be in retrospect and however pleasant and inspiring may be our renewal of old associations at our alumni reunion, the important business of life is ahead of us, not behind us. The past is important, for it is the foundation on which we build the future, and its experiences show the directions in which our future efforts should be guided if we can interpret these experiences aright. * * *

Our original directive * * * was stated in our charter in 1861, which incorporated the Massachusetts Institute of Technology "for the purpose of instituting and maintaining a society of arts, a museum of arts, and a school of industrial science, and aiding generally by suitable means the advancement, development, and practical applications of science in connection with arts, agriculture, manufactures, and commerce."

This objective has stood the test of time, and is perhaps even more important now than ever before. I say this with confidence, despite the panicky thoughts of some who have sought, during the last 9 years, to see in science the scapegoat for our recent economic troubles, and who have sought salvation in legislation contrived by social planners. Granting a real value in social planning, if wisely conceived and efficiently administered, why do I still believe that our most valuable contribution to humanity can come through "advancement, development, and practical applications of science" with all the wisdom, energy, and resources which we can marshal for the task?

Consider first the long-range lesson of history. Just before the "machine age," social planners, including some of the ablest minds of all time, were devising resettlement projects and model industrial communities in which an essential feature was the employment of all children above the age of four. This was their best solution for the desperate struggle of the masses of people for the bare necessities of life. Only by efficient use of child labor could children be afforded and could families hope to escape the privations of starvation and hopeless existence. The proposed solution through systematic employment of children in factories was viewed, not as exploitation of child labor, but as a great social improvement.

But since that time science and engineering have so increased productive power that it has been possible for enlightened public leaders to inaugurate a great program of social security, including abolition of child labor, universal education, moderate hours of labor, pensions, insurance, and unemployment relief on a huge scale. These are superimposed on an enormously improved general standard of comfort, health, and interest in living.

Such achievements of science dwarf into insignificance the recent social and economic dislocations and have provided opportunities for social planning on a scale formerly undreamed of. So I make no apology for affirming faith in our M. I. T. objective. But I would point out a very important feature of the situation which makes our program even more important than it would otherwise be.

Having recognized the opportunities of a greatly expanded social-security program and perhaps not adequately realizing that this program has been made possible only by the productivity that has come from technology, there is grave danger that the public and its leaders may push this program beyond the limits which the present state of technology can support. If this should happen, the whole structure of social security and high standards of living may fall like a house of cards. The danger is, I believe, very real. It can be combated by two forces: First, better education of the public, and especially of its leaders, to a realization of the necessity of keeping the demands of taxation and regulation within the limits which our technological production can support; second, the improvement of technological processes themselves, so that the increased demands for social security can be met by production and taxable profits.

Really included in the above argument is another aspect of our economic situation on which major attention has been focused—the problem of unemployment. After the necessary emergency relief measures, and the efforts to stimulate employment by huge "pump priming" projects, and the attempt to produce employment by distributing wealth, the public and its leaders are coming to realize what more scientifically minded people realized from the beginning, namely, permanent new employment can only come, as it has always come in the past, through the technological development of new products which people will be willing to work and to pay for to possess, and through technological development of more efficient methods of production which will lower costs to permit of increased volume of purchase.

Any attempt at social planning without recognition of and provision for this essential technological basis of prosperity is going back to the "horse and buggy" days with a vengeance; it is based on the same restricted viewpoint as that of the social planners several hundred years ago, but with this difference: They had no way of knowing what science could contribute to their plans, while we have the lesson of the intervening history to guide us.

So I have no reservations in defending the objectives of this institution on the grounds of their vital importance to the welfare of this country and their benefit to mankind generally.

Use of Dictographs on Capitol Hill

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

REPORT OF THE SERGEANT AT ARMS OF THE HOUSE OF REPRESENTATIVES

Mr. SHAFER of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following

report made by the Sergeant at Arms of the House, Hon. Kenneth Romney, to the Speaker of the House of Representatives:

JUNE 12, 1939.

Hon. W. B. BANKHEAD,

United States House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: In reporting to you the result of my investigation of published reports of the use of dictographs in the old House Office Building, I beg to advise that I started an inquiry only after vigorous protests from numerous Members of the House. I want to emphasize also that I am concerned with no phase of the milk investigation other than that relating to dictographs on Capitol Hill.

When these reports were called to my attention, I felt that they raised a graver and more important issue than any other that could come out of the hearings of the milk investigating committee. It involved the right of Members of Congress to privacy in their own offices, the right to be free from espionage and eavesdropping. Obviously, if dictographs could be placed in a congressional committee room they could be placed in the office of any Congressman on Capitol Hill. Moreover, it involved an invasion of the police power of Congress, which Congress reserved to itself and lodged in its own authorities.

The published reports themselves are very definite and illuminating. In its issue of May 27 the Washington Post, in a story by James D. Secrest, under the heading "Subcommittee's Secretary Resigns; Office Building of House Tapped," said:

"Dictaphone attachments were placed in hotel rooms in downtown Washington and in the subcommittee's own room on the fifth floor of the old House Office Building by specially detailed police when Chairman BATES and J. Edward Burroughs, committee counsel, were apprised of an offer allegedly made by Whiting Faulkner, Martinsburg, W. Va., postmaster, to the Maryland-Virginia Milk Producers' Association."

On the same day the Washington Times-Herald, in a story by Thomas E. Stevens, said:

"Dictaphones 'planted' in hotel rooms and on Capitol Hill by 'eavesdropping' detectives were whirling while lobbyists, politicians, and girls 'let their hair down' in conversations they thought would never be repeated, it was learned last night."

The Evening Star, of May 27, 1939, under the byline of James E. Chinn, said:

"Transcript of records of dictaphones set up in the House Office Building and two downtown hotels by inspectors for the House Milk Investigating Committee disclose that efforts had been made to influence the District to specify the use of a particular kind of asphalt in street-paving contracts, it was learned today."

The following day, May 28, 1939, the Evening Star published further:

"Hints that efforts had been made to influence the District to use imported asphalt were found unexpectedly in the transcript of records of dictaphones set up in the House Office Building and in two downtown hotels by inspectors for the House Milk Investigating Committee."

These are all positive statements made by reputable newspaper reporters well known to many Members of Congress. I am unwilling to assume that they were made without foundation. I believe that these men would testify under oath to the truth of these statements, although they might invoke the newspaper code and decline to reveal the source of their information. This, however, would in no way destroy the usefulness of their testimony in establishing the placing of dictaphones in the House Office Building.

No denial of these published reports was made by anyone until after I announced that I would conduct an investigation. Subsequently you, Mr. Speaker, stated at a press conference that you desired the matter investigated thoroughly, and made it clear that the power granted to the House subcommittee conducting the milk investigation to call upon other agencies of the Government for aid was merely the routine resolution that contemplated the use only of clerical assistants and not police detectives. When the temper of the House was indicated by the uproar that ensued, denials were forthcoming, but they were not made by the Metropolitan Police Department. As you may know, it has since been developed in the testimony of the milk investigation that the use of dictaphones either on or off Capitol Hill was not authorized by the District Committee as a whole or by the subcommittee making the investigation.

Early in my inquiry I telephoned Maj. Ernest W. Brown, superintendent of the Metropolitan Police Department, and was advised by him that he had detailed men from his department to assist Chairman BATES, of the subcommittee, at the latter's request, but that he had no knowledge as to what they may have done. I ascertained that at times there were several Metropolitan policemen working for the subcommittee under a detail headed by Captain Truscott, of Precinct No. 10. To one of them, Precinct Detective Richard Felber, I had given, at the request of Chairman BATES, a letter empowering him to serve subpenas for the committee, but no other authority. When I gave Felber this letter I did not know the committee intended to use detectives for under-cover work. Upon questioning by me, Mr. Felber denied that he had placed any dictaphones in the House Office Building. I am prepared, however, to give the names of witnesses who will impeach the testimony on wire tapping he gave to the committee.

I do not wish to make any criticism whatever of the Metropolitan Police Department. Major Brown is a most reputable and efficient gentleman. He is a long-time friend of mine and I have the highest regard for him. He has frequently aided Capitol Police authorities at ceremonies on Capitol Hill, the most recent occasion being the visit of the King and Queen of England. Any activity of the Metropolitan Police officers detailed to Chairman BATES, of the subcommittee investigating the milk situation was undoubtedly based on the assumption that they were acting with the full authority of the District Committee and of the House.

Miss Julia Castleman, former clerk of the Bates subcommittee, came to my office and told me that on a number of occasions she talked over the telephone on personal matters from her office room, 537 old House Office Building, to Postmaster Whiting Faulkner, of Martinsburg, W. Va., both when he was in Martinsburg and when he was in Washington. She told me she had never been inside the Hamilton Hotel and was not present on any occasion when recordings were made downtown. Mr. Faulkner became a central figure in the investigation, and Miss Castleman was under suspicion of revealing secrets of the committee to him. If any records of the conversations between Miss Castleman and Mr. Faulkner were obtained at all by under-cover agents, they had to be obtained by tapping the wires in her office in the House Office Building or at her home, 1363 Otis Place NW., where she lives with her mother.

When the Capitol police entered the case there were no dictaphones in the Bates subcommittee offices on the fifth floor of the old House Office Building. As dictaphones are easily attached and detached and require only a connecting room for operation, they could not tell whether any had been used. I have no positive evidence that they were used and have never stated that I had.

Inasmuch as a number of members of the District Committee, as well as of the subcommittee making the milk investigation, have told me they were convinced dictaphones were used in the House Office Building, the facts in the case can be cleared up very easily by the committee calling witnesses and taking testimony under oath. If subpenas were issued for the newspapermen mentioned above and for Miss Martha Strayer, Captain Truscott, and Detectives Felber and Klotz, the latter expert wireman for the Metropolitan Police, the question could be disposed of once and for all.

I am sending a copy of this report to Hon. JENNINGS RANDOLPH, chairman of the District Committee.

Respectfully yours,

KENNETH ROMNEY,
Sergeant at Arms, United States House of Representatives.

Our Flag

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

POEM BY C. S. LONGACRE

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following poem sent to me by a friend in connection with the observance of Flag Day:

OUR FLAG

(By C. S. Longacre)

We hail our flag of liberty!
  Its folds in hues resplendent spread;
The blue for truth and loyalty,
  The crimson red for blood we shed,
The spotless white for purity.

Our flag has never known defeat.
  Its staff e'er stands on holy ground;
Its cause is just, its mission meet,
  Its principles of right are sound,
Its every star with hope replete.

Thank God, this flag, in every clime,
  Upholds the right, condemns the wrong,
Sustains the just, denounces crime,
  Defends the weak against the strong,
Its purpose high, its aim sublime,

Long may it wave o'er our fair land,
  A diadem of stainless fame:
Fit symbol of our freedom grand,
  For aye aglow with glory's fame,
Securely held in God's own hand.

The Spanish-American War

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

ARTICLE BY DAMON RUNYAN

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article appearing in the Cincinnati Enquirer of Monday June 5, 1939, by Damon Runyan:

[From the Cincinnati Enquirer]

It has now become quite apparent that the most important war the United States ever engaged in, bar the one in 1776, was the War with Spain.

This is a curious situation when you consider that the Spanish-American War was long rated one of our minor martial feats. Indeed, it was hotly criticized for years afterward as an unnecessary adventure, yet today it looms on the horizon of American history as the most useful exploit of our arms since the Revolution.

Just imagine, if you please, what a sweat this Nation would be in at this very moment if Spain owned Cuba and Puerto Rico, on one side of us, and Guam and the Philippines on the other side, and Franco was in command on both sides with his Nazi and Fascist allies at his elbows.

Yet that might be Franco's status right now if the United States had not fought and won the War with Spain back in 1898, and in the peace settlement forced Spain to give Cuba her freedom and took over the Philippines and the islands of Puerto Rico and Guam. He would be in a spot where he could send over a crate on a gallon of gas and flatten our onions on Hibiscus Island, Dade County, Fla., any time he felt like it.

From Cuba and Puerto Rico, Franco and his allies would be bosses of the Caribbean and the Panama Canal. Americans would not dast say boo down there. From Guam and the Philippines, Franco and company would rule the Pacific, especially hooked up as they are with Japan. The good old United States of America would be boxed in by the Nazis and the Fascists both ways from the jack.

Well, as it stands now, Cuba is free and our friend. The Cubans may get a little irked at us now and then, but if ever it comes to a show-down you can bet all the sugar in the Pearl of the Antilles that they will be in there slugging on our side. Cuam is our most important outpost in the Pacific and the Philippines count for something as a base.

Puerto Rico is our ace-in-the-hole in the Caribbean, and will probably one day be a great state in the American Union. As we understand the present plans of the United States of America, when they get through fixing up Puerto Rico as an air base, a mosquito will be unable to skim across yon waters without being spotted and probably brought down by an American plane.

All this, remember, came out of the Spanish-American War that folks once said was a bad war. No war is a good war, we admit that, but from a selfishly American standpoint we hold that as the fall of the play now transpires, this was the best war we ever fought, bar again the one for freedom. It certainly was a better war for the United States than the World War.

That war, as you may recall, was to make the world safe for democracy. We raised an army of millions of men and contracted debts from which the taxpayers have not yet recovered. We did not make the world safe for democracy. On that war alone we would not have made even the United States safe for democracy; but fortunately we had already done that with the War with Spain, though we did not realize it at the time.

The realization has just recently developed, after a lapse of 40 years. It is now that long that this country with tremendous fanfare hastily hustled together a slipshod sort of an Army of Regulars and Volunteers, not too well armed, not too well clad, and certainly not too well fed, and went out and gave those Spaniards a shoving around. It soon developed that the Spaniards were just pop-overs, though it cannot be said that the United States of America knew that when the match was made; and after the excitement petered out and we had all that new territory an awful squawk went up from some quarters.

The wicked fellow in those days was the fellow who wanted to keep the new territory for our very own. He was called an imperialist. Strangely enough, some folks thought we should not hang on to the territory we won by conquest, though that is the identical manner in which most of the real estate that constitutes these United States was originally acquired. It is a good thing now we had the imperialist.

It is conceivable, of course, that Cuba might have won her freedom from Spain even had the United States not stepped in. Those Cubans were and still are brave and desperate fighters in a cause they love. The Philippines and even Puerto Rico might have won their independence by their own efforts, but we are dealing here with what happened, not with what might have happened.

What happened was that the United States chased Spain out of the Western World forever, and the free flag floats where the banners of the Nazis and the Fascists might today be casting shadows over the security of this land. But for the Spanish-American War, the Spaniards would likely have retained at least some holds that would be mighty inconvenient to us now, so that war takes on new stature in history as one of the greatest things the United States ever did for itself.

The Constitution Has Stood the Test

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 14, 1939

RADIO ADDRESS BY HON. A. P. LAMNECK, JUNE 8, 1939

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. A. P. Lamneck over radio station WHKC, Columbus, Ohio, Thursday, June 8, 1939:

I want to congratulate the sponsors of this program upon their wisdom in presenting a balanced diet. They are far too familiar with the real nature of our institutions to fall into the easy, slovenly, and insiduous habit of referring to the central Government in Washington as if it were the only government in the United States. Thus the sponsors of this program have arranged that you shall hear about State, county, and municipal governments in order that the picture may carry a true rather than a distorted perspective.

I am proud of my particular assignment, which is to discuss our Federal form of government. For as Chief Justice Hughes said at the one hundred and fiftieth celebration of Congress, on March 4 last, the most significant fact in connection with such an anniversary is that the vastly preponderant sentiment of the American people is in behalf of the preservation of our form of government. It has made for both stability and the capacity for orderly progress in a world of turmoil and revolutionary upheavals. Thus it is one of the most precious possessions on earth.

But just what is our Federal form of government? The answer is simple. It is expressed and embodied in the Constitution. Therein is to be found what we call the form or system of our government and all its fundamental principles. The Constitution is a direct emanation from the people. They are the sovereign power, they adopted the Constitution, and it is amendable by them alone. To the Constitution all laws, all executive actions, and all judicial decisions, with no exceptions whatsoever, must conform. This is because the Constitution is the creator of all the powers exercised by the departments of government.

But what are the fundamental principles of our form of government as embodied in the Constitution? There may be said to be three—first, the sovereignty of the people; second, the separation of powers; and third, the dual or so-called Federal system of government, combining States and Nation in a working whole. The sovereignty of the people is made unmistakably clear by the first three words of the Constitution—"We, the people"—thus declaring by what authority the United States of America is ruled.

Back of the determination of the people to be sovereign lay centuries of struggle for liberty and experience in self-government, the main features of which were brought over from England and further developed through a century and a half in the Colonies, the early States, and the Continental Congress.

Coming now to the second great principle—the separation of powers—the Supreme Court once declared that "our form of government is opposed to the deposit of unlimited powers anywhere." The framers of the Constitution knew that neither legislators nor executive officials are good judges of the extent to which their own powers should go. They knew that even the courts must be subordinate to the Constitution, and they made them so.

They were determined to make the three branches of government of equal rank, each independent of the other two, and to delegate to each only certain restricted and delegated powers. If there is any one thing we can be certain of it is that the Constitution aimed, and still aims, to establish, define, limit, and distribute the fundamental powers of government. Alexander Hamilton joined with James Madison in later years in declaring that "an effective despotism was not the Government we fought for."

But the third fundamental principle of our form of government, the dual system, is what distinguishes it most from other countries; it is the chief new invention, as it were, of the Constitution, and it is no less clearly emphasized in that document than the other fundamental principles. In fact, the very name of our

country—United States of America—tells the story. That is the name which appears in the Constitution; 150 years later it is still our official and only name.

Thus the United States came into existence and remains in existence, not as a superstate but as a union of States. The States existed before the United States was formed to bind them together. the States formed the Union, not the Union the States. As the United States Constitution Sesquicentennial Commission says in its little book, The Story of the Constitution:

"Until the people decide otherwise the United States is, in the noble phrase of Chief Justice Chase, 'an indissoluble union of indestructible States.' It is made indissoluble by the Constitution, which also provides for the indestructibility of the States by guaranteeing to each State a republican form of government and equal suffrage in the Senate.

"The people have ordained in the Constitution that the National Government shall depend for its existence upon the perpetuity of the States. There is, however, no guaranty of unchangeable State areas, but all elections are by States, including the election of Senators and Representatives in Congress and Presidential electors. When the House of Representatives is called upon to elect a President of the United States each State has one vote. Failure of the States to perform their functions would annihilate the National Government."

This brief but accurate summary of a few of the essential provisions of the Constitution is a striking indication of how utterly false to its spirit and original intent we are where we permit the constant encroachment of central authority upon the States.

But it is not merely the spirit and original intent of the Constitution which we are getting away from by the steady centralization of power. I have quoted an official publication of the United States Constitution Sesquicentennial Commission as saying that failure of the States to perform their functions would annihilate the National Government.

President Dodds, of Princeton University, a foremost student of government, recently said that the United States would have long since broken down if there had been no device of States and Federal Government, and he added that the success of centralized governments over small European areas has "little significance." But let me quote a greater authority, Chief Justice Hughes. Only a few months ago he spoke of the necessary balance between centralized authority and local autonomy, and added:

"It has been said that to preserve that balance if we did not have States, we should have to create them. In our 48 States we have the separate sources of power necessary to protect local interests and thus also to preserve the central authority, in the vast variety of our concerns, from breaking down under its own weight.

"Our States, each with her historic background and supported by the loyal sentiment of her citizens, afford opportunity for the essential activity of political units, the advantages of which no artificial territorial arrangement could secure."

Now it may be possible that these distinguished authorities, including even the Chief Justice, are doddering old fogies who do not know what is good for the country. It may be that this device of a union of States, this United States of America, with the powers of government carefully established, defined, limited, and distributed by the Constitution, has become antiquated and inefficient, because of changed social and economic conditions. If so, let us do away with it

But let us be honest about it. If the reasons which led the framers of the Constitution to adopt this form of government no longer hold why not be open and aboveboard?

The fair, the honorable, the candid thing to do if we want a unitary, totalitarian state is to change the Constitution and the name. The sly, the underhanded, the dishonest, the sinister course is this process of constant encroachment of central authority, not openly and frankly for what it is, but under a thousand different pretexts, roundabout, indirect, and subtle, meanwhile keeping the Constitution and the name.

A vast amount of hasty, drastic, and far-reaching legislation has been driven through Congress since 1933. Portions have been held unconstitutional; other particular acts have been upheld by the courts. But the sum total, the net effect, has been to whittle away the functions of Congress and of the States and lodge in the Executive the power of legislation, which should rest with the legislative.

Huge lump sums are given the Executive and he has discretionary power to hand them out as he pleases, thus making importunate beggars of sovereign States and mighty cities. Measures like the Social Security Act and the National Labor Relations Act, if really desirable, should have had behind them the slower but more reasoned authority of a constitutional amendment rather than the sudden push of a powerful Executive. The original reorganization bill and the court-packing bill were plainly contrary to the whole spirit of the Constitution. In the farm acts and Bituminous Coal Act Congress surrendered its taxing power to the executive branch and in the reciprocal-tariff measure gave up still another, though closely related, function.

It may be that the motives which animated the framers of the Constitution, including their distrust of the concentration and unlimited deposit of power, are out of date. If so, the straightforward, the honorable course would be to amend the Constitution or even to call a convention and write a new Constitution, rather than to whittle away its provisions. If we must have a unitary, authoritarian state, let us have it openly.

But if what we want is a higher standard of living, the surest way is by the gradual process of trying out different features in different States. Such progress is solid and sure. When Franklin D. Roosevelt was Governor of New York he said: "It is obvious that almost every new and old problem of government must be solved by each State in its own way." It is to be suspected that the constant concentration and centralization of powers in the Federal Government is not so much for the purpose of making real and lasting progress as it is because certain people, with good or bad motives, thought that they have found short cuts to utopia.

Another danger in the centralization of power is that the amount of money which the Federal Government has at its disposal is perilously large. When it spends billions for aid, subsidies, relief, allotments, bonuses, and the like, every selfish-pressure group in the country tries to get still more and yet more. Thus nearly all political issues are brought down to the low level of the "gimme" variety. And, of course, these expenditures are far less subject to taxpayer and creditor resistance than State and local outlays.

It is an old and sound axiom that centralization and concentration feed upon themselves. The officials who are given these powers can never see any danger in them, provided they are the ones to exercise the powers. Eight or nine years ago, when President Roosevelt was Governor of New York, he denounced the idea of government by "master minds," saying that if such unselfish and godlike men could be found it might be in the interest of the country, "but none such were on the political horizon."

Finally, under our form of government, marvelous progress had been made before this excessive tendency toward centralization set in. For a century and a half our dual or Federal form of government has provided flexibility, equilibrium, strength, and stability almost unknown elsewhere.

It is true that government must experience growth as well as stability; it must be dynamic as well as static. But surely we had growth and change of every kind, even before we began to pile duties on the executive branch of the Federal Government in such utter profusion. Just because we have had disturbed conditions for the past decade it seems premature, precipitate, ill-advised, and reckless to throw overboard the system of divided powers, and checks and balances, which has served us so well in the past.

I have already quoted from that great recent document, the address of Chief Justice Hughes at the one hundred and fiftieth celebration of Congress last March, in which he said that it is necessary to maintain the functions of the States in order to keep the central government from breaking down under its own weight. I can conclude in no better way than to quote these further words from the same address:

"If we owe to the wisdom and restraint of the fathers a system of government which has thus far stood the test, we all recognize that it is only by wisdom and restraint in our own day that we can make that system last."

Distribution of Milk and Dairy Products

EXTENSION OF REMARKS

OF

HON. JOHN W. GWYNNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

RESOLUTION OF THE NATIONAL CONFERENCE ON INTERSTATE BARRIERS OF THE COUNCIL OF STATE GOVERNMENTS

Mr. GWYNNE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I am inserting therein a resolution adopted by the National Conference on Interstate Trade Barriers of the Council of State Governments, held at Chicago, Ill., in April 1939. This resolution which has to do with the distribution of milk and dairy products, was included in the report of the committee on agriculture of said national conference. The chairman of the committee on agriculture was Dean W. Peisen, of Eldora, Iowa, a distinguished member of the Iowa State Legislature.

The resolution is as follows:

The committee on agriculture deplores and condemns the practice of States, counties, and municipalities promulgating economic regulations and ordinances, making more stringent rules for the production and processing of milk and dairy products than are necessary for the protection of public health, and having the purpose of barring such products from such States, counties, and municipalities, and thereby erecting insurmountable trade barriers and protective walls around fluid-milk markets, to the benefit of special local interests and to the detriment of the community and the consumers therein.

The committee on agriculture heartily appreciates the necessity of sanitary regulations. The committee is convinced that the providing of wholesale dairy products to the consumer is not in conflict with the free movement of milk and dairy products in interstate commerce.

In order to reconcile public-health protection with free interstate movement of milk and dairy products it is recommended that States adopt uniform minimum standards with respect to acceptable sanitary requirements. It is further recommended that milk and dairy products from a State having such minimum standards be accepted in another State having like standards upon certification by the State of origin.

Under such a plan it is urgently suggested that the Federal Public Health authorities, or some other Federal agency, designate those States in which the inspection services meet the agreed standards.

The committee wishes to call to the attention of the conference that the Congress of the United States, through a committee of the House of Representatives, is at present investigating the need for new legislation for the District of Columbia on health regulations as affecting milk and dairy products. It is to be hoped that any legislation which may result will be drafted with a view to setting up requirements as a model for the States and to provide for a cooperative Federal-State inspection service.

A Banking System for Capital and Capital Credit

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

STATEMENT BY A. A. BERLE, JR.

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I am very glad to include the following extremely important statement on A Banking System for Capital and Capital Credit, by Assistant Secretary of State A. A. Berle, Jr., delivered before the Temporary National Economic Committee:

A BANKING SYSTEM FOR CAPITAL AND CAPITAL CREDIT

INTRODUCTION

Beneath the highly technical title of "capital credit" there is really concealed a tremendous issue. It serves no useful purpose not to state that issue with some bluntness, in spite of the fact that so to state it tends to antagonize a good many interests. Briefly the private financial system as at present constituted does not work. It has, accordingly, to be supplemented by vast amounts of Federal credit which make up in some measure, but inadequately, for the difficulties in the existing system of private finance. Use of the Federal credit by providing relief and by taking care of certain necessary social requirements through public works in a limited field does keep the economic machinery of the country running; but it is not a permanent solution. There is always the danger that the time may come when an economy so organized will reach the end of its tether. We should be getting about the process of reorganization now, instead of leaving it for the more violent processes which always occur when the country is in great stress.

Most of the sequences of figures with which I am familiar indicate that we will (unless fundamental remedies are adopted) reach a period of stress in any case within a short period of years. Unless there is some distortion, such as that which might be caused by a general war, I should think that the next major downturn of the business cycle (due in any case within 4 or 5 years) might present all the factors for an explosive situation. We may, of course, navigate safely through that period, leaving the final reckoning to be made at some later downturn of the business cycle. In any event the next decade will, I think, probably force a showdown.

Since the United States has at its command all necessary productivity, all necessary technical skill, all necessary energy and labor, and substantially all necessary raw materials, any failure of the economic system must be directly due to malorganization.

In a democratic economy the processes of finance are in large measure relied upon to make it possible for individuals to organize their energy, the materials obtainable, and other necessary elements to produce and distribute whatever the country may, in reason, desire. I suppose the test of a financial system is whether it approximately accomplishes that purpose. The present system apparently does not, and a major difficulty appears to be in the system of handling capital finance and capital credit. Conceivably, by solving this question we may be able to take care of much of the difficulty.

I note one historical fact which, I think, is significant. Whenever there have been hard times in the country the public has almost instinctively turned toward the currency—credit machinery—and has called for monetary measures. My own feeling is that the instinct of the country in doing this was sound. Many of the specific remedies actively pressed have been dangerous or ridiculous, or both. The fact, however, that the solutions suggested were absurd does not make it safe to conclude that the public was wrong in feeling that the credit system needed overhauling and was capable of vastly more use than we have made of it. Too often the views expressed in such times were dismissed with statements that they were "inflationary," or "unsound," or that they violated some traditional principle. These comments, though true, left unexplained and unsolved the fundamental fact—namely, that the financial system, in the face of great need and adequate elements of supply, was unable to take the supply, organize it into production, and carry it to the known need. So long as this fact continues the case in favor of the existing financial system remains unproved and unconvincing.

I. THE BACKGROUND OF CAPITAL CREDIT

(A) Historical

Classic finance recognizes the sharp difference between short-term credit and money—the sort of function a commercial bank normally performs, and long-term financing—the kind of thing done by the investment banking houses through bond and stock issues.

The short-term credit field has been evolving continuously and rapidly. During the last century the private commercial banks moved steadily forward. As they did so repeated occasional stoppages of currency and credit forced a steady evolution of their theories and their machinery. The result was the organization of the great European central banks, and reserve bank systems developed in the latter half of the nineteenth century, and, in the United States with the creation of the Federal Reserve System in 1914.

Briefly, what happened was the creation of machinery so that the supply of money and short-term credit should keep pace and proportion with the need for it, and yet be kept in rough working relation to the floating supply of current goods and services moving toward consumption or final use. In result, the supply of bank credit and bank deposits (in effect, the power of commercial banks to create and circulate money) is rightly considered as much a part of our monetary system as is currency itself. Proper use of this machinery could make (as I think it has made) any general strain on American commercial banks a negligible danger. Probably if the monetary mechanisms made available between 1933 and the present time had been created and available in 1929–32, much of the suffering of the great depression could have been mitigated if not avoided.

By contrast, the long-term credit field has had no comparable development since its appearance at and after the time of the Napoleonic wars. A striking fact is that long-term credit—that is, the type of money which normally goes toward construction, public improvements, and permanent acquisitions to plant through investment—moves in much the same way that it did when the House of Rothschild started selling bonds more than a century ago. The bond-selling business has not changed much. Indeed, the Rothschilds themselves did not improve, very much, upon the system which the British East India Co. had used in securing its capital during the seventeenth and eighteenth centuries.

We have, today, a highly elastic system for handling short-term credit; for creating the equivalent of currency; for enlarging and contracting the supply of that currency; and (within very narrow limits) for steering that currency and credit where it is needed, though the "controls" of it are not yet well organized. We have no really modern system of long-term finance.

(B) The newer theories

Meanwhile, certain academic students have developed major discoveries. Outstanding among them is the fact that long-term capital is by no means a thing apart from money and credit.

The studies of Prof. Harold Moulton plainly indicated that the whole theory of long-term credit necessarily had to be revised. As noted, his major contribution was the discovery that a large part of what had been assumed to be "savings"—that is, money destined for long-term investment—was not different from any other kind of created bank credit. His conclusion, stated concisely, was that a considerable part of what we had called "savings" consisted merely in an excess of money or bank deposits created through the normal operation of the banks and made available for investment.

I do not think that the revolutionary quality of this discovery has been adequately appreciated. If true, it meant that our ideas on the whole subject of capital and capital credit had to change. For if capital could be created by creating bank credit, we were released from the irregularities of the flow of so-called "savings." Banking mechanisms could be called on to accomplish at least part, and perhaps more than part, of what had been done by a much less dependable process, and with far less regularity. Capital development can go on though there are no savings, or though owners of those savings decline to invest them and wish to hoard. Moulton's study pointed to a definite reorganization of the banking structure. It at least suggested the possibility that long-term investment might be assisted or carried on through properly controlled banking operations in much the same way that we have learned to assist or carry on ordinary mercantile and manufacturing activities through the use of currency and bank credit created through the Federal Reserve

System and made available through ordinary commercial banks. Professor Moulton did not suggest any banking methods by which this could be done, nor did he undertake to develop the possible dangers to be guarded against. But he did demonstrate one fact. There is no more reason why the flow of capital toward wealth-creating industry should stop any more than there is any real reason why the flow of currency should stop; no more reason why the capital markets should be closed than why the commercial banks should be closed.

Likewise, during the past decade, the work of Maynard Keynes had indicated the importance of capital financing in a national economy. The point of interest here lies in his demonstration that capital financing directly increased the national income by more than its amount. A dollar put into construction—that is, into a road or plant or building which served a social necessity—would increase the national income in that year or in the subsequent year by not less than one and three-quarters dollars nor more than approximately three and one-half dollars. To put it differently, $10,000,000,000 spent in sound capital financing would increase the national income by not less than seventeen billion five hundred millions nor more than thirty-five billions. This formula, sometimes called the "Keynes multiplier," can roughly be taken as a multiplier of 2½ to 1, meaning that national income is increased by about two and a half times the amount spent on heavy capital construction.

The theory of the Keynes multiplier has been both attacked and defended. The National Industrial Conference Board held a seminar in which both proponents and opponents debated the proposition. My own conclusion, after reading the discussion, is that as a matter of theory Keynes' demonstration stands up. There is evidence, based on the work of Schacht, who put the theory into practice in Germany, that it stands up in practice as well.

It is against that theoretical background that we have to work in undertaking to reappraise our theories of capital credit.

(C) Our capital market has been largely closed since 1931

Finally, we have the undisputed fact in the United States—it appears partly true also in France, and to a less extent in Great Britain—that the private capital markets have been in large measure closed since the year 1931. The precise figures differ with the methods of the statistician who is making up the addition; but the general conclusion is inescapable no matter what statistical methods are adopted.

The flow into capital construction may be said to have found its norm at a level of somewhere between eight and ten billions of dollars during the decade from 1920 to 1930. Of this, at least six billions went through the public markets—that is, occurred by sale of stocks and bonds. The balance went into construction through the mortgage markets or through private placement. By 1931 the amounts going through the public markets had fallen to approximately half that amount; then withered to a mere fraction. At a maximum, since 1931, not more than two and one-half billions of true capital money has gone through the mechanism of the public markets. The average is considerably less.

The conclusion is obvious: American private markets are not funneling capital funds into capital construction at more than (roughly) one-third to one-half the rate they were doing in the 1920–30 decade. This means that private activity in heavy industry is not being continuously generated in sufficient volume to keep those industries busy, or to keep the country continuously on an even economic keel.

The slack has been taken up by Government financing. It is entirely beside the point to object to this so long as the situation remains unchanged. Irrespective of political complexion, any government faced with a substantial closure of the capital markets would be forced to take measures to keep the heavy industries and the capital-goods markets sufficiently active to provide employment. If the only available method was use of Government credit, that method would necessarily be used. To attack Government spending as such in this situation is simply to ignore realities.

(D) The effects and the dangers of a closed capital market

If it be true, as apparently it is, that the private capital markets are not providing the necessary flow of capital toward actual construction of tangible economic wealth, and in place of it the Government is undertaking to do the job, we have to face certain definite effects.

The danger of a break-down in the Government credit is discussed later; enough here to say that it may be discounted. In any case, it has been wholly overstressed.

In a capitalistic world, creation of wealth invariably means the creation of a corresponding claim against that wealth. In practice this means either a stock or a bond—either an equity or a debt. Actually it means a debt in the great majority of cases. The expansion in American industrial plants from 1920 to 1930 was accompanied by an equivalent expansion in debt, though the debt was private rather than public. In a national economy it does not make a great deal of difference, from the strict finance and monetary point of view, whether the debt is that of a corporation or is that of the United States, of a State, or of a municipality, provided the expenditure actually creates wealth.

The real danger lies elsewhere.

There is, first, the fact that the wealth-creating power of the Government is relatively limited. It has under its direct control not more than, perhaps, one-tenth of the productive machinery of the country. This is largely traditional in form. The Government can create, and does create, wealth in the form of roads, parks, public buildings, public hospitals, and the traditional public services of the Federal, State, and local units. Plainly, these as they now stand are not sufficient to serve as the market for more than a fraction of the capital goods production in the United States. If, therefore, wealth is to be created by creation of Government debt, the scope of Government enterprise must be largely increased. Briefly, the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitably that the Government ultimately will control and own those activities. Put differently, if the Government undertakes to create wealth by using its own credit at the rate of four billion or so a year, and if its work is well done, the Government will be acquiring direct productive mechanisms at the rate of four billions worth a year, or thereabouts. Over a period of years the Government will gradually come to own most of the productive plants of the United States.

This is certainly so fundamentally a change in the course of American life that the decision to make it should be taken for reasons other than relief of a series of temporary difficulties. If the country desires to make wealth creation a function of government (I personally believe it must do so in larger measure than it has heretofore) the choice should be the considered choice of the country, and not the result of a policy of drift.

The Government's ability to create wealth efficiently is denied by a good many people. It seems to me a good many of these attacks are unjustified, though I am frankly biased in favor of public ownership of certain forms of wealth. The country will probably be deciding in the next few years whether the Government ought not to own, directly or indirectly, part of the national plan such as railroads, electric power, and mineral resources, and the Temporary National Economic Committee may give us a final answer.

But in any case, it is true that there are vast areas in which the Government probably cannot act effectively. Where the service to be rendered or the goods to be turned out are standard; where the problem of choice or fashion or individual desire does not enter into the problem very much; where the development of the art is not rapid, and where the benefit from the plant constructed is generally distributed, and especially where the process of rendering the service or creating the goods tends to be a monopoly, the Government has a possible field for expansion. Where these elements are not present, the ability of the Government to do a good job becomes questionable, to say the least. The Government undoubtedly could mine and deliver ore from the Minnesota fields without difficulty. Conceivably, it could smelt the ore into steel. But if the Government endeavored to go into the business of fine castings or steel specialities, either the nature of industry would have to change, or the nature of government would have to change.

In a democratic organization of economy, the obvious end should be to permit and require private initiative to do as much of the work as it can, consistent with maintaining the national economy on a reasonably even flow, distributing the burdens and benefits meanwhile that no class will be unduly favored, no class unduly burdened, and a maximum of opportunity be provided for everyone to use his abilities usefully with corresponding reward. It is the definite function of the financial system to make this possible at all times.

The conclusion seems inevitable. Either we are on the eve of a change in our financial system or we are on the eve of a change in our social system.

Plainly, a revised financial system should not be conceived to settle the question of whether the United States becomes a Socialist country, which, of course, I am not advocating. That will be determined partly by economic forces and partly by the thinking and the desires of the country itself. In consequence, the system of finance has to be so adapted that it can serve equally well private enterprise, public enterprise, or a combination of both, and any intermediate forms which may appear. The plan must be flexible enough to permit any development—always provided that the development actually does create added tangible wealth. If private enterprise will do it, and maintain an even and expanding national economy, good. If it is unable to do so, the scheme must be drawn widely enough to tap other methods of organization of wealth.

II. THE UNDERLYING REASONS

Before attempting a solution, it is perhaps useful to appraise some of the reasons usually given for the stoppage in the capital markets and for the change in the system. There will be no agreement on these reasons. I here set some of them down, fully realizing that every observer will assess the reasons differently, adding others of his own.

(A) The restricted base of national enterprise

One great reason for the change of emphasis lies in the fact that the portion of the world operating under a free economy has now shrunk to approximately half its former size. One by one, certain great nations of the world have ceased to operate on a free economy; have organized more or less totalitarian systems; and have attempted to set up for themselves an artificial self-sufficiency which is commonly called "autarchy." Of the great powers of the world still running upon an approximately free economy there now remain only Great Britain, France, and the United States, and the South American countries, whose development obviously still lies ahead. Necessarily, this has restricted or rechanneled the scope of the industries of all countries, including those which lived in part (as did the United States) directly or indirectly on the export trade.

We have not, up to date, felt the full possible effect of this change. What has happened thus far has been merely restriction. The impact of an "autarchic" country seriously endeavoring to use its integrated mechanism to exchange its product for ours is yet to be felt. If, for instance, Germany undertook to disarm, and funneled the activity which has gone into armament into production of steel products for export; and if she undertook to lay these down in the United States virtually irrespective of cost (which is perfectly possible under the German system), we should be faced either with a vanishing steel industry here, or with the necessity at once of going into partially autarchic measures of our own. Dimly, American business enterprise is aware of this; and for that reason has, in general, rightly supported Secretary Hull's policy of endeavoring to reestablish and restore an open economy throughout the world. It is not convinced as yet that the policy, though inevitable in the long view, will be successful in the immediate future; and for that reason private-profit capital is wary of investing in any enterprises save those which are plainly comprehended within our domestic picture.

(B) Increases in needed social services

Second in order of importance, perhaps, is the probability that there has been a major change in the relation of public and private activities. As development of a country progresses, I think it will be found, on careful analysis, that there is an increased need for wealth of the nonprofit type. I think that the need for such wealth increases at a rate faster than the development of the country. This is certainly true where the result of industrial development is either to concentrate population in cities, or to increase the speed of transportation and communication. Both have happened in the United States to an extremely marked degree. It is not wholly clear whether this is a physical necessity, or whether it arises from the fact that with an increased standard of living, we become more aware of social needs which have to be met. For the purposes of this discussion, it is immaterial. Whether the needs are logical or psychological, they are real enough. It is possible that we could run a huge industrial plant with the same rudimental provision for, let us say, public health, which we had 50 years ago; though I doubt it. The fact is that people do insist on a higher standard of public health work today, and that the community will not tolerate its absence. In result, the proportionate expense in cities like, let us say, New York, Detroit, or Chicago, for hosiptals, health work, and the like, have steadily grown; and not even the most ardent advocate of economy will permit its reduction.

Under the traditional businessman's view this sort of construction is not usually considered "wealth." The argument is plainly untenable. In New York there are two bridges—the Brooklyn Bridge, which is free, and the George Washington Bridge, which is a toll bridge. The Brooklyn Bridge makes possible the free flow of traffic from one part of New York to another, and therefore adds to the wealth of the entire city, though it does not charge by the unit and is supported out of the tax roll. The George Washington Bridge is owned by the port authority and pays its way by a standard charge collected from each passing car. It likewise assists the free flow of goods, though a different method of payment is used. It is absurd to say that the Brooklyn Bridge is not "wealth" and that the George Washington Bridge is "wealth" merely because of this difference. It is equally absurd to say that a public hospital is not "wealth" because it serves the area gratis, or nearly so, while a private hospital which is able to pay its expenses through charges made against its patients is "wealth." In this sense wealth is anything which satisfies a recognized need. The advance in technical, demographic, and cultural development of the country has apparently brought to the fore recognized social needs with greater rapidity than heretofore. Many, perhaps most, of these social needs cannot be handled on a "price per unit" basis; their cost must be paid by the community at large; yet the productive functions of the community are better off for their existence. They therefore become a logical field for public capital financing.

Private capital and industry do not understand this; they have been, up to now, afraid of it. I believe that this fear will rapidly disappear, given two conditions: The first condition is that there is a sufficient public understanding. The second is that this class of wealth be removed from partisan political administration so far as humanly possible.

In this respect the outstanding experience of the country has been that of the city of New York, where Mayor LaGuardia took this view. He was able to overcome both the fear of private interests of increased meeting of social needs, particularly in the field of parks, hospitals, and transportation facilities; and he was able to do this because of his announced policy of nonpolitical administration whereby the creation and handling of such wealth was removed, so far as he could do so, from the realm of party politics.

The result would seem to indicate that an extension of government creation of wealth is indicated; and that it can be done without danger to our political or social system provided the development is done with honesty and character.

(C) The fears of capital and capital groups

It is frequently said that certain governmental policies are responsible for the stoppage of the capital markets. The policies are emphasized usually according to the personal experience of the speaker. The utilities industry will insist that no investment can be expected in it so long as the Government, in various ways, either enters into competition or permits or assists other public competition—a flat insistence that unless they are permitted a monopoly private investment cannot be expected. An industrialist will insist that so long as labor relations are in a difficult state, and that the National Labor Relations Act is manned by individuals alleged to be unfairly biased in favor of laborers, private capital cannot be expected to go into manufacturing. Other groups insist that the repeated Government investigations, antitrust moves, and the multiplication of burdensome and annoying regulations, frequently in the hands of inexperienced administrators, discourages enterprisers from carrying on business, let alone entry into new fields.

Still other groups insist that the imposition of certain types of taxation creates a "heads you win, tails I lose" situation, so that there is not adequate incentive. Still others point out that private capital will not go into private business with its necessary risks when it can find a safe and reasonably certain return, frequently without necessity of income tax, in a bond of the United States Government or of some agency. As to this last, it may be noted that the argument is somewhat overstressed, since the price of a tax-exempt bond usually discounts in considerable degree the difference between the Government and the private bond; the purchaser of the tax-exempt bond pays his income tax in advance when he pays a higher price for the security or accepts a lower return. But the competition is real enough; a trustee, savings bank, or insurance company seeking investment in a disturbed time will normally gravitate toward the Government bond, which has not the risk involved in a private bond.

There is something in all these contentions, but probably all have been exaggerated entirely out of measure. This essay is not the place for setting out the reason for this conclusion; still less for analyzing the peculiar psychology of the American capital markets in which a half-truth stated loudly enough too often becomes the sincere and honest belief of the financial community, and is thereby passed on to the investing community. I do believe the fears have been badly overstated. Prophecies of complete stoppage or complete disaster have been made whenever any reform has been undertaken; and they have usually proved unfounded once there is acceptance of the reform, and as soon as the mechanism of the reform ceases to be annoying and self-conscious. We have not yet reached this phase, though it is visibly approaching.

The fact that this third set of objections can be overcome does not, nevertheless, eliminate the validity of the first two; and those three do indicate the need for a serious and thoroughgoing change in the machinery of capital and investment.

(D) The need for a causative mechanism

Perhaps the greatest change which has influenced the present situation lies in the fact that the machinery we now have is passive. A businessman with a sufficiently strong imagination and will and sufficient ability to convince the public that there is possibility of profit can attract toward his enterprise the capital necessary to construct his plant and set up his organization. He cannot, of course, do this in a field where the need is social rather than commercial, and the initiative rests upon the government—Federal, State, or local. In this last field there is a whole mine of initiative which could be tapped, were the financial resources readily available, which they are not.

Yet a businessman may be perfectly convinced of a need and of the possibility of filling it, and may be entirely willing to fill it with only a modicum of profit, but he will not be stimulated into action unless he has some reason to believe that there is a capital machinery which is anxious to have him tackle the job. The plain need for more housing, for instance, has not engendered any great amount of enterprising ability, at least partly because there was no organized group of finance which was not only ready to provide him with capital by actively endeavoring to find him and put him to work.

In any new capital credit set-up, accordingly, there ought to be not merely a passive mechanism which can be availed of; but an active group recognizing the responsibility for filling certain needs of the community and for finding the means and the men who can fill those needs, and for putting at their resources the capital necessary to do so. In earlier times the local bank not infrequently used to do this, providing capital to young men who had ideas and ability, and staking them to the creation of enterprises of benefit both to the enterpriser and to the community. Many American businesses which have since attained substantial proportions were started in exactly this way. The large commercial banks do not do this today. If they desired to do so, they would probably not be permitted to do so under the prevailing banking regulations. Indeed, the major theory on which they operate, i. e., creation of bank credit for short-term processing or transportation or merchandising jobs—runs chiefly counter to any theory that the bank, among other things, is supposed to assist in organizing new productivity. Outside of the large corporations men who have ideas for new enterprise cannot expect to find much assistance in the commercial banking system today.

There is one other lack in our financial machinery. It is crucial. We have not, anywhere in the banking world, that process of development which has been the lifeblood of the technical development of American industry. There is no one looking for new financial methods, new theories of credit, new means of attacking financial and economic difficulties with the same persistence, freedom to explore ideas, and to state results which the chemical or technical research bureaus in any large industry continuously use in looking for new processes, new products, new developments, and new methods.

III. SYSTEM OF CAPITAL CREDIT BANKING

Even a brief review of the major elements tends to indicate the line of solution. In essence it suggests creation of a capital

credit banking system which can do for the country what the revised commercial banking system has done in the short-term credit and strict currency field.

(A) The essentials of such a system

It would appear that such a banking system must meet certain major requirements:

(1) It must make available at all times an adequate supply of cash for "investment" purposes, for the purpose of construction of net tangible additions to the wealth of the country. Such cash may be savings withdrawn from the ordinary currency and short-term credit supply, or may be bank credit created for the purpose, or may be a combination of both.

(2) It must, however, provide for noncommercial as well as commercial increases in national wealth. In other words, it must provide funds which may be available for strictly private commercial construction, or for quasi-public endeavor, or for public use, as need may appear. Particularly the supply must be so handled as to open up and make possible new lines of construction which the community obviously needs, but which are not normally undertaken by private enterprise. Thereby the field of possible capital construction is vastly enlarged.

(3) The interest rates must be flexible—that is, adjustable to the need which the country at any given time may have to stimulate capital construction. It should be possible to lower interest rates to a nominal figure when construction is to be stimulated; to raise them, when it should be discouraged. In other words, it is necessary to apply in the investment-banking field the same technique which has been worked out in the short-term credit field.

(4) As a corollary to that, it is probably necessary that the interest rate should be selective. There may be every reason for asking 4 or even 5 percent return from a commercial enterprise; but there should be the possibility of charging, say, one-eight of 1 percent for a noncommercial enterprise, such as a hospital. It is to be remembered that when the Government gives to a banking organization the power to create money, it no longer is necessary to offer an interest rate to stimulate that creation. The interest rate under the classic system was designed to lure money out of the normal channel of consumption and into the longer range of investment; to induce people to divert money from present consumption into construction by offering the hope of future rewards. In a word, to stimulate savings. There should be no such necessity to stimulate a bank to use the power which the Government gives it.

(5) The use of capital credit ought to be limited to projects which actually do result in capital construction and in a net addition to the tangible plant, private, quasi-public, or social of the country. Just as a bank credit in the commercial field is supposedly limited so that it will at all times stay in relation to the floating supply of goods and services moving toward consumption or final use, so currency or credit created for capital purposes should be limited, to the end that the amount of it in existence shall correspond to the amount of capital assets.

(6) Controls must be in existence so that the currency and credit so created shall not, as it mingles with the ordinary supply of currency and credit, produce "inflation"; that is, raise the price level of goods and services solely because of monetary factors. This subject is dealt with in a following section.

(7) Because a capital credit banking system of this sort must serve public as well as private ends, it cannot be exclusively in private control. Conceivably, it may be wholly under nonpolitical public control; conceivably, it may have units both private and public. But it is essential that the capital credit which it supplies shall never be cut off merely through private motives.

(B) Possible forms and functions

This memorandum is not designed to attempt the elaboration of a plan of capital credit banks, but rather to try to examine their possible underlying principles. Nevertheless, certain factors emerge, which must be included in any successful plan.

The point of contact must be a bank or set of banks to which there will come people who desire to construct additions to the plant of the country. The people who come may range from individual enterprisers who wish to construct plants for rayon, steel specialities, or knock-down houses; railroads which wish to reequip their lines; semipublic authorities which desire to construct bridges or parks or low-cost housing; municipalities, counties, or estates which need to construct hospitals, prisons, courthouses, health centers, or other necessary conveniences.

A capital-credit bank must be charged with the task of assuring itself that the proposed project really does result in a net addition to wealth, interpreted broadly. If the money is merely to be wasted in a project which is useless or unsound, the result would be to create credit without creating wealth; and to the extent that this is done, the credit system is weakened. This is, in theory, the test which reputable investment bankers are supposed to apply when determining whether they will float a bond issue.

The amortization rate of any loan must be such that the loan will be paid within the life of the asset created by it.

The interest rate will be determined as much by social factors, and by the need of the country for construction in general, and the particular kind of construction in particular, as by any desire to reap a banking profit.

(C) Capital banking as a profit enterprise

The theory that a bank must "make a profit" today has ceased to be valid, except in an extremely limited sense. The profit of the bank is interesting as showing that by financial standards its work has been well done. In the sense, however, that the bank is entitled to a profit, as a reward for something or other, there seems to be no reason for its existence. A bank today is a mechanism for creating currency. It receives this privilege from the Government; there is no more valid reason why a bank should make an unlimited profit for creating and applying currency than there is why taxes should be farmed out to the highest bidder and tax collectors allowed to make a profit on their collection. What is needed is that the managers of capital banks shall be paid, and preferably well paid, for their work, and have an incentive to do that work carefully. But their job is to keep an even flow of capital construction and to see that the country is well served; the bank is not an institution for making profits for private shareholders. This might be accomplished either by public ownership or by private ownership with limited dividends, or by banks chartered to serve particular industries and run on a mutual plan. In this connection it is to be noted that, in theory, many of our largest and most successful financial institutions today are nonprofit; for instance, savings banks and mutual insurance companies. Apparently it is perfectly possible for large financial institutions to be organized and run without the necessity of a set of stockholders asking for profits. The bulk of investment today is probably done through just such channels. There is, therefore, no reason now for assuming that a stockholder's profit is somehow essential to run an effective financial institution.

Though essentially nonprofit, any capital-credit system must be rigidly nonpolitical. We have been in the frying pan of having the flow of investment credit used in large measure to build up private positions of power, and the resulting dangers are obvious. This is not a reason for jumping into the fire of a public institution under political control whereby a politician uses the mechanism to build up his power instead. By consequence, the management of a system of this kind should be entrusted to professionals who are barred from political connection or office but who are alive both to the economic and social needs of the country and realize that political movements largely do reflect those needs.

(D) Operations

The conclusion of a capital-credit transaction would presumably result in the borrower selling to the bank a bond or a set of bonds on agreed terms. To make certain that there will always be an adequate supply of cash for investment purposes, such bonds must be rediscountable with the Federal Reserve. I do not see that an effective capital-credit mechanism is possible except as it is tied into the Federal Reserve machinery. There is some difference of opinion on this subject, particularly in Treasury circles; but I believe that on closer examination the differences of opinion will disappear.

There is no particular reason why the bank may not take, if it chooses, deposits in the same fashion that large private banks, such as J. P. Morgan & Co., take them today. Such deposits, however, should be definitely less withdrawable than ordinary commercial bank deposits, and this should be distinctly understood. Private deposits so taken consist of "savings"—that is, currency or credit not created by the process of the loan but withdrawn from the flow of currency and credit adapted to the floating supply of goods. Conceivably also a capital-credit bank might issue its own debentures for sale in the open market (if its operations were adjusted so that it was making an interest profit), but these, again, would have to be limited to the commercial operations of the capital-credit bank, since in this case it would have to bid for savings, and for that purpose would have to offer an interest rate. The public and quasi-public functions of the bank would have to be financed primarily through the creation of reserve credit.

A system of such banks might be either (1) created as a division of existing commercial banks; (2) created as a new national or regional system; or (3) created dividing the various capital banks functionally, as capital-credit banks primarily interested in transportation; others primarily interested in particular lines of manufacture; others particularly for the purpose of serving quasi-public and public needs.

It probably is not practicable to construct a system of this kind out of the existing commercial banking field. This is not because of any inherent impossibility. It is because commercial bankers have been trained for generations in the classic system—that is, that the job of their bank was not to supply capital. The training was right in connection with their present function; but it is, of course, wrong when they are asked to perform an almost exactly opposite function. The real difficulty would lie in securing men of elasticity and training. Logically, if private units were used as a base for all or any part of such a system, the solution would be to permit existing banking firms to apply for charters as capital-credit banks, where the record of the investment banking firm demonstrated that it was successful in applying capital to the creation of the need for plant. This could not be satisfactory as an entire solution, however, because investment bankers have been, naturally enough, trained only in the pure profit system. They could, perhaps, handle that part of the capital credit banking machinery designed merely to serve private and commercial needs. For the quasi-public and public needs, one would expect to find personnel rather in the younger men who had been trained in nonprofit sys-

tems, such as savings banks or mutual life-insurance companies, and who would, under a new system, be performing much the same functions which they had been doing up to the present, except that instead of having to think of securing repayment of the loan plus a commercial interest rate, they would now have to think only of securing repayment of the loan plus a nominal interest rate for the purpose of paying running expenses, plus an added amount collected as a reserve against losses.

The regulations governing the administration of such a banking system ought to be so framed as to free them from the rigidities which now obstruct the flow of capital. For instance, a capital-credit bank which holds a portfolio of bonds or obligations, not primarily designed for resale, can do a number of things impossible in the investment market. If it is dealing with a commercial instrument it can, for instance, demand a base rate of interest, but make it flexible, so that in a good year more is paid, in a bad year less is paid; so that, in a word, a rigid interest rate does not assert a constant pressure against the industry at a time when the industry may not be able to pay it. In this respect, it would be possible to put into effect the theory recently expressed by Mr. Jerome Frank, namely, that in a large measure and in many fields a fixed or rigid interest rate no longer conforms to commercial need.

(E) Interest rates, public and private

In quasi-public or public fields, the flexibility must be even greater. There the community as a whole is paying for the wealth, and there is no real reason for an interest rate except to set up a reserve for the inevitable mistakes which are made when construction is undertaken which does not add to the wealth of the community. The only other use for an interest rate in this connection would be to discourage the tide of construction when it appeared to be too high. The amortization rate could be made flexible, but there is a solid reason for its existence, namely, to complete the supply of capital credit in accurate relation to the existing capital assets. Yet the amortization might be made flexible so that at any given period it did not bear too heavily. We are merely at the threshold here of a long exploration of financial method which has yet to be done.

Finally, the capital-credit banking system must justify its existence as much by enlarging the basis for capital operations as by supplying the capital operations which are now conventional. Probably the most constructive contribution it will make will be opening up a new layer of enterprise which is not now comprehended within the private profit field. For this reason I have ventured to emphasize the quasi-public and public elements involved. A single illustration may suffice.

According to the hospital survey of New York (United Hospital Fund of New York, 1938), New York City alone will need, over the next 20 years, in capital construction for hospitals (land, buildings, and equipment), an investment of $428,000,000. This is not to create a millenium but to keep the health plant of New York City approximately at par.

Humanitarianism aside, this represents a possible construction market of nearly half a billion dollars in a single activity, and in a single city. It is simply absurd to say that there is no outlet for capital constructive ability with this sort of need in existence. It is possible over a period of, say, 30 or 40 years—within the life of the hospitals—for New York City to borrow and repay a half billion dollars. It is probably not possible for it to borrow and repay a billion dollars—the amount of capital construction doubled by the interest rate—without sacrificing a huge amount of other needed construction. Eliminate the interest rate and you have uncovered a new market. It is true that instead of being organized by a private enterprise this new market is organized and put into action by public or semipublic bodies, but the economic effect of this construction is quite as great as though a private enterpriser had decided to build a half-billion-dollar railroad.

A major objective of the capital-credit system must be to open up as an enlarged field of activity necessary nonprofit enterprises quite as much as necessary profit enterprises.

How rapidly a capital-credit mechanism will need to develop this class of enterprise need not be discussed here. Were there a general stoppage of industry in the country, it might have to develop such enterprise with great speed. If such development is not needed now (I personally think a great deal of it is needed), the powers of a capital credit banking system to that end still ought to be in existence as an insurance policy against the next depression.

There has been some discussion of the type of security which a capital-credit bank should be able to buy. The extremely conservative policy suggests the purchase of high-grade securities only, leaving capital which should be represented by first- or second-lien securities to shift for itself. The more radical conception is that the capital-credit bank should be prepared to buy anything, including equities; that, indeed, it is more important that it should purchase equity securities which do not find ready market than seasoned or top securities which do. The fear arising from this latter proposal rests, of course, on the fact that where the bank purchases securities which carry management power with them the bank becomes a potential owner and operator of business. There is perhaps no reason for attempting to resolve the controversy here. Obviously, capital-credit banks cannot become vehicles of general control of great chunks of miscellaneous industry; there is no reason to assume that this type of "banker control" would prove more satisfactory than the banker control exerted by the investment banking groups. Yet if it is recognized that today management has very little to do with ownership, and that the important thing in business enterprise is to get a good manager and watch him, it may well be that an intermediate use of junior lien securities might be worked out. This is mentioned merely as indicating that the range of measures available is such as to make a number of solutions possible, avoiding either the danger of too much management by the bank or the danger of leaving it in a wholly helpless position.

IV. THE NECESSARY CONTROL

The controls of such a system are so important that they justify a separate word. Briefly controls must be in existence which will prevent the creation of currency and credit for capital purposes from so increasing the supply and circulation of currency that it will affect the price level. This is the effect loosely called inflation.

(A) Open-market operations

The classic reason why commercial banks did not like to create credit or currency against a capital loan was a thoroughly good one. Where a loan was extended and bank credit or currency created for the purpose of bringing into existence a supply of floating goods headed for consumption or final use, the supply of currency and credit, though it was increased, met an equivalent increase in the supply of goods, and the price level was thus kept in balance. But if currency or credit were created against a static asset, like a building, the currency and credit operated on the floating supply of goods and not on the building (or at least only to a limited extent on the building). The currency and credit floated into the banking system. Since the floating supply of consumers' goods is more or less constant, it is obvious that the price level could be thrown out of gear at once were any considerable part of permanent or capital assets coined into currency, and the currency turned loose on the community for use in buying and reselling consumers' goods. For this reason every banker has been firmly taught that the creation of currency and credit cannot be legitimately used where it is based on capital assets. The famous experiment of creating currency against capital assets by the issue, during the French Revolution, of assignats based on land, has been the classic illustration. That same danger exists in any capital credit banking system where bank credit and currency can be created against a capital loan.

It may be noted in passing that this precise danger exists in the United States at this minute. In practice we are doing just this under our existing fiscal system. Because the capital markets have been closed, we have entered into a public-works program. We have financed that program by issuing Government bonds. The bonds have been in large measure sold to the banks; and the banks have paid for them by creating deposits; that is, currency. We have been, in a word, creating bank credit and currency against public works, represented by Government bonds. So long as this is kept within reasonable limits, and so long as there is not vigorous commercial demand for loans, there is no inflationary effect. As the amount of such credit increases, however, and in the event of a business upturn, there may be danger that the amount of bank credit and currency created, coupled with a rapid increase in the speed of its circulation, will upset the price levels and have, therefore, an inflationary effect. In coping with this danger under a capital-credit system such as that here suggested, we are merely coping with a danger with which we must deal in any event.

The logical answer to a supply of currency and credit unduly expanded lies in the ability to reduce the amount of that currency and credit by appropriate reserve banking control. The principle has been established in the so-called open-market operations of the Federal Reserve System. By selling bonds at any given time in the open market, the supply of bank credit and currency is reduced to any needed point.

Though this establishes the principle, the amount of bonds held in the Federal Reserve System at the present time, and its consequent buying power, is not sufficient to expand or contract the amount of bank credit which would be created by a capital-reserve system. For that matter, it is not sufficient to contract adequately the supply of currency and credit we have out today; and its operations to be effective would have to be augmented by Treasury operations such as the resterilization of gold and other similar processes.

What is needed thus appears to be an "open-market power" on a national scale, operated by the Treasury and the Federal Reserve combined, or by the Federal Reserve acting for the Treasury, as the case may be, by which there could be sold to banks Government bonds in volume sufficient to demonetize, when necessary, any dangerous excess of bank credit and currency.

It is true that the banking system would have to accept the responsibility for operations of this kind. I believe that bankers generally are prepared to do this; that they do not claim that the banking community, like a House of Lords, can exercise a veto on social and national policies by the threat of throwing the currency system out of gear; that they realize their business now is to maintain a smooth, adequate, and effective flow of currency and credit.

There are, of course, subsidiary open-market operations which would produce similar results. For instance, the capital-credit banks could sell their own debentures on a large scale; or they can sell the paper they held out of portfolio to commercial banks, and may well adapt the type of paper they buy with that in mind.

In combination, these should produce the possibility of open-market operations adequate to maintain the supply of currency and credit on an even keel in relation to floating goods, and therefore avoid inflationary effects on the bank level. (For example, a long-term loan might be represented by serial notes. As the maturity of any note approached within, say, a year or two, the note becomes available for sale to a commercial bank. Again, if bonds are purchased with a low interest rate, it will be perfectly possible to divide them so that part of the bonds carry a rate of interest making them attractive in the open market, while the balance of the bonds carry only a nominal rate of interest. In this way, part of the securities would always be available for resale.)

The steady amortization of loans made from a capital-credit system would in itself act as a steady brake on undue expansion of the currency and credit system.

If necessary, the reserve powers of the Treasury in connection with sterilization of gold and the like could be called in as an added factor, though if the Reserve System is properly run there should be no need of this.

(B) Use of the interest rate

Decisions as to open-market operations are inherently the province of the Federal Reserve System. That System is charged with the responsibility of keeping the supply of bank credit and currency in approximate order; and for this reason a capital-credit system must be keyed into the Federal Reserve which can, when necessary, accelerate or slow down the operations of that system by requiring higher or lower interest rates, or by stiffening amortization terms. When necessary, the Federal Reserve would supplement these by balancing open-market operations; and if a situation is really serious, it should be in a position to request the Treasury to use its extraordinary powers to assist.

(C) Limiting or suspending rediscount privileges

A second great control must be the power of the Federal Reserve to limit or suspend rediscount privileges whenever necessary to prevent expansion of the supply of currency and credit. This is the logical extension of its power to raise the rediscount interest rate. When capital expansion proceeds too fast, the logic of the situation calls for limiting creation of credit for that purpose. Enterprises desiring capital will then have to bid for savings in the open market; and open-market operations by the Federal Reserve can even restrict, were it absolutely necessary, the amount of savings which could be easily diverted.

Summarizing, the three major controls must be these:

(1) Open-market operations on a large scale, which might be carried on by the Federal Reserve in conjunction with the Treasury, and would presumably dovetail with the entering of the Federal Government into the bond market;

(2) The right to raise and lower rediscount rates, and by regulation to require the credit banks to raise or lower the interest and amortization rates they charge;

(3) The power to limit or suspend rediscount operations altogether.

V. CONCLUSION

Certain points may be touched on in conclusion.

It is sometimes said that any idea of capital-credit banking is "radical." This, though not argument, is worth a word of examination. Actually, it will be found that most businessmen engaged in actual production—that is, businessmen who are not in banking—are pretty clear themselves that there must be some radical overhauling of the banking system. Faced with the constriction of economic activity as it flows through the bottleneck of finance-capitalism, as at present organized, they seek avenues of escape.

The radicalism of the suggestion fundamentally lies only in a single field. Control over economic expansion today lies chiefly in certain groups mainly allied with the investment-banking operation. Development of capital-credit banking undoubtedly does shift that control. New centers are set up; centers which should be more responsible to the public, and carried on by groups which, by their nature, assume greater responsibility for maintaining a continuous economic flow.

No mere change of the capital-banking system will supply the ultimate and basic need for men and organisms whose actual business is organizing production for the creation of useful wealth. Private enterprise has done this almost entirely in the past. Private enterprises, quasi-public groups, and wholly public groups may have to do so in the future. No one now can foresee the ultimate nuclei; and, indeed, a banking system should be so organized that it will permit any effective nucleus to be used, as economic logic may dictate. The drive which sets men to work is quite as much moral as financial. Plenty of energy certainly exists in the United States. Work like that of LaGuardia in New York, of Nathan Straus in the housing field, of Lilienthal and Morgan in the electric power field, efforts of hosts of men in less spectacular areas is quite as significant, today, as the work of a Harriman, a Huntington, or a Carnegie of yesterday. Both types are creators of wealth; and we need not undertake to decide which, in the long view, is most needed. A credit system can be evolved which will furnish all the necessary material to put both groups to work, if needed. But the will to work proceeds from the desires of men to create something useful, whether for profit, as monuments to themselves, or out of a purer spirit of public service or altruism.

VI. RECOMMENDATIONS

It seems to me that the T. N. E. C. can now, and should promptly recommend three things:

First, that there be drawn, passed, and put into operation, a bill creating a public-works finance corporation, with suitably guarded rediscount privileges at the Federal Reserve bank. This would make it possible for the self-liquidating public-works agencies of the United States Government to finance directly, instead of through a Federal project. Like privileges could be extended to the municipalities and local units, so that housing, hospitals, and other necessary local improvements could be carried on, without reference to the Federal project. Such institutions could quote any rate of interest which was necessary to get the business done. The rate of interest ought to be almost nil in a nonprofit enterprise like a hospital, and running up to commercial rates in a straight business proposition.

Second, that a bill to insure loans for a small business be drawn and passed. This would mean that the small enterprise had just as good access to the capital markets and to banking facilities as the large corporations. It would put the small man who cannot finance internally on a par with large corporations.

Third, this committee should appoint a special subcommittee to study out and to report to the next Congress a bill providing for capital-credit banks, whose business it should be to provide capital for those enterprises which need it, when they need it; and it should make that capital equally available to the Government or to local units for public work, when public enterprise went into action, or to private enterprise when private enterprise, either new or old, needed the assistance.

With these three bills we should have the elements for a modern financial tool kit. These would not solve all our problems. They are no panacea, but they would give tools so that initiative and ideas could go to work, and so that our financial system could do what is expected of it, namely, to permit men, materials, and ideas to combine in satisfying the obvious needs of the country; and in meeting the increased demands which the less fortunate part of our population properly make on the system as a whole.

The Case for the Veterans of the Philippine Insurrection

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

Mr. ALEXANDER. Mr. Speaker, the Philippine Insurrection officially began February 4, 1899. The first American troops to engage the insurgents were the State volunteers, aided by a few regiments of the Regular Establishment, followed later by the United States Volunteer regiments and more units from the Regular Army. The State volunteers were returned home about October 1899, remaining in the islands over a year beyond their period of enlistment.

The insurrection continued and spread throughout the remainder of 1899, through 1900, to June 1901, and extended to the southern islands. The United States Volunteer regiments were returned home in June 1901. The insurrection was fought from about July 1, 1901, entirely by the Regular Establishment; the insurrection was officially terminated as of July 4, 1902, on paper only; the bloody insurrection continued over a long period of time up to December 31, 1913, despite the official documents to the contrary.

The number of men who served in the Philippine Archipelago between July 4, 1902, and December 31, 1913, are approximately 253,000—possibly a greater number than served prior to July 4, 1902. I could say to the gentlemen of the Congress it would be almost impossible for me to enlarge upon the loyalty and intrepidity of this much neglected group of veterans. They endured hardships of every description, and almost completely isolated from news of home, and at times even communication from their own headquarters in the islands; also suffered from lack of proper food, contaminated water, and tropical diseases of all kinds. The campaigning was especially difficult in the southern

islands—such as Mindoro, Leyte, Samar, Cebu, Panay, Negros, Mindanao, and Jolo.

History has never fully told of the glorious achievements of our soldiers in the Philippine Islands. This grand little army was composed of real soldiers, tried upon the firing line, veterans in fact, if you please, not in name only—men who were willing to serve their country 10,000 miles from home and families, hiking night and day, sun-scorched by day and soaked to the skin by night, over mountains, through rice paddies, through dense jungles, fearing nothing, and suffering much.

They were witnesses to deeds that have never been recorded, by comrades who have long ago "gone west."

These Philippine veterans have banded themselves together in a grand organization known as National Society, Army of the Philippines. An official recently said:

We decided from the outset that we desired to be together, because we fought in the same land, ate of the same rations, composed of Egan corned beef and bloated hardtack, sleeping in the same rice paddies, wading the same swamps, and suffering the same agonies, diseases, and hardships. We represent a body of men that for the first time in the history of our country were transported to distant shores to protect our flag.

A group of soldiers that planted the Stars and Stripes 10,000 miles from the homeland and established the United States as a world power. By our sacrifices our great Nation was raised from a fifth power in that day to a first power of today.

The National Society, Army of the Philippines, is not the progeny or offshoot of any other organization, neither do we have any antagonism toward any other group of veterans; we go out of our way to cooperate with them at all times; but I would like to state to the gentlemen of the Congress that we believe it very unfair that a soldier who served in the Philippine Islands for 2 years and in some instances much longer, and considering the above facts, cannot receive a thin dime in pension, while a soldier who perhaps only went to one of the several camps in the United States for a few weeks in 1898 can draw a pension from our Government of $60 a month.

We heartily believe the time has arrived to rectify this gross injustice, which should have been done 26 years ago. I might state that we are the very oldest of the Spanish War groups, having been organized at Denver, Colo., August 13, 1900, by that brilliant officer, Gen. Irving Hale. The veterans of the Philippine Insurrection stand in a class by themselves, and they should have the same protection as other veterans, based on the same requirements.

In President Theodore Roosevelt's orders to the Army, these three paragraphs allude to the Philippine Insurrection. I quote from his order:

The President thanks the officers and enlisted men of the Army in the Philippines, both Regulars and Volunteers, for the courage and fortitude, the indomitable spirit and loyal devotion with which they have put down and ended the great insurrection which has raged through the archipelago against the lawful sovereignty and just authority of the United States. The task was peculiarly difficult and trying. They were required at first to overcome organized resistance of superior numbers, well equipped with modern arms of precision, intrenched in an unknown country of mountains, defiles, jungles, and swamps, apparently capable of interminable defense. When this resistance had been overcome, they were required to crush out a general system of guerilla warfare conducted among a people speaking unknown tongues, from whom it was almost impossible to obtain the information necessary for successful pursuit or to guard against surprise and ambush.

The enemies by whom they were surrounded were regardless of all obligations of good faith and of all the limitations which humanity has imposed upon civilized warfare. Bound themselves by the laws of war, our soldiers were called upon to meet every device of unscrupulous treachery and to contemplate without reprisal the infliction of barbarous cruelties upon their comrades and friendly natives. They were instructed, while punishing armed resistance, to conciliate the friendship of the peaceful, yet had to do with a population among whom it was impossible to distinguish friend from foe, and who in countless instances used a false appearance of friendship for ambush and assassination. They were obliged to deal with problems of communication and transportation in a country without roads and frequently made impassable by torrential rains. They were weakened by tropical heat and tropical diseases. Widely scattered over a great archipelago, extending over a thousand miles north to south, the gravest responsibilities, involving the life or death of their commands, frequently devolved upon young and inexperienced officers beyond the reach of specific orders or advice.

Under all these adverse circumstances the Army of the Philippines has accomplished its task rapidly and completely. In more than 2,000 combats, great and small, it has exhibited unvarying courage and resolution. With admirable good temper, sympathy, and loyalty to American ideals its commanding generals have joined with the civilian agents of the Government in healing the wounds of war and assuring to the people of the Philippines the blessings of peace and prosperity. Individual liberty, protection of personal rights, civil order, public instruction, and religious freedom have followed its footsteps. It has added honor to the flag which it defended, and has justified increased confidence in the future of the American people, whose soldiers do not shrink from labor or death, yet love liberty and peace.

Charles J. Colden

MEMORIAL ADDRESS
OF
HON. WILLIAM L. NELSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. NELSON. Mr. Speaker, in the death of CHARLES J. COLDEN the Congress lost a most valuable Member, a man who was honest in thought and deed, an able Representative, and one who was as industrious as able.

Of Mr. COLDEN and his work, I can speak in an intimate way. As young men, in fact, when I was barely old enough to meet the age requirements, CHARLIE COLDEN and I served together in the Missouri State Legislature. We had much in common. We represented outstanding farming counties, where many herds of good livestock were maintained. Mr. COLDEN, in his county, and I, in mine, were interested in country newspaper work, our papers giving special attention to farming. So we were drawn together.

The years went by. Mr. COLDEN left Missouri and located in California. Elected in 1932 to represent the Seventeenth Congressional District of California, he came to Washington at the opening of the new Congress in order to learn more intimately of the work and the better to prepare himself for his duties. As a candidate for this same Congress, and in a State-wide campaign in Missouri, my home State, with 56 Democrats seeking nominations, of which 13 were to be made, I finished 14th. Returning to Washington at the opening of the "lame duck" session of the old Congress, Mr. COLDEN and I happened to travel from St. Louis in the same Pullman car. I had not learned of his election to Congress. On the way to Washington, he introduced himself by asking, "Isn't this WILL NELSON?" On being answered in the affirmative, he replied, "This is CHARLIE COLDEN." It was a happy reunion.

On arriving in the National Capital, I invited Mr. COLDEN to make his headquarters in my office, supplying him with a desk. We were together until the close of the session on March 4, at which time I turned over to him my office and arranged for my efficient secretary to serve him in the same capacity that he had served me.

Again elected to the House of Representatives in 1934, it was my privilege to again be closely associated with Mr. COLDEN until his death. I shall always count myself fortunate in having had such a friend. He was an unusual man. He did not hesitate to leave old and beaten paths if they led to better places. As illustrating this, while still editing the Maryville (Mo.) Forum, he visited Europe, when, instead of taking the usual tourist routes, he availed himself of the opportunity to go through parts of the country not frequented by tourists, and where he studied, first hand, the real lives of the people. The series of articles which he wrote of his travels, and which appeared weekly in his own paper, were outstanding in accuracy and excellence. In short, accuracy and excellence characterized the work of CHARLES J. COLDEN. So useful was he, so good his judgment, so brave his positions on public questions, that it seems a pity that in these days of doubt, days of stress and storm, he could not be here to help.

The Trade-Agreements Program and American Agriculture

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, June 15, 1939

STATEMENT BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by myself on the subject of the Trade-Agreements Program and American Agriculture.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE TRADE-AGREEMENTS PROGRAM AND AMERICAN AGRICULTURE

BETTER MARKETS HELP SOLVE FARM PROBLEM

The Federal Government is helping American farmers, through the trade-agreements program, to enlarge the remunerative foreign and domestic markets for their crops, while they are seeking to protect both their incomes and the productivity of the soil resources of the Nation by balancing production and marketing with demand. The greater the markets for farm products, the less will be the necessary adjustments in production.

Regardless of what production-control steps farmers may take, it is obvious that better foreign and domestic markets for farm goods are to the advantage of American farmers and of other American economic groups as well. Such markets mean better general industrial and business conditions, more economic activity, greater production of all kinds of goods, and wider distribution of those goods. They mean more employment and higher living standards on American farms and in American cities.

The two programs of better markets and better adjustment supplement each other. Soundly administered they lead from different approaches to the same final objective—to increase farm income. The trade-agreements program is administered by all Government agencies concerned with commercial policies, including the Department of Agriculture.

LOSS OF FOREIGN MARKETS

Before going into the details of the effects of the trade-agreements program on agriculture it may be well first to briefly examine why the trade-agreements program fits into the farm picture. First, it may be mentioned that our farm exports were valued at $1,693,000,000 in 1929. After the Tariff Act of 1930 these exports greatly decreased, until in 1932 they had declined to $662,000,000, or by more than a billion dollars. A billion dollars is a considerable loss for any group in the United States. This loss in the foreign markets eliminated a large slice of the farmers' national income; it was a decisive blow to agriculture. From 1929 to 1932 was the period when American farmers were "taken out of the foreign markets." Let no one tell you that foreign markets have been lost during this administration.

It is recognized by all that to regain the markets for agriculture is a rather slow and gradual process. Foreign trade is more easily and quickly lost than gained. The figures for 1938, however, indicate substantial success in this respect. The exports of agricultural products in that year amounted to $828,000,000, or a gain of $166,000,000 over the depression low. This was the highest figure since 1930, the year of the Hawley-Smoot Tariff Act. In view of the high tariffs and other trade-strangling methods placed in force from 1929 to 1933, together with the slogan "Buy domestic," this gain indicates substantial progress.

The final test of the trade-agreements program for the farmer, as well as the manufacturer and laborer, is the increase in purchasing power, or of the advancement of the individual share which each one's income will buy. The trade-agreements program is designed to increase the farmer's income and purchasing power in two different directions. First, from the producer's point of view the program lowers trade barriers in foreign markets so that larger quantities of his products can be disposed of abroad. This is the point which has been emphasized heretofore and rightly so, but the other way by which the farmer may increase his net income is by our removal of some of the excessive tariffs on products which the farmer buys. We hear very little about this phase of the program. Thus, the farmer, as with other groups, gains both as a producer and as a consumer by the trade-agreements program.

TRADE RESULTS

Some of those who claim to represent the interests of agriculture continue to criticize the trade-agreements program. It might be well for us, therefore, to examine recent foreign trade figures on farm products with agreement and nonagreement countries. The best over-all statement relative to foreign exports and the trade-agreements program is that appearing in the December issue of the Agricultural Situation, Department of Agriculture, as follows:

United States foreign trade with trade-agreement countries[1] *and with other countries*

[Department of Agriculture figures]

	1935–36	1936–37	Year ended June 30— 1937–38 [2]	Increase (+) or decrease (−)— 1937–38 over 1935–36	
				Amount	Percent
United States domestic exports of farm products:	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	
To the 16 countries	186	207	288	+102	+55
To all other countries	580	525	600	+20	+3
United States imports (for consumption) of agricultural commodities:					
From the 16 countries	468	600	454	−14	−3
From all other courties	674	637	701	+27	+4

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua: Sweden; and Switzerland.

[2] Preliminary.

These figures show that farm products exported from the United States to the 16 countries with which trade agreements were in effect during the periods defined rose by $102,000,000, or 55 percent, from the fiscal year 1935–36 (when only three of the agreements were in effect throughout the year) to the fiscal year 1937–38. Farm exports to all other countries rose by only $20,000,000, or 3 percent, for the same period.

An analysis of the increase in the exports of farm products to agreement countries shows that the major portion was in products on which foreign countries granted concessions. This occurred in spite of the fact that two of the greatest droughts in our history held down farm exports, while these droughts increased competitive imports from 1935 to 1937. The plentiful harvest of 1937 and 1938 naturally had the reverse effects on imports of agricultural products.

EXPORT GAINS OF FARM PRODUCTS TO SPECIFIED TRADE-AGREEMENT COUNTRIES

The largest part of the gain in agricultural exports to agreement countries was a rise to $45,000,000, or 141 percent, which was recorded for exports to Canada. A large part of this increase occurred in the items on which Canadian duties were reduced by the trade agreement. Expansion in the quantity of our exports to Canada of some of the leading commodities on which Canadian duty reductions were granted was proportionately greater than the expansion for exports of the same commodities to the rest of the world. This was true not only for some of the drought commodities such as wheat and oats, which expanded by an enormous percentage on the number of excellent crops of 1937, but also of a number of other leading items, such as grapefruit and fresh apples.

The second largest part of the $102,000,000 increase in agricultural exports occurred in farm products other than cotton to the Netherlands. These exports rose to $28,000,000, or by 204 percent. Here also the increase took place in items upon which the Netherlands duties were reduced by the terms of the trade agreement. The third largest increase occurred in exports of agricultural products to Belgium. This represented $19,000,000, or an increase of 208 percent. The fourth largest increase was a rise of $8,000,000, or 53 percent, in agricultural exports to Cuba. It should be noted, however, that not all trade-agreement countries showed equally favorable results.

The conclusion that trade agreements have had an important effect on the exports of agricultural products is corroborated by the imports statistics of the trade-agreement countries themselves. Such statistics are available from 1934 to 1937 for the 11 most important of the 14 countries with which trade agreements were in effect by 1936. In 10 of these 11 countries the United States' proportion of total imports has risen since the conclusion of trade agreements. The only exception being Brazil, where large sales to Germany had, until the beginning of 1938, increased its share in the Brazilian market and reduced the share of other countries, including the United States. The United States' proportion of total imports to the 11 countries rose from 16.5 percent in 1934 to 20.1 percent in 1937.

CONCESSIONS OBTAINED ON SPECIFIC FARM PRODUCTS UNDER TRADE AGREEMENTS

The United States has obtained, through the trade agreements, more favorable treatment on about two-thirds of its farm exports to trade-agreement countries. Concessions on farm products obtained from the trade-agreement countries are far more

numerous than the concessions on agricultural imports granted by the United States.

Meat products: Great Britain has abolished her tariff on lard and has greatly increased the quota of American ham imports into the United Kingdom. Cuba has reduced its tariff on lard from the United States by more than three-fourths. Canada has reduced duties on meat products by from 12 to 65 percent. Fifteen other countries have reduced their tariffs or made other concessions on meat products.

Fruits: Sixteen trade-agreement countries, including Great Britain and Canada, have reduced, abolished, or bound their tariffs on fresh or canned citrus fruits; 18 have made concessions on dried fruits; 17 on fresh fruits other than citrus; and 18 on canned fruits.

Grains and other products: On wheat, the United Kingdom has abolished its tariff entirely; five other countries have made tariff concessions on wheat and seven on wheat flour. Ten countries have made concessions on prepared milk products. Eight have assured the continuance of the existing tariff treatment on imports of raw cotton, and others have reduced or bound their tariffs on cottonseed oil meal and cake. In seven agreements there are concessions advantageous to exports of American tobacco.

FARMERS AIDED BY INDUSTRIAL EXPORTS

American farmers are helped by increasing our exports of manufactured products. Industrial workers in the United States employed in producing these goods for export are better customers for American farm products, and many farm products are used in the manufacture of the industrial goods exported. For example, approximately one-tenth of the cotton consumed in the United States goes into the manufacture of automobile and truck tires, and in 16 agreements concessions have been obtained on tires. Five agreements include benefits for exports of American cotton yarn, and 10 include benefits for exports of American cotton textiles.

THE SIGNIFICANCE OF THE AGREEMENT WITH THE UNITED KINGDOM IN RELATION TO AGRICULTURE

The United Kingdom is the largest foreign market for our farm products, taking about a third of our total exports of agricultural products to all countries of the world. Even in 1937, despite the adverse effects of trade barriers and of earlier droughts in the United States, we exported $261,000,000 worth of farm products to the United Kingdom.

The concessions granted by the British on all items, agricultural and nonagricultural, cover British imports valued, in 1936, at about $300,000,000, and more than $200,000,000 of this consists of farm products on which concessions have been granted. In addition, the British agreement includes, on behalf of the non-self-governing colonies and Newfoundland, concessions on items accounting for about $26,000,000 out of $52,000,000 worth of goods imported into those areas from the United States, including concessions on about $7,000,000 worth of farm products.

1. Grains

Among the most important of the concessions obtained are the concessions obtained on grain and grain products. The United Kingdom removes entirely her 6-cent duty on wheat—a duty which, though not high, placed us at a great disadvantage in the highly important British market, because Dominion wheat was meanwhile permitted to enter free of duty. Before this discrimination began in 1932, the United Kingdom had been taking about a fourth of our total exports of wheat. On wheat flour, continued free entry is guaranteed by Newfoundland, and free entry or improved trade treatment is secured in seven of the British colonies—these colonial concessions affecting a trade of sizable proportions.

On corn (other than flat white corn) the United Kingdom guarantees to continue free entry. Nearly all of our corn exports to the United Kingdom fall in this class. The British also bind the 10-percent duty on cornstarch. Corn and corn meal are among the concessions obtained in various British colonies.

Other concessions on grains include a reduction by the British of one-third in the duty on oatmeal; valuable concessions on rice in both the British and the Canadian agreements, particularly the British. A reduction of one-third in the British duty on rice substantially narrows the British preference on Empire rice, which is admitted free of duty, and should assist toward the recovery of some part of the large trade in this product which had in recent years been diverted to Empire sources.

2. Meats and meat products

As regards meat and meat products, another group of concessions have been obtained which should be of great value to the livestock-producing and meat-packing industries. On lard the British have entirely removed their 10-percent duty. Lard is one of the biggest items in our agricultural export trade, and the British market—always important—has in recent years been the leading export outlet. Although that market has tended to hold up fairly well whenever we had ample lard supplies to export, the removal of this duty is assisting in enlarging and preserving it against the inroads of competing substitutes.

On hams the British have had no duty, but on all cured pork (including hams) there are restrictive import quotas. Under the British agreement the quota on hams is substantially increased and provision made for further possible increases in the future. On hams and on fresh, chilled, and frozen pork the continuance of existing low-duty rates or free entry is guaranteed by the British; and free entry or existing low-duty rates are also guaranteed for a variety of other animal products, such as edible offal of various kinds, sausage casings, oleo and oleo oil, and refined tallow. Important concessions are obtained on animal products in Newfoundland and the colonies.

3. Fruits and vegetables

On fruits and vegetables the range and variety of concessions obtained in these agreements are large. Fruits have in recent years been the most important of the dutiable items, except tobacco, in our agricultural trade with the United Kingdom; but they have been increasingly hampered by duties and preferences in favor of British countries. The British agreement greatly improves this situation.

On apples and pears—very important items—the British reduced their duties, and hence their preference to British countries, by a third during the months when our exports chiefly take place. On a wide range of canned fruits and fruit juices some duties are removed entirely, others reduced, still others bound at existing low levels. On raisins and prunes the existing substantial duty of 35 percent, which has especially favored Australian raisins admitted free into the British market, is bound against increase. For both these products the British market is very important. In the case of prunes we have continued to predominate in that market despite the preferential duty. Concessions on fruits are also obtained in Newfoundland and a large number of the colonies. The British agreement also reduces the duties in the United Kingdom on canned asparagus and canned corn, and binds existing duties on canned beans and tomato juice.

4. Cotton

On cotton the United Kingdom guarantees continued free entry. Cotton is the largest item among the agricultural imports from the United States. In 1937 the United Kingdom once more resumed first place as an export market, having been earlier displaced by Japan, taking nearly $100,000,000 worth of American cotton. While the chief benefits of the trade-agreements program to the cotton grower are of a different character, this guaranty of free entry nevertheless serves to assure against the possibility of any future tariff preference in either country in favor of Empire-grown cotton.

5. Tobacco

On tobacco the British agreement guarantees against any increase in the existing preference in favor of Empire-grown tobacco, a preference which the United Kingdom is pledged to maintain until 1942; but it also includes an undertaking by the British to reexamine the whole position upon the expiration of this commitment, with a view to possible reduction of the preference at that time. Tobacco is the most important dutiable agricultural item in our export trade with the United Kingdom. Although our share of the British imports of tobacco has declined somewhat as a result of the preference, we have nevertheless continued to supply more than three-fourths of the total. Valuable concessions for American tobacco are obtained in numerous British colonies.

Those are the leading categories of farm products on which concessions were obtained, but the list includes a great many other items, such as linseed cake and meal, hay, garden and grass seeds, nuts of various kinds, honey, dried peas, and so on.

SOME SPECIFIC INCREASES IN EXPORTS OF AGRICULTURAL PRODUCTS

Many encouraging increases in export trade in agricultural products have occurred in items on which concessions have been obtained.

During 1937, the second year during which the agreement with Canada was in effect, Canadian imports of fresh fruits from the United States totaled $7,541,000, as compared with $5,095,000 in 1935 (detailed analyses of the effects on individual commodities have not been made for 1938). American dried and canned fruit imports into Canada increased by $156,000 and $47,000, respectively, during the same period. In 1937, the second full calendar year after the agreements with Belgium and Sweden went into effect, Belgian imports of American fresh pears were $263,000 greater than during 1934, while Swedish imports of canned fruit during the same time increased by $103,000. Prunes and raisins imported into France from the United States showed a gain of almost $500,000 in the first year of the agreement with that country. Netherlands imports of American raisins were over 2,000,000 pounds, or $150,000 greater in 1937 than in 1935, the pre-agreement year. Switzerland took 800,000 pounds more of dried fruit in 1937, the first calendar year under the agreement, than in 1935.

Imports into Canada from the United States of fresh vegetables affected by the agreement were almost $2,000,000 greater in 1937 than in 1935, while imports of canned vegetables and vegetable preparations increased by $120,000. In 1937 Cuban imports of American beans, peas, onions, and potatoes, on which reductions in duties were obtained, were valued at slightly over $1,000,000, as compared with only $250,000 during 1933, the preagreement calendar year. Cuban imports from the United States of canned peas, sweet corn, and asparagus totaled $115,000 in 1937 contrasted with $10,000 in 1933.

Despite the droughts of 1934 and 1936, which seriously curtailed the exportable surplus of various pork products, exports of such products expanded in a number of instances following effective date of concessions obtained from certain foreign countries. Canadian imports of bacon, hams, shoulders, and other cured pork from the United States were valued at over $23,000 in 1937, or four times greater than in 1933; while pork barreled in brine or dry salted increased by nearly $200,000. Cuban imports of American bacon, hams, and shoulders increased from $37,000 in 1933 to $100,000 in 1937, and imports of salted pork increased from $197,000 in 1933 to $500,000 in 1937, while Cuban lard imports from the United States increased from $536,000 in 1933 to $5,000,000 in 1937. Swiss imports of American lard increased over one-half million pounds, valued at $120,000, between 1935 and 1937. With more normal domestic supplies of these products, it may be expected that even greater increases in exports will take place.

Swiss imports of American wheat in 1937 were valued at $1,400,000, against practically none imported from the United States during the 2 prior years. Wheat and wheat flour imported into the Netherlands from the United States amounted to $9,413,000 in 1937 and to $14,506,000 in 1938, compared with $1,600,000 in 1935, the year preceding the trade agreement with that country. Total imports into Canada from the United States of grains and preparations upon which that country granted duty reductions increased from $592,000 in 1935 to over $4,000,000 in 1937.

CONCESSIONS GRANTED FOR THOSE OBTAINED

Naturally, in order to obtain concessions from foreign countries for our farm and other products, we must give concessions in return. That is both fair and necessary. We have granted some concessions on farm products.

Each concession has been made only after the most careful study of all the pertinent facts. Where necessary, the concession has been accompanied by safeguards which make it virtually certain that the effect will not be seriously felt by the domestic industry concerned, even when looking at the matter exclusively from the point of view of the share of the domestic market which it will continue to enjoy. When it comes to the actual amount sold by the domestic industry and the income from its sales—and that is what really counts—it is necessary to keep in mind the fact that the trade-agreements program as a whole tends to create a better domestic market. Thus, a reduced share of the domestic market for domestic products may nevertheless mean an increased volume of sales. Certainly, it is far better for a domestic industry to have 95 percent of a good domestic market than 100 percent of a poor one.

THE PROGRAM IS NATIONAL

The trade-agreements program as a whole is fundamentally in the interest of the overwhelming majority of the farmers of this country, and no amount of misrepresentation or misleading use of trade statistics can alter this basic fact. The agreements recently signed with the United Kingdom and Canada add tremendously to the potentialities of the program for agriculture and for the nation.

We realize that the program is not a cure-all for all the ills of agriculture. It does not promise a complete solution of the farm surplus problem. But it is a fundamentally sound and an important contribution to the solution of that problem. At the same time, without injury to domestic industry, the program benefits farmers as consumers by increasing the buying power of the money income they get from the sale of their products. You cannot escape the conclusion that the program operates in the interest of the entire Nation, but especially in the interest of agriculture. It deserves the loyal support of farmers in every State of the Union.

National Farm and Home Hour

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, June 15, 1939

RADIO ADDRESS BY EDWARD A. O'NEAL

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by Edward A. O'Neal, president of the American Farm Bureau Federation, over the National Farm and Home Hour, on June 10, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The sun shines, the rain falls, the warm earth nurtures the seeds implanted in it by the husbandman, and the unseen alchemy of nature sets to work, producing a new crop which will provide food and fiber for the people.

The farmer plows and plants and cultivates, watching over the tender seedlings to protect them from weed and pest, so that at harvest season he may gather a bountiful harvest into his barns. He glories in the heat of the sun and the feel of the land beneath his feet as he goes about his appointed tasks. He labors from sun to sun, sustained by faith in divine and natural law, and he is at peace with the world.

The farmer is not thinking of a minimum wage for his efforts, nor of a 6-hour day or a 30-hour week; he is thinking of his crop and what he must do to make sure of a rich harvest. His hours may be long and his labors trying when vagaries of wind and weather leave him distressingly little time to get his crop planted or to harvest it undamaged by the elements.

He accepts the eternal challenge of the elements. He pits his skill against the weather, against insect and parasite, drought and hurricane, as he fulfills the sacred obligation to feed and clothe mankind.

His face is turned toward the sun, alight with hope and faith and confidence. He knows Nature well because he works intimately with her in creating, out of sun and soil and air, commodities that are essential to human life on this earth.

He is the trustee and shepherd of the new wealth that miraculously springs from the earth with each recurring season. Whether he labors in a cotton field, or in a tobacco field, or a corn field, or a wheat field, or in an orchard, or a garden plot, he knows that he is producing new wealth to add to the welfare of the human race. How immense is the far-flung empire of agriculture in this country. Incalculable wealth produced annually by more than 6,000,000 farm families toiling and planning and hoping. How infinite in variety and complexity of operation.

The farmer knows that he must labor that people may live. He knows that he must care well for his cattle that little children may grow strong and vigorous, that men in factories may have meat and bread to sustain them while they fashion goods that people must have to live in this modern age.

The farmer has learned how to produce well. The best in scientific knowledge is brought to him through the land-grant colleges, the Extension Service, and the county agent, who works with him to solve the problems of the farm. There is no problem of production which he feels incapable of meeting with the assistance of the Farm Bureau, the county agent, and other great rural institutions which serve him.

The farmer loves to produce. A rich harvest gives him satisfaction and contentment as nothing else can. He has habitually and consistently produced an abundance.

The only cloud in his sky is the matter of price. He wonders if the price he will receive at harvest time will permit him to put in his house a bathroom that his family has been wanting. He knows full well that 8-cent cotton or 60-cent wheat will not permit him to pay a plumber $1.50 an hour for labor. We knows that when he produces a quart of milk costing the consumer 11 cents he will get only 3½ cents out of the retail price and that labor handling the milk after it leaves the farm and carrying it to the consumer will get nearly twice as much as he gets, or 6.41 cents. He knows that the cotton shirt he wears has only a few cents worth of cotton in it, but that it cost him a dollar. He knows that the manufacturer of that shirt is protected in his price by 40-percent ad valorem tariff, while the farmer must sell the cotton at a world price. He knows that here is a problem which he is impotent to solve by himself. His land-grant college or his county agent cannot help him. He knows that only by farmers working with the Federal Government to solve their price problem as a group can he make any progress in this field.

The farmer must live. He must feed and clothe and educate his children. He knows that some of his children must go to the city because the big city is a mechanical monster, incapable of maintaining its population.

Not only must the farmer live, but also he must live under conditions that have been created by our industrial civilization. No longer can the farmer live to himself alone on his broad acres producing all that the family may require. Not only must he contend with the imponderable forces of Nature, but also he must face without flinching the stern economic forces released by the machine age. He can't trade some of his food and fiber for shoes and clothing for his children. His commodities must go into the churning streams of trade and commerce, and, when sent to market, the farmer hopes that the returns may be large enough to permit him to maintain his family in comfort and decency.

It was not the farmer's choice, nor was it of his doing, that these conditions have come about. Turn the clock back to pioneer days, and the farmer will know that he will get along. He will eat and he will have clothing. But he lives not in pioneer days, but in a streamlined age. This country has become an industrial Nation, and the national economy is man made.

As the rapid shift to an industrial economy took place, the farmer saw his soil despoiled of its natural fertility to furnish cheap food for a growing industrial army. Grim necessity forced him to push his productive efforts to the utmost, that he might secure enough in return to enable him to pay the artificial prices which the Nation's man-made economy exacted of him in all of his purchases.

As the chasm widened between the pioneer agricultural economy and the developing industrial economy, the farmer found it harder

and harder to get along. He was well aware that the conditions he faced could not go on forever, because he knew that every nation in history that neglected its agriculture eventually paid the price. The buried cities of antiquity are mute but eloquent monuments of peoples who exploited their soils and their peasant population until finally the people on the land not only could not feed the cities but could not maintain themselves. The result was dust, famine, desolation, and destruction.

In our own Nation, the people paid little attention to the problem of growing disparity between the agricultural and industrial communities until the sheer force of economic necessity drove them to a measure of recognition of the tremendous significance of the situation. Bitter experience taught this Nation that when farmers could not buy, the laboring man could not find a job. People began to appreciate the fact that in a nation of stabilized industrial production, stabilized prices for industrial goods, stabilized wages, fixed tariffs, monopoly rates, and the entire brood of man-made, artificial controls, the farming group alone was not provided for.

The Nation, in its own self-interest, set out to do something to restore balance between the farm and the factory, between the man on the land and the man off the land. The parity concept of balance was developed. The Federal Government has recognized in farm legislation the farmer's right to balanced prices and balanced income—prices and income which will permit the farmer to exchange his commodities on a fair basis for the goods and services produced by other groups.

The Congress of the United States last year passed, and the President signed, a bill based on the parity concept. That legislation provided that farmers might cooperate with each other and with the Federal Government in a plan to bring a measure of stability to the farm community, equivalent to the stability enjoyed by the industrial community. That law is based on the idea that it is in the national interest to stabilize agriculture, even to the extent of providing that in case prices received in the market place are below the parity level, cash payments may be made to individual farmers by the Federal Government to bring farm prices in balance.

And today, just as the farmer has faith in the sun and the rain, and in all the subtle alchemy of Nature, he also has faith and confidence in the law given him by the Congress and the President. This must be so, because farmers operating around 85 percent of all the cultivated land in this country are this year cooperating in this broad program. And the public generally appreciates the importance of a stabilized agriculture, for only recently a Nation-wide poll indicated that 62 percent of the people were opposed to reducing benefit payments to agriculture.

In the face of all this, the enemies of farmers, as usual, are seeking to divide the ranks of agriculture. These enemies, many of them occupying positions of great power in the fields of processing and distribution of farm products, have tremendous and widespread influence. Well they know that everything we have achieved has been achieved by a united agriculture, and now they attempt to drive a wedge between the commodities, between the different agricultural regions, and between this farm group and that farm group.

Then there is a group in Congress that wants to economize on Federal appropriations. When you analyze their plans, you find that they want to do all of the economizing at the expense of the farmer.

There are also those who attempt to inflame labor against the farmer. They pounced upon the farm groups which have been attempting to clarify by amendment certain parts of the wage and hour law which applied to the packing and processing of certain farm products in rural areas. Farmers have asked for little more in the way of exemptions than seemed clearly intended by the Congress when the law was passed, and yet the enemy seizes this occasion to make the absurd charge that the farmer is playing the game of the big processor and distributor.

The farmer, as he labors in his fields, knows well enough that laboring people must eat and that they must wear clothes, and he wants labor to have plenty with which to buy what he needs. But he knows too well that if his own group is out of economic balance with other groups, then the laborer may not even have a job. The farmer does his duty as a citizen. He pays his taxes to support his schools and maintain the Government, and he is always willing to do his proper share. He is ready and willing at any time to meet with other groups to work out a plan for keeping the groups in balance.

But he knows for certain that the tariffs and the monopoly privileges and the other benefits that have been extended to other groups have simply worked in reverse for him. He does not understand why he should be penalized unduly to give tariff protection to industry and labor.

At this very moment the handlers and processors of cotton are bending every effort to split the farm ranks wide open in order that the trade may have the benefit of cheap cotton. The farmer knows that cheap cotton never did him any good, even though it means large volume and profit for the handlers. He knows that the huge accumulation of cotton that has piled up must be moved into export channels, because that is the only place for it to go. By history and tradition we are a great cotton-exporting nation, and the cotton producer knows that we must maintain our position. He is willing to fight for his fair share of the foreign market for all commodities. He knows that he must adjust his production to effective demand. He has done that, and he has had the benefit of a Government loan to maintain the domestic price. Now the cotton trade wants to annul the loan so that cotton may become cheap again.

The cotton farmer has his program that has helped him, and now he is being asked by the cotton trade to back a proposal that is deliberately designed to make cotton cheap, and he sees his farm organization subjected to vicious attack—his organization that has represented him so effectively and so faithfully during the years and showed him how he can join with his neighbors to solve, by united action, the problems that he is impotent to solve by himself.

But the farmer is not fooled. He has faith and confidence that Congress will not permit sinister hands to undo everything that has been accomplished by the program. He is not fooled by the uproar of the interests that call the organized farmers an iniquitous "pressure group." He knows that the old crowd that ran things in this country before the farmers asserted themselves are selfish to the core, that they want the farmer to be a peasant and to take orders complacently.

The farmer knows that he himself has paid the bill for the pressure groups that dominated national policies for generations, and he knows that everything farmers have secured has been won by organized effort by farmers themselves through their organizations. He is not going to give up either his organization or his program, and he has faith that the present Congress will provide him enough money to make the program work.

He knows that the enemy never gave him a farm program, with price-sustaining loans and the mechanism to bring agriculture back into balance with industry and labor. He knows that agricultural income increased at the rate of a billion dollars a year for 4 years after 1933, and that the farm program was a potent factor in that rehabilitation. And he is taking Congress at its word in its declaration of policy in the Agricultural Adjustment Act of 1938, namely, that it is in the national interest to stabilize agriculture. He knows that the soil-conservation program constitutes the first recognition by the Federal Government that the conservation of our soil resources is a matter of national concern. He knows that these things have come about because farmers were organized, and so he is going to stick to his organization and to his program. With 1939 compliance with the program at 85 percent, can any sane person doubt that the farmers are for it?

The farmer sees this great cooperative program of farmers as the only way in which farming can be restored to its rightful position in our national economy, and the only way in which the economic balance necessary to make this country prosperous, and he is going to stick to it in spite of attacks of the selfish interests that would like to dictate what kind of a program agriculture should have.

In the next few days the issue must be met. A conference of House and Senate will consider the farm appropriations. The farmer, as I have said, has done his part in creating the ever-normal granary, which is the consumers' guaranty of abundance and also insures against unduly high prices. Now the farmer believes it is up to the Congress to appropriate enough money to make the program effective for the farmer. He looks at his cribs bulging with corn, at the cotton warehouse crammed to the ceiling with cotton, and he wonders if all this abundance is going to mean, after all, just what it has meant in the past, namely, low prices for the producer. Farmers should immediately let Congress and the President know how strongly they feel on this matter.

The farmer rightfully looks to Congress to carry on. He knows that Congress has been with him in the past, that the President has heartily endorsed the program designed to stabilize agriculture, and that the Supreme Court has given its approval to the fundamental principles of the program. The three great departments of the Federal Government, it may fairly be said, are in substantial agreement on the principle that it is in the national interest to bring agriculture up into economic balance with the other groups in this country.

There has been much discussion as to how we can raise the national income to $80,000,000,000. The quickest way to do it, and the most effective, I believe, would be to raise agriculture's income to $12,000,000,000. We know from past experience that labor's income would go up immediately to approximately the same figure, and without any increase in wage rates. The increased business that would result from this increased purchasing power among the two groups which do most of the consumer buying would give the recovery movement a tremendous boost. It is my firm conviction, supported by the records of the ups and downs of the economic cycle, that national income can never reach the desired figure unless the farmers are brought into fair balance so that they can buy the products of industry in normal volume.

All of our experience indicates that national prosperity cannot be brought back by pouring money into the top of the economic pyramid. It must be applied at the base, from whence it will permeate to the last nook and cranny of our economic structure. I believe without question that this will be done, and when that time comes the way will be cleared for real national progress on a program of constantly increasing production and consumption of useful goods. This country has every means necessary to attain prosperity and standards of living heretofore undreamed of if we as a people have

the common sense to insist on restoring fair balance between the different groups. Until we as a people gain full understanding of this fundamental problem we will continue to flounder about, getting nowhere, and hindering the march of progress.

Death of Americans in Airplane Accident in Mexico

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, June 15, 1939

ADDRESS BY HON. JOSEPHUS DANIELS

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum dealing with the death of two Harvard students, Bronson H. Rumsey and Daniel S. Roosevelt, and injury to Miss Carlotta Constantine, in an airplane accident in Mexico on April 18 this year, and also a speech by Ambassador Josephus Daniels in connection therewith.

There being no objection, the memorandum and speech were ordered to be printed in the RECORD, as follows:

MEMORANDUM

On the 18th day of April of this year a plane carrying two Harvard students, Bronson H. Rumsey and Daniel S. Roosevelt, who were killed, and Miss Carlotta Constantine, who received severe injuries, went down in thick weather near Canoitas, an Indian village in the State of Puebla. Maurilio Islas, a farm worker plowing in a field near by, hurried to the scene. The young men were dead. Miss Constantine had been thrown into a barranca and, being terribly injured, was unable to move. Señor Islas lifted her on his back and carried her 5 miles over a rocky and rough trail to Canoitas. Indians removed the bodies from the wrecked plane to nearby shelter.

On the following day Señor Manuel Diaz, "chief" of the village, directed the Indians to take the bodies to Canoitas. There they reposed in the little church, pending their removal the same day to Mexico City.

On Sunday, May 28, the American Ambassador, Mr. Josephus Daniels, accompanied by his secretary, Mr. Stephen E. Aguirre, and Consul Robert McGregor (the latter having gone accompanied by Vice Consul John W. Wilson, to the scene of the tragedy immediately after the accident and made the necessary arrangements for the removal of the bodies), as well as Vice Consul Oscar Fredrickson, visited Canoitas to express appreciation to the villagers for their kind helpfulness and voluntary assistance. The whole village—men, women, and children—gathered in welcome to the visitors in front of the church, where the Ambassador delivered a brief address, to which Señor Diaz responded with feeling.

Accompanying this memorandum is the address delivered by Ambassador Daniels on that occasion.

ADDRESS BY AMBASSADOR JOSEPHUS DANIELS AT CANOITAS, GUADALUPE VICTORIA, PUEBLA, SUNDAY, MAY 28, 1939

My mission is a sacred one. I have come today to Canoitas for the purpose of conveying the grateful appreciation of my Government; the gratitude of the families of Mr. Rumsey and Mr. Roosevelt, the fine young men who perished in the tragedy when their plane fell last month and was burned near here; the thanks of the parents of the lovely young woman, Miss Carlota Constantine, who owes her rescue to Señor Maurilio Islas. For these and for myself and officers of the Embassy and Consulate General in Mexico, I wish to tell you, Señor Diaz, Secretary of the Court of Guadalupe Victoria, who in a time of emergency proved a leader in prompt efficiency and helpfulness, and your official associates and your warm-hearted people, how thankful we all are for your manifestation of the spirit of brotherhood which ennobles our common humanity. Commissioned by members of the families of the splendid youths whose promising careers were suddenly brought to an end near your village, I wish to assure you of their gratitude, which they desire to express in some way suitable to the sense of obligation which they and all of us feel to the people of your vicinage.

The peoples and Governments of our two countries have long cherished the existence of good neighborliness, and have rejoiced in its attainment. The evidence of its application in flower here last month recalls a golden legend long cherished among Spanish-American people. It is apposite at this time.

According to the best authorities, San Ysidro was plowing in his garden one spring day. He looked up and beheld an angel, who said to him: "The Lord wants to see you, Ysidro. Come with me." He answered that he was busy. "I can't go now. You tell the Lord that I am late in getting my corn planted, and that I'll see Him when I have finished." The angel retired, but soon another heavenly messenger appeared in the field and said: "The Lord wishes to see you immediately, Ysidro, and directs me to say that if you do not come at once He will send hot winds and drought that will wither your corn." Ysidro, dripping with perspiration in the hot sun, continued plowing, pausing to send back the message, "I've seen hot winds and droughts many a time before. They don't bother me. I can bring water from the river. Tell the Lord I can't come now, but I will see Him when I have finished planting my corn." Not long afterward another heavenly courier with stern mien tapped Ysidro on the shoulder and said: "I am commissioned to tell you that the Lord does not like your attitude and sends word to you that unless you come with me right now He will send a plague of locusts to devour your corn from the top and a plague of cutworms to eat its roots." Ysidro did not stop plowing, but sent back answer: "That does not frighten me. I've had plagues before, but by the use of fire and hoeing and hard work I've harvested my crop all right. You tell the Lord I'll finish my plowing tomorrow and will see Him when my work is completed."

The messenger from the skies disappeared, and before the fourth messenger descended he had finished several furrows. This last angel had the appearance and bearing of authority. As he flapped his wings and walked along the furrows to keep step with the stubborn plowman, the angel spoke sternly: "The Lord isn't going to argue with you any more, Ysidro. He commands me to tell you that if you do not come with me without a moment's delay He will send you a bad neighbor."

That threat terrified San Ysidro. He called "whoa" to his mule, stopped him short, and wrapped the reins around the plow handle. The look of his eyes showed that fear had taken possession of him.

"The Lord says unless I come He will send me a bad neighbor, does He? I cannot stand that infliction. Life isn't worth trying to live with a bad neighbor. You tell the Lord I can stand hot winds and droughts, locusts, cutworms, and all kinds of plagues. I can endure anything but a bad neighbor. I'll go with you right now"; and he stopped short in the middle of the row, not even waiting to unhitch the mule from the plow.

The kindly people of this community did not need the warnings of that parable to act the part of the good neighbor and set an example of kindness and succor to the peoples on both sides of the Rio Grande. They showed in an emergency, when death and injury came to Americans in their village, that they are good Samaritans as well as good neighbors.

The National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, June 15, 1939

RADIO ADDRESS BY LLOYD K. GARRISON

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by Lloyd K. Garrison on June 7, 1939, on the subject of the National Labor Relations Act.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The National Lawyers' Guild has asked me to give this talk. I have agreed to do so because I feel, as the guild feels, that the National Labor Relations Act is widely misunderstood. Many of you, I am sure, are convinced that the act is one-sided because it puts restrictions on employers without putting restrictions on employees. This complaint of one-sidedness has been repeated so often in newspapers and speeches that a great many people have come to believe it as a matter of course.

But our job as citizens is to think for ourselves. And if we would judge the act, we must know its background. What was the situation that led up to its passage in 1935?

In many industries employers were banded together in associations whose object was to prevent the banding together of workers in unions. These associations put forth antiunion propaganda. They lobbied against labor legislation. The maintained blacklists of union men. They aided members engaged in strikes or lockouts. They sometimes supplied strikebreakers and spies.

Meanwhile the right of workers to associate was in practice defeated. Men were fired merely for joining unions. Foremen and superintendents would threaten discharge, which was equally effective. Spies were sometimes planted in union ranks and even

wormed their way into official positions. Company unions were formed by employers, or under their direction, and the men were herded into them. In some communities private police forces were employed, meetings were broken up, and union agents were run out of town or violently assaulted.

These tactics were but little used in industries where collective bargaining had long been established. But in many industries they were widely used—more widely than in any other democratic country. Against these tactics the workers were nearly helpless. The National Labor Relations Act was passed to equalize the rights of employers and employees to organize. This it did by forbidding the tactics I have described. It brought about a more even balance of rights. It did away with one-sidedness.

But some of you will, I know, have other objections. You may argue as follows: Granted that before the act was passed the balance of power was all on the side of the employer. But then when the act came along and guaranteed the right of men to organize and bargain collectively the unions became very strong. They became so strong that the balance of power shifted and is now all on the side of the workers. Those of you who feel this way naturally grope for some change in the law which will restrict the power of unions.

I want to discuss this point of view because I know it is sincerely held. It is understandable because for some 6 years we have been in a period of rapid union growth, with accompanying strikes for recognition and better terms; and this period, like similar periods in the past, has produced a certain uneasiness in the public mind. But we must keep cool heads and look at the facts. Actually, in terms of percentages of men organized, the American labor movement is still very weak. The percentage of organization in Great Britain is more than double that here. In Sweden it is more than four times that here. But in both Great Britain and Sweden there is relative industrial peace. It does not follow that strong unions produce industrial warfare. The contrary is generally true. In those American industries where union strength is greatest—in railroading, coal mining, printing, the building and garment trades, for example—industrial relations are among the best. And this is not because one side or the other is able to dictate terms. It is because both sides are strong enough to respect each other and because both sides have found by experience that it pays to recognize each other and to make and keep agreements.

The really difficult area of industrial relations is where newly formed unions attempt to deal with employers who have never recognized a union before. The employers are generally hostile, suspicious, and resentful; the unions are generally inexperienced and impatient and often expect and demand too much. There is no absolute remedy for this but time. With time the necessary lessons are learned, and confidence and understanding ripen. During the process mediation by third parties can be of much help. Many people think that the National Labor Relations Board is supposed to do this job. But the law confers that function on the Labor Department. It does good work but its excellent staff is undermanned.

More than any other country we have been suffering from the difficulties I have just described—where newly formed unions and employers who have not dealt with unions confront each other for the first time. The reason why we have had more difficulty of this sort than, for example, Great Britain or Sweden, is because normal union growth in this country was retarded by the determined opposition of employers in many industries. When their repressive tactics were forbidden by the National Labor Relations Act, the natural result was an up surge in union organization. Thus the job of learning how to live together had to be faced all at once instead of gradually. It is unfair to blame the law for this. The law simply struck off shackles which never should have been there in the first place. The reform was long overdue, and, as with so many other reforms, we have made things harder for ourselves by resisting change too long.

One other attitude of mind must be considered. It is often said that unions are not responsible and that somehow the law should be changed to make them responsible. Now the word "responsibility" is capable of two meanings. If you mean legal responsibility, the answer is that unions are already legally responsible. In many States and in the Federal courts, under the antitrust laws, they can be sued for damages. In all States and in the Federal courts they can be enjoined. In all States picketing is regulated, and racketeering, violence, and intimidation are punishable. I know that the laws are not always enforced and are sometimes hard to enforce. I know that some unions, in some trades, are guilty of offenses which no one can condone. I deplore these offenses, and I deplore also the fact that they alone are what make the headlines, and that the public is apt to generalize from the headlines and to suppose that all unions are alike.

But abuses do exist, and it is proper to ask what the remedy is. Is the remedy more legal penalties? I do not think so. Those that we have would be adequate if they were vigorously enforced, as they have been in some places. In any event penalties are not a cure-all for human behavior. In Great Britain, for over a generation, except in general strike situations, the courts have been forbidden by Parliament to entertain suits for damages against unions, or to issue injunctions against unions. It can truly be said that in Great Britain, for most purposes, unions are legally irresponsible. And yet they have developed a high degree of responsibility in fact. This brings me to the second meaning of the word "responsibility," namely, responsibility in fact. By this I mean the honoring of agreements, intelligence, and common sense in negotiating and applying them, and honest, business-like, competent management.

That is the kind of responsibility which we expect of unions, as of employers, and it is the only kind of responsibility which is worth anything. How, then, is it produced? It cannot be produced except by giving responsibility. You cannot make an individual responsible without giving him responsibility. And the same is true of groups of individuals like unions. To give a union responsibility you must recognize its status as a negotiating agency and as a necessary party to agreements regulating the employment relationship. And the wider the coverage of these agreements—as where they are made between a union and groups or associations of employers—the greater the responsibility of the union in maintaining and applying the agreements, and therefore the greater the likelihood of its becoming and remaining responsible in fact.

This is the lesson of experience, here and elsewhere. As a great British industrialist said to me: "When you are in the stage of fighting the unions they put up against you their fighting men. When you are in the stage of dealing with them on a broad business basis they send you their ambassadors." By this he meant that every group tends to produce leaders who are best fitted to carry on the particular group activities. If those activities are fighting for existence and recognition, the group will produce its fighters—the harder the struggle, the tougher the fighters. If the activities are making and carrying out agreements, the group will produce its negotiators—men with the requisite intelligence and understanding to succeed at the task. This does not always happen at once, but it almost always happens in the long run.

I have stressed these general considerations because they are so important and so little understood. If we could only perceive that there is no legislative panacea for industrial peace; that the existing penalties against union misconduct are sufficient when enforced; that in any event the imposition of penalties is not the way to produce responsibility in fact; that to get responsibility you have to give it; if we could perceive these things, the agitation for amending the National Labor Relations Act would largely cease. Among the persons most insistent on changes are those who originally opposed the act, who flouted it after it was passed until it was upheld by the Supreme Court, and who since have given it only lip service. Senator BURKE'S bill, which represents chiefly the views of this group, would not merely amend the act; it would destroy it. The A. F. of L. is seeking changes of a different sort, the most important of which would enable employers to take active sides in the tragic A. F. of L.-C. I. O. struggle. Without passing judgment on the merits of that struggle, I fear it would only be intensified if employers were to engage in aiding one group or the other.

The existence of the split in labor's ranks bears heavily upon employers caught in the cross-fire, as well as upon employees and the public. The Chairman of the National Labor Relations Board has announced that it will amend its rules to permit employers under proper circumstances to petition for elections. That change, and a few other procedural changes, can be made without amending the act.

It is now scarcely 2 years since the act was validated by the Supreme Court. Since then strikes have declined, and issues of discrimination and nonrecognition which formerly accounted for nearly half our strikes have increasingly been taken to the Board for peaceful adjudication. Of all the charges filed against employers with the Board, about 95 percent have never had to be tried; about half have been amicably settled, and nearly half have been dismissed. The Board's rulings are all subject to judicial review, and its record before the courts has been outstanding.

The wisest course, I am convinced, and the one favored by the National Lawyers Guild, is to await further experience under the act before seeking to change it, and meanwhile to concentrate on the real job of building human relationships which will make collective bargaining work.

Climate and Its Effect on Efficiency of Southern Workmen

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, June 15, 1939

ADDRESS BY DR. J. N. BAKER

Mr. HILL. Mr. President, I ask unanimous consent to place in the Appendix of the RECORD the able address delivered by Dr. J. N. Baker, State health officer of Alabama,

before the Birmingham (Ala.) Traffic and Transportation Club on Monday, June 12, 1939, on "Climate and Its Effect Upon the Efficiency of Southern Workmen."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Early last fall I received from Mr. Benjamin Russell, president of the Alabama State Chamber of Commerce, a letter stating that he proposed to appoint a special committee to study the effect of climate upon health and efficiency in the South, especially in Alabama. Mr. Russell did me the honor of inviting me to serve as chairman of that committee.

I am revealing no secret when I tell you gentlemen that the decision on the part of the State chamber of commerce officials to make a complete, thorough-going study of the effect of Alabama's and the South's climate upon the health and working efficiency of our people was inspired by frequent disturbing reminders of a widespread prejudice against this section of the country. These officials realized that other sections of the country were still living in the nineteenth century, so far as their conception of health and living conditions in Alabama was concerned. Many otherwise well-informed residents of sections outside our providence-blessed Southland still think of the South, Alabama included, as a section inhabited by a race of people all but universally cursed by malaria, coughing their lungs out from tuberculosis, reduced to physical impotence by hookworm, made listless and inalert by pellagra, and crowding our insane asylums and almshouses because of syphilis. This picture, unfair though it is, placed this section at a distinct disadvantage in bidding for industries and in "selling" its resources to those with money to invest in productive, pay-roll-creating enterprises. Wisely, the State chamber of commerce decided to find out the facts regarding health conditions in Alabama and the personal efficiency of the southern worker. Starting its studies early last fall, the committee recently completed its work, and its findings have been incorporated in a report, which is now in the hands of the printer. Copies, of course, will be available for general distribution.

This report is approximately 38,000 words in length, and when published will comprise a booklet about half the size of a popular novel. While it is obviously impossible to treat it fully in the time now at my disposal, I shall, however, discuss briefly some of the more important of the committee's findings.

In the minds of many people, the South is synonymous with extreme heat. Even many southerners take it for granted that there is a tremendous difference between the temperaure of, say, Alabama and that of Pennsylvania. It will be surprising to these people, and perhaps to some of you gentlemen, to find, as the committee's investigators found, that the normal Alabama summer day is only about 7° warmer than a normal summer day in that State. The average normal temperature of the cities of Montgomery and Birmingham for the months of June, July, and August is 80.1°, as compared with a normal of 72.5° for the city of Pittsburgh. Such differences are hardly sufficient to set one part of the country off from another, as though it were in a different climatic zone. Moreover, Alabama's daily maximum temperature for these three summer months is only 89.7°, just 7.5° higher than Pittsburgh's maximum of 82.2° for the same period.

Another important fact was unearthed by the committee's studies; a fact which should be borne in mind in any consideration of the effect of Alabama's climate upon personal efficiency. In this State, and indeed throughout the South, the increase in temperature toward the summer peak is gradual. Here in Alabama relatively cool weather one day and prostrating heat the next are rare indeed. Thus the body gradually adjusts itself to the increasing heat, just as it may adjust itself to increasing dosages of certain drugs.

Health and personal efficiency are affected by other climate factors, as well as temperature, of course, and one of these is humidity. The committee's studies revealed that the relative humidity in Alabama was actually less than in Pennsylvania although the difference is only slight. The annual average (8 a. m., noon, and 8 p. m.) in Pittsburgh was found to be 67 percent, whereas the annual average for Alabama (7 a. m., noon, and 7 p. m.) was found to be slightly less than 66 percent. In Pennsylvania the winter months are colder, damper, and more penetrating than in Alabama, while in the late summer the humidity is slightly greater in Alabama.

Another significant fact unearthed by the committee's studies is that there is a more marked change in the temperature on an average day in Alabama than in Pennsylvania. The typical daily range in this State between the highest temperature of the day (presumably in or around the middle of the day) and the lowest temperature of that same average day (presumably night) is more than 19 degrees Fahrenheit. This range from the highest to the lowest temperature within a given 24-hour period is only about 17 degrees in the Pittsburgh area. Thus, even the hottest days in this State are followed by relatively cool evenings and nights, making for refreshing sleep and bodily comfort.

These factors we have just been considering should make for a high degree of personal efficiency, or per-worker productiveness, in Alabama. But, you may ask, do they?

Unfortunately, there is no absolute gage by which to measure personal efficiency for purposes of comparing Alabama climate with, say, Pennsylvania or New York or Ohio climate as a factor in the profitable operation of an industrial establishment. However, an approximate answer to that question is to be obtained from the experience of industrial concerns maintaining plants both in Alabama and elsewhere. I am unable, within the time limits of a talk of this kind, to list the records of those studied or detail what each revealed. They are discussed at some length in the committee's report, to which I refer those wishing this information. Suffice it to say, however, that they tell a convincing story of the efficiency of Alabama workers, a story which should prove an effective answer to those who insist upon linking Alabama climate with personal inefficiency.

There is a recognized relationship between health and efficiency, and that relationship makes it possible for us to obtain indirectly a picture of the effect of Alabama's climate upon Alabama employes' individual working capacity. This picture likewise is one which should prove gratifying to those who believe Alabama workmen can hold their own with any other workmen.

Most of you who were in the Army during the World War know how thoroughly you and your comrades in arms were examined at the time of entering the service and later. If the examining physician found—or thought he found—a leaking heart valve, or malaria, or syphilis, or hookworm, or any other condition that stood between you and perfect health, that fact went into your service record. Even after making proper allowance for human error, to which doctors are subject like other people, we can say that the medical records of the approximately 4,000,000 Americans who bore arms in 1917–18 form about as complete and accurate a picture of general health of the male population of the country of military age as it would be possible to obtain.

What do those records show? They show that the Southern States and those roughly of the Corn Belt were the most intrinsically healthful in the Nation. Alabama stood ninth in physical preeminence among all the States.

The records of the War Department show that the average drafted man from Alabama was not only taller by more than half an inch than the average for the country as a whole and lacked only a fraction of a pound of weighing as much as the national average, but was also taller and heavier than the average drafted man from either Maine, Connecticut, New Hampshire, Vermont, or Rhode Island. These comparisons gain added significance, too, when it is taken into consideration that Negro draftees were included along with the white troops and that practically all of these men were born in the nineteenth, not the twentieth, century, which means that they had received little, if any, benefit from the modern body-building and health-preserving developments which have marked the progress of medical science and public-health endeavors within the past three or four decades.

Possibly even you gentlemen are not entirely familiar with the extent of these developments and the part they have played, and will play, in the industrial development of your State. May I refer to them in closing?

Alabama's people entrusted to their State department of health the responsibility for carrying out an ambitious program of warfare, not primarily against death but against death's ally—disease. As this State is blessed with better-than-average health conditions with respect to other types of illness, particularly the deadly degenerative diseases, this official, though nonpolitical, arm of the State government set out with a determination to free Alabama as quickly as possible from those diseases which, in the still-unforgotten past, gave rise to the stigmatizing alliteration—"the sickly South." Chief among these were the so-called environmental and poverty diseases—malaria, hookworm, syphilis, typhoid fever, tuberculosis, and pellagra. It was against these that the heaviest barrages of the State's public-health agencies were directed.

At the present time more than 80 percent of the State's urban population, living in 167 cities and towns, and more than one-half its total population, both urban and rural, is protected against hookworm, typhoid, dysentery, and other excreta-spread diseases by efficient sewer systems and sanitary privies. Between 1934 and 1938, inclusive, workers employed on Federal work-relief projects constructed approximately 6,000,000 feet of new ditches and reconstructed approximately 3,500,000 feet of old ditches, these operations involving more than 4,000,000 cubic yards of excavation. Approximately 99.5 percent of all the residents of incorporated communities in Alabama, having populations of 500 or more, are consuming water that is under the supervision of the State department of health. In the field of tuberculosis control the State health department is maintaining traveling diagnostic clinics, staffed by experts. Through the State sanatorium subsidy, provided by the Patterson Act, it encourages the construction of county and district sanatoria, where those lacking the financial means to obtain treatment at expensive private institutions may be restored to health. Free drugs are furnished to private physicians and county health departments for the treatment of syphilis. Ninety-five diagnostic and treatment clinics are now in operation in 57 counties. The State health department has cooperated in the research studies that have been conducted in Birmingham in an effort to make available to the people of Alabama and the rest of the country an effective instrument for the curbing of pellagra, long associated with "the sickly South." This disease has also been attacked by the distribution through county health departments of yeast, furnished by the American Red Cross. Alabama is now one of only three States in the Union—and the only one south of the Potomac—in which there is a full-time local health department in every county.

What have been the fruits of these efforts?

A recent State-wide hookworm study—incidentally the only one ever conducted in Alabama or any other State—revealed an infestation rate of only 15.3 percent of those examined, as compared with an infestation rate of 53.6 percent—more than three times as high—revealed by a 36-county survey conducted in 1911–14 by the Rockefeller Sanitary Commission. Between 1915 and 1937 Alabama's malaria death rate dropped from 22.2 per 100,000 population to 7.6 per 100,000 population, or nearly two-thirds. During the same period this State's typhoid death rate dropped from 29.9 per 100,000 population to only 1.8 per 100,000 population, or 94 percent. In fact more than twice as many Alabamians actually died of typhoid in 1915 as were reported as having the disease in 1937. Alabama's tuberculosis death rate dropped nearly 45 percent between 1915 and 1937, and provisional vital statistics reports indicate that the death rate for last year was the lowest in the history of the State. And so on.

Although Alabama is still predominantly rural, it is also one of the country's leading industrial States and promises to increase its stature as a center of industry as time goes on. Recognizing this fact and realizing the wisdom of adjusting its facilities to this growing need, the State health department now has an important unit of its organization, a division of industrial hygiene, with an experienced physician in charge. That division's responsibility is to assure the best possible health conditions among the State's great army of industrial workers. Some 1,100 work rooms distributed throughout the eastern half and central section of the State have been carefully studied as a part of this division's program. More than 25,000 persons are employed in these rooms, and the health of these workers vitally concerns the welfare of an army of dependents estimated at approximately 100,000.

The division of industrial hygiene is directly familiar with representative work-room conditions in 34 counties of the State. In these geographical divisions county health officers are receiving practical instruction in plants within their jurisdicton. They are being coached in the potential hazards of, and general methods of controlling, some 50-odd classes of materials and physical conditions that are of a potentially hazardous nature. One hundred and forty industrial plants are at this time cooperating to make this study a success. In return the division of industrial hygiene is suggesting general protective measures whenever that seems desirable for the protection of the health of the workers and to minimize the necessity of training new workmen and to lessen absenteeism due to preventable causes.

Neither your State health officer nor the committee which he has the honor of serving as its chairman insists that all of Alabama's health problems have been completely solved. We do contend, however, that this State, blessed with a climate that makes for efficient workmanship and contented living, is definitely on its way toward the elimination of its most serious disease dangers.

Speaking for myself and for this committee, I bespeak your active enlistment in the effort to tell the world, particularly the prejudiced, the nineteenth-century-minded world, the 1939 truth about Alabama.

A Reminder to the Youth of America on Flag Day

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, June 15, 1939

STATEMENT BY THE JEWISH WAR VETERANS OF THE UNITED STATES

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement published by the Jewish War Veterans of the United States, entitled "A Reminder to the Youth of America on Flag Day."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 14, 1939]

A REMINDER TO THE YOUTH OF AMERICA ON FLAG DAY

"I pledge allegiance to the flag of the United States of America and to the Republic for which it stands—one Nation indivisible, with liberty and justice for all."

A flag is a symbol. It may stand for something good. Or it may mean something wicked and destructive to all mankind.

Old Glory waves over a land that represents "liberty and justice for all" * * * in vivid contrast to other lands blighted by barbarism and godlessness.

Americans have more reason today than ever to be proud of America—to uphold it in peace, to defend and fight for its ideals.

To the youth of America we say: "Fight for your country in peace by driving its enemies from you. Cherish the freedom you now enjoy. It's your birthright as an American."

A traitor has no place in our midst. Especially when he comes to undermine our country.

Shun the scoundrel who would destroy our national unity by preaching group hatred.

He may call himself Communist, Fascist, or Nazi. Recognize him for what he is—an avowed enemy of America. America does not want him.

America wants no blood purges, no murder cults, no wholesale destruction of all religion. Swastika or hammer and sickle—both alike are a blight and a menace.

Stick to Old Glory!

A PAGE FROM AMERICAN HISTORY

In the Revolutionary War, Col. Isaac Franks, of Philadelphia, was aide-de-camp to General Washington. Haym Salomon gave his entire fortune to save the American cause. He died penniless. Hundreds of Jews served in the Revolutionary Army.

In the War of 1812, Uriah P. Levy, commander of the brig-of-war *Argus*, ran the British blockade and destroyed 21 British merchantmen. He died a commodore—the Navy's highest rank.

In the War with Mexico, Gen. David de Leon, of South Carolina, was twice honored by Congress for valor and ability. Moses Albert Levy served as Surgeon General.

In the Civil War, 10,000 Jews served the North or South with distinction and honor. In the Confederacy, Judah P. Benjamin was secretary of war; L. M. Harby, commodore of the Navy.

In the North, Frederick Knefler, of Indiana, rose to the rank of major general. Edward S. Solomon survived every important engagement to become a brigadier general.

Lincoln handed Leopold Newman, of New York, his commission as brigadier general while he lay dying of wounds received at Chancellorsville.

In the Spanish-American War, 5,000 Jewish volunteers answered the call of their country.

In the World War, 250,000 fought. Forming 3½ percent of the population, Jews contributed nearly 5 percent of the fighting forces. Approximately 10,000 Jews held commissioned rank. Over 1,100 Jews were cited for valor in action. Four Congressional Medals of Honor were awarded to Jews; 200 won the Distinguished Service Cross. Of 14,000 Jewish casualties, 3,400 made the supreme sacrifice.

The Jewish War Veterans, proud of their contribution to America in peace and war, will always serve the country they love.

Published by the Jewish War Veterans of the United States to promote greater love for our flag.

Archibald MacLeish

REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. THOMAS of New Jersey. Mr. Speaker and gentlemen of the House, I have additional information to bring to your attention concerning the "fellow traveling" activities and connections of Archibald MacLeish, whose name the White House has sent to the Senate for confirmation as Librarian of Congress. All the facts which have come to my notice since I first called your attention to Mr. MacLeish last week verify completely the charge which I made at that time, namely, that Mr. MacLeish has been one of the ranking "fellow travelers" of the Communist Party in this country.

To a large extent we may know a man by the company he keeps. When the Dies committee recently brought out the evidence that Gen. George Van Horn Moseley had met a company of persons which included Fritz Kuhn, the head of the German-American Bund, it was assumed by all that General Moseley had placed himself in the light of being a "fellow traveler" of the crowd which Fritz Kuhn represents. MacLeish has not only been frequently in the company of the Communist leaders in this country, he has accepted official positions in the "united front" organizations which they have set up for the purpose of propagandizing their particular brand of totalitarian revolution in this country.

I have already called your attention to the fact that Mr. MacLeish joined with a group of 22 persons in issuing a call to the National Writers' Congress which was held in New

York in June 1937. Associated with MacLeish in this call were the following well-known Communists and Communist "fellow travelers": Erskine Caldwell, Langston Hughes, Robert Morss Lovett, Paul De Kruif, Malcolm Cowley, John Howard Lawson, Clifford Odets, Donald Ogden Stewart, Waldo Frank, Claude McKay, and Ella Winter.

When the Communists first set about organizing writers in this country in 1935, it was under the name of the American Revolutionary Writers' Congress. Two years later, when they called their second congress of writers, they dropped the word "revolutionary." This action was in line with the new policy of the Communist International to try to woo the people of this country with slogans about "democracy" and "peace." Words such as "revolutionary" were relegated to the background, lest they frighten the prospective converts to the new people's front. It would be a great mistake to assume, however, that the ultimate purpose of revolution had been abandoned. In all this deceptive and Machiavellian maneuvering by the Communists, Archibald MacLeish, the proposed Librarian of Congress, was used quite effectively.

According to the Daily Worker of June 8, 1937, MacLeish was elected a vice president of the League of American Writers, the organization which was set up by the Communists at their congresses of writers in 1935 and 1937.

There can be no possible doubt about the fact that the Communist Party was behind the setting up of the League of American Writers. A Communist correspondent of the Daily Worker, one Edwin Seaver, wrote as follows in the columns of this Communist Party newspaper:

> It was a genuinely people's front meeting, and at such a meeting it was significant and proper that Browder spoke as a Communist. By doing so he gave a tone and necessary sense of direction the meeting might not otherwise have had.

Continuing, Seaver wrote:

> The Congress expressed "the conviction that now more than ever the Soviet Union needs the support of all who see the road to socialism through democracy."

Donald Ogden Stewart was elected president of the League of American Writers at the same time that MacLeish was chosen vice president. At the Congress of Writers, where MacLeish presided and introduced Earl Browder, Donald Ogden Stewart said:

> I haven't anything very critical to say of the capitalist system, except that it is a monster—a monster which it is the duty of every human being, every writer, to destroy.

An able critic of the Stalinist maneuvers in this country is one James Rorty. In an article on the League of American Writers Rorty wrote:

> The American Writers Congress "was conceived by the Communist Party to serve its interests, which are the interests of the Stalin regime in Moscow."

Rorty added:

> That regime is bending every effort to procure the participation in the next war of capitalist America, alined on the side of the Stalin regime in Russia

If any man in the United States presided at a gathering and introduced Fritz Kuhn as the principal speaker, and then accepted the vice-presidency of an organization whose president expressed sentiments in complete accord with those of Fritz Kuhn, that man would be marked—and rightly so—as a "fellow traveler" of the German-American Bund. Well, Members of the House, that is precisely the position in which we find Archibald MacLeish with respect to Earl Browder and the Communist Party.

According to the Daily Worker—official Communist organ—of June 5, 1937, page 1, Archibald MacLeish said in opening the American Writers Congress:

> Support the Spanish Loyalists who are fighting our future battles on the battlefields of Spain now.

At this congress, as I have already pointed out, Earl Browder, Communist leader, was the guest speaker and was presented by MacLeish.

The Daily Worker of February 15, 1937, announced that Archibald MacLeish, along with Communist Party members and "fellow travelers," has been raising funds to send ambulances to Loyalist Spain.

On June 22, 1937, the New Masses (another Communist organ) carried an article written by Archibald MacLeish, entitled "The War Is Ours," in which he argues at considerable length the justification of his association with Communists in the defense of the Spanish Loyalist cause.

The New Masses, in its issue of June 9, 1937, page 25, announces that Archibald MacLeish was a patron of the meeting held under the auspices of the Julius Rosenthal Memorial Committtee, along with well-known Communists and "fellow travelers."

In a book entitled "Living Authors," by Stanley Jaspon Kunitz, published by H. W. Wilson Co., New York, 1931, now on hand at the Congressional Library, there is a biographical sketch of Archibald MacLeish which purports to quote MacLeish as making the following statements, among others:

(1) "But could never believe in the law."

(2) "Went abroad in a hospital unit so as to do the right thing, but not be hurt."

(3) "Taught for year at Harvard to avoid again going to work."

A former Massachusetts State extension instructor of college-graduate courses in philosophy at Harvard University informed me that on—

> The 12th of October 1938, in the nighttime, a group of 450 Communist sympathizers, recruited from among Harvard undergraduates, gathered in Cantaregia Hall at the university to hear Granville Hicks, self-avowed Communist, make his first public address in Cambridge since he took up the Harvard post. Accompanying him as speakers were Archibald MacLeish, poet, and Joseph North, editor of the Communist publication, the New Masses.

All three speakers made a defense of left-wing journalism, while Hicks made a financial plea in the interests of the New Masses.

In the Atlantic Monthly magazine for June 1939, Archibald MacLeish takes the position that the time has come for poets to write of revolution.

Without the slightest straining of the evidence, which is too voluminous to burden the RECORD, it is clear that Archibald MacLeish has been a "fellow traveler" of the Communist Party and is therefore absolutely disqualified to fill the highly important post to which he has been named by the President.

Archibald MacLeish

EXTENSION OF REMARKS
OF
HON. SAM RAYBURN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Herald entitled "Librarian MacLeish," and also an editorial from the Boston Globe entitled "Notable Choice," both of which are highly complimentary to Mr. MacLeish:

[From the Boston Herald of June 8, 1939]

LIBRARIAN MACLEISH

The enthusiasm in Washington when the President named Archibald MacLeish as Librarian of Congress, to succeed Herbert Putnam, will be duplicated here, in New York, and wherever Mr. MacLeish is known. It was said of Herbert Hoover that he selected the ideal man when he named Justice Cardozo to the Supreme Court; and almost as much may be said of the honoring of Mr. MacLeish.

He was first man in his class at the Harvard Law School, and declined an appointment to the faculty. He was one of the most promising young lawyers in Boston when he left one of the leading law firms to give all his time to literature. As an editor

of Fortune, a Pulitzer prize winner in poetry, a writer of excellent prose, a man of affairs, an administrator, and, as the President characterized him, "a gentleman and a scholar," he deserves immediate, unanimous, hearty confirmation.

The President will be criticized, perhaps, for his failure to pick a trained librarian. The obvious reply is that far more than technical ability is requisite for the supervision of one of the great libraries of the world. A skilled orthodox librarian could have been found easily enough, but none with the qualifications of Mr. Putnam. The purely professional features of the position can be learned easily by a man of Mr. MacLeish's endowments and experience.

A pleasing personality and a marked aptitude in speech, public and private, should be of great assistance to him in his relations with Members of Congress. The entirely nonpolitical nature of the appointment makes it all the more pleasing.

[From the Boston Globe of June 8, 1939]

NOTABLE CHOICE

The nomination of Archibald MacLeish to be head of the Library of Congress brings to one of the great cultural centers of the world a man of achievement and imagination. As poet, editor, and director of the Niemann fellowships in journalism at Harvard, Mr. MacLeish is ranked in the forefront of American men of letters.

The magnificent Library at Washington is far more than a collection of books. Among its possessions are priceless manuscripts, rare pictures, and a steadily increasing number of films and records which will keep the personages and events of today and tomorrow alive and fresh for generations yet to come.

The broad foundations on which Dr. Herbert Putnam built for the past 40 years support an institution aptly described as a university without lecturers or laboratories. The services it renders to students who come to it from all countries of the earth are almost infinite in their variety.

With Mr. MacLeish as Librarian, the work may be expected to extend in directions not yet guessed. The combination of man and opportunity is a great prospect for the future.

Power Development at Niagara and Bonneville

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. PIERCE of Oregon. Mr. Speaker, 2 years ago on this floor, and before the Rivers and Harbors Committee, in connection with the consideration of the Bonneville power legislation, I pointed out the evils of the monopolistic development at Niagara. Since that time I have investigated further, and I now present a detailed comparison of the provisions for public utilization of Niagara and Bonneville benefits. I am doing this in order to clarify the issues, and to throw light on the principles which should control toward the efficient utilization of the people's natural resources in the interests of public welfare.

I propose to show that Niagara power is really the property of the people, and has been wrongfully appropriated by private interests without the people gaining any material benefits therefrom. The employment of labor resulting from this immense development has been comparatively insignificant. The tolls collected in resale rates from domestic and commercial consumers have been exorbitant and unreasonable. This development has been primarily used to foster monopoly, giving immense earnings to a limited group. This monopoly has caused widespread unemployment in the copper States through the substitution of monopolistically produced aluminum for copper. It has also placed a heavy financial burden on our farmers who are forced to use chemicals for weed destruction. All the sodium chlorate commercially manufactured in the United States comes from one firm at Niagara—which absorbs profits resulting from cheap power.

From the Niagara experience, I will trace the evolution of the principles governing a sound national power policy. Then I will point out how these principles are covered in the organic Bonneville Act, and how the application of these principles can be used in the public interest to build a great empire in the Northwest. What we desire, above all things, is that Bonneville power development shall not be a scandalous repetition of Niagara.

NIAGARA POWER

The Niagara River discharges into Lake Ontario, on the average, 215,000 cubic feet of water per second. This is practically a steady flow regulated by the great storage reservoirs of the upper Great Lakes, which contain one-half of the world's supply of fresh water. The net fall from Lake Erie to Lake Ontario is 310 feet. If all this water were utilized to produce power under this fall, 7,000,000 horsepower could be produced. This is but one-third of what can be produced on the Columbia River and its tributaries. The actual development on both sides at Niagara amounts to 1,487,000 horsepower, or 21 percent of its possible total. This total potential power at wholesale rates could produce a revenue of at least $105,000,000 annually.

In 1909 a boundary water treaty was consummated with Great Britain limiting the total water diversion above Niagara Falls to 56,000 cubic feet per second, 20,000 cubic feet of which was allotted to the American side and 36,000 to the Canadian side. The greater amount allotted to Canada resulted, no doubt, from a desire to compensate for the unnatural diversion at Chicago for the drainage canal. The Chicago diversion was later declared illegal by the Supreme Court. Water-power development in Canada has been on a more efficient and definite basis than in the United States. Canada, being a country without fuel, has legislated to secure the most efficient use of its waters. On the Canadian side the Queenston or Chippewa publicly owned plant was built to secure 92 percent of the potential fall between the lakes.

Two of the three American plants, all privately owned by the Niagara Falls Power Co., utilize only about 42 percent of the possible head, whereas the third plant operates under a head about 65 percent of the available potential fall. The Canadian Chippewa plant, located 13 miles below the Falls, obtains 30 horsepower per cubic foot of water, whereas the plants located adjacent to the Falls on the American side obtain only 17 horsepower per cubic foot. Canadian Niagara generates about twice the amount of electric energy that can be generated at Bonneville on the Columbia River. The high capacity factor of Chippewa and Ontario stations is due to the low load-building rate of the Ontario Hydro, which encourages long hours' use. The Rankine station capacity factor is due to high load factor of its industrial load.

The following are the characteristics of the Canadian Niagara plants:

TABLE 1.—*Canadian Niagara plants*

Station	Owner	Horsepower	Yearly kilowatt-hours in thousands	Capacity factor
				Percent
Chippewa	Hydro Commission	500,000	2,636,296	81.0
Ontario	do	180,000	1,172,000	68.0
Toronto [1]	do	150,000	239,906	24.2
W. B. Rankine [2]		100,000	576,073	88.0

[1] This station not used for base load.
[2] Based on permit capacity. This is the Canadian Niagara Power Co. owned by the American company.

NIAGARA FALLS POWER CO.

The present Niagara Falls Power Co. was incorporated in 1918 by a consolidation of the then existing three hydraulic companies on the American side of the Niagara. These predecessor companies were the Hydraulic Co., incorporated in 1886; the Hydraulic Power Co., incorporated in 1910; and the Cliff Electrical Distribution Co., incorporated in 1909. The Niagara Falls Power Co. also wholly owns the Canadian Niagara Power Co., Ltd., which operates a station on the

Canadian side, located above the Falls in Queen Victoria Niagara Falls Park. The following table presents the characteristics of the three installations of the consolidated company, on the American side:

TABLE 2.—*American Niagara plants*

Item	Schoellkopf Station	Adams No. 1	Adams No. 2
Constructed	1905–14; 1918–24	1890–1900	1900–1904.
Gross head, feet	217	137	137.
Number turbines	19	10	11.
Rated turbine capacity (hp.)	452,000	50,000	55,000.
Kilowatt generator capacity [1]	293,000	38,750	41,250.
Kilowatt-hours generated (1,000's)	2,647,467	4,097	79,706.
Station capacity factor (percent)	100	1.2	22.

[1] Exclusive of 5 direct-current generators with aggregate capacity of 41,250 kilowatts owned by Aluminum Co. of America.

Number of employees of the power company Dec. 31, 1937, 387.
Above base data taken from page 512, Moody's Manual, 1938.

This Canadian subsidiary company of the Niagara Falls Power Co. operates under a license from the Park Commissioners of Canada. The license has been confirmed by acts of the Province of Ontario limiting the diverted water to an amount equivalent to 100,000 horsepower daily. This company sells current to the Niagara Hudson system on the American side and on the Canadian side to a relatively small number of local consumers, to one large industrial consumer, and a small amount to the Hydro Commission of Ontario. From time to time this company supplements its generation with purchased dump power, secured from the Ontario Hydro-electric Commission.

The Canadian Export Electrical Act prohibits the exportation of Canadian power in excess of the quantity permitted by license. Under license this company is permitted to export 45,000 kilowatts of prime power and 20,000 kilowatts of surplus power. This is the reason they sell to the publicly owned Ontario company.

The Ontario Power Commission Act provides that the property and rights of the American company are subject to expropriation. Furthermore, if this company fails to renew its agreements with the Park Commissioners, its property and rights, at the termination of the agreements, revert to the Park Commissioners without compensation, except that the company has the right to remove its machinery.

POWER AND POPULATION RATIO

When I was a young man I lived near a midwestern water power used for the operation of a series of paper mills, built around 5,000 prime water horsepower. This power supported a community of about 5,000 people. This gave a population ratio of 1,000 people per 1,000 horsepower. This raw power was sold on a yearly basis of from $6 to $15 per horsepower-year with the average about $10, or 2 mills per kilowatt-hour. This power did not reduce coal usage, but instead increased it. Such low-priced power was needed to reduce the pulp to become competitive with Canadian paper stock. Steam power would have cost three times as much under the local conditions, but steam was needed in the paper-making process, and the coal used in this process work gave direct employment to the same number of miners as mill workers. Without cheap mechanical power for "beating," these industries would not have located at this site and used large quantities of coal for process work.

In the five principal mill towns in New England we find a total population of 354,000 people centered around 155,000 horsepower, or 2,280 people per 1,000 horsepower. In fuelless portions of Canada we find a population of 1,410 per 1,000 horsepower; in Norway 1,400 people per 1,000 horsepower.

Switzerland has about 8,000,000 potential water horsepower and a little less than two and five-tenths million developed. This is about five times the ultimate capacity of Bonneville. The Swiss population ratio is 1,980 per 1,000 horsepower. Seventy-five percent of this Swiss power is transmitted and twenty-five percent used in electrochemical industries. The transmitted power is widely distributed to an unusually large number of small plants, there being some 6,000 plants of 20 horsepower or less. Here we have a practical application of the principle of the widest possible use. This is just what we hope and believe we can do in the Pacific Northwest. I have investigated a city in New York with a large semiautomatic chemical plant and a 75,000-horsepower installation which has 142 population per 1,000 horsepower. A small nonautomatic hydro plant in the Midwest which transmits all its power gives a low population rate of 30 per 1,000 horsepower.

Six large similar privately owned hydros which I have studied have the low population ratio of four people per horsepower. A midwestern glass plant reduced its equivalent population ratio from 525 to 230 with introduction of automatic machinery. A modern automatic chemical plant can have a population ratio as low as 75 per 1,000 horsepower. For this reason I object when enemies of public power talk about increase of population through a privately owned sodium-chlorate plant at Bonneville.

Niagara Falls, N. Y., counting all the population increase from 1900, when the earliest plants were in full operation, has a population ratio of 137 per 1,000 horsepower. This is not a substantial ratio and, taken comparatively, shows that the vast amount of Niagara power has not resulted in an employment ratio of one-fourth the lowest private company's average, or one-eighth of what is found in the better set-ups. The total number of employees of the Niagara Falls Power Co., with an installed capacity of 550,000 horsepower, was only 387 or 1 employee for 1,420 horsepower, an insignificant number.

EFFECT OF MONOPOLY ON EMPLOYMENT

These statistics afford convincing proof that electricity, because of its part in the development of automatic processes, has contributed greatly to unemployment, and will continue so to do. It therefore owes a large debt to society, and it would be a crime to multiply this debt by allowing a large-scale utilization of the people's power by monopolistic enterprises, giving a population ratio as low as 75 per 1,000 horsepower.

The monopoly built around Niagara has put out of employment in the copper States many times the direct and indirect employment resulting from Niagara power.

RIGHTS OF AMERICAN NIAGARA CO.

The Niagara River is a navigable stream in law and in fact, the upper reaches being used by lake carriers. The regulation of the river at the Falls controls the lake levels of Michigan, Huron, and Erie, and the ship carrying capacities of the lake transports.

The Niagara Falls Power Co. bases its claim to the rights of the full treaty diversion on supposed riparian and underwater land ownership and rights conferred by State statute. Nevertheless, it applied for and received a license to use 19,725 cubic feet per second under the Federal Power Act of 1920. This license expires in 1971. The company also has a revocable Federal license for 275 cubic feet. The sum of these two licenses equals the allotted amount on the American side under the Boundary Waters Treaty.

The license provides that section 14 of the Federal Water Power Act is applicable to the company. That section states in substance that the Government can take over the project at the expiration date, on payment for the net fair investment. Net investment in the Water Power Act is defined as the actual legitimate original cost plus extensions, less the amount of excess earnings over the fair return on such investments and the accumulations in sinking, amortization, and depreciation reserve accounts.

The constitutionality of the rights of the power company is in process of being tested in the New York State courts, and in some quarters it is felt that this is a whitewash proceeding to clear up imperfections in the State title grants. Whatever rights the State may grant are subject to the paramount power of the United States to regulate the river in the interest of commerce and navigation. The plenary power of the State exists only when the exercise of this power is consistent with asserted Federal authority. The State of

New York can at any time exercise its sovereign right to take over the rights of private riparian owners (subject to the approval of Congress) without compensation. The State needs only to make compensation for property on the uplands beyond the river banks. The water power inherent with such rights would, under these conditions, pass to the Government. Private agencies have no right to build structures on navigable streams without congressional authorization. The only such specific authorization the company has is that accruing from its license. It is probably permissible for the company to divert water from the stream, temporarily, for its own use until such time as the State shall desire to use the same.

In *U. S.* v. *Chandler Dunbar* (209 U. S. 452) involving similar issues on the Sault Ste. Marie River, Mich., the Court said:

> It cannot be pretended that private ownership of the bed of a stream, * * * subject to the public rights will impair the interest of the public in the waters of Sault Ste. Marie.

In the operation under its license the Niagara Falls Power Co. has violated section 10h of the Water Power Act, as I will hereafter show. It would appear that their license could be canceled on these grounds. This brief review of the rights of the power company is made for the purpose of pointing out that their title to the people's power is not solid. This power can be recovered if the people's chosen representatives act vigorously.

ALUMINUM CO. OF AMERICA

The Aluminum Co. of America has long been interested in cheap hydropower. Over 30 years ago this organization tried to secure perpetual rights for power development on the international section of the St. Lawrence. Their plan was exposed and then denied by legislative action in New York. When their efforts in this direction were blocked, the Aluminum Co. bought stock directly or by purchase and manipulation obtained domination over the private utility companies producing hydropower.

The Aluminum Co. owns 873,000 shares in the Niagara Hudson, which is the holding company controlling the Niagara Falls Power Co. The Aluminum Co., together with three other allied concerns, has full stock control of those power companies.

In a series of contracts between the Niagara Falls Power Co. and the Aluminum Co., the power company furnishes 49,000 firm mechanical horsepower to the Aluminum Co. at $8 per mechanical horsepower per year. Think of that! As a subterfuge under these contracts, the Aluminum Co. supposedly owns five direct-current generators installed in the Schoellkopf station, aggregating 41250 kilowatts. These contracts expire April 30, 1967. An additional contract dated November 1, 1922, permits the Aluminum Co. to take, at its election, 3,000 additional firm horsepower at the net rate of $8 per horsepower-year, and under certain contingencies, the Aluminum Co. can take up to 8,000 kilowatts in lieu of mechanical power.

The Aluminum Co. operates at a high-load factor. At such a load factor the Aluminum Co. pays 1.3 mills per kilowatt-hour for this energy which is one-half of the sale price of the company's lowest bulk energy sales, and about one-third of its average sale price to all industries. In addition to this preferential and discriminatory rate, the Aluminum Co. enjoys monopolistic status through requirements in the power contracts with other industries, forbidding the use of purchased Niagara power to manufacture aluminum or aluminum products.

The privileged position of the Aluminum Co. is due to these low-priced and exclusive Niagara contracts, as I have previously pointed out. This company's original investment at Niagara was $3,100,000, and since this original investment no new money has been placed in their plant. On this original investment $81,000,000 has been paid in dividends, and in addition an asset value of $167,000,000 has been created out of earnings. This represents a net gain of $245,400,000 on an investment of $3,100,000, or $79 accretion per dollar of investment. These astounding figures conclusively show the benefits accruing to a limited group by the manipulated appropriation of a power source belonging to the people. This low-priced aluminum energy, admittedly below cost of production, is sustained by the high prices of energy sold directly to the public. In short, in addition to unlawful appropriation of resources, the people pay high prices for current, as I will hereafter demonstrate, to build up the Aluminum Co. earnings. Through this monopolistic set-up the Aluminum Co. is able to sell aluminum below the equivalent price of copper, resulting in wholesale unemployment in the copper States.

This compact, with its tightly drawn combinations, is a violation of the Sherman and Clayton Acts, and is also a direct violation of section 10h of the Water Power Act, which reads as follows:

> Combinations, agreements, arrangements, or understandings, express or implied, to limit the output of electrical energy, to restrain trade, or to fix, maintain, or increase prices for electrical energy or service are hereby prohibited.

It would appear that the violation of this provision furnishes grounds for the Federal Government to annul the license of the power company. The Federal Power Commission is now conducting hearings on the supplementary license. The evidence presented to date shows wholesale combinations and the Power Commission is to be commended for now conducting a most thorough investigation. It is not my purpose at this time to prejudge, but to comment on the external evidence which I have independently developed from the investigations which I have made. If the internal evidence in these hearings bears out the external evidence I have developed, the Government should proceed, by appropriate action, to cancel this license. However, it is obvious that the farmers of the Nation—as I have previously pointed out in my speech "Weed Control Through Government Chlorate Plant," and the people of the copper States, and the electric consumers within transmission distance are paying an exorbitant toll to support this monopoly. From all considerations it is evident that the Rivers and Harbors Committee of this House should go into this subject fully in connection with the bill offered by our colleague, the gentleman from Mississippi [Mr. RANKIN]. The purpose of his bill is to create a Niagara Authority which shall restore to the people the rich resource too long enjoyed by those who appropriated it.

SALE PRICE OF NIAGARA CURRENT

The energy sales and earnings of the Niagara Falls Power Co. for the year 1936, given in the 1938 edition of Moody's Manual, together with extensive calculations which I have made, are herewith presented for consideration in table 3.

TABLE 3.—*Sale price American Niagara power*

Item	Kilowatt-hour sales in thousands	Percent total sales	Revenue	Sale price per kilowatt hour (mills)
Industrial	1,913,910	76.8	$5,943,663	3.1
Transportation	6,694	.3	55,705	8.3
Municipal	8,806	.4	19,840	22.26
Affiliated companies	560,621	22.5	1,743,638	3.1
Total	2,490,031	100.0	7,762,846	3.1

The above table summarizes in a few figures where the Niagara power is going and the price at which it is sold. It will be noted that nearly 77 percent of the Niagara power goes to a few monopolistic industrial consumers, and the balance to the affiliated companies in the Niagara-Hudson system. This is precisely what a certain group in Oregon would like to do with Bonneville power. The statistics applying to these industrial consumers is given in table 4.

TABLE 4.—*Niagara Falls Power Co. sales, 1937, showing sales to 26 different industrials and to affiliated utilities*

Industrial customers	Kilowatt-hours	Revenue	Average revenue
			Mills per kilowatt-hour
Metal company	96,283,450	$346,034.41	3.6
Do	5,900,000	18,758.15	3.2
Abrasive company	73,870,150	199,120.89	2.7
Paper company	4,944,000	22,699.44	4.6
Chemical company	281,590,785	888,270.97	3.2
Abrasive company	16,375,000	59,978.50	3.7
Chemical company	1,502,100	7,966.91	5.3
Do	139,189,000	444,863.52	3.2
Do	20,315,000	65,822.50	3.2
Do	28,378,000	99,785.54	3.5
Paper company	47,067,500	111,795.01	2.4
Chemical company	73,603,810	257,032.55	3.5
Do	129,574,048	412,266.61	3.2
Paper company	4,666,700	29,180.23	6.3
Metal company	47,751,000	176,368.92	3.7
Chemical company	18,251,186	73,238.20	4.0
Do	80,549,600	258,487.47	3.2
Do	76,509,740	267,102.20	3.5
Do	63,485,400	211,542.22	3.3
Industrial company	187,200	2,282.94	12.2
Metal company	14,684,587	51,854.22	3.5
Do	41,327,000	151,623.60	3.7
Chemical company	829,887,777	2,882,051.58	3.5
Do	10,596,000	45,340.16	4.3
Metal company	186,169,000	656,789.29	3.5
Do	321,759,671	417,463.37	1.3
Sales to affiliated electric utilities:			
Niagara, Lockport & Ontario Power Co.	259,752,195	755,696.62	2.9
Buffalo Niagara Electric Corporation	179,298,071	612,821.05	3.4
Buffalo General Electric Co.[1]	23,982,484	61,697.70	2.6
Niagara Electric Service Corporation[1]	17,550,000	83,749.98	4.8
Tonawanda Power Co.[1]	18,160,200	65,625.00	3.6

[1] Sales made during January, February, and March only. On Apr. 1, 1937, these 3 companies were consolidated to form the Buffalo Niagara Electric Corporation.

The Canadian generating affiliate of the American Niagara Falls Power Co. sells prime power, with Canadian export taxes included, to the Niagara-Hudson system for 3.4 mills per kilowatt-hour. The Hydro Commission of Ontario and the Carborundum Co. purchase prime power for $15 per horsepower year, or 2.55 mills per kilowatt-hour on a high-load factor. This generating company sells surplus power to the Niagara-Hudson system for 1.1 mills per kilowatt-hour, and the Niagara-Hudson, in turn, sells such delivered power to its utility affiliate serving New York City for 2 mills per kilowatt-hour.

RETAIL SALE PRICES—A COMPARISON OF PRIVATE AND PUBLIC OWNERSHIP

The Niagara Falls Power Co. and its Canadian generating subsidiary are owned, controlled, and operated by the Niagara Hudson Power Corporation, a $600,000,000 holding company with an annual consolidated gross income of $87,600,000.

Sixty-eight and one-half percent of the Niagara-Hudson total generation of 8,000,000,000 annual kilowatt-hours comes from hydro power, 15 percent from steam, and the balance represents purchased power. The Niagara Falls Power Co. and its Canadian Niagara subsidiary furnish 43 percent of the Niagara-Hudson's total generation.

The Niagara-Hudson systems furnish current to 572,400 domestic and 38,400 farm consumers, or about 19.5 percent of the total home consumers in New York State, including its great metropolitan district. Only 7.5 percent of its generation goes to the home, but for this small amount of current used by home and farm the system collects nearly $21,000,000 annually, or 24 percent of its total revenue. A 7.5 percent current delivery, for which the system receives 24 percent of its revenues, shows that, with the store owner and other commercial users added, nearly half of the system's revenue comes directly from the people with a use of only 16.2 percent of its generation.

These simple facts are striking evidence that the people are carrying the load for a relatively small number of monopolistic consumers and are paying an exorbitant price for using the benefits of a natural resource which really belongs to them.

The system's residential consumer uses on the average 881 kilowatt-hours per year, for which he pays 3.84 cents per kilowatt-hour. The farm consumer takes annually 1,073 kilowatt-hours, for which he pays 4.23 cents per kilowatt-hour. The distributor buys power for around 3 mills and sells it for nearly 4 cents, a difference of over 1,000 per cent.

The Ontario Hydro furnishes service at "cost" and includes no taxes in its sale price. Therefore, to be fairly comparative with American rates, the Ontario rates and bills should have the tax equivalent added. This I have considered in all presentations I have or will make.

Sixteen of the largest cities of the Ontario Hydro sell domestic current for 1.7 cents, or less, per kilowatt-hour on the average, with the tax equivalent added. The average sale price of these 16 cities with tax equivalent added is 1.42 cents per kilowatt-hour or 37 percent of the average sale price of the Niagara-Hudson system. About 90 percent of the total domestic sales of the Ontario Hydro averages 2 cents per kilowatt-hour, or less. The average sale price at Niagara Falls, Ontario, is 1.57 cents; at Fort William, 0.9 cent; Ottawa, 1 cent; Toronto, 1.46 cents; and St. Thomas, 1.35 cents. This average sale price, while not an absolute criterion, furnishes an approximate guide to the difference in rates between the American and Canadian sides of the Niagara.

The over-all average cost per kilowatt-hour is a simple statistical figure obtained by dividing the total class revenue by the total kilowatt-hour sales. This statistical figure reflects the quantity used as well as the rate, and the quantity in turn is largely controlled by the size and form of the rate.

From its earliest days, the Ontario Hydro has adopted the policy and practice of spreading the benefits of low-cost electricity as widely as possible to all the communities within economic transmission distance of its power plants. They adopted the policy to sell at cost, and to form retail rate schedules to promote large use. The wisdom of this policy is reflected in extremely low average rates and in wide use. The average home consumer in Fort William, for example, uses 5.3 times as much electricity as is similarly used on the Niagara-Hudson system. The average residence in Ottawa uses 4.6 times as much as on the private system.

To gage more accurately the comparative sales prices in these two situations, I am attaching condensed tables of billings for equal quantities of electricity. The tables eliminate the factor of quantity use and reduce the comparison to an even and fair standard. Such a yardstick shows that the Niagara-Hudson domestic consumer is paying a little over double for the same quantity compared to his Canadian neighbor. The average domestic consumer of the private power companies of all the United States is paying 2.3 times as much as the Canadian user of public power.

The consumer of commercial light on the Niagara-Hudson system pays 90 percent more than the similar consumer across the river. This comparison applies to the large number of store owners. Such a consumer of the private companies in the United States, on the average pays 2.1 times as much as the Canadian.

The small intermediate power user on the Niagara-Hudson system pays 2.1 times as much as the similar Ontario consumer, and the average like consumer of the private companies throughout the United States, 2.3 times as much.

The average industrial consumer (excluding the 26 special preferential consumers at the falls) of western New York pays 1.2 times as much as charged in Canada by the Ontario Hydro. For the private plants of the United States this ratio is about 1.4.

TABLE 5.—*Comparison of average 1937 electric monthly bills, United States and Canada*

[Average of all cities weighted according to population and including tax equivalent for public system. In calculating bills, standard demands of Federal Power Commission have been used. Calculated from typical bills of Federal Power Commission and report of Hydro Commission of Ontario]

	RESIDENTIAL			COMMERCIAL LIGHT		
Kilowatt-hours per month	25	100	250	50	375	750
Ontario public systems	0.84	1.80	3.22	1.52	8.49	16.91
Niagara-Hudson system	1.36	3.72	6.80	3.19	15.63	28.25
Private plants, United States	1.55	4.29	7.88	3.04	18.36	35.40
	Percent higher than Ontario public system					
Niagara-Hudson system	62	106	111	110	84	68
Private plants, United States	85	139	145	100	116	109

	Commercial power		
Kilowatt-hours per month	375	1,500	6,000
Ontario public system	$7.26	$27.30	$73.50
Niagara-Hudson system	16.60	52.25	138.30
Private plants, United States	17.02	58.30	175.30
	Industrial power		
Kilowatt-hours per month	30,000	60,000	200,000
Ontario public system	$348	$925	$2,380
Niagara-Hudson system	469	870	2,556
Private plants, United States	589	1,047	3,010

TABLE 6.—*Comparison of average 1937 monthly electric bills based on distance from power source*

[Average of all cities in zone weighted according to population]

	Residential light			Commercial light		
Kilowatt-hours per month	25	100	250	50	375	750
In opposite cities:						
Niagara Falls, Ontario	$0.84	$1.85	$3.06	$1.31	$6.64	$13.30
Niagara Falls, N. Y.	1.13	3.06	5.31	2.45	16.80	22.50
100-mile zone:						
Ontario public system	.84	1.67	3.12	1.45	8.45	16.80
Niagara-Hudson system	1.21	3.22	5.55	2.43	11.10	19.80
100- to 200-mile zone:						
Ontario public system [1]	.84	1.89	3.24	1.41	7.01	14.02
Niagara-Hudson system	1.62	4.29	8.45	3.66	21.40	35.70
Over 200 miles:						
Ontario public system	.84	2.46	3.80	1.72	8.96	17.76
Niagara-Hudson system	1.44	4.20	7.89	4.00	19.01	35.70

[1] Includes tax equivalent for public system to reduce to equal base.

This comparison shows that the western New York consumer pays at least double what his Canadian neighbor pays for electric current. Ontario has spread widely among the people the benefits of Niagara, whereas selfish interests on the American side have appropriated the benefits for personal gain.

Translated into dollars, these sale-price differences conservatively represent for all classes of electrical service on the Niagara-Hudson system about $26,000,000 annually in overcharges. This amount of money if put aside each year could purchase the net investment of the Niagara Falls Power Co. in 3 years' time. With this accomplished, the electric rates could be cut in half.

THE EVOLUTION OF A POWER POLICY

Since the Gallatin report in 1808 and the decision of the Supreme Court in the case of *Gibbons* v. *Ogden* (9 Wheat. 1–190), Congress, under the commerce clause of the Constitution, has improved and controlled navigable waters. Because of the necessity for cheap and adequate transportation to widely scattered sections, in the early days of the Republic the sole consideration of Congress was given to navigation. The improvement and regulation of navigable streams by Congress have long been upheld by numerous decisions of the Supreme Court.

With the settlement of the western arid States the use of water became an important part of the life of that section. Miners and farmers had appropriated waters and built structures to suit their needs. This condition brought forth numerous conflicting claims, which were settled in the local courts. In 1866 Congress first recognized such uses of waters on western navigable streams and authorized the acquisition of water rights for "mining, agriculture, manufacturing, and other purposes." As late as 1890 came the first regulatory legislation covering obstructions on navigable streams, which were prohibited unless authorized by law.

The first legislation covering water rights on public domain came in 1891 and 1895. Power sites and appurtenant works on the public domain fall under the jurisdiction of Congress by article IV, section 3, of the Federal Constitution.

Power in these early days was given little national attention, and the first Federal enactment covering power on navigable streams came in 1906. We commenced in Oregon in 1905, when I was in the State senate.

The older power developments in the East and Midwest were made under statutes similar to the so-called mill acts of New England. These acts, in the absence of Federal statutes, were passed by these States without full recognition of Federal authority over navigable streams. They were primarily intended to encourage development of water power for industrial purposes, and gave large powers of eminent domain to the developing agencies.

Following the General Dam Act of 1906, Congress passed, without having a definite power policy, many special acts authorizing power dams on navigable streams. These special acts gave away the people's rights in perpetuity. The veto of three such acts, two by President Theodore Roosevelt in 1908 and 1909, and one by President Taft in 1912, and the message of Gov. Charles Evans Hughes to the New York Assembly in 1907, brought to the public attention the principles underlying water-power policy. The principles set out in these memorable messages are worthy of restatement at this time so that current confused issues can be appraised in the light of well-founded tradition and understanding of basic power principles, in the public interest. These principles, which have stood the tests of law, are:

(1) The flowing waters of navigable streams, and streams on public domain, as far as the Federal Government is concerned, are the property of the people.

(2) Water power "should not be surrendered to private interests but should be preserved and held for the benefit of the people."

(3) Title to such water-power sites should be vested in the Federal Government.

(4) The right of the Federal Government to such incidental water power is beyond question.

(5) A policy which enables grants to corporations and individuals of property belonging to the people is unlawful.

(6) Water power will assume increasing importance with time.

(7) Great corporations are acting to control for private gain all the water powers of the country. Their purpose is a centralized monopoly of such power, free from all public control. The evils of such a monopoly were manifest as early as 1906.

(8) Navigation, irrigation, and flood control should be developed coordinately with power, and any development should be based on the maximum efficient development of the multipurposes intended. This principle has been embodied in the Water Regulation Act of Ontario, which provides for the enforcement of the most efficient use of water.

During this administration, as a result of the leadership of Franklin D. Roosevelt, great progress has been made in the practical application of the above principles and the firm establishment in law of additional principles bearing on a national power policy. These additional principles are:

(9) Reference to the privately operated utilities as "private utilities" results in misleading the public. Generation, transmission, and distribution of electricity is, by law and in fact, a public business whether conducted by public officials or private operators. The Supreme Court has spoken on this question after tracing the origin of the rule of Hale in common law laid down in the time of James I of England three centuries ago. In *Munn* v. *Illinois* (94 U. S. 113), a grange case of 1876, the Court after reciting that property dedicated to public use ceases to be juris privati said, "When one dedicates his property to a use in which the public has an interest, he, in effect grants to the public an interest in that use." When the Government manufactures or transmits electricity, the Government is engaging in public and not in private business.

(10) Surplus water power incident to the construction of a constitutionally authorized Federal dam is under the exclusive control of the Federal Government and can be converted into electricity. Water power, the right to convert, and the electricity produced, are property belonging to the United States (297 U. S. 289).

(11) Congress can dispose of such property under authority expressly granted by the Constitution (297 U. S. 289).

(12) Disposition of electricity must be "appropriate to the nature of such property and be adapted in the public interest distinguished from private or personal ends * * * and must not be contrived to govern the concerns reserved to the States" (297 U. S. 289).

(13) Public interests are superior to private interests. Public interest demands the widest possible use of the lowest possibly priced electricity, with preferential rights reserved for public bodies. The power shall be operated for the benefit of the general public.

(14) Public interest prevents the monopolization by limited private groups of such governmental property as electricity.

(15) Established wholesale electric rates must be sufficient to recover for the Federal Treasury the power investment, with interest, after all operating and maintenance costs have been met. Such rates shall be formed and fixed with the object of encouraging the widest diversified use of electricity. The rates of all Federal projects shall be so balanced as not to cause industrial dislocations in the country.

POWER POLICIES OUTLINED IN BONNEVILLE ACT

With this experience as a background, Congress set out the policy principles governing the disposition of surplus power from the Bonneville Dam. These principles reduced to a few words with paragraph reference to the Bonneville Act (approved August 20, 1937) are given herewith:

(1) To insure the widest possible use within economic transmission distance from the plant, and to prevent monopolization by limited private groups. (Sec. 2b.)

(2) Project is to be operated for the benefit of the general public, particularly domestic and rural consumers, with preference being given at all times to public bodies and cooperatives. (Secs. 4a, 4d.)

(3) Sale contracts must preserve 50 percent of the plant's capacity, up to January 1, 1941, for public bodies and cooperatives. Power not contracted by public bodies may be temporarily sold so long as such disposition does not interfere with the preferential rights of public bodies, which rights are preserved for all time. (Sec. 4b.)

(4) Delays resulting from financing shall not prevail against the preferential rights of public bodies. (Sec. 4c.)

(5) Subject to the rights of public bodies, the Administrator may negotiate wholesale power contracts for resale to private agencies or persons, or for direct consumption. Excluding private utilities, sale contracts are limited to 20 years. Contracts with private utilities must have a 5-year cancelation clause for all or part of such purchased power in order to preserve preferential rights of public bodies. (Sec. 5.)

(6) Contracts entered into with any utility selling to the public shall contain stipulations covering resale rates, which shall be reasonable and nondiscriminatory in order to provide for the widest possible use, prevention of monopolization, and operation for the benefit of the general public. (Sec. 5.)

(7) Contracts may be made with public or private systems for the mutual exchange of surplus current to insure economical operation or to provide emergency or break-down service. (Sec. 5b.)

(8) Rate schedules shall be set up to provide for the recovery by the Federal Treasury of the Government's investment in power facilities, with interest on the investment, after payment of all operating and maintenance charges. (The amortization period has been set by the Administrator at 40 years and the interest rate at 3½ percent.)

(9) Rates shall be fixed with the view of encouraging the widest diversified use of electricity, to secure the benefits of an integrated transmission system, and the equitable distribution of electrical energy. (Sec. 6.)

BASIC ECONOMY OF THE NORTHWEST

The economic situation in the Northwest is similar in a large degree to that which has existed in eastern Canada. Both are regions lacking native fuels. Both are rich in water power and basic metals. Similarly forest products were initially the largest pay-roll producers, next to agriculture. Although Canada is largely an agricultural country, industry now determines its economic life, on account of cheap power.

The estimated annual value of Canadian manufactured articles is about $2,600,000,000, of which 33 percent is represented by farm, forest, and animal products, 16.5 percent newsprint, 15 percent ferrous metals, 13.5 percent textiles, 11 percent nonferrous metals, 6.7 percent nonmetallic minerals, and 4.3 percent chemicals. Canada exports nearly 30 percent of its products, with 41.5 percent of its exports coming to the United States.

The Pacific Northwest has an unsatisfactory trade balance. Its annual exports total around $850,000,000 and its imports $710,000,000. These exports are largely raw materials, 41 percent being forest products; whereas the imports are manufactured goods. This unfavorable trade balance represents a depleting economy which needs correction. The Northwest is urgently in need of industries which will manufacture its raw materials.

I may cite that the Northwest has practically untouched deposits of iron, phosphate silicon, tungsten, molybdenum, manganese, chromium, magnesium, copper, alumina, zinc, kaolin clays, lime, and other minerals. New electrolytic processes, based on cheap power, will permit processing the ores this region has underground.

The development of these resources in the past has been restricted largely because sizable blocks of cheap power have not been accessible to the areas endowed with such deposits. This applies to the agricultural and forest production areas. The power must be brought to the materials. Modern electric production methods provide the tool to release the large resources of this virgin country. Just recently at the meeting of the United States Chamber of Commerce it was suggested that the United States make treaties with certain foreign countries to insure a supply of strategic metals. Why is this necessary, when these strategic metals can be mined and processed in the Northwest?

Sound industrial expansion will provide the opportunity to increase employment, with the resulting increased income level. The decline of the forest industry, migration from less favored regions, and the unbalanced trade has increased unemployment and rendered existing employment less stable in the Pacific Northwest.

As a Federal agency, Bonneville Administration cannot well conduct a sales campaign looking toward the transfer of such maladjustments to other sections by bodily moving any industries. However, there is no reason why manufactures of strategic products which we now import cannot be accomplished, and branch or new plants set up to process native ores and Alaskan raw materials, and to meet the needs of the section. The application of the principle of the widest possible use of Bonneville energy will induce a sound industrial expansion.

HOW CANADIAN NIAGARA POWER IS USED

Ontario, with a population of 3,500,000, is served largely by the Ontario Hydro Commission. The Hydro has 1,425,000 installed horsepower, and in addition purchases 225,000 horsepower, resulting in an available capacity of 1,650,000 horsepower, or three and three-tenths times the ultimate capacity of Bonneville. Eighty-two percent of this is primary power and 18 percent secondary.

Publicly owned Ontario Hydro is a wholesaling agency delivering current to widely distributed large industries and to the cooperative municipal and rural agencies, which in turn handle the retail distribution. This wholesale agency has 7,500 circuit miles of transmission lines extending 215 miles west and 290 miles east from Niagara Falls; 705 circuit miles of this transmission are at 220 kilovolts, 907 circuit miles are at 132 kilovolts, 1,897 circuit miles are at 110 kilovolts, and the balance is represented by lower voltages.

Very little power is sold at the power sites. Major industries are on the transmission system, and approximately 20 percent of the system capacity is utilized by such industries. The intermediate power is served from the distribution systems of the municipalities and averages about 40 horsepower per installation. About 15 percent of the total installed capacity in Canada, including all installations, public and private, is represented by "at site power." Eighty-five percent of the Canadian power is used from transmission, with 30 percent of the total capacity serving distributed intermediate power.

The four principal industrial municipalities of the Hydro serve 305,000 horsepower of distributed intermediate power, with an average installation of 60 horsepower. Such retail-power sales average $22 to $24 per horsepower-year, or $29.50 to $32 per kilowatt-year. Power sold by the Hydro directly at the Falls totals only 4,500 horsepower. The distribution, by percent, of total retail earnings of the cooperating municipalities is as follows:

Residential service	39
Commercial light and street lights	27
Power (intermediate)	34
Total	100

In contrast, three-quarters of the American Niagara power goes to 26 monopolistic industries, and about one-quarter goes to private utilities, which do not pass along any substantial benefits to the people.

On the Canadian side the benefits are split four ways between residential and farm consumers, store owners, major transmission industries, and distributed power. Resulting from such a distribution and a definite sales policy, the Ontario residential, farm, and commercial consumers secure the cheapest power obtainable. In addition, intermediate power utilization is spread and diversified at low rates. Such utilization has made Canada a predominantly industrial country, utilizing its resources to the best advantage, spreading and enlarging employment, and, in addition, providing comforts for the home.

The Ontario retail-rate schedules for all classes of service were drawn both to reflect all items of cost, and at the same time to encourage liberal use. The "follow-up" unit rate steps are low, which places electric cookery within reach of all domestic consumers, and makes water heating a possibility for a majority of the users. House heating has not been encouraged in Ontario because of the lack of generating capacity. As a result of this rate policy, domestic and farm use has increased to a point where it is two to six times as great as in the United States. Electric heating will consume an enormous amount of power in the Pacific Northwest as soon as cheap power is widely available. It is quite generally used now in Tacoma because of low rates offered by the municipal plant.

The peak load on the Niagara system increased from 300,000 horsepower in 1923 to 900,000 horsepower in 1929 and to 1,300,000 horsepower in 1937. From 1923 to 1929 the kilowatt-hours increased three times and by 1937 had increased four times.

The Ontario Hydro Commission sells transmitted power at wholesale to municipalities and major industries furnishing it at actual cost. The cost depends on the distance transmitted, and varies from $19 per horsepower-year at the Falls to $30.50 per horsepower-year at Windsor, which is the extremely located large center. These prices are equivalent to $25.50 and $41 per kilowatt-year, and are 47 percent and 134 percent higher respectively than the announced rate for Bonneville transmitted power. The Ontario system, operating on a cost basis, has increased wholesale rates since the Chippewa development, but this increase has in no way interfered with load growth.

The cost cutting on the Ontario system has been accomplished by the public distributing agencies. These agencies have retired their debts and expanded from earnings. The assets of the municipal distributing agencies total $152,000,000, and the total liabilities outstanding are only $40,000,000, showing that the debt is now 26 percent of the cost of the facilities.

The principle of debt amortization as the means of securing cheap power cannot be too often emphasized.

There is one particular difference between the Ontario wholesale set-up and that of Bonneville, namely, the method of billing. Bonneville rates are set up on an annual basis, whereas the Ontario rates are set up on a monthly basis. This difference, due to the spread in the rates, would have no effect on the distributing agencies, and in fact would encourage wider use, but such a schedule could not be made applicable to irrigation loads and certain types of major industries with shorter working periods.

The typical load curve of the Hydro drops nearly 300,000 horsepower, or 27 percent, during the period from May to September. This represents the growing season and points out that this load valley can be filled profitably with irrigation pumping load.

BONNEVILLE POWER PROJECT BENEFITS

We need not theorize as to how Bonneville benefits can be passed on to the people. I have pointed out the governing principles, and how the application of these principles in Ontario has built up a section, socially and materially, under nearly parallel conditions existing in our Northwest. In one instance, however, I feel that the set-up should be different, and that is providing uniform wholesale rates, so that the lowest possible rates can be made applicable at the source of the raw materials.

It has been cited that Tacoma, at tidewater with low rates, has not attracted many large-bulk industries, but these rates have not been effective at the source of the raw materials, neither has Tacoma had the requisite plant capacity. The Tacoma plant has done the outstanding electric job in the United States for the home owner and the intermediate power consumer, and this accomplishment has been possible through following the principles I have cited.

Various adverse interests have criticized the Bonneville transmitted rate as being too high to attract industry. I need only to say in reply to this allegation that within the last few years major chemical companies have throughout the country purchased 125,000 kilowatts of primary power at rates from $22.50 to $25 per kilowatt-year.

The large immediate load possibilities for Bonneville will come from residential, farm, and intermediate power use, provided the retail rates are lowered sufficiently to induce wide use. House heating, irrigation, and industrial power will follow, as there will necessarily be a time lag due to the requirements of a developing period for such types of load.

Cheap, widespread power can be secured only through extended large available capacity. This requires transmission lines with larger capacities than have been built by the private companies. What I have pointed out can be accomplished for the lasting benefit of the Northwest, without injury to any group, and with full repayments to the Federal Treasury, as is required by law.

Public Ownership of Power, With Particular Reference to Seattle and Tacoma

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. COFFEE of Washington. Mr. Speaker, many members of Congress are intensely interested in the subject of public ownership of power. The rates and conduct of business of the municipally owned power plants of the cities of Tacoma and Seattle, in the State of Washington, have been the subject of comment. The gentleman from Mississippi [Mr. RANKIN] and the Senator from Nebraska [Mr. NORRIS] and the Senator from Washington [Mr. BONE] are outstanding protagonists of the public ownership of power in the United States. I say this in no spirit of reflection upon other statesmen in this and the other body who have distinguished themselves by their discussions on public ownership. These three gentlemen, in particular, have given years of intense study to public ownership. They have discussed it in the far-flung corners of America. The Nation owes much to the splendid work they have performed in this connection.

SENATOR GEORGE W. NORRIS

Senator NORRIS is the father of the T. V. A. His magnificent and courageous protagonism of public ownership has served as an inspiration to young America. Through the years he has fearlessly exposed false arguments presented by sycophantic agents of the private power monopoly. Militantly he has revealed the method by which puppets of the private power combines have attempted to inject their doctrines into the public classrooms and sought to corrupt legislatures, and exerted pressure by questionable means upon public officials in these United States. America can never repay the debt it owes to the good old man of Nebraska, the Honorable GEORGE W. NORRIS.

CONGRESSMAN JOHN E. RANKIN

The gentleman from Mississippi, JOHN RANKIN, has spread the gospel of public ownership of power in superb fashion throughout this country. He has given unflaggingly of his sublime talents and boundless energy in this undertaking. He has battled on the floor of Congress and has repelled attack with good nature, with sharp rejoinder, with clever repartee, and with scholarship and with thoroughness. My hat is off to him!

SENATOR HOMER T. BONE

The senior Senator from Washington, Mr. BONE, is the father of public ownership in the State of Washington. His Bone power bill sowed the seeds for the subsequent adoption of the Grange power bill and other legislation which made possible the creation of power districts for the public distribution of power throughout our State. As a result of his work the supreme court of our State validated the right of cities to sell their surplus power outside their city limits. He has been a tower of strength for public ownership and has given unsparingly of his energies and transcendent abilities in behalf of public ownership. He is truly one of the pioneers and deserves the plaudits of the multitude for the noble task he has and is continuing to perform.

CONGRESSMEN WALTER M. PIERCE AND CHARLES H. LEAVY

There are many others whom the limitations of space do not permit me to single out for tribute, but I must not fail to mention the gentleman from Oregon, Mr. PIERCE, and the gentleman from Washington, Mr. LEAVY, for their competent and skilled defense of public ownership and championship, respectively, of Bonneville and Grand Coulee.

Because these gentlemen and others have aroused the Nation to an appreciation of the danger of allowing private monopoly of power to continue unchecked, and because they have interested millions in the blessings of public ownership, I am including herein, by special permission of the House, correspondence between myself and Prof. C. M. Jansky, of the University of Wisconsin, which is self-explanatory.

Recently I made a speech on the subject of public ownership of power, a copy of which fell into the hands of Professor Jansky. He wrote me a letter in which he commented upon my speech, and to this letter I have written a rather extended reply.

I am happy to state that in preparing these letters and securing the data set forth therein I was fortunate in securing the assistance of the late J. D. Ross, one of the outstanding experts on public ownership in America; Dr. Carl Thompson, director of the Public Ownership League of America; and Mr. Frederick Hepp, director of publicity, department of public utilities, Tacoma, Wash. My answer to Professor Jansky is divided into two parts, the first part having to do more particularly with the situation obtaining at Seattle, and the second section treating at length on the situation obtaining at Tacoma. I consider that the facts and data I have set forth in these letters provide a devastating answer to the anti-public-ownership arguments of Professor Jansky.

The letter is as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 20, 1939.

Prof. C. M. JANSKY,
Department of Electrical Engineering,
University of Wisconsin, Madison, Wis.

DEAR PROFESSOR JANSKY: I regret that the pressure of other duties has made necessary the long delay in answering your letter.

It is surprising to find the head of electrical engineering, in a liberal State university, who would rather credit the paid propaganda of sworn enemies of public ownership than to investigate the facts for himself.

The cities of Seattle and Tacoma both publish annual reports with full financial statements. In Seattle these statements are checked and attested by the city comptroller, who is entirely independent of the lighting department, and by the State auditor of the State of Washington.

During the career of Seattle's city light, which began in 1902, independent audits have been made of its accounts periodically by Haskell & Sells; Ford, Bacon & Davis; Lybrant, Ross Bros. & Montgomery; and other firms of national reputation whose word is accepted by Wall Street and any financial institution in the country.

Had you read the report of Seattle City Light you could not believe and repeat the outright falsehoods contained in your letter. You say that the Madison, Wis., private company paid $6,000 in taxes in 1935, while "Seattle utility paid practically no taxes." In 1935, Seattle's City Light paid $117,987.14 to the city as a direct tax, $45,030 to the city as a "charge for services of general governmental departments," and $119,567.41 to the State as a "business activities tax."

SEATTLE'S PLANT PAYS HEAVY TAXES

These figures are all set forth in the sworn statement, printed on page 102 of the department's annual report for 1935. These direct taxes, totaling $282,584.55, represent 5.5 percent of the revenues for the year.

This is only the beginning of the revenues received by the city of Seattle from its municipal plant, however. The year 1935 the Seattle Lighting Department paid off $1,287,000 worth of its revenue bonds, in effect turning over to the citizens of Seattle the paid-up plant in that amount. This money came from earnings of the plant, and is a direct contribution to the city.

In addition to the sums contributed directly in taxes and bond redemption, the lighting department furnished street lighting for the year 1935 for a flat sum of $375,000, paid the department by the general fund. This is at the rate of 0.99 cents per kilowatt-hour for maintenance and replacement of lamps and street-lighting equipment, and 1 cent per kilowatt-hour for current. This rate of 1.99 cents per kilowatt-hour for street lighting current, including all charges in connection with the street-lighting system, is less than half the usual rate for such service in the United States, and represented a loss of $72,853.57 to the lighting department in 1935.

In the same year the same department paid the State of Washington power licenses in the amount of $3,996.01, and to the city for salaries of certain employees in the city treasurer's office, $8,291.36.

The grand total of the department's contribution to the taxpayers out of light and power revenues comes to $367,725.49, or 7.2 percent of the total revenue for the year.

The whole story is not yet told. The average rate of residence current in 1935 in Seattle was 2.70 cents per kilowatt-hour, which compares with the national average of 5.07 cents. The public plant sets the rates for its competitor, who has followed the city rate cuts, of necessity.

The total revenue in Seattle for 1935, from sales of current was, roughly, $9,000,000. If the same amount of current were sold at the average revenue received throughout the Nation, it would have brought $16,856,000, or $7,856,000 more than Seattle citizens paid.

This is a sum in excess of the total taxes paid to the city during 1935.

So much for your statement that "Seattle's public plant pays practically no taxes."

THE SEATTLE STREETCAR PURCHASE

Your statements regarding the notorious Seattle streetcar deal of 1918 are typical of the propaganda of private power. They themselves are perhaps the most corrupting influence in American politics today. There is no doubt in the minds of Seattle citizens as to who engineered the sale of the railway to the city. The mayor, who negotiated it, was in conference with the local president of the power company for many months. The system had been offered to a former mayor for $6,000,000. Every newspaper in the city helped carry on the campaign to unload the railway on the city. The price to be paid was carefully concealed from the voters until after they had ratified the purchase of the worn-out system. A telegram from the power company president, made public nearly 20 years after the deal, revealed clearly that he was the moving spirit in the deal whereby the city paid $15,000,000 in utility-revenue bonds for the rusty rails and worn-out rolling stock alone, leaving the electric substations that supply the railway in the hands of the power company, together with the contract for supplying the current.

The contract was drawn to give the power company preference in payment of bond principal and interest, over the payment of wages to the employees who operate the system. Every point in the contract, drawn by astute power company lawyers, was drawn in favor of the company. Honest public officials were given no voice, and the deal, which has proved impossible of fulfillment because of declining use of obsolete equipment, was put over on the city.

The mayor, who had been a struggling real-estate salesman, resigned his office immediately after the deal was consummated and invested several hundred thousand dollars in California real estate. It is typical of the brazen nerve of the private power companies to charge such a deal as this, of their own conception, to "the politicians."

SEATTLE'S GENERAL TAX RATE

Your statement that "in 1935 the tax rate in Seattle on basis of full value was $8 per $1,000 higher than in Madison, Wis.," shows that you are aware that it is propaganda and not facts that you are using. Taxes are assessed in King County, in which Seattle is located, on a basis of 50-percent valuation. Assessments are reviewed by the State tax commissioner, who reported that in 1935 the actual basis was 47 percent.

These figures are matters of public record. The tax for all city purposes in 1935 was 20.09 mills on 47 percent of full value, which is 9.442 mills on full valuation. I do not know the tax rate in Madison, but the taxes on a $7,000 home in Seattle for 1935 were $65.09. Madison must have a low rate indeed if a taxpayer can save enough out of $65.09 per year to pay his light and power bills.

In Seattle, where rates are admittedly lower, the average residence consumer paid only $30.94 for electricity in 1935.

SEATTLE'S LOW RATE ON LIGHT AND POWER

Incidentally, your statement that the average rate per kilowatt-hour was 1.9784 cents is another figure taken from "unofficial" sources. The correct figure is shown on page 95 of the Department's report and is 1.84 cents. Considering the small proportion of industrial and low-rate power sold in Seattle, this figure is low indeed. The better gage for comparison is the residence rate which covers the same class of service in each city.

I must admit that rates in Seattle are higher than they should be, and that Tacoma furnishes a fairer example of public ownership, for the simple reason that Seattle is forced to compete for every customer with a private company whose lines, like the city's, cover the entire area of the city. The cost of distributing electricity is from five to seven times the cost of generating. Where the consumer is forced to pay charges on two complete systems, the cost is bound to be much higher. Tacoma has a monopoly, and it is only a question of time when the city of Seattle will take over its competitor's system and reduce the rates to approximately half the present levels.

Incidentally, you should talk to Almere L. Scott, of the department of debating and public discussion of the University of Wisconsin, to whom was sent 150 copies of the 1935 report for use in the debating department. Any of Director Scott's debaters could set you right on your facts regarding Seattle.

I have discussed at some length in the first part of this letter the situation with respect to Seattle, with particular reference to the statements you made in your epistle in connection with Seattle's municipally owned light and power plant. I will now take up the question of Tacoma's power development:

PUBLIC OWNERSHIP IN GENERAL

The question of Government ownership involves a clash between two great schools of thought and involves fundamental differences in politics and economic opinion. For this reason, it is not unreasonable to expect that an educator in a public institution should have an open mind on the subject. His students, attending a public institution, have a right to hear views on both sides of the question to permit them to form an unbiased opinion. You, however, demonstrate your own particular brand of impartiality in starting your tirade by referring to "the complete fallacy of Government ownership." Since you so strongly condemn Government ownership you have made the mistake of not excepting the University of Wisconsin, just one of the many forms of Government ownership of which you are a beneficiary.

I question, however, whether you would ever accept any correction of your distorted statements. Vitriolic remarks such as you make in your letter, do not establish facts. In formulating this reply, I will first quote from your letter, Professor Jansky, and then answer the statements:

Taxes paid by Tacoma's municipally owned light plant

Skipping the discussion about Seattle, on the middle of page 2, you will find your letter reads:

"You also state (referring to my speech) 'In my home city of Tacoma we sell power at the lowest rate per kilowatt-hour in America, yet we make a profit of nearly a million a year and pay 7½ percent gross earnings tax toward the reduction of taxes as well as share the cost of municipal government.' (Then follows your comment, Professor Jansky), Your fellow Congressman, BONE, has also given circulation to this canard until most people believe it. The truth, however, is somewhat different."

In regard to taxes: Uninformed people are led to believe public utilities do not pay taxes. Your sarcastic remarks indicate that you are one of these, or are unwilling to accept the truth. With private utilities it is general practice to make an impressive showing on the amount of taxes paid, and for this reason any item which can in any way be classified as a tax is charged to a tax account.

The Tacoma utility, on the other hand, charges to tax account only gross-earnings taxes, sales and compensating taxes. All other forms of taxes paid are charged to the operations affected. For instance:

Hydro tax is charged to production of energy.

School tax is charged to general expense.

Gratuitous work is charged to general expense.

Vehicle licenses are charged to departments using cars and trucks.

Inspection fees are charged to operation—consumers' installations.

Street-lighting loss is charged to operation and maintenance of plant.

Schedule A: In 1933 the Tacoma utility paid in direct and indirect tax the sum of $224,191.53 on a gross income of $1,940,994.03, or 11.55 percent.

Schedule B: In 1937 the Tacoma utility paid in direct and indirect tax the sum of $351,114.40 on a gross income of $2,546,314.83, or 13.79 percent.

These tabulations show participation in tax benefits by the Federal Government, State of Washington, Mason County, Pierce County, and the city of Tacoma. In addition to this, the Tacoma utility is saving the taxpayers many thousands of dollars annually in profit and excessive cost on street, school, and public-building light and power that would be taken by a private company if it were rendering the service.

Financial progress: I refer you to figures taken from the official reports of the light division. These records are under continual audit by the city comptroller of the city of Tacoma; Mr. Ira E. Partner, State examiner for the State of Washington Department of Supervision and Control; and by auditors and attorneys for bond houses all over the country.

Schedule C: You will note that the plant value of the Tacoma utility at the end of 1937 was $23,896,330.84, with an outstanding debt of but $5,307,000, indicating a paid-up equity in plant amounting to 78 percent of the value. The difference between plant value and long-term debt, $18,589,330.84, represents that portion acquired through earnings of the Tacoma utility. The annual income, profit and loss as well as bond redemptions, for the last 3 years is also shown on this schedule.

WHAT IS A FAIR CHARGE?

"I have before me a report of the Tacoma municipal utility for December 1933. The net fixed assets of the Tacoma utility as given in this report were $18,911,540.30. The New York Power Authority, which is also a municipal ownership advocate, has estimated that the fixed charges should be calculated on *11½ percent on a distribution system*. It is reasonable to assume that 11½ percent is a fair charge against the assets of the Tacoma plant."

I do not have a copy of the report of the New York Power Authority. You, Professor Jansky, state "that fixed charges should be calculated on *11½ percent on a distribution system* (which I italicize in quoting from your letter above). The figure you use ($18,911,540.30) includes the depreciated value of all generating plants, transmission, miscellaneous plant, and the distribution system. You will note on page 4 of the condensed financial report for 1937, under the heading "Fixed Assets—Plant, December 31, 1937," that our distribution plant value of Tacoma, gross, is placed at $3,737,071.38 and that its depreciated value is slightly more than $2,800,000.

"Eleven and one-half percent of only $18,000,000 is $2,070,000. Adding to this the total operating expense, which in 1933 amounted to $418,428, we get a gross sum of $2,488,428, or in round figures 2½ million dollars should be earned by the utility in your city for operating expenses and fixed charges. In 1933 the total revenue was $1,940,994.03, which is less than the fixed charges and the operating expense. Where did the utility earn a million-dollar profit?"

If you mean 11½ percent of the distribution system, then he should use 11½ percent of $2,800,000 and not 11½ percent of $18,000,000—a figure six times too high.

But what a pathetic argument you bring forward. The fact is, the Tacoma Light Division has never defaulted in the payment of bond redemption or interest in almost 46 years of existence; has kept its plant in "apple pie" order; has never been the recipient of one cent of tax money and has shared its just proportion

of the tax load while at the same time giving to its customers the benefit of very low rates. Tacoma bonds are bringing a premium on market—and interest is regularly paid. Now, compare this standing with that of some of the private companies you are so strenuously attempting to defend.

WHY DOES TACOMA MAKE SUCH A GOOD SHOWING?

Where did the utility earn a million dollars? you ask. Where? A glance at the reports on schedule C should explain that. Why?

Because we pay no exorbitant salaries.

Because we redeem our bonds when due and in such amounts that our interest cost is materially cut each year.

Because there is a capable and efficient management which keeps out of politics.

Because we build our plants on open competitive bids and not through associated companies.

Because, in this, and many other ways, we avoid paying heavy supervisory fees and other fees and charges.

Because we have no overcapitalization.

Because our employees are selected through competitive civil-service examinations.

Because we support no propaganda department and do not subsidize press, pulpit, or professors.

Because—but why go on?

TAXES PAID BY PRIVATE AND PUBLIC POWER UTILITIES IN THE STATE OF WASHINGTON

But that is not all. Private utilities in Washington, according to the Federal Power Commission report, paid 14.9 percent of their gross revenues in taxes. Tacoma paid only 7½ percent, which is one-half of what private utilities paid (Jansky).

You, Professor Jansky, do not mention the year in which the private utilities paid 14.9 percent taxes—but I am assuming it was in 1933 because most of your comments are in connection with the year 1933. For this comparison I am using the report of the State of Washington Department of Public Works. This report is compiled from reports which are furnished by the private companies themselves covering their operations for the year 1933. The figures I am using are taken from the official report of the State of Washington—summary sheet of all utilities for 1933.

Schedule D: You will observe that the amount of taxes paid by the private utilities in the State of Washington and the Tacoma utility are as follows (total fixed capital taxes):

	Percent
1933, State of Washington (all private)	1.1
1933, Tacoma (public)	0.98
1937, Tacoma (public)	1.47

A comparison of taxes versus operating revenues is as follows:

	Percent
1933, State of Washington (all private)	10.79
1933, Tacoma (public)	11.55
1937, Tacoma (public)	13.79

A comparison on the average revenue per kilowatt-hour charged to the consumer is as follows:

	Cents
1933, State of Washington (all private)	1.336
1933, Tacoma (public)	1.051
1937, Tacoma (public)	0.804

These figures should be satisfactory proof that Tacoma meets its share of the tax obligation well in line with that of private utilities. At the same time, if Tacoma had charged the average rate per kilowatt-hour of the private utilities in the State of Washington for 1933, there would have resulted an overcharge of $526,770.41 (based on Tacoma consumption).

TACOMA'S POWER SYSTEM IS NOT DERELICT IN ITS TAX OBLIGATIONS

"Furthermore, Tacoma paid no taxes to the State, to the Federal Government, or to any taxing body except the city. The deficiency caused by the nonpayment of the taxes of the Tacoma utility had to be made up by the property owners in other parts of the State" (Jansky).

This is a malicious misstatement, Professor Jansky. You have made no attempt to avail yourself of the actual facts which are a matter of public record. Please refer to schedules A and B. There is a difference in the method of taxation—in the allocation of tax money, between the public and private plants—but there is no question that, dollar for dollar, the Tacoma utility pays as large and perhaps a larger share of the tax burden.

AT ST. LOUIS, WHAT ABOUT A RATE COMPARISON?

"Of course, I do not know what the rates of the Tacoma utility are today, but if you will turn to page 24 of the preliminary report of the Federal Power Commission Electric Survey you will find that in January 1, 1935, the Laclede Power & Light Co. of St. Louis, Mo., a private company, sold energy to domestic consumers who consumed up to 100 kilowatt-hours per month at lower costs than the Tacoma utility" (Jansky).

Schedule E: This schedule shows a comparison of the rates of the Laclede Power & Light Co. and those of the Tacoma utility, taken from the State reports of the Federal Power Commission rate survey. According to this authentic schedule, you will find that the average use of the domestic consumer (1,698 kilowatt-hours per year, or 141½ kilowatt-hours per month) in the city of Tacoma under the Laclede rate would cost 151 percent of our present rate. I do not know what the average consumption per customer is in St. Louis, but I venture to say it is much less than 1,698 kilowatt-hours per year (the Tacoma average).

"The Laclede Power & Light Co. in that year paid 11 percent of its gross revenues in taxes, whereas your utility paid only 7½ percent. (Jansky)."

Professor Jansky, you seem extremely sorry for this company because it paid 11 percent of its gross revenues in taxes. You know the consumers actually paid the tax in their rate and that the company merely, in effect, acted as a tax collector. For this same year the Tacoma utility paid 11.55 percent (see schedule D), about one-half of 1 percent more, in taxes. The 11-percent tax they paid in St. Louis just does not justify a 50-percent overcharge for the same electric energy. The calculation on schedule E will show how the 50-percent overcharge is calculated.

TACOMA'S RATE STRUCTURE

"Furthermore, the charges for specific consumption given in the Federal Power Commission report for Tacoma are a first step of 40 kilowatt-hours per month. Tacoma has no uniform rate structure. Its rates are based on the number of square feet, less certain deductions, lighted. (Jansky.)"

The simplicity of the Tacoma rate structure was highly complimented by utility experts at a recent power conference at Olympia, Wash., which was attended by Government experts and public and private utility officials.

"The Madison Gas & Electric Co., on a valuation of less than $11,000,000, last year paid approximately $400,000 in taxes. The Tacoma utility in 1933, on a valuation of $22,760,886.05, paid only $145,574.55" (Jansky).

I do not have a report of the Madison Gas & Electric Co. and because of the limited time I will not be able to get any. However, I do have a copy of a report of the Wisconsin Power & Light Co., which is about the nearest I can get (schedule F).

In regard to taxes paid by the Tacoma utility, I am again referring you to schedules A and B.

"If we deduct the percentage of the gross income paid in taxes by the Madison Gas & Electric Co. and also by the Tacoma utility from the cost of specific consumption, the rates for small consumers in Madison are lower than in Tacoma; for example, the cost of all consumptions between 20 and 54 kilowatt-hours per month in Tacoma to domestic consumers whose first step is 48 kilowatt-hours is higher than in Madison, taxes included" (Jansky).

You are sadly behind the times on his information. Our rate ordinance, No. 11314. This ordinance, on page A–1, reads:

"The minimum number of kilowatt-hours per month in the first block shall be 20. The maximum for single-family residences shall be 40 kilowatt-hours per month."

There is no need for you, Professor Jansky, to invent an exaggerated first step in the rate structure of the Tacoma Light Division. We do excellently there on the very much lower first step.

TACOMA COMPARED TO OTHER CITIES

"For a consumption of 200 kilowatt-hours per month the consumer in Madison pays $4.35 and in Tacoma the consumer whose first step is 48 kilowatt-hours pays $3.68, which appears to indicate that the consumers in Tacoma pays 67 cents less for the same consumption than the Madison consumer. But 87 cents of the Madison consumer's bill is taxes. The net bills are therefore $3.48 and $3.40, respectively, but 48 kilowatt-hours is a low first step" (Jansky).

As explained above, Professor Jansky, you are using an exaggerated first step. The corrected figures are as follows:

Madison, Wis.: 200 kilowatt-hours	$4.35
Tacoma, Wash.:	
First step, 20 at 4½ cents	.90
Second step, 180 at 1 cent	1.80
	2.70
First step, 30 at 4½ cents	1.35
Second step, 170 at 1 cent	1.70
	3.05
First step, 40 at 4½ cents	1.80
Second step, 160 at 1 cent	1.60
	3.40

The average residence in Tacoma comes under the 30-kilowatt-hour first step, which would make the average bill $3.05, or $1.30 less than Madison, instead of 67 cents mentioned by you, Professor Jansky.

The largest homes in Tacoma would pay $3.40 for this energy, or 95 cents less than Madison—while the smaller homes in Tacoma would pay $2.70, or $1.65 lower than Madison.

For a comparison of the Wisconsin Power & Light Co. see schedule G. This schedule gives an interesting picture of taxes paid and charges to consumers for electric energy.

AGAIN, TAXES

"In addition, the Madison Gas & Electric Co. pays interest on its bonds held by an insurance company, and thus helps the insurance company in meeting its obligations to its policyholders; it also pays a 3-percent tax to the Federal Government on certain gross receipts; it pays a certain percentage on its pay roll to the so-called Social Security Board in Washington, and dividends to its stockholders. The Tacoma utility pays none of these costs" (Jansky).

An 8-year-old child understands that there is an obligation attached to using the property of another person. Everyone pays for the use of money. Tacoma also pays its interest.

Tacoma does not pay the 3-percent Federal tax mentioned, but pays an equal or larger amount in other forms of taxation. As

mentioned before, Tacoma pays dollar for dollar its share of the tax obligation alongside of any private utility. The Tacoma light division has had little to do with just which taxing unit was to receive its taxes. The point is—Tacoma pays taxes!

In regard to social security—Tacoma was denied the privilege of participating through a ruling at Washington which bars city employees. Every effort is being used to have the Tacoma utility included in this program. Tacoma utility employees are subject to income tax and should also be included in the social-security program.

Dividends? Yes; the Tacoma utility pays millions in dividends—not to a few fortunate stock and bondholders—but to every one of the 34,000 consumers of electric energy—through materially reduced rates. How well the poor stockholders of many private electric utilities have been treated in the matter of dividends, or even in the protection of their investments in these utilities, is a sad page in American history.

In my own case, I have seen the investment of my mother in such a private plant shrink from $3,500 to about $50 while the officers of the company continued to draw their heavy salaries and bonus. This money meant a lot to her in her old age but evidently did not bother the conscience of those who obtained it.

It is instances like the above, magnified into thousands of cases, which is of itself giving great stimulus to the growth of public ownership. Sarcasm directed against men who are trying to correct past abuses will not stem the tide. A thorough housecleaning of private utilities and a new program of honest dealing with investor and consumer alike is the only thing that will save these private utilities. When times get hard occasionally with the rank and file of our people, the officials and others who administer these utilities should not insist on getting their "pound of flesh."

Your sarcasm, Professor Jansky, in the last part of your letter is the result of a very feverish state—hardly worth recognizing. Rantings such as yours are just that much more stimulation for those, who wish to see the greatest good done for the greatest number, to battle on.

Sincerely,

JOHN M. COFFEE,
Member of Congress.

SCHEDULE A.—*Direct and indirect taxes, Tacoma light division, 1933*

Gross-earnings tax (State)	[1] $24,925.14
Gross-earning tax (city)	145,582.91
Street-lighting loss	41,785.15
Gratuitous work	562.51
Hydro gas and miscellaneous taxes	5,711.52
School expense	[2] 5,624.30
	224,191.53
Gross revenues, 1933	1,940,994.03
Taxes	224,191.53
Taxes to gross revenues (percent)	11.55

[1] This tax was assessed in 1933 and not paid until 1934, when it was charged to prior year adjustments and not to taxes.

[2] Items covering school tax as follows:

Mason County	$3,636.99
Pierce County	1,987.31
Total	5,624.30

SCHEDULE B.—*Direct and indirect taxes, Tacoma light division, 1937*

Federal: Gas tax	$702.77
State of Washington:	
Motor-vehicle licenses	83.75
Gasoline and oil taxes	3,513.85
Hydro licenses	1,952.92
Gross-earnings tax	71,313.87
Sales tax	6,674.14
Compensating tax	1,682.71
Mason County: School expense	2,954.56
Pierce County: School expense	3,500.00
City of Tacoma:	
Gross-earnings tax	185,519.67
Gratuitous work	1,667.58
Total	[1] 279,565.82
ADDITIONAL ITEMS	
Electrical inspection fees assumed by the Tacoma light division for which other companies generally make charges	9,500.00
30 percent of all general office salaries in the following city offices: City treasurer, city comptroller, city clerk, board of contracts and awards, and civil service	19,665.01
Loss in operation and maintenance of street-lighting system (on which we are trying to collect). This item is based on city charter, which requires a charge of 1 cent per kilowatt-hour on energy plus cost of operation and maintenance and 15 percent overhead. This item has not been paid by the general fund	42,383.57
Grand total	[2] 351,114.40

[1] 10.98 percent of revenues.

[2] 13.79 percent of gross revenues.

SCHEDULE C.—*Tacoma light division*

Net annual income for the last 3 years:

1935	$557,908.65
1936	620,433.22
1937	895,954.74

Bond redemption for the last 3 years:

1935	$647,000
1936	678,000
1937	713,000

The financial progress of the Tacoma light division for the last three 10-year periods is shown in the following tabulation:

	1917	1927	1937
Plant investment	$4,305,113.87	$11,365,181.79	$23,896,330.84
Bonds issued	$2,610,342.79	$6,810,342.79	$13,160,342.79
Outstanding bonds	$1,886,000.00	$3,996,000.00	$5,307,000.00
Equity in plant	$2,419,113.87	$7,369,181.79	$18,589,330.84
Percent of equity	56	65	78

SCHEDULE D—*Comparison for 1939*

PRIVATE UTILITIES

	State of Washington, 1933	Tacoma, 1933	Tacoma, 1937
Total fixed capital	$211,438,672.60	$22,740,886.05	$23,896,330.84
Taxes	$2,323,817.04	$224,191.53	$351,114.40
Taxes versus total fixed capital—percent	1.10	0.98	1.47
Gross revenues	$21,541,948.94	$1,940,994.03	$2,546,314.88
Taxes	$2,323,817.04	$224,191.53	$351,114.40
Taxes versus gross revenues percent	10.79	11.55	13.79
Total kilowatt-hour sales	$1,612,870,328.60	$184,713,207.60	$316,317,307.00
Revenue	$21,541,948.94	$1,940,994.03	$2,546,314.88
Revenue per kilowatt-hour cents	1.336	1.051	0.804

Tacoma consumption:

At State of Washington (private utilities) average rate, 1.336 cents	$2,467,764.44
At Tacoma (public) average rate, 1.051 cents	1,940,994.03
Total	526,770.41

SCHEDULE E.—*Rate comparison (Laclede Light & Power Co., Tacoma)*

[See Federal Power Commission—Electric rate survey (for Laclede L. P. Co., State report No. 33, p. 9; for Tacoma, State report No. 25, p. 6]

Kilowatt-hours	Laclede Light & Power Co., St. Louis, Mo.		Tacoma	
	Price	Average charge per kilowatt hour (cents)	Price	Average charge per kilowatt hour (cents)
15	$0.65		$0.68	
25	1.07	4.28	1.13	4.52
40	1.43		1.52	
100	2.85	2.85	2.12	2.12
150	4.04		2.62	
250	5.70	2.28	3.62	1.45
500	9.26	1.85	6.12	1.22

AT AVERAGE TACOMA USE, 1,698 KILOWATT-HOURS PER YEAR, OR 141½ KILOWATT-HOURS PER MONTH

	Per year
At Laclede rates, 3.83 per month	45.96
At Tacoma rates, 2.54 per month	30.48
Laclede over Tacoma	15.48

SCHEDULE F.—*Rates*

[Federal Power Commission's rate survey]

Kilowatt-hours	Madison, Wis.		Tacoma, Wash.	
	Price	Average charge per kilowatt-hours (cents)	Price	Average charge per kilowatt-hours (cents)
15	$0.94	6.26	$0.68	4.53
25	1.17	4.68	1.13	4.52
40	1.50	3.75	1.52	3.80
100	2.73	2.73	2.12	2.12
250	5.60	2.24	3.62	1.45
500	9.98	2.00	6.12	1.22

SCHEDULE F.—*Rates*—Continued

USE OF ENERGY—DOMESTIC

	Madison, Wis.	Tacoma, Wash.
Domestic consumption.....kilowatt-hours..	51,831,201	52,367,632
Number of customers	75,009	31,382
Kilowatt-hours per customer	691	1,698

SCHEDULE G.—*Comparison, Wisconsin Light & Power Co. and Tacoma*

	Wisconsin Light & Power, 1934	Tacoma, 1933	Tacoma, 1937
Total fixed capital	$59,135,337.86	$22,740,886.05	$23,896,330.84
Taxes	$1,165,554.89	$224,191.53	$351,114.40
Taxes versus total fixed capital percent..	1.97	0.98	1.47
Gross revenues	$7,647,860.43	$1,940,994.03	$2,546,314.88
Taxes	$1,165,554.89	$224,191.53	$351,114.40
Taxes v. gross revenues..percent..	15.24	11.55	13.79
Total kilowatt-hour sales	216,677,279	184,713,207	316,317,307
Revenue, gross electricity	$6,286,042.71	$1,940,994.03	$2,546,314.88
Revenue per kilowatt-hour sold cents..	2.90	1.051	0.804

Tacoma consumption	Wisconsin charge		Tacoma charge	
	Cents per unit	Amount	Cents per unit	Amount
1933, 184,713,207 kilowatt-hours..	2.90	$5,356,683.00	1.051	$1,941,335.80
1937, 316,317,307 kilowatt-hours..	2.90	9,173,201.96	.804	2,543,191.16

Flag Day

EXTENSION OF REMARKS
OF
HON. J. PARNELL THOMAS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 14, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, this is Flag Day and it is proper that the Congress of the United States pay its respects to the flag of the Nation—our Star-Spangled Banner—the flag which this year is celebrating its one hundred and sixty-second birthday.

Our flag means much to the people of this great Nation. It is the symbol of liberty, courage, and infinite possibilities. It typifies the spirit of tolerance and its magic fills us with emotion.

All true-loving and God-fearing Americans who so firmly believe in their representative constitutional form of democracy hail today to the Stars and Stripes, may they ever wave, and you who are assembled here, may you always have true faith in our democracy and in our American institutions so nobly portrayed by Old Glory.

Mr. Speaker and Members of the House of Representatives, I wish to close my remarks on the flag by reading an excellent editorial which appeared in today's Paterson Evening News, Paterson, N. J., entitled "The Greatest Flag in All the World—Our Flag—Long May It Wave."

[From the Paterson (N. J.) Evening News of June 14, 1939]

THE GREATEST FLAG IN ALL THE WORLD—OUR FLAG—LONG MAY IT WAVE

This is Flag Day, and this year the observance of paying tribute to the Nation's emblem takes on particular significance.

The American flag is no fetish. Men understand its function and know the values it symbolizes. Only a few yards of silk and a little thread, only a flash of color against the sky, it is but a token, a sign, a symbol of quantities and qualities which defy adequate representation. No single design ever could be conceived to portray the whole Nation, the whole people, the whole body of ideals about which American civilization revolves, and the flag is admittedly only a gesture toward the impossible. It is as such that the people comprehend and appreciate it.

Flag Day in America is designated specially as a day on which we honor the flag. Some of us will observe the day as a rite and some will forget it. We believe all Americans should pay tribute to our national emblem and remember what it means to us. We do not hold with that cynicism which feels that honoring the flag is only a gesture. These same cynics who feel there has been overmuch "flag waving" are not lacking in respect for the flag, they think only that outward respect for the flag does not mean much. They would be among the first to resent any disrespect but they themselves seldom display the emblem or think about it in times of peace.

Yet they know, as we all know, that the flag stands for everything we are, everything we have been or hope to be. They know that when the men of old beheld that first flag made by Betsy Ross they felt they had an emblem, a symbol. No nation could be without a flag. Every land must have an emblem and in our hearts we feel a real fervor as we see the Stars and Stripes floating in the breeze. Francis Scott Key saw the Star Spangled Banner still waving in the morning's first beams after a night of doubt and was inspired to write our national anthem. We know what it would have meant to him if it had not still waved. We know how welcome is the sight of it when we have been far away and have seen only the flags of other lands.

We have only to recall what this flag meant at Bennington, at Saratoga, at Yorktown, at Gettysburg, at Santiago, at Chateau Thierry. The flag is our own, our emblem, bought with the blood of our forefathers and kept with the blood of our sons. Let us have no cynicism about waving the flag.

Scenes change, men come and go, parties rise and fall, issues wax and wane, but there is continuity in American history, and the flag bespeaks the bond that links man to man. So it is that when a citizen salutes the flag he pays tribute not to the symbol itself but to the unity, harmony, and fellowship which it denotes and exemplifies.

Citizenship implies responsibility, and the flag deserves respect. Flag Day is intended to remind the people of these facts. This year to a particular degree the significance of the occasion is worthy of special thought. Crime rides rampant; radicalism is rife; economic disorder prevails. American institutions are being tested. But none of these evils can constitute any real danger if the people of the Nation stand firm. The plight of other lands is far more disturbing. The United States has already weathered much of the storm. The future is bright and secure if American men and women will practice the faith which is in them, the faith which their heroes personified and which their flag, free flung to the winds of heaven, typifies.

So let us all today display the flag, be proud and glad of its history and have faith in its future. Let us salute as it passes and honor it always and keep it unstained, "not a star erased nor a stripe polluted."

T. V. A.

EXTENSION OF REMARKS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks, I wish to say that the reaction to the passage of the bill restricting the activities of the T. V. A. is most favorable. This should take the starch out of those who have been arrogantly riding over the law and the Constitution. The governing board of the T. V. A. has overextended the activities of this agency beyond what was first intended for it. They have been brought up with a sudden jerk that will do them good and will save the country from the evil results of this action.

The New York Times of June 15 prints the following editorial:

RESTRICTING T. V. A.

Nothing that the House has done so far this session ought to bring more reassurance to business than the bill it has passed to control the Tennessee Valley Authority. In several important directions the bill limits the Authority's present powers and discretion. It restricts its future activities to 16 Alabama counties, northern Mississippi and the area in which it is now operating. It requires that its accounts and disbursements be subject to the same procedure in relation to the General Accounting Office as other governmental agencies. It requires the Authority to set up a sinking fund for amortization of all expenditures, past, present, and future. It removes the Government's guaranty of any bonds issued by the Authority under the act.

These changes, if the Senate can be got to agree to them, will go far toward restoring public confidence in the future of the electric utility industry. They will give assurance that Government competition is to be geographically restricted. They will do much to make certain that T. V. A. charges rates sufficient to pay

for its investment. They will not abolish Government ownership and operation of power-generating plants, or destroy an interesting and a valuable experiment; but they will more nearly compel this experiment to stand comparison with private ownership and operation on its merits.

The New York Herald Tribune, in its editorial column of its June 15 issue, says:

A BILL THAT SHOULD BE PASSED

In passing the so-called May bill on Tuesday, drastically curtailing the activity of the Tennessee Valley Authority, the House struck one of the most vigorous blows delivered on behalf of private property in the last 6 years. The May bill is the House version of the Norris bill, which was passed by the Senate to authorize the T. V. A. to issue $100,000,000 in Government-guaranteed obligations. The House measure reduces the authorization from $100,000,000 to $61,500,000; provides that the bonds be non-Treasury guaranteed; and restricts the activities of the Authority insofar as they are concerned with the generation, transmission, and distribution of electric power to the area in which those activities are now being carried out or are under contract to be carried out, and to certain areas in northern Alabama and northern Mississippi.

In addition to these restrictions on the activities of the Authority, the May bill requires that the United States be reimbursed for the amounts which it has expended for the electric power properties of the T. V. A. properly allocable to the generation, transmission, and distribution of power. To this end the Authority would be required to issue bonds to the Secretary of the Treasury to cover the cost, and to pay off the bonds over a period of not more than 50 years. The measure provides, further, that accounts and disbursements of the T. V. A. be brought under the jurisdiction of the General Accounting Office in the same manner as are all other agencies of the Government, except that the Comptroller General would be authorized to allow credit when it is shown to be reasonably necessary to the accomplishment of the work authorized to be done. Finally the T. V. A. would be forbidden to make any payments, other than those already being made, to compensate States and municipalities for losses in taxes resulting from the fact that a Government project has superseded a private project in that region. If the T. V. A. wishes to compensate the States and municipalities for such tax losses in the future, this bill proposes it shall do so "by providing that power consumers pay enough for their electricity to offset such loss."

When it was learned on Tuesday that the May bill had passed the House by a vote of 192 to 167, James Pope, Chairman of the Board of Directors of the T. V. A., issued a statement to the effect that this action meant the "death" of the agreement between the T. V. A. and Commonwealth & Southern, under which the Authority was to purchase $45,000,000 of the latter's properties. This was a rather unfortunate statement. If Mr. Pope meant that the T. V. A. and the administration were going to fight the May bill and insist on the Norris bill, with its huge grant of funds and "no questions asked," to the point of producing a stalemate, then he may have been correct. But if he meant to create the impression that the enactment of the May bill was inconsistent with the conclusion of the agreement between T. V. A. and Commonwealth & Southern, he was wrong. The T. V. A.'s share of the pending deal with Commonwealth & Southern is only $45,000,000, and that is well within the $61,500,000 sum provided by the House measure. There is, indeed, nothing whatsoever in the May bill which would obstruct this proposed arrangement in any way. Moreover, in order to give Congress plenty of time for threshing this legislation out, Wendell L. Willkie, president of Commonwealth & Southern, has offered to extend the time for closing the contract by as much as 90 days.

The May bill should be passed as it stands. It does not hamstring the Tennessee Valley Authority unduly in its present activities—though it puts them on a more realistic basis—nor from undertaking activities now under contemplation. On the other hand, as the House Military Affairs Committee noted in reporting it out, "It should go a long way in restoring public confidence in the future of the electric power industry."

A Good Appointment

EXTENSION OF REMARKS

OF

HON. J. JOSEPH SMITH

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

EDITORIAL FROM THE WATERBURY (CONN.) REPUBLICAN OF JUNE 9, 1939

Mr. SMITH of Connecticut. Mr. Speaker, under leave to extend my remarks I wish to include an able editorial from the Waterbury Republican, of Waterbury, Conn., of June 9, which presents a fine appraisal of the high qualities of Mr. Archibald MacLeish, who is the President's selection for the office of Librarian of Congress. The editorial follows:

[From the Waterbury (Conn.) Republican of June 9, 1939]

A GOOD APPOINTMENT

President Roosevelt's nomination of Archibald MacLeish to be Librarian of Congress has run into two special criticisms. Librarians are heard lamenting that he has had no experience in their specialty. And alarmists are denouncing him as a "red."

The first plaint springs from the disposition of library administrators to regard their profession as a closed art and mystery. But with all due recognition of the value of special training, it is to be doubted if lack of it will seriously handicap a man of Mr. MacLeish's undoubted appreciation of cultural values in the work set before him.

As for the second class of objection, it springs straight from the mood of hysteria revealed in much of the testimony before the Dies committee. MacLeish is no revolutionist. In his poems and other writings he has revealed a quick sensitiveness to social injustice, but an enemy of democratic institutions? Arrant nonsense!

And having said what he is not, let's put his positive character in the scales. The President declared, in announcing the appointment, that he had sought for the office "a scholar and a gentleman," and had found him in MacLeish. That says it, in brief. He is also one of the foremost of contemporary American men of letters and a successful lawyer.

The appointment is a good one and in it MacLeish's fellow Connecticut citizens take special satisfaction.

Why Fit a Set of Golden Hobbles on a Good, Fast Trotter Who Has Been Getting Us Out of the Economic Woods? Limitations Upon P. W. A. Are Designed to Destroy Its Usefulness and Should Be Cast Aside as Poor Economy

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. LYNDON B. JOHNSON. Mr. Speaker, I believe in economy. I believe in it especially while we are considering what sort of relief program the United States is going to have during the coming year. We have no money to waste.

Yet I must say frankly that I believe a lot of the economy talk going the rounds the last few days is unadulterated smoke screen. It is political economy talk. If analyzed, it would be found to be the kind of economy talk a narrow-minded town board would indulge in as an excuse to cut off a water purification system and return to wells and hand buckets, to save money. We need economy, but we need sensible economy.

This discussion about the Public Works Administration is a case in point. There hasn't been much criticism of it directly. It has been caught in the welter of attack on other agencies. Even our Republican friends, bitter as they have imagined themselves to be on everything, have soft-pedaled their comments on the P. W. A.

The Interior Department, with the many jobs it has done under the direction of the Honorable Harold L. Ickes—the P. W. A. included—hasn't exposed much surface subject to attack. All the jobs have been done well, honestly, thoroughly. Speaking of the administration of the Interior Department, our Republican friends have only to look back to their administration of the same Department a few years ago and recall that their party has a lot to remember and a lot to forget.

This false-economy talk has focused itself in a proposal to limit both individual P. W. A. projects and the total volume of P. W. A. projects. It is just this fallacy I want to call to your attention.

If such limitations are placed on the P. W. A. under the guise of being "economical" they will operate to defeat the whole original purpose of the program. Of course, that may

be the intention. If so, its destructive intention should be killed in the bud.

The purpose of the Public Works Administration is to construct useful, permanent, heavy public works, and at the same time relieve unemployment and stimulate business to a degree which will really make some impression on our national economy.

If these limitations are imposed upon the P. W. A. they will demolish the hopes of many cities, States, and counties which have developed great and necessary projects and are willing to invest their own funds to get them.

I am informed that there are now pending before P. W. A. almost 500 projects in 41 States designed to cost more than the $500,000-limit provided in the bill as now drawn. The sponsors of all these projects stand ready to put in more than half of their own money the day P. W. A. says, "Go ahead." The sponsors do not think any such regulation and limitation are necessary.

These cities, counties, and States—these prospective sponsors—know that even without such limitations as are being talked here now, the P. W. A.'s own limitations will protect them. There is an automatic limitation in P. W. A. proceedings. It will not approve a project unless the sponsor puts up in cash or arranges for a loan of 55 percent of the cost. That is an effective curb. But if you legislate so far as to say how far a public sponsor like a city, State, or county can go, then you are legislating to say that American cities, States, and counties are too inefficient and incapable to know their own business and manage it.

Why the limitation to $125,000,000 for such a program as this?

P. W. A. today has in its files almost 6,000 applications from cities, counties, and States in every section of the country. They are for projects these sponsors have themselves determined are necessary and useful. They offer to put up their own funds to go through with them. And $125,000,000 will make possible of that 6,000 but a small percent. What we need for this, if we must set a figure, is $500,000,000. That would be economy; for when it was invested we would have many permanent improvements to show for it. And in the acquisition of these improvements business, labor, industry, the farmer—everybody—would benefit, on the job and afterward.

The average cost of 34,400 P. W. A. projects built in the last 6 years has been $142,440. The average size of the community-building project has been but $10,000. All this without the limitations we hear talked about now. Projects have run all the way from a few hundred dollars to a few million dollars, but there has been no complaint among sensible people. No one has been able to convince anybody that one dollar has been wasted by the administration of P. W. A.

Suppose we do put on the $500,000 individual-project limitation and cut the appropriation back to $125,000,000 for permanent public works.

In Texas, where we have one of the finest growing highway systems in America, the work the highway department has planned under the pending application simply cannot be done. We have a highway department which is not excelled anywhere. It has made every Government dollar spent show itself in permanent and practical improvements. No one has ever lifted a cry against our highway department and the size and amount of its undertakings, although it has projected plans reaching into millions of dollars instead of mere thousands. The reason is that it has made those millions count. Under a $500,000,000 limitation its pending project would be dead.

The folks who live on central Texas rivers, like the Blanco and Guadalupe, can go on forever getting their farms, homes, and families washed away every time there are rains up the river. For $500,000 is going to get the folks on the Blanco and Guadalupe Rivers no flood control, no reclamation, no navigation, and no cheap power.

Without the P. W. A., the Colorado River could never have been harnessed, nor could it have been conquered under a $500,000 limitation. Dallas cannot get the sewers it says it needs, Corpus Christi cannot get the harbor improvements it wants, the University of Texas cannot get the buildings it needs so desperately for its rapidly growing student population if we are going to get penny-wise, pound-foolish, smug, and silly all at once in the middle of a 6-year program notable for its economical accomplishments.

Mr. Speaker, no one amenable to reason has produced any argument to show that the P. W. A. has wasted anything in 6 years, or has run away with itself and got reckless in its judgment about the projects it would approve now.

During all that 6 years it has built and built well. Now we propose to put crippling limitations upon it. We want to make it impossible for it to do great works. We want to limit it to a ceiling of $500,000, and give it the insufficient amount of $125,000,000 to do the job with. It seems to me that we are trying to take a good and faithful trotter which has been getting us out of our economic woods during the last 6 years and fit him with a nice new pair of solid-gold hobbles for the rest of the trip.

The administration has every right to be proud of the work the P. W. A. has done. The Congress has every right to feel the trust it has placed in the P. W. A. has been thoroughly and fully justified. The American people overwhelmingly approve and are proud of the work which has been done by every employee of the P. W. A. They recognize and applaud the spirit which has prompted every step of every project and carried it through to final success. It has been the combined work of every member of the P. W. A. organization. From the boy who opens the mail and stamps the applications "received" through the clerks, department heads, inspectors, consultants, engineers, lawyers, bankers, and on up to the Administrator himself, the spirit has been "This is my job and I'm proud of it. It is my best effort."

Common sense demands that in our legislative acts here today we say to this P. W. A. organization which has done such a notable job for us in the past: "You have done a fine job, a splendid job of building America. You have our confidence. We are giving you the means to go on. Continue with the good judgment which has in the past distinguished you."

I hope that every Member of Congress will study the table of pending P. W. A. projects, appended hereto. Look at your own State, study your figures, and consider your country as a whole before you chuck all pending projects in your State out the window.

Summary of list of applications for projects pending before the Public Works Administration for which the amount of grant requested exceeds $225,000, as of June 14, 1939

State	Number of projects	Loan	Grant	Total	Estimated cost
Alabama	1		$893,520	$893,520	$1,985,600
Arizona	5	$2,816,000	4,626,267	7,442,267	10,281,039
California	43	8,057,000	64,253,889	72,310,889	180,685,529
Colorado	2	5,500,000	5,304,273	10,804,273	11,787,273
Connecticut	8		7,284,243	7,284,243	16,187,209
Florida	17	11,728,000	14,134,340	25,862,340	31,419,335
Georgia	10	1,096,953	7,453,046	8,549,999	16,316,125
Illinois	26	1,008,000	20,618,282	21,626,282	45,818,407
Indiana	5	737,000	2,476,621	3,213,621	5,503,604
Iowa	8		3,189,876	3,189,876	7,088,612
Kansas	1		306,810	306,810	681,800
Kentucky	1		245,430	245,430	545,400
Louisiana	12	935,000	10,111,341	11,046,341	22,469,648
Maryland	4		14,153,869	14,153,869	31,453,042
Massachusetts	1		487,125	487,125	1,082,500
Michigan	7	12,196,000	15,391,867	27,587,867	34,200,039
Minnesota	3		7,053,547	7,053,547	15,674,549
Mississippi	2	305,000	494,999	799,999	1,099,999
Missouri	7		5,277,133	5,277,133	11,726,962
Montana	1		2,424,148	2,424,148	5,386,995
Nebraska	10	825,000	5,632,095	6,457,095	12,515,770
New Hampshire	1		261,707	261,707	581,571
New Jersey	31	17,587,000	26,663,375	44,250,375	61,483,275
New Mexico	2		914,891	914,891	2,033,091
New York	65	9,674,000	80,596,824	90,270,824	181,475,383
North Carolina	1		1,800,000	1,800,000	4,000,000
Ohio	20	924,000	16,024,349	16,948,349	35,610,363
Oklahoma	19	534,000	9,884,615	10,418,615	21,965,976
Oregon	1		266,405	266,405	592,010
Pennsylvania	64	45,153,000	67,464,397	112,617,397	149,922,600
Rhode Island	4		9,081,847	9,081,847	20,181,883
South Carolina	7	11,509,987	13,889,266	25,399,253	30,865,037

Summary of list of applications for projects pending before the Public Works Administration for which the amount of grant requested exceeds $225,000, as of June 14, 1939—Continued

State	Number of projects	Loan	Grant	Total	Estimated cost
South Dakota	2		$470,841	$470,841	$1,046,314
Tennessee	12	$3,190,000	9,072,163	12,262,163	20,160,363
Texas	31	31,096,913	44,529,238	75,626,151	98,963,503
Utah	1		1,448,182	1,448,182	3,218,182
Virginia	5		3,735,464	3,735,464	8,301,034
Washington	15		8,978,915	8,978,915	19,953,146
West Virginia	5		4,337,304	4,337,304	9,638,454
Wisconsin	16		6,181,568	6,181,568	13,736,818
Wyoming	2		746,158	746,158	1,658,129
District of Columbia	2	2,092,500	1,712,045	3,804,545	3,804,545
Alaska	1		393,750	393,750	875,000
Hawaii	1		392,400	392,400	872,000
Puerto Rico	1	698,000	571,091	1,269,091	1,269,091
Total	483	167,663,353	501,229,516	668,892,869	1,156,108,205

Congressman Celler Asks for Enlightenment on Radio Censorship

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 15, 1939

LETTER TO HON. FRANK R. McNINCH

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter which I have this day sent to the Honorable Frank R. McNinch, Chairman of the Federal Communications Commission:

JUNE 15, 1939.

The Honorable FRANK R. McNINCH,
Chairman, Federal Communications Commission,
Washington, D. C.

DEAR MR. McNINCH: This letter is written to you as Chairman of the Federal Communications Commission in all kindliness and good will.

I am disturbed with one of the regulations recently promulgated by your Commission, which provides as follows: "A licensee of an international broadcast station shall render only an international broadcast service which will reflect the culture of this country and which will promote international good will, understanding, and cooperation." What is "international good will" to one may be international ill will to another. Furthermore, what is meant by "understanding"; and what is meant by "cooperation"? There is no common definition of these words, and therefore the language used is somewhat vague.

If I were scheduled to speak on one of the four international broadcasting stations and were suddenly stopped on the score that I was not promoting "international good will, understanding, and cooperation," I would be deeply resentful against the broadcasting company that sought thus to interrupt or scotch my efforts.

Whether or no there is involved in this regulation a degree of censorship, I will not state at this juncture. But if there is censorship, then the regulation would be without force and effect, because the Federal Communications Act of 1934 (sec. 326), denies the Commission the right to exercise power of censorship over radio communication. That section, likewise, denies the Commission any right to interfere with freedom of speech.

Frankly, I do not think the Commission is on firm ground. I do hope, therefore, that earnest reconsideration will be given the regulation in question.

Let me also point out another significant fact. The Judiciary Committee, of which I am acting chairman, is now considering a bill which provides that no rule or regulation can be promulgated by any department or agency of the Government unless or until public hearings can be held; that any one aggrieved by such rule or order shall have the right to appeal to the courts; and that such regulation must be supported by substantial evidence in its consideration by the courts.

This bill puts into a common mold practically all of the agencies of the Government, with but few exceptions. Most of the departments and agencies have voiced protest on the score that their activities are so different from each other that they cannot be placed in a common pattern. However, public opinion as reflected in the Congress is growing impatient with some of the departments and commissions which make rules and regulations that at times go far beyond, as it is alleged, their basic statutes. It is thus charged in many quarters that the agencies are legislating.

You would indeed be giving great comfort to the proponents of this bill—you would be giving them great ammunition for argument—if your regulation concerning international broadcasting were not properly founded upon, or could not be deemed justified by the basic Communications Act of 1934. It may be that you have information not known to the public or to the Members of Congress which would clear up the situation. I repeat, in all kindliness, I ask for enlightenment.

Cordially yours,

EMANUEL CELLER, M. C.

The Greater New York Fund

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 15, 1939

REMARKS OF THOMAS W. LAMONT AT THE MID-CAMPAIGN DINNER OF THE GREATER NEW YORK FUND MAY 8, 1939

Mr. DICKSTEIN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following remarks of Thomas W. Lamont at the mid-campaign dinner of the Greater New York Fund, at the Hotel Waldorf Astoria, New York City, May 8, 1939:

Let me thank you again, Mr. Chairman Parkinson, for giving me the chance to meet with you and hear my testimony as to the value of this fine effort in human relations. Especially let me express to you the gratitude of our community for the notable spirit of sacrifice which you, barely recovered from a serious emergency operation, have been showing to us.

This campaign is, I hardly have to point out, another outstanding example of the superb cooperative spirit of New York City and of its citizens. Throughout the worst years of the depression our community made it clear that it would spare nothing in the way of generosity and sacrifice for those in need. For several weeks you here have been engaged in this New York campaign of war on poverty and suffering. Now tonight we find ourselves midway in this effort and are met to compare notes and go forward with renewed energy.

UNITY OF PRESENT CAMPAIGN

At the initial dinner of the campaign on April 19, James G. Blaine, who has been so largely responsible for the inception of this work, spoke in eloquent phrases of the implications of this task of ours, its beneficial effect in preventing needless duplication of effort, in correlation of activities. And at these gatherings every speaker properly emphasizes the unity that marks this campaign, this fine, joint effort by all religious sects and creeds, Catholic, Protestant, Jew; this extraordinary gathering together of leaders from all the five boroughs of this great city. This unity that we have is perhaps the greatest single factor in this particular effort. It reaches far beyond the amount of the fund that we raise.

RACIAL AND RELIGIOUS TOLERANCE

Today, as we are well aware, we are all working in the midst of great perplexities, both domestic and foreign. But in this campaign of ours we have a strong, practical demonstration of neighborliness and tolerance. How vastly different, by way of contrast, is our situation from that in certain countries overseas, where we have been witnessing a racial and religious persecution so cruel as to render life almost intolerable. Is there danger of such racial or religious antipathies crossing the ocean and finding foothold here? I cannot believe it. Yet from time to time even in this country we hear vague, intolerant mutterings.

Yet I know that at bottom the real feeling of our community is that we detest any suggestion of class war in America; we resent the idea of racial intolerance; we loathe religious discrimination. How could this be a land of freedom for one kind of religion and not for another? Surely any racial or religious cleavage is completely alien to our American scheme of things. We Americans have been brought up in all the radiant light of liberty which we are trying to preserve; and 3,000 miles of ocean can neither insulate our human sympathies nor moderate the indignation which we all feel because of the suffering and cruelties inflicted upon special groups in more than one of the European countries.

CASE OF THE REFUGEE CHILDREN

Take further, if I may be so bold, the case of the 20,000 poor refugee children whose entry amongst us our present laws forbid. A considerable outcry has been raised against their admission over the next 2 years, even though it is clear that provision has been

made so that they would not become a charge upon the state. There is perhaps no great issue involved here, and the advocates on both sides of the question are no doubt equally sincere. But I cannot help asking myself what harm such a pitiful group can wreak upon us. We Americans cannot well forget that we, or our forefathers, came over to this land 300 years ago, and thereafter in constant streams for many generations, chiefly in order to escape religious or social or economic handicaps in Europe. We, or our ancestors, found here a land of opportunity and of liberty. How can we, removed from all the oppression and agony overseas; unregimented, untrammelled, free from the tenseness that is torturing so many thousands over there—how can we reconcile it with our generous instincts and practices to hold back from giving entry to these wretched children?

The plight of young children is always the one most appealing to our sympathies; and incidentally I know not which is the more tragic picture from overseas—that of the infants and children being fitted for gas masks in England and France and Holland, all beginning dimly to realize that war is a thing of horror; or that of the children in Germany and Italy, outfitted with miniature rifles and bayonets, being taught that war is a virtue.

WHAT STANDARD OF LIVING MEANS

We all know that America for generations has prided itself upon its increasingly high standards of living. But we know, too, that the standard of living has a significance more profound than any mere material term would imply. The standard of living, in a deeper sense, is moral in its values. Man cannot live by bread alone. And a standard of living, based on a high level because of its spiritual as well as its material well-being, can never exist in a nation oppressed with fear, prejudice, racial superstition, or religious persecution. And just as America demands freedom of speech, tolerance in race and in religion, so also it demands the highest standards in every field of conduct and endeavor—in law, medicine, business, big and little, and in politics.

THE REAL SPIRIT OF NEW YORK CITY

Perhaps you will think I have wandered far from my theme. No; I am applauding and acclaiming the ideal of high endeavor and of the unity that mark this campaign as the greatest factors leading to its success. I am expressing the admiration that I feel for each one of you workers before me here tonight; for all the men and women whose aid is helping us in this fine, this challenging work. New York City, with all its glamor and rush of life, is sometimes pictured as more enterprising and workaday than human. But this common effort for good to which you are giving your days of devotion is showing to our whole American community the real heart of New York, the best that is in us. And, in like manner, I believe this campaign to be only typical of the spirit that characterizes our whole country.

AMERICA—A NATION OF HUMAN BEINGS

What are the qualities that have made America great? Enterprise, hard work, courage, tolerance, generosity, fair play. These are "the invisible things of the spirit which are the essence of a community and a civilization." They are the qualities that have marked the real leaders of America for generations past. They are the qualities displayed by the leaders of this campaign. And as we advance along the years we realize that the power and glory come to one man and not to another; we know not why, but that is what makes this America of ours a nation not of robots but of human beings. And when I hear some misanthropic individuals declaring that America is spiritually dead, that only the totalitarian states have the power to consecrate their youth to a concrete ideal, then it is a great lift to come to a gathering of many hundreds like this, made up of men and women devoted and glad to spend their days and weeks to the fulfillment of a high and worthy purpose. And it is I that have to thank you, not you me, for letting me join you in this intimate and inspiring gathering.

Finally, then, as to this campaign, I will, unlike the preachers, quote my text from the Bible at the end of my discourse. Mine is from Isaiah, who must have been a prophet of our own day and generation when he said, "They helped everyone his neighbor; and everyone said to his brother: Be of good courage."

Peace and Safety

EXTENSION OF REMARKS

OF

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

ADDRESS BY HON. WILLIAM L. NELSON, OF MISSOURI, BEFORE WOMEN'S DEMOCRATIC CLUBS OF CALIFORNIA, MO., JUNE 7, 1939

Mr. NELSON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include my address to the Women's Democratic Clubs at California, Mo., June 7, 1939, as follows:

We meet in the midst of great days—Mothers' Day and Memorial Day in May, Flag Day in June, and the Fourth of July soon to follow. We meet in the best of all States—Missouri—and never was Missouri more beautiful than now. We meet in America—our United States, yours and mine—loveliest of all lands and best place to live. Never could I with more sincerity have said this of our homeland, never more than now, when, of all nations, ours is the most favored.

While in our National Capital, the key city of the world, those of us in national life must to some extent sense the surge of restlessness beyond the seas, we are happy in the thought that peace is our portion.

While there is war talk in Washington, the hope, the aim, the prayer, is for peace. Happy am I to be able to say to you that I feel that with President Roosevelt and Secretary of State Hull at the helm—and how fortunate we are to have them—a world conflict, if it comes, will not directly involve us.

Our position of vantage is ours not by accident, but because of brave and wise action. When the history of this tragic era, these tense times, is written, when the records have been read by another generation, it will be conceded that, as far-reaching good goes, President Roosevelt's message to the war-mad dictators of Europe will deserve to rank with Washington's Farewell Address and Lincoln's immortal message at Gettysburg. Today this may seem an exaggerated statement. Who, though, can measure the worth of a state paper which prevented the world from being plunged immediately into a terrible conflict, and which message may yet help bring about an era of lasting peace?

The special days to which I have referred have singular significance. Only mothers know the real meaning of war. Theirs is the grieving, not the glory. Memorial Day, a Boone County woman's thought put into action by her soldier husband, was primarily to honor the memory of those who died in war, but today it is for all. Flag Day reminds us that our flag, most beautiful in all the world, is more than a mere bit of bunting, that it stands for principles worth dying for—yes, and more, principles worth living for. The Fourth of July is no longer merely a day of spread-eagle speeches, but is becoming a day of rededication in Americanism.

It means nothing to be told that America has a "rendezvous with destiny," means nothing, unless we are willing to do our duty. "We, the people"—these words mark the beginning of the preamble to the "greatest document ever struck off at a given time by the brain and purpose of man," and there power must ever rest, rest not with the Congress or courts, not with the President, but with the people.

The Fourth of July patriot represents no worth-while ideal. He does not meet the challenge of citizenship. Our country's need is for 365-day Americans, not fractional folks. We need such citizens now, when our Nation is in greater danger from within than from without, when false doctrines are, to America's shame, being presented from public forums, on printed pages, and actually aided in mass meetings and in camps where disloyal foreign-born citizens drill under a flag that is not our own. For the disloyal alien, whose heart is not here, there is no room. Lest what I say be misunderstood, I would make it plain that no reflection is meant on the right kind of foreign-born citizens, of whom there are millions in America. Do not distrust or look with suspicion upon every German in America and count him a Hitler sympathizer. The probability is that he is as far from it as you are. Do not find fault with every Italian and measure him by the standard of a Mussolini. Some of the worst "aliens" in the United States were born here, and deserve no defense.

This is a time for calmness and reason, for tolerance within reason, rather than for the arousing of race antagonism. Civil and religious liberty is the right of all. Fortunately here in the heart of Missouri we know little of race and religious hatreds.

Truly we are a fortunate people. We meet today under the most happy circumstances. You, women of Missouri, help to make good homes. Good homes are the hope, not only of America but of the world. They make for happiness.

Of course, there is some complaint. This comes largely from those who do not take time to contrast conditions here and abroad. For instance, news dispatches tell of how in Italy the people must do without many things, including coffee. In Germany the order is for limited quantities of butter and other foods in order that money may be available for munitions of war. Over there even the children are taught to adjust gas masks. Over there the boys, instead of enjoying their vacations as Boy Scouts or having employment in C. C. C. camps, are, under enforced orders, taught the arts of war.

Still, favored as we are, it is possible to find fault, if it is fault we are looking for. Shouldn't we, though, here in the heart of Missouri on this June day, look for the things that are right, rather than give all our attention to the wrong? Just as the usual isn't news, just as we forget all about 31 good teeth and think only of the one tooth that aches, so too often the inclination is to see only the unpleasant. You and I have seen many a flock of sheep, but I dare say that none of us ever saw a flock with more black ones than white ones. There is more right than wrong in the world, and this applies to America as to no other country.

In Europe the nights are broken by the march of armed men. How different here at home, where yesterday the click of the corn planter made merry music, while from harvest fields, rich in golden grain, soon will come the busy whir of the binder.

Where, I ask you, are conditions to equal ours? What flag is more beautiful or means more than the Stars and Stripes? In what other country would you prefer to have your home? Finally, in what soil would you rather sleep life's last long sleep?

We hear of a lot of spending, mostly of Government spending, and I am frank to say that I hope that early curtailment may come. I would remind you, though, that there is unprecedented individual spending, especially in the big cities. Doubt it? Then go to the big cities, to the crowded movies, no longer referred to as "The Nickelodeons," but where the admission is many times more, and witness the crowds. Go early if you want a seat. Sports events of all kinds bring together vast crowds, 50 special Pullman trains for the Kentucky Derby, for instance. In Washington, where the "greatest show on earth" recently gave six exhibitions, the "tent full" sign went up early, with the overflow crowd seated on straw. To cap it all, for the first time in the history of the United States, we have a two-ring circus, or rather, two world's fairs going on at one and the same time.

True, there are hardships. The Biblical statement that the poor are with us always is still true. In no other administration, though, and at no other time, has the Government done so much in a helpful and humanitarian way. For the first time old people are receiving monthly checks, and no longer need fear the poorhouse. Needy mothers and children are cared for. Youth was never so generously treated or afforded equal advantages. I shall not take the time more than to make mention of the physical improvements that have come in the way of thousands of miles of road, rural electrification, with enough wires already erected to span the world four times (and in this the counties which we represent are today sharing or will share), parks, playgrounds, water works, sewer systems, school buildings, and additional facilities for safeguarding health.

No, we have not reached perfection. There can be no complete leveling-up in human affairs, but it is good to know that there is today a better distribution of opportunities and wealth. Always there will be differences. Were there no precipitous peaks, there would be fewer verdant valleys; no broken bits of marble, no mosaics; no plowing and planting, no harvest.

If the sun does not always shine, it may be that God leads us down into the depths so that, looking up through the shadows, we may see the stars.

As your Representative in Congress, I have voted for big appropriations for national defense, for bills carrying larger sums of money than under any other circumstances I could have brought myself to support. Preparedness costs aplenty. Compared, though, with the cost of war, it represents a mere minimum. In fact, no mathematical expert could truly calculate the full cost of carnage. Use the talent of mathematicians to figure the cost in money, and the heart-understanding of mothers to calculate the cost of misery; combine these costs and the true total war bill will be much more. Hence, as I see it, the money which the present Congress has voted for national defense actually represents both insurance and a saving. Proper preparedness does not mean war. The word pacifist ends in f-i-s-t, and Uncle Sam's good, strong fist may mean that America does not have to fight.

Let me make plain what I hold should be our country's position: While in every proper way exercising our influence for world peace, I want us to keep our tongues as well as our troops out of Europe.

Two months ago, speaking before the Young Democratic Clubs of our district, I said, "Honesty is not only the best policy but it is also the best politics." Today I reiterate and emphasize and add that this applies alike to political parties, organizations, and individuals.

Mention has been made of special days and events. My homecoming at this time—and I would rather be here than any other place in the world—means that I am missing a memorable event in Washington, where this week King George and Queen Elizabeth, the former the first English King to visit the western continent, come to our National Capital. There they are being welcomed with pomp, perhaps too much pomp, if you please, with much of the world ceremony-mad. While all of us admire these two pleasant young people—the King is 44 and the Queen 39—as individuals, it does not mean that we for one moment think their form of government equal to ours. Here our Chief Executive is, by vote of the people, elected to the most exalted position, a position so big that no man can inherit it or be born to it. I thank God that this is so.

A short time ago I was at Jamestown, site of the earliest English settlement in America, and sat during exercises in the old church, which still symbolizes a faith in the great Common Father and a religious devotion which, if our country is to live, must not be lost.

I have spoken of military armament. With this must come moral rearmament. More important today than ever before is the understanding of the brotherhood of man and the fatherhood of God. America must prove to the world not only that it is great but that it is good.

Leaving Jamestown, I visited Williamsburg, reconstructed city and historic shrine. Then on to Yorktown, with the old Nelson House, before which I had the privilege of having my picture taken. Next we drove through the battlefield where Cornwallis surrendered the British Army and thus ended the Revolutionary War. This marked our eternal independence from British rule.

While recognizing the truth of the statement that there is no greater tie than a common language, and while grateful for the friendly feeling which for a century and a half has existed between England and the United States, a feeling which I would encourage in every right way, yet I am reminded of Washington's warning against "entangling alliances" with any nation, even the best loved.

It has been a great privilege to speak to you today. In doing so I have not singled you out and addressed you as women. Rather have I preferred to think of you as patriotic and devoted Americans, capable leaders in a great cause, as you are. Yet I would not forget that yours is also a more exalted sphere; that you do represent womankind. And how different, yet not more different than deserved, the lot of the woman in America as compared with some on another continent.

For instance, a recent Berlin dispatch told of how the Reich mothers symbolically presented their children to Hitler. Speaking in the name of all mothers, one mother was quoted as saying, "We bring the fruits of our motherhood to the Fuehrer and say to him, 'It is the best that we have, therefore it belongs to you.'"

Yes, America is different! You, as you return to your homes, the best homes in the world, will help to keep it different. This means that there is work to be done.

In other days we have had great domestic problems, at other times great foreign problems, but never before have we had to deal with such far-reaching problems, both domestic and foreign, at the same time. Fortunately, we have at the head of our Government a man whom, I believe, God gave to us to meet this emergency, a man with a great heart and mind, a heart and mind so superior that they more than compensate for a crippled body. This man may have made mistakes. I know he has, but I do not believe that in all the world there is another man who could have taken us thus far with greater assurance and safety than has Franklin D. Roosevelt.

Model Milk Bill for District of Columbia

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. SHAFER of Michigan. Mr. Speaker, I have today introduced legislation designed to control the milk supply of the District of Columbia which I believe will solve the many problems disclosed by the hearings of the subcommittee of the District of Columbia Committee, and which will encourage the widest possible consumption of milk products. I respectfully request all Members of Congress to interest themselves in this legislation which is predicated upon the findings of a 6-year study made by Dr. Frederic C. Howe, distinguished expert of the Department of Agriculture.

The suggested bill avoids private monopolistic control on the one hand and the creation of a new milk authority on the other. It protects the farmer against arbitrary price fixing by the distributor as it protects the consumer by the creation of free competitive conditions of distribution.

The bill provides for the following:

(1) It directs the Secretary of Agriculture, with his intimate Nation-wide information and administrative agencies, to lay down and recommend to the Commissioners of the District of Columbia rules and regulations which protect the producing farmer not only as to the price he receives but as to the many abuses, if not gyppings and dishonesties, connected with his complete dependence on the big distributors.

(2) In collaboration with the United States Public Health Service, it establishes health and sanitary regulations according to the standards now provided by the United States Health Service.

(3) In cooperation with farmers and farm organizations, the Secretary declares prices the farmer should receive, and, having made these findings, the Secretary reports them to the proper authority for action, which is the Commissioners of the District of Columbia.

(4) Producers, distributors, and the public are protected by public hearings on proposed rules and regulations. They are then made effective by the Commissioners for a 6-month period.

(5) Control is maintained by licenses similar to those now issued to producers and distributors directed not only to the

observance of health conditions but as to all other conditions of an economic sort as related to both the producer and consumer.

(6) Provision is made for different kinds of distribution at a price determined, first, by the price paid the farmer; second, by a reasonable charge for processing and pasteurization; and, third, by free competition in the agencies of distribution, whether by wagon, through stores, or by relief and public agencies. In effect, the bill shifts the control of the farmer on the one hand and the consumer on the other from a combination of big distributors, a limited number of privileged farmers and truck drivers, to responsible authorities, possessed of public confidence and interested only in the protection of all classes affected in the dairy industry. It is not a shift from the competitive system to Government regulation, it is a shift from one of the most complete and most highly organized financial combinations in the country to three Government agencies subject to public criticism and free from any private interest in the subject matter.

No additional expense is involved. No new officials are created, and no new bureaucracy is established. The bill merely uses existing agencies to perform the functions for which they are now created.

By this simple procedure, the following abuses and evils will be corrected or will tend to be corrected, to wit:

(1) The farmer would receive a proper price for his milk, free from monopoly price fixing, price being fixed by the Secretary of Agriculture in cooperation with the Commissioners and producing dairymen.

(2) The gyppings and dishonest practices disclosed by the Federal Trade Commission through the use of the base surplus plan, the control of bookkeeping, the misuse of milk, the homogenizing, excessive transportation, icing, and terminal charges would be ended. The Federal Trade Commission disclosed that these dishonesties in Philadelphia alone amount to $500,000 a year.

(3) The testing of milk for the butterfat content would be subject to regulation by other agencies than the buyer.

(4) The local market would be supplied from such area as the Secretary of Agriculture suggested with the approval of the District Commissioners.

(5) The farmer might be assured of the same price for milk, for cream and ice cream, as is now paid for milk for fluid consumption.

(6) The purifying of milk would be subject to a fixed charge based on the cost of the service rendered, similar to the proper charge for the purification of water, which is an exact parallel.

(7) A wholesale price of milk would be established made up of the price paid the farmer and a reasonable price for purification.

(8) Relief agencies and public institutions would be able to buy and use freely under conditions provided by regulations.

(9) Distribution would be open and free to house-to-house vendors, through stores, dairy shops, or otherwise, milk being purchasable by them at its production cost from the processing plant.

(10) Truck drivers and bottle exchange would be stripped of their power to create and protect a monopoly in distribution in the hands of few pasteurization plants, as they would be deprived of their power to prevent, by strikes or otherwise, distribution through stores.

(11) The licensing system subject to revocation of a license would more effectively prevent abuses and monopolistic practices than court proceedings.

(12) There would be an end of the controversies over the supply of milk, as well as the alleged illegal and criminal practices which have been disclosed by the hearings of the subcommittee of the District of Columbia House Committee.

(13) We would have a pilot plan as to the supply of milk, the best methods of paying the farmer, a proper price to the farmer, and approved methods of distribution, under congressional inspection, which would automatically tend to correct similar conditions in other communities, of which hundreds, and possibly thousands, are under the domination of the so-called Milk Trust.

(14) Most important of all, under these conditions there may easily be a great increase in the consumption of fluid milk, at a higher price to the farmer, which would absorb the so-called milk surplus which depresses the price for surplus milk to less than 2 cents a quart in most of the dairy areas of the country. The present consumption is approximately one-half of what it should be for proper dietary needs, and with the price reduced to a price within the reach of lower-income groups, there might be an approximation to a quart of milk a day for children and a pint of milk a day for adults, which is the approved dietary standard for dairy products.

Such an increase in consumption might absorb anywhere from 8,000,000,000 to ultimately 12,000,000,000 quarts of milk more than are now consumed. It would greatly increase the health of children and of adults and would bring our consumption of milk in line with a proper consumption for a country possessed of the wealth and buying power of the United States.

The Federal Theater

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

ARTICLE FROM THE NEW YORK TIMES

Mrs. O'DAY. Mr. Speaker, under permission to extend my remarks in the RECORD I am inserting herein an article from the New York Times of Sunday, May 28, on the merits of the Federal Theater.

The aim of Federal Theater is to give employment to needy theater professionals in socially useful projects which will rehabilitate them, conserve their skills, and, at the same time, bring to thousands of American citizens not hitherto able to afford theatergoing a planned theatrical program, national in scope, regional in emphasis, and American in democratic attitude.

Federal Theater employs as of January 15, 1939, 7,900 people, 95 percent of whom are from relief rolls. The peak employment, 12,960 in June 1936, has been reduced by cuts in appropriations and also by the return of over 2,000 Federal Theater employees to private employment.

[From the New York Times of May 28, 1939]

F. D. R.'S W. P. A. F. T. P.—AT MODERATE BOX-OFFICE PRICES, THE THEATER-GOING PUBLIC IS INEXHAUSTIBLE

(By Brooks Atkinson)

Neither Life and Death of an American nor Sing for Your Supper is first-rate work in the theater. But that does not keep thousands of people from going to see them at the prices the Federal theater charges. Sing for Your Supper, which is the Federal theater revue, has been selling out very consistently since it opened at the end of April. It is attracting about 1,500 people into the theater every night; more than 32,000 people have already seen it, and it has an advance sale of $15,000. George Sklar's dramatic biography of an American born in 1900 has also been crowding Maxine Elliott's theater since it opened on May 19 and has an advance sale of $12,000, which already assures a run through next month and probably much longer.

When the Federal Theater's Swing Mikado opened at $1.10 top in the enormous New Yorker Theater it was sold out for 3 weeks in advance and became an enormous hit. More than 76,000 people saw the Swing Mikado during the 62 performances under Federal-theater management, and most people believe that it could have run forever. When "private enterprise" succeeded in taking it over as the result of a burst of moral indignation from Congress, and promptly raised the box office tariff to $2.20, it failed after 24 performances.

Many thing about the Federal Theater are hard to defend. Being the most conspicuous of the W. P. A. art projects, it is the one Congress enjoys worrying most. Art seems like boondoggling to

a Congressman who is looking for a club with which to belabor the Administration, and there is always something in the Federal theater that can be blown up into a scandal. But for socially useful achievement it would be hard among the relief projects to beat the Federal theater, which has brought art and ideas within the range of millions of people all over the country and proved that the potential theater audience is inexhaustible.

For a good many years now the theater has been the private diversion of comparatively affluent people, who make up a small part of the country's population and whose group taste is capricious and exacting. But the Federal theater has proved that people in general like the theater and that plays with some sort of merit can run on indefinitely at $1.10. For half that price the Federal theater gave them last season one of the best performances of a play by George Bernard Shaw that this town has ever witnessed. Box-office tariffs have become the most crucial problem that faces the theater today. Under certain circumstances in the commercial theater they can be reduced to $1.65 and possibly to $1.10; several enterprising people are working on that problem now. It is not public spirit, however, but the experience of the Federal theater that has brought the pressure to bear.

Meanwhile, F. T. P. has believed sincerely in the doctrine of "the more abundant life"; and under Hallie Flanagan's valiant leadership it has been putting that doctrine into active practice for the benefit of the millions of Americans who need it most. Two million six hundred thousand people are employed on W. P. A. projects throughout the country. Only 8,040 of them are employed in the Federal theater—between one-third and one-quarter of 1 percent. Among the 2,600,000 it would be hard to find another group of 8,040 that has accomplished so much and given so rich a social return on the money.

Even people who, like this correspondent, believe in the Federal theater cannot shut their eyes to its many faults and limitations. Most of the faults go back to the basic fact that it is a relief project. That fundamental fact has made it necessary for F. T. P. to give employment to many people who are not of much progressive use to the project and to people with labor-union and political pressure behind them. It has also prevented F. T. P. from hiring many able theater people who would be useful. This is the essential paradox of an organization that is trying to accomplish something permanent for the good of the country.

Furthermore, as a relief project the Federal theater has to be administered according to rules that make producing almost impossible. A system designed to safeguard the spending of the Government's money and to protect the claims of labor unions is next door to being fatal in the theater. When a play gets to the producing stage things are always accomplished in the theater under forced pressure; when rehearsals finally get under way every one works his fool head off against the crisis of the opening. But, according to the psychology that prevails in all relief projects, the Federal theater keeps regular working hours and punches the time clock to prevent overwork as much as to assure work enough. The time-clock sketch in Sing for Your Supper is no great exaggeration; when the employees of the Federal theater have done their daily stint they have to quit on the dot.

And the labor unions have from the beginning regarded the Federal theater as either a menace to their established standards or territory ripe for anschluss. Instead of welcoming F. T. P. as a godsend to the unemployed and instead of working together willingly for a social achievement, they have battled it as separate, warring units. They, too, have succeeded in tying it up with restrictions that make sensible operation almost impossible. The separate departments will not even work the same number of hours. Over the 4 weeks' fiscal period, which entitles employees to a security wage of $91.10, actors work 96 hours, stage hands 68, and musicians 45.

In order to produce a play a producer has somehow to bring all the departments of the theater harmoniously together toward an integrated achievement. But the task of reconciling the different working hours in F. T. P. is nothing short of prestidigitation. It also stretches out rehearsal periods and raises costs of production. There has been plenty of incompetent management in the Federal theater; no one can shut his eyes to that. But the inflexible relief-project regulations and the dogmatic working schedules of the labor unions are largely responsible for the chaotic working conditions that scandalize Congressmen who happen to be looking for something to scandalize them.

Yet the fact remains that over a period of 4 years the Federal theater has contrived to establish a broad service that is socially useful to the country and stimulating to the theater. Most theatergoers hear about nothing except the productions that spasmodically reach the stage at box-office prices. But 60 percent of the F. T. P. productions are free; they include in New York City a troupe that acts classical and cultural plays on spot bookings throughout the boroughs, puppet shows for children, and vaudeville units.

The National Service Bureau, established by the Federal theater, is the most valuable clearing house for theatrical information in the country; it is equipped to supply technical data about plays to all kinds of people and organizations. One of the most vital services the New York project performs is the training and assigning of directors for theater work in social settlements and community groups. Thousands of people off the beaten trails in New York depend on that service for cultural development, and the final competition of their plays is one of the exciting events of the season. That is the project developed and administered by Madalyn O'Shea according to social principles that should underlie all work in the W. P. A. arts.

Although the Federal theater is far from perfect, it has kept an average of 10,000 people employed on work that has helped to lift the dead weight from the lives of millions of Americans. It has been the best friend the theater as an institution has ever had in this country. It has brought the theater and people together realistically. In short, it deserves to be rescued from partisan politics which, on the one hand, are creeping into its administration, and, on the other, are threatenng to put it out of business.

Beautiful Work Done by Shovel Leaners

EXTENSION OF REMARKS
OF
HON. ABE MURDOCK
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 15, 1939

RADIO TALK BY PETER SPRAYNOZZLE

Mr. MURDOCK of Utah. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief radio talk from station KSL on February 4, 1939:

Saturday evening, February 4, and here we are, Harry Clarke, Joe Bush, and me, Peter Spraynozzle, of the sheepfold where big gates swing on little hinges bringing you our four hundred and ninth editorial column from all of us to all of you. Good evening.

Just now we read and hear much of the W. P. A. That is, from the politically appointed W. P. A. workers, of civic bodies who cry about high taxes, unbalanced budgets, who find fault with the President and the Congress, civic bodies who dry their eyes and catch the next plane for Washington with the plans of a W. P. A. project in their pocket and take their place in the line-up with a Congressman as their sponsor and greet the President with that un-American slogan, "Mister, can you spare a dime?" Of them we hear much—much too much.

Then there is the other W. P. A. worker, the outdoor worker, working in the heat of the summer, the near zero weather of winter. Not because he is politically preferred, not for fame and glory, or to be interviewed and have his picture on the front page of the paper, but working at the only job he can get to keep the home fires burning and the children in school—of them we hear little, and that little seldom complimentary.

Joe Bush and me move about in many States. Community leaders have taken us out, shown us W. P. A. projects, a one thousand dollar price tax on one, a million dollar price tag on another. We have seen work so beautifully done that we wanted to stop and talk to the workers on the job only to be told that they were just "shovel leaners" and "working stiffs" from the relief rolls, that we would meet the big shot at the commercial luncheon; and so it was.

In one State Joe Bush got a car, and we drove out to talk to the men on the job. One was a railroad fireman too far down on the board to earn enough to keep his family. Another was a young man with a high-school education plus a year in the university of his State; another was there to earn enough to complete a course in transportation in the Chicago University; one was a stone mason working at his trade. Why were they there? Because for them the gate of opportunity into the field of industry was closed for the moment.

Joe Bush says the tragedy of the depression is not in high taxes or an unbalanced Budget but in the inverted lives of the young and middle-aged workers of America. Budgets can be balanced any time, but the days, the weeks, the months, and years of idleness the workers of America are forced to submit to because of an upset in the industrial system are passing, and no Budget balanced and bulging with gold can buy back for them one split second of the time they spend in enforced idleness. That is time forever lost to the individual and wealth lost to the Nation because of labor unemployed. That, ladies and gentlemen, is the tragedy of the depression.

President Roosevelt, who sees the United States as a whole, who senses the needs of the people, who, to help the people to help themselves, has set up the W. P. A. and the C. C. C. camps as stepping stones for the workers. State and community politics that would make of those stepping stones stumbling blocks because of an unbalanced Budget interfere with the plans of an administration, block American progress, block the road to recovery, jeopardize the security of the American people and the future of the American Republic, and in their ego refer to themselves as patriots and to Benedict Arnold as a traitor.

This month of February the American people again commemorated the birth of Washington and of Lincoln for the part they

played in the building of a nation. Was Washington's budget always balanced? I wouldn't know about that. But I do know that he left a nation to the people of the world dedicated to the principle that under God all men have a right to life, liberty, and the pursuit of happiness and for that we cherish his memory, and claim him the Father of his Country.

Did Lincoln leave the Presidency with a balanced Budget? I wouldn't know about that either. I have never inquired. But I do know that he held together the States of the Union, preserved the fabric of a nation, and for that (not the state of the Budget he left) the American people commemorate the birth of Abraham Lincoln as they do the birth of George Washington.

Joe Bush and I are not of President Roosevelt's political party, but we are, thank God, fellow citizens with him in these United States of America, and if we would be true to the country that gave us birth, we must be as true and as loyal to the President of our day as the soldier in the ranks was true to the leadership of Washington and of Lincoln.

To do less than the best, even if less than the best would do, is not enough. We, the people of this United States of America, are proud of our history, proud of the rights man has in this, our country, proud of our Washington, our Lincoln, proud of the men who have preserved those rights. We cherish their memories, but our loyalty should, it must be, to the man in the Presidency now.

To commemorate the memory of our Nation's dead is a futile, un-American gesture, if we break faith and withhold our loyalty from the living. It is far more important that we love and serve our country and help our fellow man than to balance a budget and love and serve its golden contents.

W. P. A. Musicians Projects

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. COCHRAN. Mr. Speaker, no group has suffered more in recent years than the musicians of the country. There was a time when their services were very much in demand. With the passing of the legitimate playhouses followed later by a policy to discontinue the orchestras in the moving-picture theaters the musicians found themselves without means of making a living for themselves and families.

We find in the pending bill paragraph (b) of section 25 the following language:

After August 31, 1939, for the operation of any project sponsored solely by the Works Progress Administration.

That language means that, after that date, unless a State or a subdivision of a State sponsors the music project, these worthy citizens will find themselves deprived of an opportunity of following their vocation as they have in the past on W. P. A. projects. It must be admitted that the great majority of the trained musicians will be unable to secure employment.

I received this afternoon a telegram from Mr. Samuel P. Meyers, president of the American Federation of Musicians, of my city. I quote that telegram:

ST. LOUIS, MO., *June 15, 1939.*

Hon. JOHN J. COCHRAN,
House Office Building, Washington, D. C.:

The Musicians Mutual Benefit Association, an organization of 1,100 citizens and taxpayers of the city of St. Louis and St. Louis County, request that you oppose the bill in Congress known as House Joint Resolution 326 and urge the Congress of the United States to continue the white-collar and Federal music project as it has been handled during the past several years.

Passage of 326 referred to above will eliminate the white-collar project in metropolitan St. Louis because most if not all State and municipal governments are not interested in projects which do not produce material production, though the white-collar workers and musicians are entitled to the same consideration as any other worthy projects.

SAMUEL P. MEYERS,
President, Local 2, A. F. of M.

As I cannot conceive of my city or the State sponsoring such projects I want to express the hope the committee in charge of the bill will accept an amendment that will permit this class of projects to continue.

National Youth Administration

EXTENSION OF REMARKS

OF

HON. J. HAROLD FLANNERY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

LETTER FROM THE HAZLETON FLYING CLUB, OF HAZLETON, PA.

Mr. FLANNERY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following message from the Hazleton Flying Club, of Hazleton, Pa., with reference to the N. Y. A.:

HAZLETON FLYING CLUB,
Hazleton, Pa., June 12, 1939.

MY DEAR CONGRESSMAN: "When a man thinks, he smokes; and when a man smokes, he thinks."

When steam was discovered to have great driving power, there were possibilities of many industrial developments. Men who realized this knew it would require millions to develop them, and so banks were organized in different parts of the country and the wage earner urged to save. "A dollar saved is a dollar earned." "Save for old age, so that when you are old and your earning capacity is gone, instead of going to the poorhouse, you will have a nice nest egg to fall back on." So the wage earner from his meager earnings made a deposit each month in the bank.

There were insurance companies formed that sent agents out to the wage earner who painted a horrible picture of dying and leaving his wife and children in want, and they urged him to take out a life-insurance policy, and so each year he paid the insurance company the premium on a life-insurance policy.

There was another group in little old New York who sold stock to the wage earner in many of the industrial developments that were taking place, and while the bankers, insurance companies, and Wall Street were more interested in their own welfares than they were in the wage earners, the money they collected was put and kept in circulation, and so the wheels of industry started.

Steam engines were built and rapidly took the place of sails on ships and boats, railways were opened up, mines of all kinds were rapidly being developed. It wasn't a question of where the wage earner would find employment; it was a question of where they would get enough men for the developments that were so rapidly taking place. Agents were sent to Europe and they brought men over here by the thousands, mostly for the development of anthracite and bituminous coal industries. The West was rapidly opened up, electricity was developed in its many different uses, oil was discovered to have driving power, gasoline engines and Diesel engines were developed. The automobile, phonograph, and moving-picture industries were developed, also the radio and airplane. There was a great boom in structural buildings of all kinds after the war.

Finally, one morning in the fall of 1929, the wage earner woke up and found practically every industry fully developed, the West had been opened up, all kinds of power had been developed to its highest peak, ample factories, business houses, and office buildings, every warehouse and storage shed in the country packed to its capacity with the necessities and luxuries of life, and he without a job and his purchasing power gone. He went to the bank to draw on his saving account, only to find that the dollar saved was a dollar lost or a dollar invested in frozen assets for the banker. The nest egg he hoped for in his old age had long before been hatched out and had grown to a chicken that had laid many other nest eggs, but not for the wage earner—for the banker.

The premium on the wage earner's policy came due with no money to pay it. The insurance agent (wise philosopher) made the wage earner believe that prosperity was just around the corner and persuaded him to borrow enough on his policy to pay the premium. The insurance company sent him a check which he endorsed and returned to the company, thereby reducing the value of his policy and increasing his obligation to the company for the following year.

In the fall of 1930, prosperity was still hiding behind the corner and he was compelled to borrow again. The fall of 1931 showed no improvement and his policy would not warrant borrowing any more on it so it lapsed and the protection for his wife and children in case of death, that he pinched and scraped so hard for, was wiped out.

In the fall of 1931, a new President, a whole lot of new Congressmen and Senators were elected. When they took office in the spring of 1932, they started a New Deal, and like the act of some fairy godmother, the banks were refinanced and the Government started to borrow from them to help the wage earner and his family from want and starvation. Many laws have been enacted in the past 6 years to help industry with the exception of one or two, when harrowed and ironed out will positively pave the way to prosperity and happiness.

The greatest act passed since before the first steam engine was built was the N. Y. A. Two years ago the State authorities of the N. Y. A. leased the second floor of a business block in the heart of the city of Hazleton and opened a youth center. It has grown in 2 years until the present time it has an enrollment of over 1,200, and an attendance each month of 5,000 or more. All these attending the youth center have had a grade-school education, some a high-school education, practically all had a religious training. Before being interested in the youth center some of them might just as well have been made victims of different "isms," or have been highwaymen or bank robbers instead of democratic God-fearing American youths.

A report recently released by James O'Brien, county supervisor for the National Youth Administration, on the activities of the youth in Luzerne County makes the following comment concerning the Hazleton Youth Center:

"One of the foremost N. Y. A. undertakings in Luzerne County was the establishment of the Hazleton Youth Center. Through the cooperation of the N. Y. A. and private groups and individuals of Hazleton, this community center offers recreational and constructive free-time pursuits for both young and old. A monument to the enterprise and creative ability of American youth, this center has an average monthly attendance of 5,000. The youth center offers facilities for enjoyment of leisure time through a broad program including guidance training, athletics, musical events, dramatics, workshops of all types, arts and crafts classes, vocational and academic studies, and special community events.

"This center has numerous game rooms, a theater, a library, music studies, sewing rooms, classrooms, dressing rooms, kitchen, lounge, and dining rooms, and various other facilities. Virtually all the equipment has been made by youth who had no previous work experience before being employed by N. Y. A. In cooperation with the Works Progress Administration, education division classes in elementary and advanced subjects in a wide range of study are carried on for Hazleton residents. This is one of the largest and most complete youth centers in the State and the extensive work being done in bringing a new and broader concept of the appreciation of life to the people of Hazleton.

"One of the first projects operated in Luzerne County by the N. Y. A. was the remodeling and distribution of toys to needy children at Christmas. On a county-wide basis 150 N. Y. A. boys and girls collected old toys and repaired and distributed them to children in Sugar Notch, Hanover, Nanticoke, Pittston, and Hazleton. Also Hazleton had a crew of 19 boys erect several street signposts for the city engineers."

Recently a group of young men from the city of Hazleton made a survey of the economic conditions of Hazleton and surroundings and they found the following:

The city of Hazleton has a population of 40,000 with an immediate surrounding of 20,000. There are 10 banks in the city of Hazleton and vicinity with deposits amounting to approximately $35,000,000, most of which was placed there by people living in shacks in the surrounding towns not fit to live in, depriving themselves and their children of the necessities of life because they were taught to fear old age and "Over the hill to the poorhouse."

The city is paying out approximately $375,000 per year for fire insurance and is not getting back more than $20,000 in fire losses. This is due to the fact that the city of Hazleton has placed five firehouses in the most convenient places to cover the city. They are equipped with the most modern fire-fighting apparatus, and manned with experienced firemen. Since the taxpayers of the city of Hazleton have spent so much money and are paying now approximately $40,000 a year to bring fire hazards down to a minimum, they should collect the insurance. Imagine any businessman paying $375,000 for merchandise and selling it for $20,000.

The different life and accident insurance companies collect approximately $1,500,000 from Hazleton and surroundings each year, and as near as can be determined, not 10 percent of industrial insurance comes back and only 18 to 20 percent of ordinary and accidental.

What is true of Hazleton is true of every town, borough, and city throughout the United States.

Science and industry have made rapid progress the last 100 years. In fact, so rapid that man today is 42 horsepower, industrially speaking, and horsepower is about 7 man power—in other words, we are producing 294 times faster than we did before steam was discovered to have great driving power. We don't till the soil with a spade and a hoe any more. A young lady working in a mill takes care of from 12 to 15 looms running at lightning speed instead of the old hand-weaving machine. Massive power shovels have taken the place of the pick and shovel in excavating the earth. Powerful engines drawing 100 cars, each car loaded with from 50,000 to 100,000 pounds, traveling in all directions of the United States at the speed of about 50 miles an hour, instead of the old method of transportation with horse and wagon. We don't travel from coast to coast in the old covered wagon any more, neither do we send messages as Paul Revere carried them, but we do allow currency to go on in the same old slow and improper method of distribution by a lot of fear mongers. Currency was made for the convenient exchange of the necessities of life, not to be sidetracked and hoarded away in depositories, insurance and bank companies' massive vaults for promises that seldom materialize.

Before we can hope to have real prosperity, currency must travel as fast as we produce. The past 6 years has proven, without the shadow of a doubt, that the Government is the only one capable of doing it. The machinery is all set but it must be improved upon. The W. P. A., P. W. A., and the C. C. C., the National Housing Act, the Social Security, and the National Youth Administrations all can be made to run with the same economy and efficiency the Postal Department and the Printing Department of the Government are run. Where is there a private industry that is run more smoothly than the Postal Department or the Printing Department of the Government? With the brains of the country at the head of our Government, it is the height of folly to say that the new laws enacted cannot be run smoothly and successfully. Every new enterprise takes time to work out successfully.

Building construction is the hub of all industry. There is not a school district in the United States that does not need new or better schools. There is much need for new hospitals instead of many of the barns now used for hospitals. The most crying need, however, for buildings are youth centers throughout the United States. Build youth centers with the youth, and when they are about complete, the youth will be proficient mechanics, able to carry on in their particular lines. The cost of production of building material at the present time is at a minimum, and the cost of consumption is at a maximum.

This is due not so much to the high salaries mechanics get as it is to the lack of efficiency from growing old and no youth to take their places. After youth centers are built all over the United States, teach the youth salesmanship, send them out to sell Government bonds, especially baby bonds. It is the best investment the wage earner can hope to make today. Surely the Government can pay the wage earner more than 1½ percent on his saving account and loan it back to him for home construction and small enterprises at less than 6 percent. If Social Security functions properly, what does the wage earner want with insurance? When the wage earner spends his earnings for the necessities of life, what he has left he may invest in baby bonds instead of savings accounts in the banks and buying insurance policies on himself, his wife, and all his children; money will travel as fast as we produce and distribution will soon catch up with production.

The Government spent many billions to put the youth in a lot of mudholes in Europe where many died like rats during the World War. Surely you don't begrudge a few billion now to put them in youth centers where they truly can make at least the United States safe for democracy. The more you spend on youth centers, the less you will have to spend on jails and insane asylums, and the more teachers you employ for the youth centers the less keepers for jails and insane asylums and G-men you will have to employ.

When we look back to the time a lot of young peasants, from different parts of the old country, with no protection of life or property, came to our shores and with nothing to carry them but their two feet and nothing to work with but their two hands, they went into the wilderness and through the effort of themselves and their offsprings they gave us the finest and richest corner of the globe. Now, at this enlightened age, to see the condition it is in is amusing.

Now that I have delivered my message, take me out of my coop, fill out the blank attached, place it in the receptacle on my leg, and let me go. I don't know of any place I would rather be than home with my young mate. The youth of Hazleton and vicinity, in fact, of the Nation, are anxious to know the results of my mission here.

Respectfully yours,

ROLLED BACK.

P. S.—There is a nice mild cigar concealed in the ceiling of my coop; take it out, light up, and smoke.

National Youth Administration

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks, I desire to place in the RECORD, quotations and excerpts from certain letters and telegrams received from outstanding people in the State of Louisiana who favor the great program being done by the National Youth Administration and who want to see it carried on in accordance with the recommendations of the President of the United States.

The excerpts quoted will indicate that these people believe in the United States of America every young boy and girl is entitled to an equal opportunity to get an education and that the only requirement which should be placed upon this opportunity is ability to take the education and worthiness of effort of the young person.

Hon. Richard W. Leche, Governor of the State of Louisiana, writes from Baton Rouge:

I am passing on to you a letter from the Reverend Harold A. Gaudin, S. J., president of Loyola University in New Orleans, relative to the provision in the administration's appropriation bill for the continuation of the N. Y. A. I am heartily in accord with his recommendation and hope that you will give this your support.

Rev. Harold A. Gaudin, S. J., writes from New Orleans, La.:

You are probably acquainted with the National Youth Administration by the help of which many boys and girls are able to go to college who would otherwise be forced out into the lines of the unemployed. Moreover, the aid provided is essential toward developing a trained intelligent leadership.

For Loyola University and for the other colleges and universities in Louisiana, it would be disastrous if anything was done to harm the N. Y. A.

The Police Jury Association of Louisiana at its annual convention passed a moving resolution commending the N. Y. A., and stating that—

Therefore be it resolved that the annual convention of the Louisiana Police Jury Association does hereby express its approval of both phases of this valuable and far-reaching program and urges the Congress of the United States to provide adequate and increased funds for this program: Be it further

Resolved, That the convention go on record as opposing any change in the present activities or set-up of the National Youth Administration, it having been clearly seen that the present set-up has worked out efficiently for the good of the youth of this State and Nation.

The Board of Governors of the Louisiana Public Welfare Association, taking into consideration the outstanding work of the National Youth Administration, has adopted a resolution giving this work favorable commendation and urging its continuance in increased proportions and intensified activity. This resolution reads, in part:

Therefore be it

Resolved, That the Louisiana Public Welfare Association in convention assembled at Alexandria, La., this 1st day of April 1939 do respectfully petition and urge that the National Youth Administration be made a separate, permanent department of the proposed Federal Security Agency of the United States Government; be it further

Resolved, That funds be provided for the part-time employment of needy young people between 18 and 25 years of age who are unemployed and out of school; be it further

Resolved, That funds be provided for the part-time employment of needy school, college, and graduate students between 16 and 25 years of age, so that they can continue their education.

Hon. Ovid B. Hunter, of the police jury of Red River Parish, La., wires:

The people of Red River Parish would appreciate your leading a fight to see that N. Y. A. gets funds recommended by the President rather than amount proposed by subcommittee of Finance Committee.

Hon. A. A. Fredericks, superintendent of Louisiana State Normal, at Natchitoches, La., wires:

It is my opinion that the President's recommendation that $123,000,000 appropriated for N. Y. A. is not too much.

Hon. S. M. Shows, superintendent of education of De Soto Parish, who is familiar with the educational needs and qualifications of a great and enterprising parish of the State of Louisiana, wires:

Please support President Roosevelt's recommendation in regard to funds for N. Y. A. * * * The President's recommendation highly important that this amount be restored in Finance Committee.

Commander C. P. Derveloy, of the eighth Louisiana district of the American Legion, appreciating the outstanding work of the N. Y. A., wires:

Request that you lead fight on floor to prevent N. Y. A. cut, and urge Congress to provide full appropriation asked by the President.

Hon. J. M. Pearce, president of the policy jury of Webster Parish, La., from the enterprising city of Minden, realizing the immense amount of benefit to our young people in the Nation from the National Youth program, wires:

Please favor N. Y. A. appropriation as originally asked, $123,000,000.

Hon. D. L. Glasscock, member of the police jury of Rapides Parish, wires:

Please use influence in debate on floor today to prevent cut in N. Y. A. appropriation. If possible, insist on President's entire allotment.

These and many other letters, telegrams, and personal calls have come to me during the past few days, emphasizing the outstanding work which has been done by N. Y. A. without criticism in the State of Louisiana. These appeals ask only that the proposition of an equal opportunity for an education be extended to every boy and girl throughout the United States regardless of his financial position.

Next—A Penny Arcade in the White House?

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. CRAWFORD. Mr. Speaker, I rise at this time to voice my protest against the recent action of the Secretary of the Interior which has virtually amounted to making a side show out of several of the sacred shrines of American history located in and near Washington.

Reference is made to the Secretary's recent order invoking an admission fee to the Lincoln Museum, also known as Ford's Theater; to the Peterson House, where the Great Emancipator died; to Fort McHenry, which overlooks the birthplace of The Star-Spangled Banner; and to the famous Lee Mansion in Arlington.

I am advised that during the last calendar year upward of 700,000 persons visited Lee Mansion, 116,924 visited the Lincoln Museum, and 85,000 visited the Petersen house. Please bear in mind that a very great percentage of these visitors were school children who made a pilgrimage to visit the Nation's Capital and its points of historic interest. Children, if you please, who long visualized a trek to these national shrines and for many of them it constituted the only visit to the Nation's Capital in their lives.

Today we find ticket offices stuck in the doorways of these famous places and the youth of the Nation—future patriots and statesmen as well as the rank and file of all American citizens—may enter only by paying a premium at the rate of 10 cents a head.

Shall we envision further action on the part of the Secretary in placing a carnival spieler in front of these sacred institutions to shout to passersby, "Looky, looky; hey! See where Lincoln died; one dime, 10 cents, admission."

Or shall we next expect to hear that a penny arcade has been set up in the foyer of the White House to eke for the unbalanced National Budget the hard earned dimes of the school children of the Nation and of our citizenry while the administration plays Santa Claus to the international gold brokers?

I am reliably informed this morning that there has already been a falling off in the attendance at these national shrines since Secretary Ickes' dime-a-head admission went into effect a few weeks ago. This means that fewer of our youth are seeing these spots referred to in the pages of their history books and fewer adults are passing over the threshold of these shrines—all because the Secretary of the Interior has become a tourist's dime grabber.

People of the Nation, I am convinced, are not in sympathy with this action. The sentiment of many people of my own State is well expressed in an editorial appearing in the current issue of Motor News, the official publication of the Automobile Club of Michigan, of which I am proud to be a member and which is constantly rendering invaluable service to motorists of our State.

Under the unanimous consent request granted me I submit for consideration of this House that editorial.

[From Motor News]

SNATCHING TOURISTS' DIMES

By executive fiat, Harold L. Ickes, Secretary of the Interior and Public Works Administrator, has instituted a schedule of fees throughout America's system of national parks, national monuments, and national shrines. By this action, Secretary Ickes has erected ticket windows in front of these great national travel objectives. For a dime you can see the place where Lincoln died; for another dime you can visit Fort McHenry, that inspired the Star-Spangled Banner; for a dollar you can climb the majestic peaks of Mount Rainier National Park.

Elsewhere in this issue there is a description of the wonders of the Sky Line Drive and the Shenandoah; to visit this area will set you back 25 cents—but there is a special bargain rate of $1 per season for repeat customers. The original understanding on the part of land donators that Shenandoah would be kept forever free makes this charge particularly outrageous, but the whole principle of making commercial enterprises out of the public playgrounds is indefensible.

This system of charges is an unjustifiable and unnecessary tax on the health and recreation of the American people. It places our hallowed historical shrines on a level with side-show attractions; it closes our scenic wonderlands to those who cannot afford to pay the tariff.

Certainly, the question as to whether fees should be charged and to what extent should be a matter for Congressional action. It should not be left to the capricious whim of a blow-hard bureaucrat.

Conditions Require More Adequate Old-Age Pensions

EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. LARRABEE. Mr. Speaker, several years ago, during my service as a member of the House of Representatives of the State of Indiana, I became interested in proposed legislation to provide pensions for the aged people, and, as cosponsor, introduced the first old-age pension bill ever introduced in the legislature of my State and one of the first bills of its kind ever introduced in any legislative body in this Nation.

Since that time I have maintained a serious and sympathetic interest in legislation to provide monthly annuities to our aged citizens, both for their own benefit and as a means of removing old people from employment rolls in a humanitarian manner.

As a Member of the National House of Representatives I have continued to express my interest in legislation of this nature, both with my support of all bills that I felt were reasonable and just and with my votes for such legislation.

At no time, however, have I permitted myself to be coerced or drawn into voting for bills framed under the guise of legislation for the benefit of aged people which I did not believe to be for the best interests of the people and the Nation as a whole.

This administration has endeavored, through the Social Security Act, which I supported, and through proposed amendments, recently passed by the House, and for which I voted, to provide such benefits.

While I have approved and supported this legislation, I do not believe that it will, and I am sure it does not now, provide adequate relief for persons beyond the age of earning a decent living for themselves. The benefits now provided, under the Federal-State cooperative plan cannot exceed $30 per month, and in most cases are less than half that sum, due to necessary limitations on the amount of money that may be raised locally as the State's and county's share. Even if and when the amendments enacted by the House recently become law, extending the maximum benefit to $40 per month, I do not believe that the aged people will, due to strained financial conditions in many States and many counties, receive anything near the proposed $40 benefit for some time to come.

In my State today the average benefit is slightly more than $17 monthly, and it will be more than a year, and then will require a special session of the State legislature to amend the present State law, before annuitants could possibly hope for benefits of $40 monthly.

Many other States are less fortunate than Indiana, and in those, the hope of benefits of more than $10 or $15 monthly, even under provisions of pending Federal amendments, is quite remote.

Because of these conditions, it has been and is my belief that old-age annuities should be paid direct from the Federal Treasury in an amount that will at least provide the aged citizens a decent existence.

Such a plan is embodied in the bill (H. R. 5620) known as the General Welfare Act, and now pending in the House of Representatives.

While I very much dislike to resort to the use of the petition method of forcing action on pending legislation, I feel so strongly in favor of the general provisions of the bill (H. R. 5620) and so certain of the need for legislation of this type that I have signed the petition, now on the Speaker's desk, for the purpose of forcing early action on this bill.

I believe that in no other way, than through enactment of legislation of this type, will it be possible to obtain payment of standardized pensions to old people throughout the Nation.

In signing the petition to bring this bill to the floor for a vote, I have done so with the firm intention of voting for the bill and doing all within my power to encourage my colleagues to do likewise.

The bill provides a monthly benefit of not less than $30 per month to each person, 60 years of age or over, who is a citizen of the United States and who has resided in the United States 20 years or more and refrains from any gainful activity.

As the general welfare fund, created by the bill, accumulates additional reserves, these reserves, above operating and administration expenses, would be prorated among all applicants, increasing the monthly benefit to an ultimate maximum of $60 per month for each person.

Both husbands and wives, even though living together, would be eligible for the same benefit, if both were otherwise qualified.

The benefits would be paid direct from the Treasury of the United States, out of special fund, to be known as the General Welfare Fund and would not be subject to State laws, regulations, or existing local financial conditions.

A burial fund is created by a provision of the bill requiring that the monthly benefit be continued for a period of 4 months after the death of the annuitant, for that purpose. The burial fund could be increased by contributions from relatives or friends if a more elaborate ceremony was desired by them.

No pauper's oath is required under provisions of the bill which intends to encourage elderly people to maintain ownership of their homes.

No benefit, under the terms of the bill, would be payable to any applicant not living within the United States or its Territories, and no part of the benefit may be spent outside, nor sent outside the United States or its Territories. The bill proposes to prevent or discourage purchase of any commodity not manufactured or produced in the United States.

It would be a punishable misdemeanor for an annuitant to so spend his benefit, or any part of it, or to unreasonably or unnecessarily maintain any abled-bodied male person between the ages of 20 and 60 in idleness or any person in drunkenness or gambling.

It would also be a misdemeanor to refuse to pay any just obligation incurred while an annuitant, or to refuse to pay at least 10 percent of any month's annuity on any other just obligation, or to willfully fail or refuse to observe rules and regulations under which the proposed act would be administered.

For the first conviction of a charge of such misdemeanor the annuitant would lose one-fourth of his monthly benefit for life. Another fourth of his or her benefit would be lost through a second conviction, and if four times convicted the annuitant would forfeit the entire benefit for life.

Under provisions of the act the Secretary of the Treasury shall have general supervision over payment of annuities and shall mail checks at regular monthly intervals to all qualified applicants.

Application forms would be made available through local post offices, and applications must be sworn to and shall be filed with the local post office. Postmasters and assistants would be empowered to administer oaths concerning the applications. A charge of 25 cents would be made for such services and the funds so raised would go to the Post Office Department to defray the extra expense incurred in this work.

The provision of the proposed act, creating the general-welfare fund in the Treasury, would empower the Secretary of the Treasury to accept any gifts or bequests that might be made for the benefit of the fund. Money accruing in the general-welfare fund can be used only for payment of benefits to aged persons and for administration of the act.

To provide the necessary revenue the act provides a gross income tax of 2 percent on all gross income accruing in the United States or received in the United States from any sources outside.

Certain exemptions to equalize the burden on the taxpayers and to prevent discrimination or hardship that might otherwise result are provided in the tax provisions of the proposed law.

This tax would replace, not supplement, taxes now collected by the Federal, State, and county governments for payment of benefits and administration of existing old-age assistance (pension) benefits under title I of the Social Security Act.

The new law would eliminate duplication of effort and expense now resulting under terms of the Federal-State-county cooperative old-age pension plan, and the proposed method of direct Federal administration should result in considerable savings over the cost of the present joint Federal-State-county system.

Even though local, State, and Federal officials charged with administration of the present plan have, in nearly every instance, worked diligently to maintain efficient and economic administration, the necessary duplication of effort and activity has proven exceedingly expensive.

Sponsors of this bill point out that there is nothing that would prevent amendment of this bill, or resulting act, later, for the purpose of permitting payment of annuities greater than the $60 monthly maximum benefit established by the act, if experience proves that sufficient revenue will accrue from the tax to make such a benefit possible.

However, it is not anticipated that revenues will accrue in sufficient amount within the next few years to make an increase over the $60 maximum possible, and the sponsors of the bill do not wish to create false hope among the aged people by establishing a maximum figure that they do not believe can be attained within the next few years.

The bill seeks to state definitely its aims and purposes as clearly and concisely as possible and to leave no possibility of any false hopes arising therefrom.

The bill is avowedly an effort to pay as liberal a pension benefit as possible and to permit retirement of elderly people, who are entitled to retirement, from the field of gainful employment and take care of the group of aged persons until such time as benefits accrue in the Federal old-age-benefit fund from employer and employee contributions, under title II of the Social Security Act, to provide those retiring from industry or gainful activity with the old-age benefit they have earned and saved during the years of employment.

Sponsors of the bill, basing their calculations on available census figures, assume that there are approximately 9,000,000 persons in the United States who would be eligible for benefits, if they would all agree to refrain from gainful activity. Many, naturally, who are in a position to earn sizable incomes would not accept pensions, but it is certain that there would be about eight and one-half million, perhaps more, applicants, and on this basis it is the opinion of tax experts that the tax feature of this bill would soon raise sufficient revenue to pay more than a $30 monthly benefit. It would not, however, for years to come, provide a benefit of $200 a month, and the bill does not seek to encourage belief that a $200 benefit would be available.

Both the author of the bill, and its sponsors, frankly admit that it is entirely possible that additional amendments and improvements may be made in the bill, as now written, to further insure a just and equitable levy of the tax. The author and the sponsors have given assurance that they welcome all constructive criticism.

While at the time this statement is made it does not appear that much hope exists for enactment of this bill during the present session of Congress, there is a fast crystallizing sentiment in Congress in favor of legislation of this type and the list of supporters of the measure is growing constantly.

It appears that definite action will be taken concerning this bill not later than the next session of the Congress. Personally I remain hopeful of its early enactment.

Dedication of Post Office at Amarillo, Tex.

EXTENSION OF REMARKS

OF

HON. MARVIN JONES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

ADDRESS BY HON. JAMES A. FARLEY

Mr. JONES of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley, Postmaster General of the United States, at the dedication of the new Post Office and Federal Building, Amarillo, Tex., Wednesday, May 17, 1939.

Today we are assembled to officially dedicate this modern post-office and Federal-office building. With the completion of this unit there is added another major link in the chain of public buildings which have been provided by this administration for the comfort and convenience of the people of the State of Texas.

This project was authorized under the act of June 22, 1936, and the total limit of cost for site, building, and administrative expense was fixed at $595,000. The building was designed by the office of the Supervising Architect of the Treasury Department. After advertisement and investigation the site was selected on November 25, 1936. The cost of the property was $100,000, and title was vested with the Government on April 16, 1937. You will note that within less than a year after the authorization was made by act of Congress, the site was purchased. On December 14, 1937, the Treasury Department awarded construction contract to Mr. Algernon Blair, of Montgomery, Ala., in the amount of $369,400. As you know, the building was completed on time for you have been making use of it since January of this year.

The first floor and the major portion of the basement is used primarily for postal purposes. The upper floors provide quarters for the United States court, the Bureau of Internal Revenue, the Department of Agriculture, Home Owners' Loan Corporation, and the Social Security Board. Space on the lower floors is also arranged for the Agricultural Extension Service and the Federal Housing Administration. Many of these new activities were located in Amarillo during this administration and I am quite sure their establishment at this point has meant much to the community. To all those who had any part in promoting the building project, or in its construction, I offer my warmest congratulations on a job well done.

The erection of buildings of this character throughout the country indicates progress and gives evidence of the Government's interest in business and in the welfare of its people. Projects like this give employment directly and indirectly to thousands of workers and have a heartening effect on business generally. They also indicate that the Federal Government, under this administration, is conscious of the needs in all sections of the

Nation, and that it is providing facilities which are adequate for the public service.

The post office at Amarillo has been in existence for a little more than 50 years, but it has shown rapid development in that half-century span. By 1910 the receipts were approximately $49,000 a year. In 1920 the receipts were about $123,000. By 1930 they were $370,000, and during the last fiscal year of 1938 the receipts were in excess of $380,000. According to the 1920 census the population was approximately 15,000, but the 1930 census showed an increase to 43,000, and it is obvious that you have continued your growth both as to population and business activity since 1930. So, I also want to offer my heartiest congratulations to you, the people of Amarillo, on your progressive spirit and industry which has developed this beautiful new city in the Texas Empire.

In the early days, when your first postmaster, Robert McKenzie Moore, started to handle the postal affairs here he probably had no idea that your town and your postal facilities would be enlarged so rapidly. He did not require much help to dispose of the task before him, and his responsibilities were not as great as those of your present efficient postmaster, my good friend, Winnette D. DeGrasse. I know that Mr. DeGrasse appreciates the improved facilities offered in the new building, not only from the standpoint of better working conditions for the employees but also the greater comfort and convenience provided for the patrons.

The growth of your post office here in Amarillo has been phenomenal. In that respect it parallels the growth of the entire United States Postal Service. In 1887 the gross revenues of the Department amounted to $48,800,000; but in some respects the Service had even at that time arrived in the billion class, for the records show that in that year more than 1,700,000,000 postage stamps were issued, and approximately 3,500,000,000 pieces of mail matter of all kinds were handled. However, in comparison with the present-day situation that revenue and volume was small indeed, for in the fiscal year 1938 the ordinary postal revenues exceeded $728,000,000; more than 15,000,000,000 stamps were issued; and approximately 26,000,000,000 pieces of mail matter of all kinds were handled. So you can see the Nation has been growing and its postal establishment has multiplied many times while you were making such rapid progress here in Amarillo.

Fifty years ago you had reasonably rapid mail transportation facilities, the best that could be obtained at that time. Today there is a vastly different situation. Mail is being transported in and out of Amarillo by airplane, railroad, and automobile, and the task to be performed by your post-office staff is far more complex and intricate, yet it is accomplished with such ease and efficiency that the average citizen considers it quite commonplace. There is no other agency of the Government, and certainly no private agency that renders service to the people that in any way compares with that rendered by the post office. During the 6 years I have been privileged to serve as Postmaster General I have been impressed with the fine spirit and loyalty and the unusual efficiency of the postal workers. We in the Department fully appreciate that our efforts to maintain a businesslike administration would not be successful but for the fine support we receive from those who are actually at work in the post office at Amarillo, and in the other post offices throughout the land.

This administration has availed itself of the most up-to-date methods and the most modern means of transportation in its effort to improve and give more efficient service to the public. An outstanding example of this will be found in the Air Mail Service. Through the years the Army, the Navy, and the Department of Commerce have contributed greatly to the success of aviation. The development of the radio has been an important factor. In fact, almost all of our major industries have contributed something, for aviation depends quite as much on its ground organization for its successful flights as it does on the pilots in the air. The system now is operated entirely as a private enterprise.

I am sure, however, that no organization has done more to foster the aviation industry than has the Post Office Department. The efforts of this service to expedite the handling of the mails across this country of magnificent distances was responsible for the first scheduled regular airplane trips. Just a little more than 21 years ago, on May 15, 1918, there was established the first regularly scheduled air-mail service between New York, Philadelphia, and Washington. Prior to that time there were experimental flights for the carrying of mail and messages, in many parts of this country and throughout the world, by balloon and airplane. We all know that airplanes were used effectively during the World War, but it is nevertheless a fact that the first scheduled air flights were made in connection with the establishment of air-mail service between the Nation's Capital and New York on May 15, 1918.

The first mail was flown by Army pilots in Army planes, the personnel and equipment being assigned by the War Department. The Army continued to fly the mail until August 1918, when this Department took over the service on its own account. The air lines were operated by the Post Office Department exclusively for the transportation of mail until 1926, by which time the success attained was sufficient to attract the attention of private capital. When this was accomplished the Department withdrew from the actual operation and since that time has been paying the operators of the air lines for the transportation of the mails in a manner somewhat similar to the method followed with railroad companies and other transportation agencies. The courageous Army fliers and the heroic fellows who sailed the planes as pioneers under postal operations laid the foundation for the existing aviation industry in America. The present-day pilots who fly the big ships day and night, with a record for performance and regularity that is amazing, are also to be commended for the part they are playing in this development.

The Air Mail Service was reorganized under this administration commencing in 1934. A number of new routes were established and other routes were extended. All of the old-time equipment has been retired from service. Every plane now operated in both the domestic and foreign air-mail systems is of the multimotor type. In some instances these ships have a speed upward of 200 miles an hour, and even with the heavy passenger load their flying speed is about double that of the planes of 20 years ago. These planes are heated and soundproof, and provide for the convenience of passenger travel. The people of Amarillo are familiar with the large ships that arrive and depart regularly from your airport.

The Air Mail Service has been expanded so that now the total mileage in the foreign and domestic service is more than 62,000 route-miles. Mail planes fly more than 70,000,000 miles a year, and by June 4, when the State of Delaware will be included in an experimental service, every State in the Union will have direct air-mail connection. Commencing early this month, and with completion of the schedules expected by July, we will experiment with a new pick-up service which will touch 59 cities and towns in Pennsylvania, West Virginia, and Ohio. The planes will not stop at these points but will fly over the airports, deliver the mail by dropping the pouches at a designated point, and pick up the outgoing mail from a catcher device. We will soon establish for an experimental period autogiro service on a regular schedule between the Camden Airport and the roof of the Philadelphia post office. Under this administration we have added the trans-Pacific service. Experimental flights have been completed across the Atlantic. The rates of postage have been established for European air-mail service, and I am quite sure this trans-Atlantic operation will be successfully maintained.

I am proud to be able to say to you that in the United States we have the greatest system of air lines in the world. They fly more miles, transport more mail, and carry more passengers than any other system in existence. We will continue to develop our air-mail system. We will take advantage of every opportunity to experiment with the more modern facilities, and when it is deemed proper to do so we will advocate further extensions of this very important service.

In the fiscal year 1932 when the 5-cent air-mail rate was in effect approximately 8,900,000 pounds of air mail was transported in the domestic system. In the fiscal year 1938, with the higher rate of 6 cents in effect, the air mail exceeded 21,000,000 pounds, an increase of 137 percent. During the same period the air lines have also increased their passenger traffic and the volume of air express.

You may be assured that this administration of the Postal Service will continue its efforts in your behalf. Likewise all other agencies of the Federal Government under the administration of President Franklin Delano Roosevelt will be operated for the benefit of all of the people.

I am grateful to you for the opportunity to share with you the pleasure and pride you must feel in the dedication of this fine new Government building, which not only gives you a better place in which to transact your business with the Government departments, but adds to the beauty of your fair city. Thank you very much.

Tolerance in America

EXTENSION OF REMARKS

OF

HON. JOSEPH A. GAVAGAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

ARTICLE FROM THE POSTER

Mr. GAVAGAN. Mr. Speaker, ladies and gentlemen of the House, there exists in this country today a small minority either hostile to, or unmindful of, the great American principle of tolerance to all. No true American may remain quiescent in regard to this challenge to one of our fundamental principles; no Christian may hope to walk humbly with Christ and practice or connive at intolerance, either racial or religious. Therefore, it is most fortunate that there appears in the Flag Day edition of The Poster, published monthly by Division 3 of the Ancient Order of Hibernians, New York County (of which division I am privileged to be a member), the following article by one of The Poster's

editorial staff, verily a scholar and gentleman. The article is as follows:

[From the Poster]

"LOVE THY NEIGHBOR"

By Niall Oran Meagher

"Who is Thy neighbor?" asked someone of Christ. "All mankind," He answered. It is well for every child of God to ask at this time what is meant by all mankind. It means every person alive in the world. There are no exceptions. It includes Protestants and Catholics, Jews and gentiles, blacks and whites. It means exactly what Christ said and intended—all mankind. And whatsoever any man does unto the humblest and lowliest of mankind, he does also unto his God.

From the above paragraph one might think that this writer is a Bible reader or a crackpot. Possibly. But look around the world today, no, look around the corner, and see if the doctrine of Christ has not been repudiated here in our own country. Christians are condemning Jews; Jews are hurling epithets at Christians. Catholics are criticizing Protestants, and vice versa. The blacks complain of unjust exploitation by the whites; the whites protest against the progressive development of the blacks. In short, a doctrine of hatred, prejudice, and greed has replaced the former American theme of "live and let live." There is still a ray of hope, however, as the hue and cry described really emanates from the mouths of a few. They are, admittedly, raucous and vituperative, enough to constitute a problem. Their drivel may fall on intellects too weak to comprehend and discern the meaninglessness of their pratings. For this reason it is necessary to keep them in mind.

No one will deny that this condition is European. It is not American. Its birthplace was Russia; its higher education is Germany. Russia was the flame that set the cinders of class hatred in motion. After predicating the reason for its existence on the materialistic philosophy of Marx, it necessarily not only denied the existence of God and the soul, but went a step further by taking steps to uproot all religion and deny its practice within the confines of the Soviet. To accomplish this, it was necessary to set one religion against the other, class against class. With religion abolished from the world, Russia knows that then only will her dream of revolution and international bolshevism be possible.

On the other hand, Germany, in order to combat the inroads of communism, set up an equally sinister and hideous governmental monster, nazi-ism. It is obvious that the leaders of Germany and the Nazi Party concerned themselves very little with the teachings of Christ. They chose to defeat an acknowledged atheism with avowed paganism. They glorified and deified race superiority. This shallow and illogical doctrine is neither stronger nor more desirable than communism and hence ceases to be a challenge to the latter. Because they built their house on godlessness and upon un-Christian doctrines, they sought to eliminate the Jew, and eventually, to throttle and subdue the Christian Church. It is most certain that they will be successful in neither. When a man strikes at another solely for racial or religious reasons it is evident that his contempt is for all mankind. As soon as mankind catches up with him, he brings about his own destruction. Such is the fate of Germany.

No one in America wishes or hopes for the same ending that Russia and Germany are both heading for. Americans, generally, merely wish to be left alone at peace with themselves and with their God. It is best, therefore, that prejudices and passions be discouraged now, at their inception. This does not mean that freedom of speech should be denied to any one individual or that the press should be controlled. It means that for every hair-brained, poppycocked, nitwitted scheme of un-Americanism that is started, a thousand and one schemes of countermovements should replace them. The latter should be based on education and enlightenment concerning the truths involved. It means that newcomers to our shores should be encouraged to leave their hatreds behind them and greet the American people with nothing but love in their hearts for the New World and forgiveness for the stupidity of the old. It means that newcomers, instead of immediately trying to change the American way, should first try to adapt themselves to present methods and learn the American concept of the right to life, liberty, and the pursuit of happiness. Not until then will a neighborly instinct be universally manifest.

Americans of Irish descent should be the last to subscribe to racial or religious intolerance. The Irish know better than any other the suffering and torture following the wake of persecution. They endured it for several hundred years at the hands of a merciless oppressor, imperialistic England. They still have not completely shaken off the yoke of their aggressor. But through the sands of time the Irish never surrendered their spirit and are still alive, breathing deeper than ever, and growing stronger each day. They should be an example to all Americans that the spirit and moral strength of a people can never be killed. It is they who should furnish ample proof to the "crackpots" of our day, that long after Stalin, the mass murderer of Christians, and Hitler, the wholesale persecutor of Jews, have gone to the last judgment before the same God they sought to drive out of the world, mankind—regardless of religion, race, or color—will survive, because the majority of God's children adhere to His admonition to "love thy neighbor as thyself."

Flood Control of Cherry Creek for Protection of Denver, Colo.

EXTENSION OF REMARKS

OF

HON. LAWRENCE LEWIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 12, 1939

STATEMENT BY HON. LAWRENCE LEWIS, OF COLORADO, BEFORE WAR DEPARTMENT SUBCOMMITTEE OF COMMITTEE ON APPROPRIATIONS OF HOUSE OF REPRESENTATIVES

Mr. LEWIS of Colorado. Mr. Speaker, when reference is made to a flood which threatens the safety of a city, doubtless there comes to the minds of most Members of Congress a picture of the comparatively slowly rising waters of a great river swollen by melting snows or by heavy rains at the headwaters. Of the approach of such a flood there is usually a day or two or several days—sometimes as much as 10 days or 2 weeks—within which the menaced city can make preparations to safeguard life and property before the arrival of the crest of the flood. During such interval, emergency dikes or levees can be erected to supplement permanent flood-control works and inhabitants can be warned to get out of the lowlands.

In Colorado and elsewhere in the so-called semiarid regions of the West, cities are menaced by floods with entirely different characteristics—by floods from insignificant-looking flash streams—floods which come almost with the suddenness and lack of warning of a stroke of lightning and which, after wreaking terrible damage, quickly subside. Although such floods rarely last more than 24 hours, nevertheless, because of their sudden incidence and the lack of time to make emergency preparations against their attack, they are more disastrous to the city so inundated than are floods in the great rivers. The only sure safeguard for a city so menaced is the provision of permanent works adequate to control any flood which is likely to occur.

Such is the type of flood which, every year from the last of April until the 1st of October, is an hourly menace to Denver, Colo., from the usually insignificant appearing and seemingly harmless stream known as Cherry Creek.

CHERRY CREEK IS "DENVER'S SLEEPING TIGER"

During the 80 years since Denver was first settled, floods from this stream have in the aggregate caused the loss of millions of dollars of property and nearly 100 lives. So treacherous is Cherry Creek and so dangerous when aroused, that I have often referred to it as Denver's "sleeping tiger."

For some 19 months three departments of the Federal Government have been investigating different phases of the problem of flood control of Cherry Creek for the protection of Denver, viz: The War Department, acting through the Corps of Engineers of the Army, to determine what, if any, additional physical structures are necessary to protect Denver from these sudden floods; the Department of the Interior, acting through its Bureau of Reclamation, to determine what, if any, of the dams which may be necessary for flood-control purposes may serve the double purpose not only of flood control but also of irrigation; and the Department of Agriculture, acting through its Soil Conservation Service, to devise plans for better land use, for run-off and water-flow retardation, and for soil-erosion prevention to the end that the height of floods which may come in the future will be lessened.

On March 27, 1939, during the hearings by the War Department Subcommittee of the Appropriations Committee of the House of Representatives on the War Department civil functions appropriation bill for the fiscal year ending June 30, 1940, I made the following statement concerning flood-control protection for Denver from floods in Cherry Creek:

FLOOD-CONTROL PROTECTION FOR DENVER, COLO.

Mr. SNYDER. We have with us this morning our colleague from Colorado, Mr. LEWIS. We will be glad to have such statement as you may desire to make, Mr. LEWIS.

Mr. LEWIS. Mr. Chairman and gentlemen, I wish to speak very briefly about a flood-control project for the protection of the city of Denver from floods in Cherry Creek.

Mr. KERR. Has that been authorized?

Mr. LEWIS. There has been no authorization as yet for construction. Preliminary examinations and surveys for flood control by the War Department and preliminary examinations and surveys for run-off and water-flow retardation and soil-erosion prevention by the Department of Agriculture were authorized under the act of August 28, 1937. Hearings were had in Denver November 15, 1937. Preliminary confidential reports by both the Army engineers and the Soil Conservation Service of the Department of Agriculture were completed and submitted to Washington in the summer of 1938 and the respective recommendations that further detailed surveys be made were approved by the Chief of Engineers and by the Secretary of Agriculture. These more intensive studies have been pursued diligently. The final reports by the Army engineers are expected to be received by the Chief of Engineers here in Washington about the 15th of April of this year.

But it occurred to me this committee might bear with me and might be interested to have me sketch briefly the situation that exists out there.

Mr. SNYDER. What is the name of the river?

Mr. LEWIS. The stream is called Cherry Creek.

Mr. SNYDER. How long is it?

Mr. LEWIS. It rises 55 miles south of Denver and flows in a northerly direction, emptying into the South Platte River in the center of the Denver business district.

Although entirely irrelevant to this discussion it may be interesting to recall that it was at the confluence of Cherry Creek with the South Platte River, in a place now in the heart of the city of Denver, that small discoveries of placer gold were made in 1858 by the Russell brothers, leading a party of Georgians. The news of these and subsequent discoveries led to a great influx of gold seekers in what is known as the Pike's Peak gold rush of 1859–60, which resulted in the permanent settlement of Denver and of Colorado.

The entire drainage area of Cherry Creek is only about 55 miles long and 13 miles wide at its broadest place, comprising a total area of approximately 421 square miles or 269,440 acres, including the 9 square miles or 5,760 acres within the corporate limits of Denver. It is shaped like a long, narrow funnel, with the narrower end passing between two boulevards, through one of the finest residence districts of the city of Denver, and thence through the warehouse and wholesale district and the railroad yards to the South Platte River.

The greater portion of this drainage area lies in parts of the counties of Arapahoe, Douglas, and Elbert, in the congressional district of my colleague, the Honorable FRED CUMMINGS, with a small portion in the extreme south in El Paso County, in the congressional district of my colleague, the Honorable JOHN A. MARTIN. The elevation at the source of Cherry Creek is approximately 7,600 feet, the elevation at its confluence with the South Platte is 5,170 feet—a fall in its course of 55 miles of 2,430 feet, or an average drop of 44.18 feet per mile.

CHERRY CREEK A TYPICAL WESTERN "FLASH STREAM"

Cherry Creek is a typical western "flash stream." Under ordinary circumstances there is on the surface of the channel only a trickle of water. It looks as if perhaps three or four fire hydrants had been turned into it. But, at any time between the last of April and the first of October, after heavy rains or cloudbursts up the valley to the south, this thread of water may suddenly and without warning change into a raging torrent for a few hours and then return soon to its normal, quiescent state. These floods have caused millions of dollars of property damage in Denver, and although the records are not entirely complete, the loss of nearly 100 lives. Like all western "flash streams," Cherry Creek is treacherous. Its floods come without warning. I have often referred to it as Denver's "sleeping tiger."

Mr. SNYDER. May I make one observation? You are perhaps the eighth or tenth Member of Congress who has come before this committee within the last week and made a statement similar to yours concerning certain streams in their congressional districts, to the effect that they are these so-called "flash streams" which are very quiet and very small today, but a storm may come up tonight and tomorrow morning you have this tremendous rush of water.

You have lived out there in the section from which you come all your life, I presume, so I want to ask you this question. Is it worse now, is there a greater volume of water now rushing through this district you speak of, at different times of the year, than there was 20 years ago?

FOURTEEN FLOODS SINCE 1859

Mr. LEWIS. Floods in Cherry Creek do not occur every year. Several years have frequently gone by without any floods or dangerously high water in Cherry Creek. The dates of the 14 floods in Cherry Creek which have been recorded since Denver was settled in 1859 are as follows: May 19 and 20, 1864; July 20, 1875; May 22, 1876; May 22, 1878; July 20, 1885, and July 26, 1885 (two in 1 month); August 17, 1888; August 4, 1897, and August 6, 1897 (again two in 1 month); April 29, 1900; August 11, 1911; June 9, 1912, and July 14, 1912 (two in 1 year); and August 3, 1933.

Of all these floods, perhaps the greatest was that of 1864, the first experienced after Denver was settled; but records of that flood are meager and opinions differ as to its relative size. My personal guess is, based on the topography of the valley and on studies of engineers and meteorological experts and on the performance of similar "flash streams" in our part of the country, that probably there has never been a flood since 1859 as great as those which may have frequently occurred within the last few centuries and which may occur again any year now during the late spring or summer. Such major flood may come this year or next; it may be deferred for several years. But my guess is that it will surely come with little warning and bring about a major disaster to Denver unless protective measures are taken. I shall go more into detail on this presently.

INDIANS WARNED FIRST WHITE SETTLERS, "BIG FLOOD COME AGAIN SOMETIME"

That region has only been settled for 80 years. When the white men first came in there they were told by the Indians, "Don't build your tepees in bed of that stream, or in valley. Big flood come again sometime."

It is certainly true that the run-off now from a certain amount of precipitation is more rapid than it was from an equal amount of precipitation before the land was overgrazed and improperly cultivated. Originally all but a very small part of the Cherry Creek Valley was devoted to stock raising. Then, especially during the World War years, much land that should never have been cultivated was brought under tillage—and much of it was tilled in such manner as to promote rapid run-off and soil erosion. The lands still devoted to stock raising were overgrazed. The result has been that the run-off, not only from rains but from melting snow, has been accelerated, and serious erosion has been taking place. Such is the report of the Department of Agriculture and such is my own personal observation. I understand the Department of Agriculture recommends that from one-fourth to one-third of the total acreage now under cultivation in the Cherry Creek Valley should be returned to native vegetation because of serious erosion conditions existing under present land usage.

Mr. SNYDER. Do you have forests and timber there?

Mr. LEWIS. Yes; in the foothills and mountains to the west but practically no timber in the Cherry Creek watershed except a little at the headwaters.

Mr. TERRY. I want to ask whether there has been any material change in connection with forestation.

Mr. LEWIS. There is very little forestation in the Cherry Creek watershed. At the very headwaters to the south, on the divide between the drainage basins of the Arkansas River and the South Platte—and Cherry Creek is a tributary of the South Platte—there is what is known as the Black Forest. Part of that has been denuded to a certain extent, but not seriously, I believe.

The opinion of experts of the Department of Agriculture is that rapid run-off and soil erosion in the Cherry Creek watershed has been accelerated of late years and has gone far, but not so far that it cannot be checked. They say further, and I agree with them, that the floods now from a given rainfall are more intense and damaging than they were in the early days.

Mr. SNYDER. But apparently the rain in that particular watershed will produce a greater height of water down where the business district is than it did before.

Mr. LEWIS. Yes; undoubtedly.

Mr. TERRY. But evidently the Indians experienced the same thing before the white man came, if they were warning the white man against settling in that valley because of the sudden floods which would become very damaging.

PLANS OF SOIL CONSERVATION SERVICE FOR WATER-FLOW RETARDATION AND SOIL-EROSION PREVENTION

Mr. LEWIS. Under the act of August 28, 1937, the Department of Agriculture, through its Soil Conservation Service, has been making examinations and surveys for water-flow retardation and soil-erosion prevention. This examination and survey by the Soil Conservation Service is progressing concurrently with and, so far as practicable, in cooperation with the work of the Army engineers. Several years ago the Soil Conservation Service began work on some 43,000 acres at the upper end of the Cherry Creek Valley as a demonstrational area to show what could be accomplished toward checking run-off and soil erosion and increasing crop yields. The numerous shallow reservoirs and check dams constructed, and the beneficial results of terracing and contour tilling, have aroused considerable interest among the farmers and ranchmen in the Cherry Creek Valley. It is expected that sufficient local cooperation may be secured and that the final report of the Soil Conservation Service may be sufficiently favorable to warrant the undertaking, by the Department of Agriculture in cooperation with local landowners, of treatment of the entire comparatively limited Cherry Creek drainage area as a demonstration of what can be accomplished by following the practices recommended by the Soil Conservation Service.

However, the determination as to what if any additional physical works are necessary to safeguard Denver against a major flood would appear to be the first question to be decided.

FLOODS IN "FLASH STREAMS," COMING WITHOUT WARNING, AFFORD NO OPPORTUNITY TO MAKE EMERGENCY PREPARATIONS FOR PROTECTION

First. When floods are threatened on the Ohio, the Mississippi, or the Missouri Rivers the towns and cities menaced have several days and, on the lower Mississippi, at Memphis or Vicksburg or New Orleans, they have many days—sometimes 2 weeks or even longer—to prepare against the coming flood. Furthermore, these cities on the lower part of the big rivers have fairly reliable advance estimates of approximately how great a flood to expect. But we of the West, who are menaced by sudden floods in "flash streams" like Cherry Creek, have no warning—unless someone up the valley telephones that a cloudburst is in progress and that high water is coming. There is no time to make any emergency preparations against a flood and, even if there were time, no possibility of estimating how great the flood will be. Our only safeguard lies in building in advance permanent works, which the best engineering investigations determine will be sufficiently extensive to protect our city against any flood resulting from any storm which meteorological investigations determine is likely to occur.

NO CITY ON MISSISSIPPI RIVER BETWEEN ST. LOUIS AND NEW ORLEANS IS AS LARGE AND AS VULNERABLE TO FLOOD DAMAGE AS IS DENVER FROM CHERRY CREEK

Second. Including the contiguous suburbs not in the corporate limits, Denver's population is now about 350,000. It is the commercial and financial center of the entire Rocky Mountain region. A glance at the map shows that, on the main stem of the Ohio River from Louisville, Ky., down to Cairo, and on the main stem of the Mississippi from St. Louis to New Orleans, there is no city as great in population or in wealth as Denver and no city which is as vulnerable to floods from those great rivers as Denver is vulnerable to attack by floods from the comparatively insignificant Cherry Creek.

A GREATER FLOOD THAN EVER EXPERIENCED SINCE DENVER'S SETTLEMENT LIKELY TO COME ANY YEAR

Third. Denver is only 80 years old, which is but a moment in the life of a stream—a mere cat nap for this "sleeping tiger," as I believe Cherry Creek may well be called.

Cherry Creek water system is shaped like a herringbone—a main stream with almost innumerable short tributaries and steep gulches, usually dry, leading into the main stream from both the east and the west. The average slopes from the sides of the drainage area to the main channel are comparatively steep—100 feet to the mile. In the eight decades since the white men came to Denver, there have been 14 floods in Cherry Creek and each of them has been caused by heavy rains or cloudbursts which have occurred over the area drained by only a few of these numerous tributaries. There has never been a heavy rain or a cloudburst affecting the entire comparatively limited area of 269,440 acres which constitutes the Cherry Creek drainage area, of which 5,760 acres are within the corporate limits of Denver.

Just to the east of the Cherry Creek drainage area, and separated from it by a very low divide, is the drainage area of Kiowa Creek. May 30, 1935, there were heavy rains and a series of cloudbursts which covered practically the entire drainage area of Kiowa Creek with disastrous results to life and property in this Kiowa Creek drainage area. These heavy rains and cloudbursts, like most of our western rainstorms, were limited in extent. They did not extend with equal intensity over the Cherry Creek drainage area. Engineers and meteorologists have estimated that if this storm in 1935, instead of covering all the Kiowa Creek drainage area, had occurred only 15 miles to the west, just across the low divide, and had covered the entire Cherry Creek drainage area, we would have had in Cherry Creek a flood such as has never been experienced since Denver was settled, resulting in a ghastly tragedy involving property damage measured in multiples of millions of dollars and a loss of life measured perhaps in hundreds of people in Denver.

There is still another circumstance that adds to the seriousness of the situation. Cherry Creek is so located with respect to the South Platte drainage above Denver that it is quite possible for high-crest floods in Cherry Creek to dam off the South Platte in Denver, causing heavy damage from high water in the South Platte above Denver. This is precisely what happened in the flood of May 19–20, 1864, according to meager contemporary newspaper accounts. In this flood the lower part of the city was 1 to 5 feet under water and 19 people were known to have been drowned. This damming effect upon the South Platte by a flood in Cherry Creek is very apparent from airplane pictures taken during the Cherry Creek flood of August 3, 1933, at which time, fortunately, the South Platte above the confluence of Cherry Creek was not unusually high.

Still further, several smaller tributaries, all with "flash stream" characteristics, flow into the South Platte above Denver. It is unpleasant to contemplate the cataclysmic flood which would result in Denver if heavy rains and cloudbursts should at the same time fall upon the watersheds of all these streams as well as throughout the entire Cherry Creek watershed. But it would seem that flood control of Cherry Creek is the key to the problem. If Cherry Creek can be controlled, the other streams are no great menace to Denver.

Citizens and officials of Denver have not been unmindful of the menace of a major flood in Cherry Creek and have not failed to undertake measures for the protection of the city. The flood of August 3, 1933, was heightened by the failure of the so-called Castlewood Dam on one of the tributaries of Cherry Creek about 25 miles south of the city. Thereafter, in 1935 and 1936, Denver, with the assistance of a Public Works Administration grant from the Federal Government, constructed across the main stem of Cherry Creek, at a cost of approximately $840,000, a retarding dam solely for flood-control purposes. This so-called Kenwood Dam is near the hamlet of Sullivan 4 or 5 miles south of the corporate limits of the city. This Kenwood Dam, although well planned and constructed, is not, in the opinion of some engineers, sufficient in itself to safeguard Denver against such a major flood as, under circumstances which I have detailed, will probably occur. Accordingly officials and citizens of Denver have been most gratified to be able to secure the expert judgment of the Army engineers as to whether or not the Kenwood Dam and other flood-control works on Cherry Creek are sufficient; and if not, what additional works should be constructed.

I surmise that the report of the Army engineers will demonstrate that the present works are not sufficient to safeguard against a major flood which probably will come some day—maybe next year or maybe this year, or maybe 10 or 20 years from now—and that construction of additional permanent works should be undertaken to avert a tragedy.

Mr. KERR. What percentage of the acreage is used for agricultural purposes?

Mr. LEWIS. For agricultural purposes and grazing?

Mr. KERR. What percentage of it is used for agricultural purposes and grazing?

Mr. LEWIS. Croplands constitute 25.5 percent and grazing lands constitute 74.5 percent of the total of 412 square miles in the Cherry Creek watershed, exclusive of the 9 square miles within the corporate limits of Denver.

One of the causes which heightened the flood of August 3, 1933, was the failure of the Castlewood Dam. This was built in 1890 for the storage of water for the irrigation of several thousand acres in and adjacent to the Cherry Creek watershed and very near to Denver. One of the causes for the failure of that dam was the enormous amount of silt that had accumulated during 43 years behind this dam—all from rich lands up the stream. This siltation very greatly reduced the capacity of the reservoir. It is also alleged that the Castlewood Dam was not properly constructed in the first place and that the spillway as originally constructed was later reduced in size so that when a very heavy storm came the reduced capacity of the reservoir, due to siltation and the improvident reduction in size of the spillway, caused the dam to be overtopped—and it went out.

Mr. KERR. Is this a flood-control dam or an irrigation dam?

Mr. LEWIS. This Castlewood Dam was for irrigation. It was built in 1890, with private capital. It was not a Federal project. Some say that the foundations were not properly constructed. When the dam failed the water in Castlewood Reservoir behind the dam was released and heightened the flood in Denver of August 3, 1933.

I appreciate the courtesy of this subcommittee in hearing me at this time in regard to the Cherry Creek project, although it has not yet been authorized by law and the final reports on it have not yet been submitted, but will be soon.

Politics in Relief

EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

EDITORIAL FROM THE SATURDAY EVENING POST

Mr. KUNKEL. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following short editorial from the Saturday Evening Post:

HERE'S THE ANSWER

Is there politics in relief? The congressional investigation has offered a great deal of eloquent testimony in the affirmative. But we believe that a few figures from Pennsylvania give the clearest answer to date. Here are the official figures on check payments from the Division of Unemployment Compensation and Employment Service of the State of Pennsylvania for 3 weeks of 1938:

Checks issued

	Number	Amount
Oct. 28	109,804	$1,197,563
Nov. 4	162,764	1,759,442
Nov. 11	51,887	559,264

The 1938 Pennsylvania elections were held on November 8.

The N. Y. A. in Arizona

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 15, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, several times during the debate on this bill I have indicated my stand on the N. Y. A. appropriation, and I proposed to be further insistent on replacing the cut in the Budget estimate that was made by the committee in reporting out this bill. I have an amendment which I propose to offer tomorrow in connection with the section dealing with the National Youth Administration. At this point I have asked to extend my remarks by including a telegram which I have received today from President Grady Gammage, of the Arizona State Teachers College at Tempe, with whom I was for many years associated before becoming a Member of Congress. The telegram is as follows:

JOHN R. MURDOCK,
House of Representatives, Washington, D. C.:
Reports indicate a severe reduction by House committee of N. Y. A. appropriation. Because of splendid results and low cost, I am surprised at this move. Am familiar with whole program in Arizona, and believe N. Y. A. is last place touch should be made. Would appreciate information as to probable outcome.
GRADY GAMMAGE.

President Gammage has been a leading schoolman in the State of Arizona for a quarter of a century. He is thoroughly familiar with the educational needs and the whole educational program within the State. This timely message from him urging a better treatment for the National Youth Administration simply reinforces my own knowledge and conviction in regard to this wonderfully fruitful work of benefiting the young men and young women of the Nation. I feel that I am personally able to speak concerning educational matters in the State of Arizona, and I am very positive that the president of this outstanding teachers college is particularly able to speak for schoolmen concerning this matter.

In September 1935, while I was dean of the Teachers College at Tempe, I accompanied President Grady Gammage one Tuesday to a rotary club meeting in our college town, and was delighted to see at that meeting the State W. P. A. director, W. J. Jamieson, present at the luncheon. This happened to be one of the days of registration of students at our college. For several days I had worked with a committee of the faculty in assigning jobs in student employment for about 300 worthy and needy students seeking help through N. Y. A. Unfortunately, that very morning I had had to say to a very promising young man, "You have applied too late. Our funds are exhausted and we cannot furnish you any student aid." And he had turned away from the campus.

Just before going to the service-club luncheon, I had met a mother and her daughter, the daughter having graduated from the Chandler, Ariz., High School that spring as an honor student, and both had told me that this very worthwhile high-school graduate could not enter college without some student employment. Her fine record was further vouched for by a letter from Superintendent Austin and a telephone conversation with the superintendent regarding her case. It was a painful duty for me to explain that no further applications for student employment could be handled, and the mother and daughter left my office without the young lady's registration at our college.

At this Rotary luncheon a gentleman from a neighboring State was a guest speaker and took the allotted time to tell us regarding juvenile delinquency in a great State on the Pacific coast, and explained to these businessmen that his State could not build reform schools fast enough to take care of delinquents who were entering upon a career of crime. He explained that it cost his State about $1,600 annually to support an inmate in these penal institutions.

With the president of the teachers college there, a majority of the board of education of the college present, and the State W. P. A. director with us, and the unpleasant recollection of the turning away of two or more fine prospective students, I took occasion that day to explain to the service club members that $400 of work provided by the Government would enable even a destitute student to attend college for a school year. I do hope that the two talks made that day helped to convince businessmen that it is better to send four young people to college for further preparation for a useful life than it is to incarcerate one youth after the beginning of a criminal career.

Mr. Speaker, it may be recalled that I supported the $75,000,000 N. Y. A. appropriation in the first session of the Seventy-fifth Congress. It is a matter of record that I strenuously opposed Congressman TABER'S amendment in 1938 to reduce the N. Y. A. appropriation to the extent of many millions of dollars. It is unnecessary to recount now all the benefits which I have myself seen flow from this governmental expenditure. Much as I appreciate the work done through the C. C. C., I do believe that the National Youth Administration has done a far greater work, not so much in salvaging human values but in enhancing those human values at a time when wasted years could never be regained. As one who thinks more in terms of life and social benefits than in terms of profit and business dividends, I feel that no appropriations have been made in these depression years yielding a greater return to our Nation than have those made to the N. Y. A.

S. 2009 and H. R. 4862

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 15, 1939

RESOLUTION OF THE GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN

Mr. HARRINGTON. Mr. Speaker, under leave to revise and extend my remarks I include a resolution adopted by the Grand Lodge of the Brotherhood of Railroad Trainmen expressing opposition to certain provisions of the Lea bill, H. R. 4862, and the Wheeler bill, S. 2009, which will soon come before this House for a vote.

[A. F. Whitney, president; S. R. Harvey, assistant president; G. W. Anderson, general secretary and treasurer]
GRAND LODGE, BROTHERHOOD OF RAILROAD TRAINMEN,
Cleveland, Ohio.

RESOLUTION—COMMITTEE OF SIX AND CONSOLIDATION LEGISLATION

Whereas the committee appointed by the President on September 20, 1938, composed of three railroad presidents and three representatives of railroad labor organizations, and subsequently known as the Committee of Six, with authority to consider the transportation problem and recommend legislation, made its report on December 23, 1938; and

Whereas the report of the Committee of Six was largely a rehash of the program of the Association of American Railroads and did not go to the heart of the problem, namely, banker control and manipulation of railroad finances primarily in the interests of Wall Street financiers; and

Whereas railroad consolidation is inimical to the best interests of the public, as it would create ghost communities, destroy tens of thousands of job opportunities, and result in millions of dollars of loss to business interests in communities throughout the Nation; and

Whereas railroad consolidation is neither socially desirable nor economically necessary, as the present railroad industry would be economically strong in the service of a national population that is larger now than when the original need was felt for our present railroad mileage, if the million-dollar-per-day waste in the railroad industry were eliminated; and

Whereas President A. F. Whitney has courageously exposed the inadequacies of the report of the Committee of Six, and the dangers inherent in the consolidation provisions of the Lea bill (H. R. 4862) and the Wheeler bill (S. 2099): Now, therefore, be it

Resolved, That the Brotherhood of Railroad Trainmen, in convention assembled, wholeheartedly endorses the stand taken by President Whitney in opposition to all "official reports" which temporize with the real problems of the railroad industry; and be it further

Resolved, That we continue to oppose all legislation designed to facilitate railroad consolidation and mergers, and, to that end, be it further

Resolved, That we seek and encourage the support of all labor, civic, fraternal, and business groups, in our program of opposition to railroad consolidation; and be it finally

Resolved, That copies of this resolution be forwarded to the President of the United States, to the Members of Congress, and to the press.

Charles J. Colden

MEMORIAL ADDRESS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. CHARLES J. COLDEN, late a Representative from the State of California

Mr. VOORHIS of California. Mr. Speaker, few men in American public life have continued through a distinguished career and maintained a more genuine modesty and simplicity than did the late CHARLES J. COLDEN, Representative for many years from the Seventeenth District of California. No one was more faithful in attendance upon his duties or more devoted to the interest of the people of the United States than he. Concern over injustice where he found it was no superficial matter with him. It was part of the very soul of the man. The problems of labor, of the common people of America, were his problems.

Perhaps it was the long struggle of his own earlier life that made him so very ready to give of his time, his counsel, and his guidance to younger men. But whatever the reason, there was no congressional office to which a first-term Congressman could go with greater assurance of a sympathetic hearing than to that of CHARLES J. COLDEN.

It is said that until the illness which finally culminated in his untimely death overtook him he had never missed a roll call in the House. Other men may have been more brilliant, made more speeches, gotten more bills of their authorship enacted into law. But for sheer, solid manhood and depth of sympathetic understanding, the annals of the House of Representatives will record few names, indeed, that deserve to rank with that of CHARLES J. COLDEN.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. THOMAS H. CULLEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. CULLEN. Mr. Speaker, I wish to pay tribute to the memory of my late colleague and dear friend, JOHN J. BOYLAN, who represented the Fifteenth Congressional District of New York.

JOHN J. BOYLAN was a member of the New York Assembly, 1910–12, and the New York Senate, 1913–22. He was first elected to the Sixty-eighth Congress and was reelected to the Sixty-ninth, Seventieth, Seventy-first, Seventy-second, Seventy-third, Seventy-fourth, and Seventy-fifth Congresses. At the time of his untimely death he was a member of the Appropriations Committee and Chairman of the Thomas Jefferson Memorial Commission.

I served with JOHN BOYLAN in the New York Senate as well as the House of Representatives and it was my great privilege to know him as a real friend. I shall always retain the pleasant memory of his wonderful character, his human and sympathetic understanding of his fellow man, and his genuine devotion to those who were near and dear to him.

He was zealously devoted to the interest of the people in his district. He was a prodigious worker and devoted much of his time to measures before Congress that directly affected the welfare and development of his district and State. He was also profoundly interested in the preservation of his country and as a Member of the House of Representatives he set a standard for those who follow him, and the memory of our service with him will be an inspiration. His distinguished record here is an honor to himself and to his family and many friends.

John Joseph Boylan

MEMORIAL ADDRESS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN JOSEPH BOYLAN, late a Representative from the State of New York

Mr. BULWINKLE. Mr. Speaker, I am submitting for inclusion in the RECORD the following resolution of the Thomas Jefferson Memorial Commission and an address of Hon. Joseph P. Tumulty:

RESOLUTION OF THOMAS JEFFERSON MEMORIAL COMMISSION ON THE DEATH OF JOHN JOSEPH BOYLAN

The Thomas Jefferson Memorial Commission desires to record its deep sense of loss at the passing of its chairman, the late JOHN J. BOYLAN, of New York. The fine concept which brought this Commission into being came from Mr. BOYLAN, a true lover of Thomas Jefferson and of the principles he espoused in life.

JOHN J. BOYLAN brought to the deliberations of this Commission not only the knowledge and ripe experience acquired in many years of public service, but also those qualities of integrity and sound judgment so necessary to the faithful discharge of his duties as a member of the Commission.

While a member of this Commission he did what was characteristic of the man. He gave to its noble work the rare gift of life, love, and affection, and though ill and suffering he carried on in splendid fashion the important work committed to his care, with fine poise and patience and with never a boast upon his lips.

The Commission orders that a copy of this resolution be transmitted to the widow and family of the late JOHN J. BOYLAN with the expression of the very sincere sympathy of the members of the Commission.

REMARKS OF HON. JOSEPH P. TUMULTY

This plain man, born in an unpretentious part of the city of New York, wearing upon his good face the smudge of honest poverty, dreamed a beautiful dream of a memorial in Washington to Thomas Jefferson. Quietly, unostentatiously, he went about his work, scorning vulgar display, happy in the thought that after he had departed there would be left behind those who would not mock the thing that his vision built to an unmeasured monument.

Somehow, there was about JOHN BOYLAN a sort of loneliness, that kind of sadness that always makes its indelible imprint upon the face of a man, who, making a tryst with the future, dreams great dreams.

It was a pleasure to work with him, to sit by his side as I was accustomed to do, while quietly, humbly he expressed his views regarding every phase of our Commission's activities. Always he gained his fine objective by openness and honorable action, his fine nature making it impossible for him ever to use unworthy arguments to accomplish his humane objectives.

When the Jefferson Memorial is completed, there will be one name, like that of Abou ben Adhem, which will lead the list and that name will be our altogether lovely friend, JOHN BOYLAN. As

we behold that name, the words of John Drinkwater will flash into our minds:

"Shall a man understand,
He shall know bitterness because his kind,
Being perplexed of mind,
Hold issues even that are nothing mated.
And he shall give
Counsel out of his wisdom that none shall hear,
And steadfast in vain persuasion must he live,
And unabated
Shall his temptation be."

As a personality, he had about him the grandeur of the old-fashioned man, with a noble vision directed into the far reaches of the future.

John Galsworthy must have had this type of man in mind when he drew a portrait of an old friend in the story, A Portrait, an excerpt from which is as follows:

"I know how big and sane and sweet he was. His breed is dying now, it has nearly gone. But as I remember him with that great quiet forehead, with his tenderness and his glance which traveled to the heart of what it rested on, I despair of seeing his like again. For, with him there seems to me to have passed away a principle, a golden rule of life, nay, more, a spirit—the soul of balance. It has stolen away, as in the early morning the stars steal out of the sky. He knew its tranquil secret, and where he is, there must it still be hovering."

To him, God was more than a nodding star atop a windy hill. Dear JOHN BOYLAN, the tired heart, beloved friend in all seasons, turned home and thus the end of his brooding came.

Voluntary Unionism

EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

RADIO ADDRESS BY FRANK T. BOW, JUNE 9, 1939

Mr. SECCOMBE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address by Frank T. Bow, June 9, 1939:

Not long ago a man who is known everywhere as a true friend of workingmen said that the majority of unions could not exist today without coercion; that is, without getting and holding their members by coercive tactics, by force.

Such a statement from the lips of a man whose life is a record of service to workingmen and their unions was shocking, to put it mildly.

However, that was not all he said. He said that the majority of unions, as organized and led at present, could not endure without the closed shop and the check-off of dues and the compulsion inherent in the encouragement of coercive tactics by Federal law, particularly the National Labor Relations Act. He said that an honest vote of union members at any given time with the issues honestly presented and with the Government standing by as a referee and not taking part as a partisan, would result in the repudiation of many unions with the biggest membership rosters, the most powerful leaders, and the wealthiest treasuries.

Reflecting upon these statements I had to admit that this gentleman was coming too close to the truth for comfort. However, in his generalization he had overlooked or had failed to name one type of union which is wholly free from the vices and weaknesses he referred to. The type of union I mean is the independent union, the local union, the union not affiliated with the big international organizations and not dominated by interests foreign to the interests of the members.

Independent unions are entirely voluntary in character. They are the highest expression of true self-organization. Their purpose is the real economic betterment of their members and the community, and their government is as democratic in fact as the old-fashioned town meeting. Their local government and their local interests are in the normal, democratic, American tradition of local self-government and local cooperation for mutual self-help. Independent unions are the kind that men form for themselves when they are not bedeviled by meddlers, official or unofficial, in the management of their own affairs.

Independent unions have not suffered from the blight that has fallen upon many of the huge international unions since their leaders turned to the Government to fatten their membership lists and their treasuries. When these leaders took the get-rich-quick and easy way of compulsion and strife, abetted by Government zealots, they lost touch with their members, they lost the support that only voluntary members will give, and they lost public sympathy. Worse yet from the standpoint of their members, they tended to become soft and corrupt; they lost the ability to form and to conduct unions which could live on their own merits, on the real benefits, not just the flashily promised benefits, but the real, substantial, enduring benefits secured and held for their members. They became politicians' unions and not workingmen's unions.

Much of the Government-abetted growth of the fat internationals has been parasitical. It has been at the expense of the independent unions. These democratic institutions have been in disfavor with officials of the Government. Many such officials, as shown by the records of the Senate Labor Committee in the current hearings on proposed Labor Act amendments, have openly admitted their intention to destroy independent unions. With the opposition of government and the opposition of the advanced thinkers, inexperienced but advanced, from the so-called liberal colleges, the independents have had tough going. The result has been exactly what anyone who knew the American character would have anticipated. The independent American workingman allowed that he wouldn't be pushed around by anyone and that he would have the kind of union he wanted or else. The more the union politicians and Government officials picked on him, the tougher and harder and more tenacious became his determination to manage his own affairs in a democratic, voluntary union.

Thus, while the blight of too much and too easy power has fallen upon the international unions and has softened and fattened and corrupted them, the independent unions have the heritage of toughness and enduring determination that comes to the oppressed. Voluntary, democratic, economic unions will be serving the American workingman long after the political labor autocracies which now presume to speak for him are only shameful memories in our histories which we would prefer to forget.

The great, wealthy, politically powerful organizations cannot live and compete with the free independent unions. That is why they and their political friends set out to smear and to destroy the latter. Under the national labor relations law they have developed a standard technique. The C. I. O. and the American Federation of Labor enlist the Labor Board to help them discourage membership by workers in unions of their own choosing and to force them into the international unions. They complain to the Labor Board that the independent union is dominated by the employer. Now that may mean almost anything. It may mean nothing more than an attitude of friendship and understanding and cooperation between the union and the employer; that condition of industrial peace that the Labor Board and the international unions talk so much about and do so little about. The Labor Board shows every favor to the complaining union and every evidence of disapproval of the independent group. And the Board finally orders the employer not to deal with the independent. Thus, through no fault of their own and for nothing that they have done or are charged with having done, but purely because of a charge, often fictitious, against the employer, the independent employees are deprived of their rights, are deprived of the union of their own choosing, and it is made clear to them that they cannot have a union with the approval of the Labor Board unless it is affiliated with the C. I. O. or American Federation of Labor. Thus does the Government serve the international union leaders.

It serves them in other and more subtle ways. It is almost impossible for an independent to get an election from the Labor Board. The Board holds elections at the convenience of the opposing union, or frequently not at all. The Board certifies independents grudgingly or belatedly, and sometimes not at all.

Thus in self-defense voluntary, independent unions are supporting those sections of the pending amendments to the Labor Act which lay emphasis upon the voluntary character of labor organizations; prohibit coercion from any source in the choice of representatives; set up unfair labor practices for union organizers and their agents; make it possible for employers and employees to enjoy normal, friendly intercourse without violating the law; make mandatory Board action on representation matters and set up a time limit for such action, with court review of representation decisions, positive or negative; set up standards of union responsibility to its membership; require notice of action as a matter of right; and overhaul the procedure of the Board to make it fair to all concerned. Independent unions believe that these proposals meet with the approval of all reasonable people, and particularly with the approval of the members of independent unions, who have suffered most through their absence in the present law.

These proposals will help fulfill the purposes of voluntary independent unions and their associations. In closing I might say that these purposes are the following:

To protect free workmen.

To give a medium for the expression of the views of independent workers.

To curb lawless, violent, and destructive forces which seek to prey upon free workers.

To prevent the destruction by law or administrative bureaus of independent workers and their organizations.

To work for legislation to protect free workers in the exercise of their rights as workers and as citizens.

To work for legislation to curb irresponsible and predatory labor leadership.

To preserve and to extend full freedom of association among employees for their mutual protection and advancement.

To promote democracy, freedom, and honesty in the management of labor organizations and in labor relations.

To advise employees of their rights under the law and to protect employees in their rights.

To study and to encourage mutual understanding and better relations between employers and employees, to restore and maintain peace, prosperity, reemployment, and better working conditions for the workers in industry.

I thank you.

Our Foreign Policy

EXTENSION OF REMARKS
OF
HON. HERRON PEARSON
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

PETITION OF CONSTITUENTS

Mr. PEARSON. Mr. Speaker, I am just in receipt of a petition from many of the finest citizens who reside in one of the most enlightened sections of my home county in Tennessee which, I think, expresses in apt language the attitude of many people in the South on the question of our foreign policy and their views with reference to what we should do in order to protect our Nation and preserve peace with the powers of the world. The petition is as follows:

To the Congress of the United States:

Earnestly desiring to save this Nation and its people from being drawn unnecessarily into foreign wars in which we ought not to be embroiled, we, the undersigned members of the Women's Missionary of Brown's Church, petition your honorable body to—

Strengthen, not weaken, the Neutrality Act;

Mind our own business and keep out of foreign wars; follow the sound foreign policy laid down by Washington of avoiding foreign entanglements and alliances;

Stop all loans or credit advances to foreign governments at war;

Enact effective legislation to take the profits out of war, as provided for in bill introduced by Senator BONE, Senator CAPPER, and 48 other Senators;

Keep our battleships and our soldiers out of foreign war zones;

Stop all shipments of war supplies to Japan or any other nation engaged in war;

Submit to the people for early ratification the war referendum amendment introduced by Senator CAPPER and 11 other Senators, which would return to the people the sole power to declare or engage in wars, except when an attack or threatened attack is made upon the United States, or any of its Territories, or upon any nation in the Western Hemisphere by a nation or nations outside the Western Hemisphere.

Mrs. Robert Henderson, leader, Route 5, Jackson, Tenn.; Mrs. B. J. Hopper; Mrs. C. O. Hopper; Mrs. E. T. Blackman; Stella Cox; Mrs. T. M. Crosnoe; Mrs. Annie Clark; Mrs. W. I. Gunter; Mrs. Wm. M. O'Donnell; Mrs. R. E. McLeary; Mrs. Ellis Cox; Mrs. Claude Lewis; Mrs. Charles Hopper; Mrs. J. D. Hopper; Mrs. W. M. Spain; Mrs. Dennis Hopper; Mrs. Walter Gunter; Mrs. W. A. Gunter; Mrs. H. E. Myers; Mrs. Charles Boone; Mrs. F. A. Tomlinson; Mrs. Fred Clark; Mrs. Chas. E. Cobb; Mrs. F. C. Anderson; Mrs. J. C. Cocks; Grace Cobb; Mrs. Chas. Tomlinson; Mrs. Grady Boun; Mrs. Robert Raiford; Mrs. Willard Goodrich.

Sound Doctrine Advocated by Representative Randolph

EXTENSION OF REMARKS
OF
HON. ALONZO D. FOLGER
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

EDITORIAL FROM THE WINSTON-SALEM JOURNAL OF JUNE 15, 1939

Mr. FOLGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in the Winston-Salem Journal of June 15, 1939:

[From the Winston-Salem Journal of June 15, 1939]

SOUND DOCTRINE

Such a man is badly needed in Congress, we know, but it is unfortunate that Representative JENNINGS RANDOLPH can't devote his entire time to making the sort of speeches he made to the State convention of Lions in Winston-Salem.

It would be worth more to the country than some whole sessions of Congress have been, if Mr. RANDOLPH could deliver an address on the responsibilities of American citizenship in every community in the United States.

For one thing, we are sure that if the type of address he made here Tuesday night could be heard everywhere in America it would no longer be said that 25 out of every 100 people eligible to vote in this country fail to exercise their privilege and thereby neglect a duty upon the performance of which the life of democracy depends.

In some States the percentage of nonvoters runs a great deal higher than 25. In one Commonwealth only 14 out of every 100 citizens voted in the 1936 election, according to the record presented by Mr. RANDOLPH.

The West Virginia Congressman made a practical suggestion that might be acted upon with profit in every community: "Set aside a citizenship day," he said, "and on that day have all young men and young women who have become 21 during the year stand together and repeat the oath of allegiance to the Constitution and pledge themselves to live up to their responsibilities as citizens."

In this connection we suggest that new citizens also study what President Marsh, of Boston University, referred to in an address to the graduates of that institution the other day as the seven American documents that express the essence of American democracy. He likened these seven documents to the Bible.

The Boston educator spoke of the Mayflower Compact and the Declaration of Independence as an American Genesis and Exodus, the Bill of Rights as the United States' Ten Commandments, Washington's Farewell Address as a major prophecy, the national anthem as a psalm, Lincoln's second inaugural address as "the gospel of true Americanism," and Woodrow Wilson's last article as a great American epistle.

A study of these great documents would make better citizens of all of us. If Americans appreciated the principles enunciated therein as they should, they would lose no time in building a fire under Congress so hot that there would be no delay in favorable action on Representative RANDOLPH'S bill dealing with aliens.

If this bill is passed, aliens in this country will have 1 year in which to declare their intention of becoming citizens. If within that time they failed to act, then the Government would take them into custody and deport them to the country from which they came.

The most effective way to deal with the problem presented by four or five million aliens now living in the United States is to pass that bill and then enforce the law without fear or favor.

The War Debts

EXTENSION OF REMARKS
OF
HON. MARTIN L. SWEENEY
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

RADIO ADDRESS BY HON. MARTIN L. SWEENEY, OF OHIO, JUNE 15, 1939

Mr. SWEENEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me over WOL and the intercity network on June 15, 1939:

Ladies and gentlemen, I have chosen for my subject this evening Remember the War Debts, because today, June 15, 1939, is the day payments are due from our international debtors. A debt, be it private or public, is equally sacred. It becomes increasingly more so when facts demonstrate that the debtor is not only able to pay but arrogantly shirks the obligation incurred.

On December 18, 1931, Congress by vote of 318 to 100 passed the so-called Hoover foreign-debt moratorium. As a new Member of the House of Representatives I was influenced in voting against the moratorium because of the information furnished in committee and in debate on the floor of the House of Representatives that the real purpose of the moratorium was not to assist the suffering Government of Germany, as had been proclaimed by the advocates of this legislation, but its intent was to permit the international bankers to collect their private loans, which exceeded by several billion dollars the obligations due our National Government.

At that time it was admitted by the committee sponsoring war-debt moratorium and highly publicized in the American press that Great Britain, France, and Italy, and several other debtor nations

had their funds on deposit with their fiscal agents in this country with instructions to pay their current obligations due December 15, 1931.

The $250,000,000 payment due December 15, 1931, from our former allies was not paid, nor has any payment been made by them on war debts for the past 6 years, except a small token payment made by the Government of Hungary, and the current payments to date by the gallant little nation of Finland. People of the United States will ever acclaim the integrity of the Government of Finland in playing the game fair and square, as it should be played between debtor and creditor if amicable relations are to be retained.

Before the passage of the Hoover moratorium, December 18, 1931, this Government had already canceled approximately $7,000,000,000 of war debts. I personally believe that the sentiment of the American public at that time and now was very vividly expressed in an article which appeared in the Washington News of December 12, 1931. I quote:

"As a matter of fact we have already canceled the debts from 25 to 80 cents on the dollar, a total cancelation of about $7,000,000,000. That $7,000,000,000 does not grow on trees; it has to be paid by the hard-pressed American taxpayers, by the mortgage-ridden farmer and the wage-cut worker, and the near-bankrupt businessman.

"When the American taxpayer consented to take that $7,000,000,000 load off the European taxpayer, he assumed that the European taxpayer was too poor to pay for luxuries in the form of giant navies and armies. But since that debt cancelation, Europe has gone on spending more on armaments. Those European armaments in effect are being paid for by the American taxpayer. And in the case of Great Britain, the American taxpayer is not only paying for a large British Navy but in turn is paying more for an American Navy to compete with that large British Navy."

I also quote a short excerpt from an article entitled "America, Pack Horse for World War Debts," which appeared in the Washington Times during the month of December 1931 by the distinguished Honorable Claude G. Bowers, our former Ambassador to Spain. Mr. Bowers said:

"We do not know to what extent, or if, indeed, at all, the President, in his secret conversation with the representatives of England, France, and Italy, has compromised the American position on the debts. The position of France and all other nations owing us billions is that they will reduce the reparations in proportion as we reduce our debts. That does not take a penny out of the pockets of those nations; it takes all the money out of the pocket of the American people."

Again I quote from Mr. Bowers, making comment in 1931 on the President's message for war-debt moratorium:

"Anyone reading the message and unfamiliar with the purpose of these Presidential communications would imagine that he was reporting 'not on the state of the Union' so much as on the conditions of Europe. This disposition to stand in the midst of the wreckage wrought by economic stupidity and the deceptive inflations of the market, to which this and a previous administration consciously and deliberately contributed mightily, and look across the sea has come to be an obsession of the administration. Why this harping about depression elsewhere? Hasn't the administration yet discovered any desperate depression here at home?"

While our present Executive has not recently revealed his ideas on war debts, if the agitation to cancel war debts again presents itself to the present administration, then the statement of Mr. Bowers will be truly applicable, in my opinion, as an expression of the American people on this important subject.

There is still due this Government from foreign governments as of March 1, 1939, $13,119,304,199.38. I read to you a few of the obligations and the respective countries owing them:

Austria (now Germany's debt)	$26,011,672.09
Belgium paid to Mar. 1, 1939, $18,543,642.87, still owes	449,080,212.01
Czechoslovakia paid to Mar. 1, 1939, $304,178.09, still owes	165,729,490.80
Finland paid to Mar. 1, 1939, $309,315.27, and today, June 15, 1939, $160,693, still owes	8,248,799.24
France paid to Mar. 1, 1939, $221,386,302.82, still owes	4,160,824,820.69
Great Britain paid to Mar. 1, 1939, $357,896,657.11, still owes	5,418,388,374.72
Hungary paid to Mar. 1, 1939, $10,581.20, and on June 12, 1939, $9,828.16, still owes	2,364,620.70
Italy paid to Mar. 1, 1939, $57,598,852.62, still owes	2,022,745,422.62
Poland paid to Mar. 1, 1939, $2,048,224.28, still owes	259,502,346.55
Rumania paid to Mar. 1, 1939, $263,313.74, still owes	63,860,560.43
Russia still owes	385,372,179.65

Grand total due, $13,119,304,199.38.

There is a dangerous school of thought that seeks to bring about a cancelation of all war debts. I do not believe that the American public are so naive as to approve such a proposition. To do so would virtually make an Uncle Sap out of our Uncle Sam. The late President Calvin Coolidge, with his typical Yankee philosophy, said, "They hired the money, and they ought to pay." I believe that is the true sentiment of every good American.

The question arises, Can some of these nations pay their obligations to the United States? I answer the question in the affirmative. Despite the fact that we have not received a red cent from Great Britain in the past 6 years, this great world power has been able to loan to the Soviet Government since July 1, 1936, $50,000,000; to the Turkish Government, $50,000,000, and an additional $30,000,000 loaned by the British Government to the Turkish Government for military purchases in Great Britain; to Czechoslovakia, in 1939, $40,000,000. They loaned to China in 1939, $25,000,000, and to Rumania in 1937, $25,000,000.

Every student of the war-debt question recognizes that Britain could very easily pay in commodities like rubber, tin, or in tea, none of which are produced in this country. Since the moratorium Great Britain has spent several billion dollars in armaments. She has subsidized the construction of supersteamships like the *Queen Mary* and the *Queen Elizabeth*, and others.

This indictment also applies to France, Italy, and many more of the Nations now in default of war-debt obligations. During the history-making visit of the King and Queen of Great Britain last week some of us were pertinent enough to suspect and make inquiry concerning the visit of the rulers of Great Britain to this country. In many quarters it was tantamount to treason for an American to speak out, or even suspect the purpose of this unprecedented official visit.

As an American, may I plead with you to stamp out any agitation for cancelation of the war debts and vigorously oppose any effort by the so-called synthetic democracies of Europe to involve us in another World War catastrophe.

The National Committee to Keep America Out of Foreign Wars, under whose auspices I am speaking this evening, are determined to disclose every species of propaganda that is intended to stir the emotions of the American people in an effort to involve us in foreign conflict.

It is my firm conviction that the present Congress of the United States is overwhelmingly isolationist—a term that does not go so well with those who have the international-minded complex, and who would have Uncle Sam become the policeman for the entire world. On that subject I quote from the sensational book, England Expects Every American To Do His Duty, by Quincy Howe:

"An isolationist foreign policy serves not only the interests of the American people but the interests of civilization, democracy, and progress throughout the world. It will deliver the very goods that the British network only promises.

"A self-sufficient America promoted western civilization by preserving it in the one country where it has not gone into a decline. Furthermore, an isolated America will not uphold England's dead hand over one-quarter of the earth's surface. Other nations will have a chance to find their places in the sun. Nor will the British people stand to gain the least from a collapse of the British Empire.

"A self-sufficient America promotes democracy by preserving it in its country of origin. The moment the United States fights the war of aggression into which the British network is now forcing it—in the name of peace and democracy—it will establish a dictatorship on its own soil."

You can best assist in the move to keep America out of the foreign wars by constant contact with those who represent you in the Congress of the United States and vigorously insist that, so far as you are concerned, never again will American citizens be sacrificed on the bloody battlefields of any foreign land.

Where Are We Going?

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

Mr. LEMKE. Mr. Speaker, nothing in this world is permanent but change. Everywhere we are going from the old to the new. We do not know where we are going, but our civilization is in transition. Whether we wish it or not, we are going from the old to a new civilization. We are discarding our old clothes, the clothes of yesterday, and putting on new clothes, the clothes of tomorrow—the new clothes of 130,000,000 men, women, and children. How well these new clothes—this new civilization—will fit us depends upon our vision, courage, and intelligence. Whether the change will be for better or worse depends upon us, the American people. This new civilization will be ours, it will not be under the control of the international bankers. Our sails are set, we are sailing unknown seas.

On March 4, 1933, our President delivered the greatest inaugural address ever given to the American people. He told us on that day that we were going to drive the money changers out of the temple. Do not get excited, because 2,000 years ago the Nazarene also drove the money changers out of the temple; but they all got back in; and so on March 9, within a few minutes after the special session of Congress

convened, the lower House of Congress, under the lash of the administration, passed a bill authorizing the issuing of $2,000,000,000 of paper money for the money changers. This bill was not even printed, and less than 5 percent of the Members of Congress knew its contents.

This unseeming haste on the part of Congress is nothing new. For years Congress has always promptly passed, with the approval of the Executive, any legislation desired by Wall Street and the international bankers. But when the farmers, the laboring people, or the veterans ask for legislation which would be for the welfare and benefit of all the people, then there are years of endless debate and delay—then Congress seems to be deaf, dumb, and blind. This is as true of Congress under this administration as it was of Congress under previous administrations.

After 4 years of this administration, which was going to drive the money changers out of the temple, we find that our Uncle Sam still prints the Federal Reserve notes and gives them to Wall Street and the international bankers, through the Federal Reserve Banking System, for seven-tenths of 1 cent per bill—the cost of printing. It makes no difference whether that bill is a $1 bill or a thousand dollar bill, or whether they keep it for 1 year or 20 years, all they ever pay Uncle Sam for it is seven-tenths of 1 cent per bill, the cost of printing. There were on June 30, 1937, $4,495,210,935 of Federal Reserve notes outstanding.

Who is this Uncle Sam that is so generous to these large bankers? Why, that is the tall gentleman with the high hat and striped trousers. It is you, the American people—it is the Government of the United States. Our Government prints the money and gives it to Wall Street and the international bankers, through the Federal Reserve System, for nothing save the cost of printing. This is done in violation of the constitutional provision which provides that Congress shall have power to "coin the money and regulate the value thereof."

This constitutional provision clearly means that the Government of the United States should control the money and credit of the country, but instead the money and credit business of the Nation has been turned over and farmed out by our Government to the Federal Reserve Banking System—a private institution.

Neither the special session nor subsequent sessions of Congress, under this administration, gave the relief to the people that they had expected or were entitled to. Many of the laws passed in the special session and subsequent sessions of Congress are not real relief. We passed a lot of Alice in Wonderland legislation, but this legislation lacks substance. This Nation is still in agony—it is hungry. Millions are still in want in the midst of plenty—in the midst of the so-called surplus of food—and yet for some strange reason the hungry cannot get any of this surplus. Unthinking people and the Department of Agriculture call it overproduction; reasoning and intelligent people know that the trouble is underconsumption. They know that the law of supply and demand still exists; they know that the supply is here and that the demand is here, but that for some strange reason the law of supply and demand does not function; that the demand somehow is kept away from the supply.

There seems to be a sort of national lunacy which makes intelligent people talk of overproduction and surplus, when in fact the so-called surplus is due to underconsumption because of the failure of proper distribution. It was that kind of national craziness which impelled the Secretary of Agriculture to have his picture taken with a one-handled plow and a mule in the doubtful occupation of destroying property—of plowing under cotton—when those who planted this cotton were still barefoot and in rags—when there was hardly a man, woman, or child in the United States who did not need some new clothes that could have been made out of this cotton and when there were still millions of men and women unemployed who would eagerly have taken this cotton and made it into finished products—into clothing.

It is against international law, even in wartime, to destroy property wantonly. To the credit of the mule be it said that he refused to become a party to this transaction. He declined to step on the cotton that his hoof had been trained to spare; he refused to become a vandal. History will record who, in this particular transaction, was the greater economist, the mule or the Secretary of Agriculture.

Then there is the lunacy which would have us believe that all our troubles are due to the machine age. This seems to me to be the reasoning of intellectual pygmies. What we need is more labor-saving machines—not less. When I was a youngster on my father's farm and had to put up hay and help harvest and thresh grain, I used to pray that someone would come along with sufficient inventive genius to invent a machine to do this work. My prayers have since largely been granted.

I hope the day is not distant when every farm and home in this land will have electric light and power and that when the wife and mother presses a button, electricity will do her washing. In fact, I hope that in the near future we will have machines that will do the thinking for some of the men we have in responsible positions—for the bureaucracy in Washington. We need more machines—not less; but the benefits of such machines must be distributed to all. To that extent I am a technocrat.

What then was the cause of the depression—the catastrophe of 1929? It was caused by the monopolization—not of the wealth of the country, but of the medium of exchange—the monopolization, in the hands of a few financial monarchs, of the money of the country—the unit of exchange. This was brought about by skillful manipulation of the currency, by gambling in stocks and bonds and the necessities of life. It was brought about, first, by virtually doubling the money in circulation through the Federal Reserve Banking System during the war, and then by a cruel, brutal, and inhuman deflation, by virtually cutting the money in circulation in two. By money I mean both actual and credit money.

Suppose you bought a home in 1928 and paid $10,000 for it out of your savings. Then by 1932, through the manipulation of money and credit, the value of this home was reduced to $4,000. You lost $6,000 of your savings in property value reduction. There is hardly a man or woman, who possessed property during the above-mentioned years, who did not suffer a similar loss caused by manipulation of our money and credit.

When we entered the World War our financiers had already bet on the losing horse over in Europe to the extent of billions of dollars—they had given the Allied Governments credit for war materials, food, and clothing to that extent. President Wilson realized that in order to win the war the Government—in other words the people of this Nation—would have to assume that indebtedness for which our financiers had given credit in the way of war materials, food, and clothing to the Allied Governments. That is how our foreign indebtedness arose.

Our Government never loaned a dollar directly to the Allied Governments. It merely gave them credit, and the international financiers manipulated that credit in such a way that they got billions of dollars out of the $22,000,000,000 of Liberty bonds we bought, and the United States Government, which means us, was substituted as the creditor of the Allied Governments in place of the bankers who had bet on the wrong horse. If these international gamblers had not bet on the wrong horse to that extent, we would never have gotten into the war. It would have been over before we got started.

President Wilson knew that in order to win the war the Government would have to sell billions of dollars of bonds. He knew that there was not enough money in circulation among the people to enable them to buy these bonds, so he suggested to the heads of the Federal Reserve Banking System that they increase the money by issuing Federal Reserve

notes and putting them into circulation among the people. Thereupon the local banks throughout this Nation took your note and my note and Tom, Dick, and Harry's note, stamped on the back of them "Payment guaranteed," put them in a nice bundle, sent them to a Federal Reserve bank, and received Federal Reserve notes, dollar for dollar, in exchange.

At the beginning of the World War there was in circulation in the United States approximately $3,460,000,000. It is estimated that about $1,000,000,000 of this was in foreign nations and that another $500,000,000 had been lost since the Government began to make money some 150 years ago, leaving about $2,000,000,000 in actual circulation. This was increased during the war to approximately $5,700,000,000. In round numbers, the increase or inflation was over $2,240,000,000. The circulating medium—money actually in the United States—was more than doubled by the issuing of Federal Reserve notes.

With this additional money—with this extra $2,240,000,000 as a revolving fund—we bought $22,000,000,000 of Liberty bonds, bought new farms, new homes, and made countless improvements. There was plenty of money with which to measure the muscular and brain energy of our people. Prosperity was almost universal in this land of ours, and we had the highest standard of living of any nation.

But disaster was awaiting us. In 1920, while Woodrow Wilson was a sick man, the Federal Reserve Board began its deflation policy. It suddenly and without warning called upon your local bank, my local bank, and Tom, Dick, and Harry's local bank throughout this Nation to pay the notes that they had guaranteed. It was at that time that your local bank was compelled to call upon Tom, Dick, and Harry to pay their notes that it had guaranteed and had rediscounted. It was at that time that the prosperity of this Nation was wrecked and the depression started.

By the end of 1921 the Federal Reserve Board had called in approximately $800,000,000 of Federal Reserve notes that it had issued in exchange for your note, my note, and Tom, Dick, and Harry's note. The first industry to feel the effect of this deflation was American agriculture. The farmer, being unorganized, was first to fall victim to the deflation. He was fairly slaughtered. He was made the shock absorber of the deflation, and had he been able to carry the burden, the entire cost of the World War would have been thrown upon his shoulders. But, as usual, greed knew no limit. The load it placed upon the farmer became intolerable and he broke down under it.

Such a condition affects not only the farmer but the Nation as a whole. It is a national calamity. It is a disgrace to the twentieth century and can only be explained by a complete break-down—no, by a complete bankruptcy—of political and economic leadership. We have heard of short selling, but one thing is sure—as a nation we are long on short thinking.

While conditions have temporarily improved on the surface, yet the public and private debt burden has increased. There is still unemployment and millions are still on relief. The great American engine of industry is still stalling. The trouble still is that we have not enough real money in actual circulation to measure the muscular and brain energy of our people—to do the Nation's business. We still have the demand and still have the supply, but the great mass still lacks purchasing power—a sufficient medium of exchange.

Down We Went and Up We Come

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. SNYDER. Mr. Speaker, ever since November 1929, when the stock market and financial structure of the Nation collapsed, we have been faced with the problem of unemployment.

In 1929 the Federal income was $31,000,000,000. From 1929 to 1933 the Nation took a nose dive straight toward the valley of poverty and desert of economic destruction. Fortunate for the people of the Nation, the Democrats elected Franklin D. Roosevelt President of the United States in 1932, and the fast-diving plane of destruction was halted on the forty billion Federal income level. In other words, in 4 years of Hoover piloting the Federal Government's income had dropped from eighty-one billions a year to forty billions a year and brought down with it and spilled out at the bottom of the dive before the upturn came 45,000,000 men, women, and children looking for food, shelter, and clothing.

Yes, Mr. Speaker, in March 1933 the Nation found itself standing in the mire of mismanagement and misadministration up to its chin wondering what it would do to help these 45,000,000 human beings. Something had to be done quickly. President Roosevelt, with a Democratic majority Congress, decided that agencies had to be set up immediately that would save the Nation not only from economic ruin but from revolution. Many agencies were set up, such as the C. C. C. camps, Home Owners' Loan Corporation, the Federal Banking Act, various farm acts, and many other constructive and rehabilitating agencies, with the result that within a space of a few years we had put back to work many millions of these men and women and raised our Federal income from its low depression level in 1933 of forty billions to sixty-eight billions in 1937.

Yes, my friends, in years to come history will point to this period of 1933 to 1939 as being the most constructive Nation-saving period in the history of the Nation. They will point out that at the close of 7 fat years (money years), 1922 to 1929, the financial and the economic structure of the Nation collapsed and we nose-dived from eighty-one billions Federal income to forty billions in 4 short years and left 45,000,000 men, women, and children looking for food, shelter, and clothing, and worst of all, left the Nation twenty-one billions in debt.

They will further point out that the marvelous achievement of the Roosevelt administration was that it not only took care of the 45,000,000 men, women, and children, but in 4 years, by spending twenty-one billion dollars additional, it pulled the Federal income from that bottomless pit of forty billion up to sixty-eight billion dollars of income.

When things were on the upgo in 1937 the administration and Congress decided that the thing to do was to give private industry and business the opportunity they asked for, that is, absorb some of the unemployed and some of those who were employed but on Federal projects such as W. P. A., and thus cut down the appropriation so that by February 1938 the Federal agencies such as P. W. A., C. C. C., and other agencies would release at least two millions of men so as industry could have them. But what happened?

In February 1938 we found that we not only had the 2,000,000 of unemployed on our hands that we had laid off because of reducing the appropriations for Federal agencies but we also found that industry had also laid off 2,000,000 more, so we had 4,000,000 more unemployed in April 1938 than we had 6 months before in September 1937.

Again something had to be done. Congress was calling an extra session; $250,000,000 was voted for W. P. A. to tide them over, and then for the fiscal year 1939 more substantial W. P. A. appropriations were made, with the result that we came slowly out of the recession.

And again the significant thing to note here is that we had reached $68,000,000,000 of Federal income in 1937, and dropped back to $58,000,000,000 in 1938, all because we failed to make adequate appropriations for the agencies that would put men to work in 1938, and the curve shows that as soon as we made appropriations to take care of the latter part of 1938 and the first part of 1939, the curve of Federal income started up again, and we find ourselves now at the level of about a $68,000,000,000 yearly income. Thus proving beyond a shadow of doubt that if we appropriate wisely and manage wisely the avenues of putting men back to work that we will

within a space of a few years be able to bring our Federal income up to $90,000,000,000, and when we reach that level we will be able to put all our unemployed back to work with the exception of a possible 3,000,000 that never did work, even in the "fat" years of 1922 to 1929.

I could find many other reasons why I am supporting the $1,477,000,000 for W. P. A. for the fiscal year 1940 that is before us for consideration today, but sufficient to say that the basic reasons that I have just cited are adequate.

Mr. Speaker, I take pleasure in voting for the $123,000,000 for farm security. I know this agency has done much to save thousands of farms for their owners. It has done much to keep thousands and tens of thousands from losing their homes, from going on relief, and from going to the poorhouse.

It is also a real pleasure for me to support the $100,000,000 embodied in the bill today for the National Youth Administration. This agency has done much for the youth of the Nation. Oh, yes; I know there are certain adjustments that should be made, and I believe they will be made in the management and application of this agency, but fundamentally it is sound because it serves the youth of the Nation. And may I say that if we serve the youth of today—that is, keep them busy at worth-while work—they will preserve our democracy tomorrow. If we neglect the youth of today and let them loiter about in highways and byways, in our gambling dens, barrooms and saloons, they will lose that ambition, that spirit, that something that our forefathers handed down to us, and some "ism" form of government will follow.

Yes, my fellow colleagues, it costs the Nation money to perpetuate the institutions that build for a better and more secure future. It costs the Nation money to make it possible to have good homes, good schools, and good churches; it costs the Nation money to have good roads, good health facilities, and good conveniences of all kinds.

However, my friends, when we observe that last year we spent less than $4,000,000,000 for the education of our youth and our people in the United States, and in the same year we spent more than twelve billions to look after crime in all of its ramifications, we will at once realize that it is economy to spend money, to keep our men and boys at work, and our educational institutions at a high degree of efficiency.

I am convinced that if we spend several billions of dollars more a year on education and put our additional men and boys back to work that we would cut the same number of billions of dollars off of our crime bill per year. Therefore, I am happy to support this Federal work-relief measure for the fiscal year 1940 as was recommended by the Bureau of the Budget, by the President, and by the other progressive agencies.

Before closing I wish to pay my respects to Colonel Harrington, Administrator of W. P. A. for the last several months. He has the most difficult job in the Federal Government. We think of the heads of other departments of the Government, but none of them has the difficult task of the Administrator of W. P. A. I know there are irregularities in W. P. A. You could not have an agency that employs four or five millions of people a year and not have irregularities. I know we have chiselers in W. P. A., and always will have them, just the same as we have in all the Government agencies, but I also know that the percent of deliberate chiselers in W. P. A. is not as great as the percent of chiselers that were employed in our banking institutions in this country from 1922 to 1932. If we will look up the records of all that were employed in the Federal and State banks and trust companies, and other money agencies of the Government during those years, you will find that the percent of chiselers, or in other words, the percent of those that did not do the right thing as the law or society sees it was greater than the percent of deliberate chiselers in W. P. A. This is no specific reflection on the money institutions, because human beings are human beings today the same as they were back in the days when they drove the tax gatherers from the temple.

The National Youth Administration Program

EXTENSION OF REMARKS

OF

HON. JOACHIM O. FERNANDEZ

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

STATEMENT BY NATIONAL YOUTH ADMINISTRATION

Mr. FERNANDEZ. Mr. Speaker, I wish to support the President's recommendation of $123,000,000 for N. Y. A.; it is my understanding that 200,000 youths could be added to the program if the full appropriation recommended is allowed.

The estimated number of unemployed youth out of school is placed at four and a half million by the Biggers unemployment survey. The full appropriation requested would permit employment of about 1,000,000 youth during the next fiscal year. This means that there is an approximate load on the program at all times of about 800,000, and the turn-over makes it possible to take on 200,000 more. There are approximately 450,000 youth every year available and who become eligible for this program. These out-of-school youth are unemployed and consequently are a drag on the labor market. The average annual cost for the entire program is approximately $125 per youth. This included student aid and work projects. The large turn-over which results in putting youth in private employment and making other social adjustments makes it possible to carry on this program at this low cost.

I give some pertinent facts secured from the National Youth Administration concerning this situation from a national point of view:

NATIONAL YOUTH ADMINISTRATION BUDGET

YOUTH—16 TO 24 YEARS OF AGE IN THE UNTED STATES

Total population in this age group is 21,000,000; 5,000,000 are in schools and colleges; 7,000,000 are employed; 3,000,000 are in the home or not available for gainful work; 1,700,000 are partially employed; 4,300,000 are totally unemployed. Thus, 6,000,000 young people are totally unemployed or partially employed.

Each year 200,000 more rural youth are coming of age than there are farm jobs available, and another 250,000 more urban youth are coming of age than there are jobs available—a net increase of 450,000 youth each year are adding pressure on the labor market.

The N. Y. A. by employing youth on public projects and extending educational opportunities to the underprivileged has materially helped to reduce pressure on the labor market and competition for adult jobs.

REASONS FOR REQUEST FOR INCREASE IN APPROPRIATION FROM $75,000,000 TO $123,000,000

The current need for work and training among young people has not decreased, but remains dangerously acute. This vast "lost generation" which fluctuates between four and six million young people needs work experience, guidance, and education. They are practically disowned by industry, by our educational system, and by society. Idleness, ignorance, and the wasted energy of young people constitute a menace to our society and to our democratic institutions. The morale of young people has been adversely affected during the past 8 years. By providing youth with an articulate agency for the expression of their needs and a focal point of direct action, the Youth Administration has helped in part to meet this problem. There is no criticism of the National Youth Administration as to inadequacy of function so much as there is criticism of limitations of application. In other words, the types of programs which N. Y. A. operates are approved of specifically and in general, but there is criticism that N. Y. A. cannot assist more young people because of limited funds. The N. Y. A. has provided youth with facilities for education, work experience, practical guidance, and placement in private employment effectively and economically.

An increase in the N. Y. A. appropriation to $123,000,000 would give another 200,000 young people an education, work experience, and training; and in the next year 800,000 would be kept busy and their capacity to do constructive work would not be allowed to degenerate. Unemployment tends to produce unemployability, and youth are eager and capable for work. In addition, the N. Y. A. can reasonably place 200,000 youth in private jobs next year. Thus at least 1,000,000 young people will be kept conditioned by the more normal experience of work and education rather than the experience of idleness and hopelessness.

PLANS FOR THE N. Y. A. PROGRAM NEXT YEAR

1. To provide part-time work and educational opportunities to 460,000 needy young people to assist them in continuing in schools, colleges, and universities, an increase of 83,000 over this year.

2. To provide work experience and training on public projects to 350,000 out-of-school unemployed young people, an increase of 120,000 over this year's average employment.

3. A sane and moderate program of youth services to provide the young people on N. Y. A. projects with guidance and counseling services and occupational information; related training which will give the elementary essentials necessary to intelligent job performances; medical examinations and, wherever possible, to arrange, through cooperative means, medical treatment; and recreational opportunities to N. Y. A. youth on resident projects.

4. Independent assumption of administrative functions previously performed by the W. P. A. due to the legal separation of the N. Y. A. from the W. P. A. by the reorganization plan No. I, which places the N. Y. A. in the Security Agency and the W. P. A. in the Federal Works Agency. The functions which the N. Y. A. must assume are finance, statistics, and employment. The latter function pertains to the maintenance of relations with public-welfare agencies, placement interviews, assignment to projects, and the maintenance of records pertaining to these operations throughout the country. These three functions will require as a minimum 1,474 employees and will as a consequence increase general administrative costs.

THE NATIONAL YOUTH ADMINISTRATION PROGRAM

1. Currently, 378,000 are employed on the student-aid program; 235,000 on the works program, or a total of 613,000.

2. The payment to young people is on the basis of actual work performed and averages $6.45 a month in the student-aid program, and $18.89 a month on the works program.

3. The annual cost per youth to the N. Y. A. is extremely low. It averages $58.50 on the student-aid program to keep a young person in school or college for a year. On the works program the average annual cost is $233 per youth to bring him through actual work and training to the possession of a background of work experience and subsequent skills which enable him to obtain employment. For the annual cost of approximately $123, over 600,000 young people have been given educational and work experience which otherwise would have been in large part denied them.

4. The N. Y. A. project program does not encourage Government paternalism but urges young people to try for other avenues of experience. Thus about 10 percent of its project youth leave each month for private jobs, or to some other form of self-support, or to go back to school. This project turn-over demonstrates a healthy reaction on the part of both the supervisors and the youth.

5. The student-aid program reaches into all but 17 of the 3,071 counties in the United States; the works program operates projects in 2,777 counties, a complete integration into the urban and rural life of the Nation.

6. The N. Y. A. reaches young people from the low-income families as is shown by the fact that N. Y. A. students come from families with a median income of $667. N. Y. A. project workers came from relief families. More than half have never had jobs before and only one-fourth of them have had the opportunity to finish high school.

7. In the student-aid program N. Y. A. students have demonstrated that they can work for an education and at the same time maintain satisfactory scholarship. They are on the whole equal to, if not superior, to the average student in scholastic achievement. Therefore, the N. Y. A. has not only extended educational opportunities but has uncovered a reservoir of competent youth.

8. Local sponsorship of N. Y. A. work projects has resulted in $18,000,000 of contributions, or 13 percent of all funds expended on work projects for youth.

9. The N. Y. A. and its 3,000 advisory committees have shown the advantage of united effort. Concerted action has convinced many local communities that it is possible to employ, train, and direct their youth.

ADMINISTRATIVE POLICY

A system of decentralized control has resulted in the successful cooperation of a Federal agency with private as well as public agencies.

This decentralized plan has had a significant bearing in educational matters. By assisting the individual rather than the institutions or agencies, the implications of interference with the authority of local units have been avoided.

There has been practically no public criticism of the N. Y. A., its purpose, its operations, or its administrative policies.

One Out of Sixty!

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. MUNDT. Mr. Speaker, this extension of my remarks is written at 1:15 a. m., as the House sits in session for the fifteenth consecutive hour yesterday and today in discussion of the important relief appropriations bill, which we have just adopted.

Inasmuch as the one item of appropriations for the Farm Security Administration was the sole section of this bill destined to provide special assistance and necessary aid in the business of rehabilitating distressed farmers in America, it is interesting to review the history of today's activities in order that the farmers of America may know just how their needs were considered today by the majority which is in control of this House.

It almost makes an item for Believe-it-or-not Ripley, but it is none the less as true as the rotation of the seasons that out of all this 15-hour period of debate yesterday and today precisely and exactly 15 minutes were allotted to those of us trying to provide more generous treatment to distressed farmers by amendment in this bill. The gag rule was invoked; debate limited to 15 minutes; and the farmers once again designated for a place in the rear ranks of this country's regularly "forgotten men."

Think of it, ladies and gentlemen, the farmers who comprise one-third of our population were granted 1 minute out of every 60 in today's debate in which to present their views and urge their program through their representatives in Congress. One minute out of 60 for the specific needs of the distressed families of 40,000,000 out of 130,000,000 people in this country. Why, it is actually true that in two speeches two of our New Deal colleagues spent more of the time of this House in strictly political tirades than was permitted the entire group of Congressman who clamored futilely for time enough to present a fair picture of the farmer's needs.

Much as I regret the fact that in this 15-minute lightning-flash of time grudgingly conceded to those of us desiring to amend this bill to grant more substantial aid through rehabilitative loans to the courageous farm families of America who need this help in their brave fight for self-sufficiency, there was no adequate opportunity to tell the true story of this situation, my protest here and now is against the gag-rule tactics of the majority party which controls this House in preventing the Representatives from farm States from even presenting their case before this body.

It is this violation of the privilege of full and fair debate which substitutes might for right in government. While it is not possible to undo the injustice done to America's farmers today, I sincerely hope that never again in this House will parliamentary tactics and crushing majorities stifle and stop honest discussion and intelligent consideration of the vital problems confronting the Government of the United States.

Would War Mean an American Dictatorship?

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, JUNE 15, 1939

Mr. FISH. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me over the radio on June 15, 1939:

If America participates in another world war we will have a dictatorship in 24 hours and will probably lose our free institutions and emerge from the war a Fascist or a Communist nation. The road to war is toward dictatorship and destruction and away from American liberties and representative and constitutional government.

America faces a crisis, and the Congress must decide whether, through the Bloom bill, to give additional power to President Roosevelt to plunge us into the horrors of another world war or to maintain our traditional American policies of neutrality and peace, the New York Times and Herald Tribune to the contrary notwithstanding.

In the last war we increased our national debt from one billion to twenty-six billions, and if President Roosevelt and his fellow internationalists and interventionists drag us into another one of the eternal wars of Europe or Asia our national debt will skyrocket from forty-five billions to seventy billions within a year.

In modern wars even the victor loses. Win or lose, we would come out an insolvent and bankrupt Nation, with interest payments of $2,000,000,000 a year, or twice the running expenditures of the entire Federal Government 25 years ago, when we were a far richer nation with practically no national debt.

I know of no reason for the United States to go to war, unless we are attacked or the Monroe Doctrine is violated by the invasion of South or Central America by the armed forces of some European or Asiatic power. It is inconceivable that we should go to war over Danzig, a German city, over the control of the Mediterranean, over British or French colonies or empires, over power politics, encirclement, or balance of power in Europe, over forms of government, or, lastly but not least, to defend communism and Soviet Russia.

We went to war once to make the world safe for democracy and to end all wars; and what a mockery and tragedy that turned out to be. Such a tragedy must not happen to us again, or we may lose our democracy and even our civilization. We helped to oust the German Kaiser and our Allies, through the exactions of the Versailles Treaty and oppressive policies, caused the overthrow of democratic government in Germany and set the stage for Hitler and nazi-ism.

If we went to war again against Germany and won, we would probably succeed in ousting Hitler and national socialism, but would open the way for communism in Germany and Italy and perhaps all over Europe.

Let us determine to keep out of the rotten mess and perpetual quarrels of the Old World, and not prepare new blood baths for our youth or hunt for new markets of blood and slaughter.

The Anglophiles are clamoring that we must preserve the British Empire—Hong Kong, India, Egypt, and Africa—all of which were won by invasion, bloodshed, and force of arms. Great Britain owns and controls one-fourth of the world's surface and population. Are we to guarantee the status quo of the British Empire, in addition to Canada and her possessions in the Carribbean Sea? Are we to police and quarantine the world with American blood and treasure, as President Roosevelt urges us to do?

If so, we will be involved in foreign entanglements and wars all over the world. Today England is threatening war against Japan, a few months ago against Germany, a year ago against Italy. Next it will be the Arabs, or maybe India or Egypt. Nevertheless, our internationalists and interventionists, ably led by President Roosevelt, would throw overboard our traditional foreign policies of neutrality, nonintervention, no entangling alliances, and peace, and, through collective security, economic sanctions, and the League of Nations drag us into all the hatreds, passions, and wars of Europe and the world.

The war propaganda, emotionalism, and hysteria fed from the White House increases daily. The American people are beginning to see through this attempt to cover up the economic failures of the New Deal, and are determined more than ever to keep out of foreign wars.

I had the honor and pleasure of meeting the King and Queen during their recent visit to Washington. They are charming, gracious, kindly, democratic people. I hope their visit will promote good will and continued peaceful relations between our two great countries. However, I do not believe that one single vote in Congress as to keeping out of war or for the settling of the war debts on a satisfactory basis was changed by their visit.

Interest payments on the $5,000,000,000 British war debt to us came due today, June 15. In spite of the fact that Great Britain is spending billions on armaments and has loaned $250,000,000 to European nations in recent years, she still refuses to pay us a single penny on her war debts. And we still continue to hold the bag and stagger along under these huge unpaid debts.

I would not raise the ghost of the war-debt issue if Great Britain was insolvent and unable to pay, or without suggesting a feasible and practical method of payment. Great Britain could easily pay us out of her monopolies in rubber, tin, and tea, which we do not produce in America. Payments in these products would in no way affect our American economy, wage scale, or employment of labor. She could also pay us in gold, as the British Empire produces two-thirds of all the gold in the world. The joke, or I should say the tragedy, of it is that we have bought $5,000,000,000 of gold from her at $35 an ounce, or twice the cost of production during the last 5 years, by which she has profited by several billions of dollars, and we have buried the gold in a vault in Kentucky where it draws no interest, feeds nobody, clothes nobody, houses nobody, and seriously impedes world trade. It is just another of the New Deal follies and costly experiments.

I now turn to discuss the so-called Bloom neutrality bill, reported by the House Foreign Affairs Committee a few days ago. The Bloom bill is a fake neutrality and actually an interventionist bill. It is a camouflaged aggressor-nation bill, which will drag us into every world conflict. Section 3, empowering the President to establish combat areas, practically gives the President the war-making powers of the Congress. Under the Constitution the Congress has sole power to declare war. If the Bloom bill is enacted into law, the President will be given the widest discretionary power ever given any American to put us into foreign wars. The Bloom bill in the hands of President Roosevelt is an unneutrality act and a snare and a delusion to involve us in war.

President Roosevelt has repeatedly said that if war breaks out in Europe it is virtually certain that we will participate. President Roosevelt is already unneutral and determined to put us in war. A vote for the Bloom bill, with the known views of the President, is empowering him to take us into war on the side of Great Britain in any war that might occur in the future. He may set up combat areas against Italy and Germany and permit unhampered trade with England, France, and Russia.

A vote for the Bloom bill is not merely the surrender of the war-making powers of the Congress but would virtually give the President the power to declare war himself.

In addition, the ban on the sale and shipment of arms, ammunition, and implements of war in the present Neutrality Act is wiped out, which means we will become the slaughterhouse and arsenal for warring nations for sake of blood money and war profits to kill people with whom we are at peace. And we still call ourselves a Christian Nation.

I predict when the American people, who want to keep out of war, find out what the Bloom bill does, public reaction will be such that it will have no chance of going through the Congress.

The Methodists, Baptists, and other peace-loving elements opposed to selling arms and ammunition to belligerent nations are against the Bloom bill. All internationalists, interventionists, and Communists, who want us to fight Germany and Japan for the benefit of Soviet Russia, are clamoring for the Bloom bill. On the other hand, all Americans who believe in our traditional policy of neutrality will oppose it every inch of the way. The loyal German element in the United States, amounting to one-fifth of our population, will naturally oppose it, as will the loyal Italian element.

I offer the following 10-point program to insure peace for America:

Enter into arbitration treaties with all nations, not to go to war except in self-defense or in defense of the Monroe Doctrine.

Reaffirm the right of Congress as the sole authority to make war and not permit Ambassadors, like William C. Bullitt, Ambassador to France, sitting around tea tables to make war commitments for us, and, above all, let us defeat the unneutral Bloom bill.

Stop all efforts by the internationalists and interventionists in the administration to force America to join in policing and quarantining the world, to enter into collective alliances, to determine the aggressor nation—all of which lead directly to war.

Adopt my proposed constitutional amendment to give the American people the right to vote whether our youth shall be drafted to fight in foreign lands outside of the American Continent—not the Ludlow resolution to declare war.

Reaffirm our traditional policy of neutrality, nonintervention, peace, and no entangling alliances.

Urge a conference to limit naval and military armaments and to promote peace by arbitration and cooperation.

Stop the shipment of arms, ammunition, and implements of war both in time of peace and of war. Enact legislation to take the profit out of war.

Urge adequate national defense to protect our own shores, and to maintain the Monroe Doctrine.

Deport all alien agitators—Nazi, Fascist, and Communist—who seek to destroy our free institutions and give their jobs to loyal American citizens now walking the streets.

Save America first, preserve the American system, and promote the welfare, happiness, and security of our people by keeping out of war, putting our own house in order, and providing employment for our people.

Let no one think that I shall try to block the consideration of the neutrality issue in the Congress. As a member of the Rules Committee, I shall vote to report the Bloom bill under an open rule, for amendments, with extended debtate of 10 or 12 hours. The American people have a right to know where we are headed. They have a right to know whether our traditional foreign policies are to be scrapped and the war-making powers of Congress surrendered to President Roosevelt, who, from his own statements, is determined to take this Nation into war if one breaks out in foreign lands.

I propose to exert every influence at my command to strip the vicious, dangerous, and war-making Bloom bill of its sham and pretense of neutrality, and at the same time present the unneutral and interventionist record of President Roosevelt for the past year and a half, and to judge him by his own words.

I welcome, as I believe practically all Republican Members of Congress do, such a debate, which involves our traditional foreign policies. The outcome of this momentous debate may mean the life or death of one or more million Americans, and the preservation or destruction of our free institutions.

I doubt if even the New Deal leadership is willing to bring the Bloom bill up for a vote and certain defeat. I estimate that 50 Democrats will oppose it and that not more than a half a dozen Republicans, if any, will support it. The existing neutrality bill with minor amendments would be entirely satisfactory.

The time has come for Congress not to give President Roosevelt greater powers, but to take back some of the powers already surrendered by the Congress and restore representative government in the United States.

I give the radio audience the Macedonian cry to come over and help keep us out of war by writing or wiring your Representatives in Congress to vote against the fake Bloom neutrality bill, giving huge discretionary power to the President to involve us in war. The Bloom bill must not pass.

I also give you of the radio audience another Macedonian cry of help to sustain the efforts and activities of the National Com-

mittee to Keep America Out of Foreign Wars by sending a contribution to Walter L. Reynolds, treasurer, House Office Building, Washington, D. C. Funds are urgently needed to extend our activities in every section of the country and to combat the war hysteria, hatred, emotionalism, and poisonous propaganda that seeks to involve America in war.

With the threat of the Bloom bill, and the increased New Deal war propaganda which will immediately follow the adjournment of the Congress, it is essential that the national committee continue its program to offset this propaganda and keep America out of foreign war.

Yesterday was flag day, and I propose to conclude on a more peaceful note, with some observations on the freedom of speech and the American flag.

The American flag is the flag of tolerance, not bigotry; of freedom, not oppression; of liberty, not dictatorship; of a free ballot under free institutions and by a free people, and not a government by the bullet, force, and violence and the bread ticket. Our flag is the symbol of freedom, justice, democracy, and peace, and we must keep it so.

The foundation and rock upon which our free institutions and American liberties are based is that of freedom of speech, whether in the press, forum, or over the radio. Any attempt to restrict the right of freedom of speech is a menace to popular government and to democratic institutions. Censorship of the press or control over the radio would establish a precedent that would endanger American liberties, promote intolerance, and, ultimately, set up an American dictatorship.

I subscribe to the sentiment expressed by Voltaire when he said, "I disapprove of what you say, but I shall defend with my life your right to say it." The attempt to censor or restrict the right of Father Coughlin to speak over the radio, regardless of the merits or demerits of his views, is, in my opinion, an act of intolerance and an utterly un-American procedure. If the administration or any opposition groups can keep critics off the radio then we have reached the end of government by the people and of free institutions in America. Dictatorships of the left, such as communism, and of the right, like fascism and nazi-ism, have already done away with freedom of speech. Let us not follow this example in the United States. The constitutional right of freedom of speech on both national and international issues must be upheld or otherwise we will have a dictatorship and the right of minority groups and legislative and party minorities will be destroyed.

Observance of Father's Day—A Plea for Congressional Recognition of a Tradition Already Observed by Common Consent

EXTENSION OF REMARKS
OF
HON. CHARLES H. LEAVY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

Mr. LEAVY. Mr. Speaker, through national acclaim of an idea which originated in my congressional district in the year 1910, our country will observe Father's Day on June 18, just 2 days hence.

On that day, Mrs. John Bruce Dodd, of Spokane, Wash., will be in New York as an honored guest of the Evening Sun to participate in a Father's Day program from the Court of Peace of the New York World's Fair. This is, indeed, a fitting tribute to a woman of high character and noble purpose, who has given so unselfishly of her time and energy in an effort to have officially designated by our duly constituted authorities a day in each year when America will pause to pay just homage to the millions of fathers throughout the land; a day upon which fathers might reflect upon their cherished responsibilities to their loved ones, that family ties might thus be more closely knit and the stability of our social order thus increased.

Mrs. Dodd's ardent desire to perpetuate observance of Father's Day springs from a poignant experience of 41 years ago, when, as one of her friends wrote:

In the Big Bend hills of the State of Washington, the day had its nativity in a lonely farm dwelling. There sorrow ministered amid the moaning of the March winds.

A father sat with bowed head in his aloneness. About him clung his weeping children. The winds outside threw great scarves of powdered snow against the windowpanes, when suddenly the last-born tore himself from the group and rushed out into the storm, calling for his mother. Yet even his baby voice could not penetrate the great silence that held his mother.

Hurriedly the father gathered him back to his protection, and for more than two decades William Jackson Smart, alone, kept paternal vigilance over his motherless children.

Later in her life, when she could better appreciate and evaluate her father's devotion to his children, Mrs. Dodd persuaded the City Council of Spokane to adopt a resolution designating the third Sunday in June as Father's Day.

Hoping to contribute toward the preservation of this worthy tradition, and bring to my constituent the recognition which she so justly deserves, I introduced House Joint Resolution 634 in the Seventy-fifth Congress. Although precedent had been set by adoption of a similar resolution in the Sixty-third Congress, according official recognition of Mother's Day, my bill was not reported out of committee, and I wish now to express before you, my colleagues, the sincere hope that Congress will one day soon act to formally call upon the President for the issuance of a proclamation designating the third Sunday in June as Father's Day.

Educational Radio Project, Bureau of Education

EXTENSION OF REMARKS
OF
HON. J. BUELL SNYDER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

PARTIAL REPORT OF UNITED STATES COMMISSIONER OF EDUCATION ON THE EDUCATIONAL RADIO PROJECT

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting a partial report of the United States Commissioner of Education, Dr. J. W. Studebaker, on the subject of the Educational Radio Project, as follows:

REPORT BY COMMISSIONER OF EDUCATION J. W. STUDEBAKER AND STAFF MEMBERS ON THE EDUCATIONAL RADIO PROJECT

Following is a brief statement presenting: (1) Purposes of the educational radio project; (2) chief accomplishments; (3) divisions of activities; (4) objectives of project programs; (5) funds allocated and costs; (6) summary; and (7) descriptive materials.

(NOTE.—Congress, in the Communications Act of July 31, 1934, instructed the Federal Communications Commission to give attention to the problem of facilities for nonprofit radio programs. As a result the Commission formed the Federal Radio Education Committee and appointed Commissioner of Education J. W. Studebaker chairman. This committee was assigned the task of bringing about more satisfactory relations between broadcasters and educators. Much of the work reported herein has been organized to work out practical solutions to the issue presented by Congress.)

1. PURPOSES OF THE EDUCATIONAL RADIO PROJECT

To carry forward the aims of the Government to give work to men and women in need of employment; to restore them to normal employment; and to experiment and demonstrate in education by radio, the educational radio project was established by President Roosevelt, December 19, 1935.

Working under the rules and regulations of the Works Progress Administration covering wage scales, 19-to-1 ratio on administration, sponsor contributions, etc., the educational radio project has attained objectives set for it.

Employment: The project has given employment to those in need of jobs in 17 States.

Worker rehabilitation: It has trained and provided valuable experience which has aided a large number of workers to restore themselves to normal employment.

Use of radio: It has improved the relations between private broadcasters and educators, and broadened and advanced the use of radio in the service of education and to government, Federal, State, and local.

2. CHIEF ACCOMPLISHMENTS OF THE EDUCATIONAL RADIO PROJECT

Employment: In 17 States and the District of Columbia the project has given employment to an average of 245 W. P. A. workers per month.

Training and placement: Training and experience secured on the project have enabled more than 75 W. P. A. workers in Washington and New York alone to move into regular jobs.

Low per listener cost: Through quality great audiences have been won reducing our costs to less than $10 per 16,000 listeners per half hour.

Sponsor contributions very heavy: Few W. P. A. projects can show as favorable project-sponsor ratio for expenditures as this: One dollar from the Government to $4 from private industry.

Largest network: By stressing quality, the radio project has secured the largest voluntary network ever assembled for sustained educational programs, 107 stations on the Columbia Broadcasting System. This is far larger than most leading commercial program networks.

Every United States region served: Because of the wide acceptance of project programs by stations and wide local use of scripts, every section of the United States has been able to receive the benefits of this activity.

Highest radio honors for 1939: Our project is the first Government agency ever to receive the award for presenting the "outstanding program of the year." This was voted to Americans All—Immigrants All—by the Women's National Radio Committee, representing twoscore national women's organizations.

Eight hundred thousand fan letters: Our series are reported to have received a larger response from listeners than any other sustaining programs presented by either the National Broadcasting Co. or the Columbia Broadcasting System. For 3½ years listener mail totals more than 800,000 letters.

First to preserve network series for schools: This is the first agency to preserve network educational programs for future use through recordings.

Criticism almost nil: Letters of criticism have been far lower than the network average. Network critical letters run 1 to 2 percent; project critical letters, one-tenth of 1 percent.

Promoted local productions: We have stipulated the development of local school and college radio producing groups to study broadcasting and to cooperate with local stations. These groups have grown from fewer than 300 in 1936 to more than 800 at present.

Careful preparation for every program: We have probably given more care to the creation of educational programs than any other agency, commercial or noncommercial.

Check and review thorough: We check all scripts with advisory and review committees composed of distinguished educators and scientists.

Competed against best on air: The Project has successfully competed for listener attention with commercial programs costing five to ten times as much to produce.

3. DIVISIONS OF ACTIVITIES

Following are major divisions of national and local activities carried on by the educational radio project:

National educational radio programs presented in cooperation with national chains, local radio stations, Government agencies like the Smithsonian Institution, and national associations like the National Congress of Parents and Teachers.

Educational radio script exchange, which provides practical assistance to local schools, colleges, and radio stations. The exchange lends scripts, supplies suggestions on producing programs, sound effects, and reports other available sources of helps.

Educational transcription exchange is pioneering in the introduction of these new scientific aids for American education.

Cooperative research projects are developed in problems of education by radio carried on in cooperation with colleges and school systems.

Cooperative radio demonstration centers for experimentation in use of radio for education have been sponsored at colleges, universities, and in local school systems.

Information service on education by radio has been established. This service supplies data on opportunities for training, bibliographies, research programs, new developments, etc.

4. OBJECTIVES OF RADIO PROGRAMS

Officials of our national radio chains invited the Office of Education to present educational programs of high quality over their facilities. To meet these requests, to conduct experiments and demonstrations in the art of radio applied to education, and to serve national social aims, the Educational Radio Project has presented 11 network radio series. Most notable are:

(1) Americans All—Immigrants All, a series of 26 half hour programs to increase tolerance and promote unity among our people by broadening the understanding of the contributions of men and women from many nations to our national life. This was the first Government program to receive the award as "the outstanding radio program" of the year.

(2) The World Is Yours (now in its third year), a series for the Smithsonian Institution, bringing knowledge of the treasures of that Institution to millions of taxpayers who may never have the opportunity to visit it.

(3) Let Freedom Ring, a series of 13 programs showing the origin and development of the human rights which have been set forth in the Bill of Rights of our Constitution.

(4) Wings for the Martins, a series of 26 programs showing modern developments in education as they aid parents in bringing up children. Presented in cooperation with the National Congress of Parents and Teachers and the National Broadcasting Co.

(5) Brave New World, a series of 26 programs promoting good will with our Latin American neighbors by helping Americans to know more about Latin American history, culture, and progress.

(6) Democracy in Action, a series of 26 programs now being presented to show government at work and the details of the democratic process by which Congress translates the demands of the people into action.

(7) Local Government at Work, a series of programs created in cooperation with national police, fire, and municipal officer associations. This series will be presented locally to help people understand the work of their local government.

Flag Day

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. ANGELL. Mr. Speaker, it is well that we set aside one day during the year as Flag Day so that we may for a little while draw away from the turmoil and demands of the momentous and troublous times through which we are passing to permit our thoughts to linger upon the American flag and what it means to us as American citizens.

The flag symbolizes all that we hold dear in America. As we look about the world and see so many of the treasured liberties of the peoples of the earth trampled under foot, we can only thank the founding fathers and those who have protected through the years our American Government.

More and more as we ponder the momentous problems which confront us as a nation today and endeavor to find a solution, that prosperity and contentment may again be ours, we are forced to the conclusion that the solution may lie in a return to the simple faith and virtues of our forbears. It is well to read again and ponder upon the simplicity and virtues of the Mayflower Compact entered into in 1620 by those God-fearing men and women who initiated civil government in America. It reads as follows:

In ye name of God, Amen. We whose names are underwritten, the loyal subjects of our dread soveraigne Lord, King James, by ye grace of God, of Great Britaine, Franc, & Ireland king, defender of ye faith, &c:

Haveing undertaken, for ye glorie of God, and advancemente of ye Christian faith, and honor of our king & countrie, a voyage to plant ye first colonie in ye Northerne parts of Virginia, doe by these presents solemly & mutually in ye presence of God, and one of another, covenant & combine our selves togeather into a civil body politick, for our better ordering & preservation & furtherance of ye ends aforesaid: and by vertue hearof to enacte, constitute, and frame such just & equal lawes, ordinances, actes, constitutions, & offices, from time to time, as shall be thought most meete & convenient for ye generall good of ye Colonie: unto which we promise all due submission, and obedience. In witness whereof we have hereunder subscribed our names at Cape Cod ye 11 of November, in ye year of ye raigne of our sovereigne lord, King James, of England, France, & Ireland ye eigteenth, and of Scottland ye fiftie fourth. ANO. DOM. 1620. (From the original manuscript written by Gov. William Bradford of New Plymouth.)

On such occasions it is well to dwell again upon the words of inspiration contained in the American Creed, written by our esteemed friend and former Clerk of the House of Representatives, Mr. William Tyler Page, and accepted by this House on April 3, 1918:

I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic; a sovereign nation of many sovereign States; a perfect union, one and inseparable; established upon those principles of freedom, equality, justice and humanity for which American patriots sacrificed their lives and fortunes.

I therefore believe it is my duty to my country to love it, to support its constitution, to obey its laws, to respect its flag, and to defend it against all enemies.

The American flag speaks to us as the spirit of America. It should arouse within us the deepest regard for the country which it represents, our country, the country which preserves for us freedom of speech, freedom of worship, the right to own and control private property, and all the cherished provisions the Bill of Rights guarantees to us. It should arouse within us a desire and determination to do our part in the preservation of these sacred rights to the end that they may be enjoyed by us and passed on to those who shall

follow us and take our places. As was recently said of our flag:

I am the American Flag, and this is my birthday. As the Nation has grown in size, my stars have increased in number. My colors are red, white, and blue; and there is no yellow in my make-up. The courage of generations of American manhood and the love of generations of American womanhood have been woven into my fabric.

I epitomize civil liberty, religious tolerance, and individual opportunity. I symbolize the Declaration of Independence and the Constitution of the United States of America. I typify the law, with malice toward none and with justice for all. So long as I shall fly, government of, by, and for the people shall never perish from this land.

Eternal vigilance has ever been the price of such self-government. On the altar of the unalienable individual rights which I symbolize, past generations of American fighting men have laid down their lives that those principles might live for posterity. That such noble sacrifices may not have been in vain, I expect each citizen under my protection at least to strive daily to live for me. No American can do less and be worthy of his citizenship.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. HARRY SANDAGER
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. SANDAGER. Mr. Speaker, I desire to add to the continual mounting evidence as to the havoc to American industry caused by the reciprocal-trade agreements. The latest proof I have received is from Mr. John H. Lacouture, president of the Guerin Mills, Inc., Woonsocket, R. I., whose letter is as follows:

WOONSOCKET, R. I., *June 2, 1939.*

Hon. HARRY SANDAGER,
Washington, D. C.

DEAR SIR: Below is a copy of a letter recently addressed to this mill by an importer of worsted yarns, which reads as follows:

"We had a conversation at your New York office with regard to worsted yarns we are importing and have been referred to your good selves.

"As we have been doing quite some extensive business with worsted mills in New England as well as in Pennsylvania we believe that also you could be interested in our offer.

"We are selling all counts, French spun worsted yarns, stock guaranteed 64 Australian, on cops, skeins and 1 pound cheeses.

"As an indication we might mention that our 2/40 are sold for $1.22 and 2/50 are sold for $1.27½ per pound on cylindrical cheeses, landed New York, duty paid, 30 days net.

"We would be glad to quote you other counts you may require and to have one of our salesmen call on you at your convenience.

"We await your kind reply."

(Signed) ———— ————.

The following is a comparison of the quoted price of this yarn and our rock-bottom cost of producing equivalent yarns:

2/40s worsted yarn:	
Quoted price of imported goods, per pound	$1.22
Our cost, per pound	1.37
2/50s worsted yarn:	
Quoted price of imported goods, per pound	1.27½
Our cost, per pound	1.47

Our costs consist, in the case of the 2/40s yarn, or raw material (wool tops), of approximately 97 cents per pound, labor of approximately 31 cents per pound, and overhead of approximately 9 cents per pound.

We, as the employers of a thousand or more workers in practically every year since the beginning of this century, would like to have the advocates of the policy of reciprocal-trade agreements, which recently resulted in lowered tariffs on wool and wool products, tell us how we can hope to remain in existence in the face of such competition. You will see from the preceding paragraph that, even if the item of overhead were completely eliminated, which is, of course, an impossibility, our costs of raw materials, over which we have no control, plus the wages paid, are so far in excess of the price at which foreign producers can land competitive products, duty paid, in New York City, that we and other companies in the industry will be driven out of business.

Any of the Washington Representatives of the industrial State of Rhode Island who sincerely want to continue to provide the opportunity for gainful employment and to maintain the American standard of living and who are unwilling to sacrifice the firmly established woolen industry of this country, should do all in their power to correct the situation created by the recent trade agreements.

We and our employees hope that we can depend on your protection against this destructive competition from those foreign countries whose labor and living conditions are so far below those of our country.

Very truly yours,

GUERIN MILLS, INC.,
JOHN H. LACOUTURE, *President.*

Mr. Lacouture's complaint may thus be added to the long line of similar evidence of the senseless policy of the trade agreements, which throws American workers on relief and gives employment to foreigners. Besides woolens and worsteds let me cite another example. This is the instance of French lace imports. For a number of years manufacture of lace was a flourishing industry in Rhode Island and other parts of New England but since 1938 the Franco-American trade agreement has demoralized American production. But in France the exact opposite is true. The glowing picture of the lace industry from the French point of view is published in the New York Journal of Commerce. American Consul James G. Carter reports from Calais that "the strong and continued American demand for French lace has materially assisted the lace manufacturing industry of Calais." Also, "the Calais lace industry credits its current favorable position largely to American demand occasioned by benefits arising from the Franco-American trade agreement, the relatively low value of the franc compared with the dollar, and a distinct fashion trend in favor of lace," the consul reported.

An ironical fact is that while in this country we are endeavoring to establish a 44-hour week, the Calais lace plants are now working 48 hours instead of the previous French legal 40-hour week in that country. Furthermore, there is a shortage of labor in Calais and the manufacturers there are complaining that it is very difficult to get twisthands and tullists.

All imports—duty reduced—show the first 4 months of 1939 importation equivalent to 63.2 percent of the total 1938 and 85.5 percent of the total 1937 importation.

A short time ago La Phare de Calais, a newspaper published in the lace-manufacturing city, credited the United States with purchasing nine-tenths of the exports of Calais lace and points jubilantly to the improvement in French employment. La Phare says:

One can assert that the revival in our industry was brought about by the Franco-American Treaty which became effective on May 6, 1936. At that time the stoppage (unemployment) situation in lace was as follows:

	Male	Female	Total
May 4, 1936	2,228	812	3,040
Dec. 31, 1937	1,302	515	1,817
Dec. 31, 1938	776	395	1,171
Jan. 21, 1939	748	385	1,133

These figures are the result of the diminished stoppage from the 1st of January 1938 to the 21st of January 1939 of 684 units.

WAGES PAID

As to wages paid from 1934 to 1938, inclusive, they were as follows:

	Francs
1934	21,555,670
1935	19,744,781
1936	22,476,203
1937	37,800,000
1938	45,000,000

Of these figures the last is estimated.

What logic can there be in a policy which closes American lace, woolen, or worsted mills, forces their workers into the street or into the W. P. A., and actually transports flourishing industries across the seas to France, England, or other countries? And how long are we going to permit such a policy to continue? The answer rests here—right here in Congress.

Acquisition of Forest Lands

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. ANGELL. Mr. Speaker, I have introduced H. R. 6853 to authorize the acquisition of forest lands adajcent to or over which highway trails are to be constructed wholly or partly with Federal funds in order to preserve or restore their natural beauty. This is a companion bill to S. 231, introduced by Senator MCNARY, which I understand passed the Senate unanimously.

The purposes of this bill are apparent. Many of the highways in the Federal highway system throughout the several States of the Union pass through virgin forests. The scenic attractions bordering these highways add to their charm and at the same time preserve the natural beauty of the wooded areas through which they pass. The tourist travel of the United States is one of its greatest industries and one that contributes materially not only to the economic welfare of our entire country but also to the welfare, convenience, and pleasure of our citizens who avail themselves of the opportunity to see America.

Many State highway commissions and organizations interested in maintaining the natural beauty of the areas adjacent to our highways are interested in this legislation, and the Department of Agriculture is particularly interested therein. The bill merely provides that of the money allocated to the States, 5 percent may be used for the acquisition of forest lands and other areas along the highways, which amount must be matched by the States. The matter lies entirely within the discretion of the highway department of the State. If it wishes, it may preserve 5 percent for the beautification and preservation of the areas along the roads. The bill will not require any additional outlays in money from the Federal Treasury, but will give the highway commissions of the several States a broader discretion in the use of highway funds.

I hope all of us who are interested in maintaining the wonderfully fine scenic attractions of our American highways will urge the early consideration and approval of this legislation so that it may receive the favorable consideration of the House before our adjournment.

The bill is short and reads as follows:

Be it enacted, etc., That for the purpose of preserving, restoring, improving, and protecting the natural beauty along highways, roads, and trails constructed or to be constructed wholly or partially with Federal funds the Secretary of Agriculture is hereby authorized to expend annually not to exceed 5 percent of the moneys appropriated by Congress for carrying out the provisions of law relating to the Federal-aid highway system, in acquiring forest lands, or interest therein, by purchase, gift, devise, or condemnation, adjacent to said highways, roads, and trails now constructed or over which they are hereafter to be constructed: *Provided*, That no land which extends more than one-quarter mile from the exterior boundary of the right-of-way shall be acquired under the provisions of this act except by gift or devise. Lands or interests therein, acquired pursuant to this act which are situated within or near the exterior boundary of any Federal reservation, withdrawal, or land-utilization project, shall become a part of such reservation, withdrawal, or land-utilization project and be subject to all laws and regulations relating thereto and be administered by the agency having jurisdiction thereof. All other lands, or interests therein, acquired under authority of this act shall be conveyed by the Secretary of Agriculture to the State in which the lands are situated subject to such covenants as he deems necessary in effectuating the purposes of this act: *Provided further*, That each deed of conveyance shall provide that title to the land, or interest therein, shall revert to the the United States if during the period fixed therein the State fails to comply with said covenants, or if the land or interest is later included within the boundary of a Federal reservation, withdrawal, or land-utilization project. Lands, or interests therein, which revert to the United States shall thereafter be administered as the Secretary of Agriculture shall direct. The Secretary of Agriculture is further authorized to pay out of said 5 percent all costs incident to the acquisition of said lands including the cost of recording deeds and the examination and acceptance of title to lands, or interests therein, acquired hereunder, and, with respect to lands acquired by gift or devise, to pay all or an equitable proportion of any accrued taxes.

SEC. 2. It shall be optional with the highway department of each State as to whether, and the extent to which, this act shall be in force and effect therein, and any expenditures by the Secretary of Agriculture for the purposes of this act in any State in any fiscal year shall not exceed 5 percent of the Federal-aid road funds apportioned to such State for such fiscal year and shall be matched by State funds on the same pro rata basis as is required by the Federal Highway Act, as amended and supplemented, for Federal-aid road projects.

W. P. A. and N. Y. A. Should Not Be Cut

EXTENSION OF REMARKS

OF

HON. RUDOLPH G. TENEROWICZ

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. TENEROWICZ. Mr. Speaker, under leave to extend my remarks, I desire to place in the RECORD my own reactions and those of some of the leading public officials and educators of America's fourth city, Detroit, toward the proposal now before this House to curtail the works program and the invaluable activities of the National Youth Administration.

First, let me say that the First Congressional District of Michigan, which I have the honor to represent, is composed almost entirely of working men and women. To thousands of them—my friends and neighbors—the proposal to earmark $125,000,000 of the $1,477,000,000 requested by the President to carry W. P. A. through the 1940 fiscal year, would be a tragedy. The fact is that this earmarking is for all purposes a further reduction of W. P. A.

Like several of my colleagues in the House, I am ready to vote for P. W. A. funds because I believe P. W. A. is necessary. But I believe we should vote sufficient funds both for W. P. A. and P. W. A. to carry out the New Deal principle of providing work on Government projects for our able-bodied unemployed until private industry provides private employment for them.

In fact, I feel that instead of voting enough W. P. A. funds to provide W. P. A. jobs for 2,000,000 unemployed for the coming fiscal year—as President Roosevelt requested—this Congress should go further and raise the W. P. A. appropriation to $2,250,000,000 and provide for 3,000,000 unemployed workers. I know that when it comes to suffering and distress, and it already is and has been on hand in my district because of unemployment and recent W. P. A. curtailment, I shall always regard the man more important than the Budget, even if it must remain unbalanced.

Another phase of House Joint Resolution 326 to which I object is section 12, which limits all building construction projects to $25,000. Anyone who has had any experience with construction work knows that no socially useful building project can be built in any of the cities of America under this limitation. Colonel Harrington, W. P. A. Administrator, has pointed out specifically that this limitation on building construction would mean that no more of these worth-while public buildings which W. P. A. has built all over America, could be constructed.

It would mean that the skilled workers who would otherwise be employed on them would be forced on direct relief or forced to take unskilled jobs and thus lose their skill.

In a statement today Colonel Harrington is quoted as saying that earmarking $125,000,000 of W. P. A. funds for the P. W. A. would force the W. P. A. to cut its average number of employees for the coming year by 170,000. He also voiced strong disapproval of the provision in this bill forcing workers to take a payless "vacation" after 18 months on the rolls, terming this provision "very rigid" and declaring that "it will cause real hardship."

Before quoting from telegrams which have reached me within the last few days from my district, I desire to urge the support of all liberal-thinking Members of the House in seeking to replace the $123,000,000 originally requested by President Roosevelt for the N. Y. A. in the bill. The bill, as you know, calls for an annual appropriation of only $81,000,000 for the N. Y. A., and this is not enough.

It has been estimated that there are from three to five million young Americans eligible for N. Y. A. help, and under the present program the N. Y. A. is able to give school aid to only 500,000 of them. If the full request of the President is voted by Congress, an additional 400,000 youths could be aided through school and college by the N. Y. A.

It is surprising to me that in a body such as this, opposition should arise to such a program as is conducted by the N. Y. A. To me it is one of the finest works of the New Deal. Many of you and I myself were able to gain our education by working our way through college. The important factor in this accomplishment was that we were able to find work.

Today the youth of this Nation is willing and anxious to gain an education, but the private jobs we found as young men are no longer available to the university students. They are held by men who are supporting families.

That is why the Federal Government undertook to aid serious-minded young people who wanted to gain an education and who did not have the funds to do so. And that is why I intend to vote for the full N. Y. A. appropriation as asked by the President. I am one of those who believe that in the United States every young boy and girl is entitled to an equal opportunity to gain an education. The only provision should be his or her ability to absorb this education.

There follow several telegrams which I have received in regard to the bill under consideration. They include messages from the mayors of Detroit and Hamtramck, Mich., from the Detroit superintendent of public schools, and from the president of the University of Detroit. I feel that they are worthy of your consideration.

Mayor Richard W. Reading, of Detroit, wired me June 15:

Strongly urge your vigorous opposition to House Appropriations Subcommittee's recommendation outlawing W. P. A. building projects costing over $25,000. Also protesting reduction of Federal nonlabor relief contribution from $7 to $6 monthly as well as $125,000,000 appropriation slash. If these proposals approved, Detroit's W. P. A. program collapses.

Mayor Walter Kanar, of Hamtramck, wired me June 15:

Understand W. P. A. appropriation bill being debated in House at present. I object to provision outlawing all building projects costing over $125,000, reducing Federal nonlabor contribution from $7 to $6 per worker per month, reducing amount requested by President $125,000,000. Use all possible effort to repeal these provisions from appropriation bill.

A. E. Poetker, president, University of Detroit, wired me June 15:

National Youth Administration student-aid program has unique record in accomplishing solid good and in economy of administration. Please use influence to continue this program without reduction.

G. R. Harris, administrator, Wayne County Welfare Relief Commission, wired me June 15:

Any efforts you can put forth in support of original appropriation of $123,000,000 for National Youth Administration will benefit your district.

Frank Cody, superintendent of schools, Detroit, wrote me June 12:

DEAR SIR: The Congress is now considering appropriations to the National Youth Administration. I should like to register with you my hearty endorsement of the work done through this governmental agency. A large number of youths, both in Detroit high schools and in Wayne University, have been able to continue their education because of the financial assistance given through National Youth Administration. Those who are closest to this activity in the schools tell me that even the small amount of money that high school and college students are allowed to earn each month on National Youth Administration does an unbelievably large amount of good for these very needy youths.

Furthermore, I am impressed with the value of the work projects for those young people who are out of school. In a metropolitan area like Detroit, we recognize how difficult it is for young people to get started on employment. The N. Y. A. work projects give some contact with actual work and enable young people to acquire the experience that is so generally required when they seek private employment.

The Polish Aid Society, Detroit, wired me June 15:

We are depending on your vote for N. Y. A. appropriations.

And Henry D. Jones, director, Dodge Community House, Hamtramck, wired me June 15:

Please support N. Y. A. project, beneficial to all youth in need. We need your help.

These are only a few expressions of opinions held by responsible citizens who feel, as I do, that this Congress must not yield to pressure to curtail W. P. A. and N. Y. A. appropriations at a time when private business still is not meeting demand for jobs and when local relief agencies cannot possibly meet the present needs of the community.

The Proposed Neutrality Joint Resolution

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

MINORITY VIEWS OF THE COMMITTEE ON FOREIGN AFFAIRS

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the minority views of the Committee on Foreign Affairs on the neutrality bill:

Mr. FISH, from the Committee on Foreign Affairs, submitted the following views of the minority (to accompany H. J. Res. 306):

No neutrality law at all would be better than this resolution which in the name of neutrality, and under the guise of preventing provocative acts of American citizens, gives the President additional powers to be unneutral.

Under this resolution as it comes from committee the President, after making a neutrality proclamation, can authorize the sale of arms on "ordinary commercial" credit to one side and deny such sales to the other side; he can permit our vessels to enter the ports of one belligerent loaded with needed supplies, while barring our vessels from the ports of another belligerent; he can prevent a foreign vessel carrying arms from leaving our ports by requiring a prohibitive bond whenever he suspects that the shipment will be transferred to a tender belonging to a belligerent but "the evidence is not deemed sufficient to justify forbidding the departure of the vessel" while permitting exactly the same sort of a shipment to proceed to another belligerent.

No President ever had such power before. The President has no such power under our Constitution or under international law. Congress alone can give him this power. To urge that the President would not misuse this power is not to state a reason for granting it.

WHAT THIS RESOLUTION PROVIDES

This is a long resolution, but all but two sections are substantially reenactments of our present law with minor changes. Many of the provisions are sound and promote peace, but the combination of the reenactments with the new sections give the President the powers we have just described.

Section 1 provides for a proclamation but is not mandatory and omits the arms embargo contained in the present law. In spite of the mandatory requirements of existing law, the President has failed to "find" the existence of the gigantic war in China. We therefore believe that any neutrality law should provide for the finding of a state of war between foreign states by the Congress as well as by the President.

Section 2 forbids travel by citizens on the vessels of belligerent states. It is essentially the same as the present law, although the limitations upon the President's power to regulate such travel have not been retained.

Section 3 gives the President power to forbid American citizens or American ships from going any place on this planet outside an "American republic" during a war, by proclaiming the place "an area of combat." Under this authority the President may also prescribe any limitations or exceptions he may desire upon the travel of American citizens or vessels any place in the world, outside an American republic. This power is without precedent in American history. With this power the President can effectively quarantine an aggressor from American ships and citizens by simply naming the aggressor as a "combat area."

Section 4 contains, without change, the provisions on loans and credits of the existing law, but provides for neither "cash" nor "carry." In both the existing law and the pending resolution, the President is given power "in his discretion, and to such extent and under such regulations as he may prescribe" to make exceptions for "ordinary commercial credits," in aid of "normal peacetime commercial transactions." Unquestionably, sales of arms and munitions are "normal peacetime commercial transactions," and therefore, the President could authorize the sale of arms in time of war on credit.

The provision for transfer of title of all articles or materials sold to a belligerent is essentially the same as in the present law. This provision would not apply to Canada or Mexico, and, therefore, we may expect a brisk increase in the arms traffic over our northern and southern borders in case of war.

Section 5 prohibits the solicitation of contributions of money for belligerents except for relief. Essentially the same provision is contained in the present law.

Section 6 provides that the foregoing provisions shall not apply to any American republic, without limitation. Would this exempt the United States from all of these provisions?

Section 7 is the same as the corresponding section of the existing law and gives the President power to stop shipment of arms by requiring bond of the shipper, when he has suspicions but insufficient evidence, that the arms are for a belligerent ship. This section is justified if we are not selling arms to belligerents, but permits a thoroughly unneutral control of the sale of arms under the present bill, which is supposed to permit the impartial sale of arms to belligerents.

Sections 8 to 16 are reenactments of provisions of our present neutrality law, with certain minor changes.

THE RESPONSIBILITY OF CONGRESS

We all want to keep out of war. We cannot do this by passing laws. Congress alone has power to declare war, but modern wars are no longer declared. The execution of our foreign policy, the conduct of our foreign affairs, is the responsibility of the President under our Constitution.

With all of his great power, however, the President has no power to keep our citizens from doing many things which experience teaches us may be provocative of war. Congress alone has this power. For years we have forbidden many such provocative acts—things which may provoke other nations to war with us, things which may provoke us to war. In 1909, 1917, 1922, and 1937, Congress defined such acts in laws which are still in force. What we must now determine is what laws, in our present situation, will be most helpful in removing causes of war which can be cured by law. No act which we pass will have any binding effect on foreign nations but solely on our citizens, to keep them from doing things they would have a right to do if it were not for our law. No neutrality law can prevent our becoming involved in war if our foreign policy is unneutral. Congress cannot limit the President's constitutional power. We should not evade our responsibility by granting the President additional power and conferring upon him additional responsibilities.

THE TWO THEORIES

While some of the provisions of the present law which are retained in the pending bill are meritorious and helpful and were worked out harmoniously, other provisions are extremely dangerous. Our objection to the administration's bill arises primarily from a fundamental difference as to the way to peace. We are opposed to the President's policy of using the threat of our power to preserve a balance of power in Europe. We do not believe that the President is deliberately provoking war, but we believe that the way to peace is for us to be neutral, not biased; friendly, not threatening. We feel that this Nation is determined to stay out of the next war. We cannot dictate what other nations shall do. We should not attempt to influence their decisions by attempting to conceal our firm purpose as a nation to stay neutral.

THE PACIFIC SITUATION

We have attempted, without success, to secure consideration and action by our committee on the situation in the Orient. We feel that it is a mistake to try to determine our possible conduct as to future wars in Europe before we determine our conduct as to an existing war. We have let our excitement about what may happen to our remote interests in Europe blind us to what is now happening to our immediate interests in the Pacific, where our treaty rights are being violated and our national interests threatened every day. We feel certain that if we had solved this immediate far-eastern problem first it would have gone far toward solving the rest of our international problems.

TRAFFIC IN ARMS

This resolution omits any provisions for an arms embargo. When representatives of the State Department were asked whether there was any change in the international situation which should cause Congress to repeal the provision for an arms embargo at this time, our committee was told that Hitler's taking over of 27 munition plants in Austria and the Skoda works and 11 other plants in Czechoslovakia justified the change. Are we to replace these factories in the arming of Europe? Are we to become the arsenal of the world?

Ours is no partisan position. We cannot state it more strongly than in the words of our President at Chatauqua in 1936, when he said:

"If war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fool's gold—would attempt to break down or evade our neutrality.

"* * * To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace. If we face the choice of profits or peace, the Nation will answer—must answer—'We choose peace.'"

Respectfully submitted.

Hamilton Fish, Charles A. Eaton, George Holden Tinkham, Edith Nourse Rogers, Robert B. Chiperfield, Robert J. Corbett, John M. Vorys, Foster Stearns, Andrew C. Schiffler.

Relief and W. P. A.

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. ALEXANDER. Mr. Speaker, Fortune Magazine's Round Table Discussions in March brought out the following:

Government should invest its money so as to increase productive opportunity rather than merely spend to create purchasing power.

The fiscal policy of the administration has brought with it a failure in business confidence.

W. P. A. and P. W. A. have constructed a number of useful public works, but public opinion has been overlooked in regard to how the people's money has been expended.

The form of Government spending should be reorganized. Congress, assisted by expert advice, should draw up a public-works and national-development plan. The construction of given projects under this plan should be entrusted in large degree to private contractors amply equipped with modern machinery who would be free to employ workers, whether on relief or not. Such a system would make sure that the construction of the project and the efficiency of labor would meet the standards of private enterprise. Thus the odium that now attaches to W. P. A. employment would disappear. Gradually, W. P. A. would be reduced until it would merely support or rehabilitate those regarded as unemployable. The reorganization of spending along these lines would do much to convince the country that public projects are of real value, that the workers employed are not being demoralized, and that spending is not an instrument of politics.

In other words these round-table experts agreed that there are two things which warrant just criticism of our relief program and spending: First, the money has not been spent wisely, and second, confidence of both business and the general public has been destroyed. Of course any dissertation on this subject must consider the part business must play in absorbing the unemployed.

A good exposition on the part which we may expect business to play in this process is contained in the letter which I have inserted below, touching as it does on the lack of confidence and the need for revision or repeal of the many restrictive laws which we now have on the statute books to throttle, destroy, and coerce business. Read this letter carefully:

MINNEAPOLIS, MINN., *May 24, 1939.*

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR JOHN: The other day when the President suggested that a study be made to find out why capital was lying idle, etc., I heard several men remark laughingly that the President was apparently the only man in the United States who did not know what the trouble was. Of course, the remark was made by the President for political purposes, but seriously there is some difference of opinion as to just what to do to get capital working.

You know, and I know, that the way to put capital to work is to give it the opportunity of making a profit without adding artificial hazards to the natural hazards which always exist. At the present time capital not only takes all the natural hazards, but if it does bring in a profit, the profit is largely taken away by the Government.

Take the example of a wealthy individual with an income of several hundred thousand to a million dollars a year. Now, I do not feel sorry for this individual because he has to pay out most of this income in taxes, because after he gets all through with it he still has a lot more left to spend than most of us. But suppose we put ourselves in his position when it comes to

investing his money. Suppose he has two choices. One is a very good opportunity in real estate which promises to bring in a profit of from 8 percent to 10 percent per annum with some speculative risk, but with a fair degree of safety for this type of investment. Twenty years ago such an opportunity would naturally have been grabbed, but how about now when the Government (Federal and State) is taking from 50 percent to 80 percent of this income in the form of taxes? After he gets through with his operation, even if he is successful and none of the possible bad things happen to his investment, he only has a return of from 2 percent to 3½ percent or 4 percent.

His alternate choice of what to do with his money, we'll say, is to put it in high-grade municipal bonds which will yield him anywhere from 2 percent to 2½ percent without any taxes of any kind and with a very minimum of risk.

If you were this fat boy, which chance would you take with your money? You would, of course, do just what he is doing and play safe and still get as much net income as you would by taking a risk.

On the other hand, suppose you were an officer of a corporation in which the stockholders were people of ordinary means but of sufficient number to pile up quite a wad of capital. Would you be willing to risk your stockholders' money on a venture which might take a loss for several years before profits started coming in, if you knew these losses could not be deducted for tax purposes from the expected subsequent income? Would you be looking around for new items to manufacture or merchandise which required additional plant facilities or additional investment in stock if the only way you could get the money necessary for this was to go out and borrow it and put your company out on a limb? Wouldn't you be far more likely to expand and use additional capital if you were allowed to accumulate this capital largely from earnings?

My suggestion for eliminating some of the restraints on the movement of capital is that a provision be made to carry over losses for periods of several years; that the $2,000 limit on the deduction of capital net losses by corporations be repealed; that the capital-stock tax and excess-profits tax be repealed; that the undistributed-profits tax on corporations be repealed or allowed to expire according to its terms; that we go back to allowing the exemption of dividend income from normal individual taxes; and that the maximum bracket of income taxation be around 40 or 50 percent. This latter makes no difference to me or any of my family, as none of us has incomes which go up that high. I do not believe that revenge and spite taxes are ever justified. It is quite obvious that the tax on income of 30 or 35 percent is more in the nature of trying to get even with someone than it is in trying to collect revenue, as the Treasury Department will tell you that more revenue would be collected if taxes were on a fairer basis. After all, what we are after is to get things moving in this country rather than fostering jealousy of the very rich.

Of course, one reason why things are slow is that anyone with capital feels confident that the New Deal is laying in wait to hit anyone on the head that they can catch outdoors without a suit of armor on. That is something which cannot be changed until there is a change of administration, as nothing that any of the New Dealers would say or do could inspire confidence at this stage of the game. Any improvement must come through the hands of Congress.

Yours sincerely,

G. V. T.

GOVERNMENT SPENDING AND THE PUBLIC DEBT

A Government may spend money directly on the unemployed or on battleships, but such expenditures do not build up the earning capacity of the country as does, for instance, the opening of a highway that assists farmers more easily to reach their markets. The debt capacity of the Government depends upon the extent to which government spending has contributed to the building up of the productivity of the national economy. The test of a debt is not its size, but its consequences.

The United States has not reached its maximum debt limit. The Federal debt can be still further enlarged if the increases are clearly subordinated to a program for the restoration of our economy upon the basis of private enterprise in the area or realm where private enterprise can best function. This is an essential condition of Government policy for the future.

The American people lack a sufficiency of good things. While a few of us have too much, most of us have far too little of the things that make a good life—proper food, warm clothes, decent houses. Too much for some, and too little for many, does not make for the happiness either of few or many, nor stability of society as a whole. It is our duty to put our faith in the direct approach to this problem, the removal of the bad results, by the removal of the bad causes. The problem of W. P. A. and relief must be handled in that selfsame manner.

In the President's message to Congress on April 27, 1939, the President admitted the truth of my theory when he said:

Six years ago this Nation was confronted with a situation calling for rapid and decisive action. Millions of workers were already jobless; their number was increasing, and the economic structure was threatened with collapse. * * * Since that time we have moved along a broad front to make permanent provision to meet various phases of the problem of unemployment and need.

Now, listen to this from the President:

But there has been, and still is, a vast number of unemployed workers for whom some other protection must be provided. * * * In the good year of 1937 there were still about 8,000,000 unemployed. * * * In any consideration of the problem of unemployment relief it must be borne in mind that the program adopted to meet it must be envisioned to extend over a considerable period of time. * * * The system which we have favored in the United States during the past 6 years is by no means perfect.

In the city of New York, which has been perhaps the most favored of any community or locality in the United States insofar as this works program is concerned, 44 percent of the people on W. P. A. today have been there for more than 3 years.

The city of Minneapolis utilities engineer in a talk on May 15, 1939, cited this past year's over-all cost for all relief in Minneapolis as $25,000,000, of which $8,750,000 is the Minneapolis share of the burden, the balance being borne by county, State, and Federal Governments. This $8,750,000 includes $2,300,000 interest and principal on relief bonds already issued. The present resource used in financing relief, namely, issuance of bonds, will be exhausted by the end of this year, or if some State aid is afforded, then within a few months thereafter.

This same situation exists in many other large cities. In other words, we are about at the end of our local money raising for relief, which means either riots and destruction of orderly Government or complete support and control of the unemployed from Washington; that is, dictatorship.

So we find ourselves after all these years and after all these billions of dollars of expenditures in a worse situation than in 1929 when the depression started. Less business, industry, and trade; lower farm prices; more unemployment; higher taxes; billions in debts, and here we are going into another year with nothing new or constructive to offer either business or the general public, nothing except more hand-to-mouth spending and worse conditions than before. Let us get a program giving a solution. If the administration will not give it to us, then let us invent one ourselves. The people expect it, demand it, and the exigencies of the situation require it.

Herald Tribune and Neutrality

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

LETTER FROM A. T. MOREAUX

Mr. FISH. Mr. Speaker, under permission to extend my remarks, I include the following letter from Mr. A. T. Moreaux, which is self-explanatory:

Re the willy-nilly grandmother of all men and all philosophies, including the confusion of fusion with all angles of the devil—The New York Herald Tribune.

Hon. HAMILTON FISH,
Washington, D. C.

DEAR CONGRESSMAN FISH: Running true to form the New York Herald Tribune flounders all over the lot editorially in its Tuesday morning issue, this time on the subject of such gigantic immediate importance to every real American as is the pending action on neutrality by Congress.

It might be funny if it were not so tragic to the future well-being of every man, woman, and child within the confines of our borders, to try and reconcile the assinine and flimsy arguments set forth by the H. & T. in what purports to be a second-hand support of the arguments it pretends to advocate.

The grand old, long since out-moded, self-imposed dishrag of the Republican Party in New York is highly indignant that anyone should question the integrity or doubt the Americanism of one Franklin D. Roosevelt and denounces a fearless Congressman for daring to publicly expose the menacing and constant threat to this Nation which is so hourly present so long as this man Roosevelt remains in any public place of authority or public trust!

The Herald Tribune gallantly defends the undoubted loyal responsibility, acts, and objectives, visible and hidden beneath the covers of its man Roosevelt, condemning all who would refuse to make him our sole master and dictator without further ado. Therefore, you are allegedly guilty of heinous mischief because you object to turning over to the irresponsible elements that direct every thought, word, and deed of the ailing Roosevelt, the lives and well-being of the Christian citizenry of the Nation.

That the crackpot, nit-wit absolute control that manipulates this man Roosevelt should desire to throw us into a war is unthinkable in the mind of the paid writer who turned out its editorial. It is a preposterous thought; out of the window with such an idea, such an unholy suggestion. Especially since it "makes this aggregation (Roosevelt's) seem like the craftiest and most devilish disciple of Mars that has ever sat in the White House—waiting and watching and scheming to get the United States into war." Terrible thought.

For shame, Congressman FISH. How could you be so heartless and cause your poor old grandmother to weep and shed such anguished tears?

Don't you know that you are making it harder and tougher and ever more difficult for this old party to continue to stand up and eat three squares a day right here in the midst of Stalinized America by your deliberate tossing of monkey wrenches into the schemes and rackets of those who control the mortgage-containers that serve to influence so effectively so many of the publications serving to aid in formulating American public opinion these strange and ungodly days?

* * * * * * * *

So keep right on driving straight ahead, and do not divert from the course you are pursuing—and all real Americans will continue to get behind you; and to hell with alien-minded, disloyal elements, whatever their mask or excuse!

Cordially,

A. T. MOREAUX.

John Joseph Boylan

MEMORIAL ADDRESS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN JOSEPH BOYLAN, late a Representative from the State of New York

Mr. CULKIN. Mr. Speaker, for more than 3 years I was associated with our departed colleague, JOHN J. BOYLAN, on the Jefferson Memorial Commission. Through that association I came to know Mr. BOYLAN intimately and to regard him with great respect and affection.

The outstanding trait of our late colleague was a deep-rooted kindliness toward all men, their desires and ambitions. He was ever tolerant, kindly, and polite. A lifetime in the public service had not changed him into a cynic or doubting Thomas. To the end of his service his viewpoint was fresh and without the sophistication that generally goes with long service in the House of Representatives.

Our colleague's outstanding achievement was the creation of the Jefferson Memorial Commission, on which he served as chairman for more than 3 years. This honor did not come to him undeserved. He was a deep student of Thomas Jefferson and understocd more keenly than any man I have ever contacted the great part Jefferson had played in the creation of popular institutions. For many years he had made an annual address either in the House or elsewhere in the country on the birthday of the author of the Declaration of Independence. His devotion to the memory of Jefferson culminated in the creation of the Jefferson Memorial Commission and the legislation providing for the erection of the exquisite memorial now building on the Tidal Basin.

In the progress of this work his motives and the propriety of his action was the subject of much unfair and indecent criticism. The yellow press assailed him and his efforts with characteristic stupidity and unfairness. The bitterness of these attacks did not affect the sweetness of JOHN BOYLAN'S character nor his unflinching purpose to obtain his objective. This modest gentleman pressed forward vigorously to the creation of this memorial. He sought no personal glory but only to immortalize so far as possible, by the creation of a man-made structure, the memory of Jefferson. New York State and the country has lost a valued Representative in his passing.

Peace be to his ashes.

N. Y. A. Legislation

EXTENSION OF REMARKS
OF
HON. CLYDE L. GARRETT
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. GARRETT. Mr. Speaker, the youth of our country is the manhood and womanhood of tomorrow. They are the ones who will have to bear the burden and pay the taxes which we are placing on them in this and similar bills. Some of those fine boys and girls will stand in our stead in this House in a few short years and the things which we do today in regard to the N. Y. A. are going to be deciding factors in thousands of young lives. Shall we give them a heritage of hope today or tell them that the Nation is ready to feed the hungry, provide work for the thrifty, embellish the beauties of our cities, and pour almost $2,000,000,000 down the pump for industry and not do a proportionate amount of good for them?

Literally hundreds of boys and girls in my district owe their chance for success in life to the meager help which they are getting through the N. Y. A. They are willing to work. They want to learn how to do things to take their place in life. Their hands and hearts belong to a generation which will have the burden to bear and it is not right to send them with untrained hands and untrained minds out to face the problems of the future.

Our citizenship has seen the work which they are doing. They have seen the progress which those boys and girls under N. Y. A. leadership have made in the past 7 years toward becoming good citizens and they want this work to continue. Our high schools have benefited, our colleges have advanced, and the full measure of our community life has been enriched by the labors of their hands and minds.

The letters and telegrams, printed herewith, a sample of hundreds of others in my files, show that our people want this work to go on unhampered and unchanged. You may destroy almost any part of the relief program and it will not create the furore that the destruction of N. Y. A. would cause. Our people want the minds and hearts of our boys and girls, regardless of their standards of living, the wealth or poverty which may be theirs, to have a chance at some training, some schooling, some development for the affairs of life.

I am opposed to the reduction in N. Y. A. funds from the amount recommended by the Budget. The full amount, in my candid opinion, is needed, wanted, and must be had for this work to continue and develop the youth of the land.

ABILINE, TEX., *June 16, 1939.*

HON. CLYDE GARRETT,
Member of Congress:

I would be pleased if you would vote to preserve N. Y. A. in full vigor.

W. W. HAIR,
Mayor, City of Abilene.

MINERAL WELLS, TEX., *June 15, 1939.*

Hon. CLYDE GARRETT,
Member of Congress,
Washington, D. C.

For the good of the National Youth Administration program we trust you will support National Youth Administration measure and appropriation as requested by the President.

JOHN C. MILLER,
Mayor, City of Mineral Wells, Tex.

ABILENE, TEX., *June 14, 1939.*

Hon. CLYDE L. GARRETT,
Member of Congress,
Washington, D. C.

Would appreciate very much your voting for the original bill on the original appropriation for N. Y. A. We feel that its vocational and educational value is worth more than any relief program that we have here.

CARL P. HULSEY,
County Judge, Taylor County, Tex.

RANGER, TEX., *June 14, 1939.*

Congressman CLYDE GARRETT,
Washington, D. C.:

We understand from the papers that several relief bills are coming up and there is one in particular in which we are interested—the National Youth Administration. We think this program is doing a nice piece of work in both its work program and its student aid. We understand that many boys and girls would not be able to continue high school nor college if it were not for the student-aid program of the National Youth Administration.

J. J. KELLY,
City Commissioner and Mayor Pro Tempore.
E. J. EUBANK,
City Secretary.

RANGER, TEX., *June 14, 1939.*

Congressman CLYDE GARRETT,
Washington, D. C.:

We understand from the papers that several relief bills are coming up and there is one in particular in which we are interested—the National Youth Administration. We think this program is doing a nice piece of work in both its work program and its student aid. We understand that many boys and girls would not be able to continue high school nor college if it were not for the student-aid program of the National Youth Administration.

Mrs. JOSEPH M. PERKINS,
President, Texas Federation of Women's Clubs.
Mrs. M. H. HAGAMAN,
President, Sixth District Texas Federation of Women's Clubs.

McMURRY COLLEGE,
Abilene, Tex., May 30, 1939.

Hon. CLYDE L. GARRETT,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN GARRETT: The press indicates that there will come up for discussion this week the National Youth Administration appropriation for the coming fiscal year.

I am sure that you are thoroughly familiar with all phases of the operation of student aid in our colleges and universities. However, I should like to let you know just how efficiently the program works in our particular college. The students in McMurry College who receive N. Y. A. aid rate distinctly higher in scholastic attainment than the average of the student body. They seem to have a deep sense of appreciation for the opportunity that is being afforded them to go to college. This appreciation and gratitude reflects itself in the type of work they do for the aid they are receiving and in their school grades. In the student-aid program it seems to us that the same benefits accrue to the student as in other phases of the N. Y. A. program; and, in addition to affording immediate relief and employment, these students are fitting themselves to become more useful and self-sustaining citizens when they finish their college work.

In order that you may know just how heavy the demand is for this type of aid, may we say that our applications the past year were nearly four times as much as the funds that could be made available. Our college does everything in its power to meet the needs of worthy students, but our resources are very inadequate to take care of any considerable percentage of the applications.

The State administration of this program has been very efficient; and as far as we can observe, the program has been handled at a minimum cost. We sincerely trust that the Congress will give earnest consideration to the need for a substantial increase in the appropriation to the student-aid program.

With personal good wishes, I am

Very respectfully yours,

O. P. THRANE, *Business Manager.*

TOCMBS & RICHARDSON DRUG CO.,
Eastland, Tex., April 18, 1939.

Hon. CLYDE GARRETT,
Washington, D. C.

DEAR MR. GARRETT: In recent months I have had the opportunity to observe the program being carried out by the N. Y. A. in our section of the country. It is my opinion that this work is very constructive and much needed throughout the district and I am sure would meet the approval of our citizens if it should be continued and expanded.

This work appears to be in the hands of very efficient management and fills a much-needed place for the youth of our country in giving him training, which no doubt would be impossible otherwise.

If you can use your influence in helping to continue this splendid work for our youngsters, it will be greatly appreciated by me as well as the citizens of this district.

Very respectfully,

T. E. RICHARDSON.

THE CITY NATIONAL BANK,
Mineral Wells, Tex., May 1, 1939.

Hon. CLYDE L. GARRETT,
House of Representatives, Washington, D. C.

DEAR MR. GARRETT: For some time now I have been interested in the progress of the National Youth Administration, and I should like to express my hearty approval of the splendid work carried on by this project.

In the program of economy now being proposed in Washington I trust due consideration will be given to the benefits derived compared to the small amount expended in the carrying on of this worthy project, and hope this project will be carried on as long as possible. It has afforded the youth of the Nation an opportunity to become better citizens and equipped them to earn a livelihood.

Yours very truly,

I. R. PRESTON, *President.*

RANGER, TEX., *June 2, 1939.*

Hon. C. L. GARRETT,
Congressman, Seventeenth District,
State of Texas, Washington, D. C.

DEAR CONGRESSMAN: I notice from the papers that the new appropriation will be passed upon in the very near future in regard to the N. Y. A. program for the coming year. I also notice the President is recommending an increase.

The public in this section of the country is very much pleased with the N. Y. A. work. It would be impossible for many students to attend school if this aid was not received, and on the other hand, it has given employment to the youth and a training that we are of the opinion will do our country a great good, and keep it going Americanism rather than some other "ism," which we all know to be harmful to our great country. I cannot think of anything that the Government has spent money for where they received more benefit than through the N. Y. A. program.

I hope and trust you will see fit to support the President's recommendation that this be increased for the coming year.

Yours very truly,

HALL WALKER, *Mayor.*

"It Is Happening Here"

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. NOAH M. MASON, of Illinois, before the Executives' Club of Chicago, also the introduction by the president of that club, on May 26, 1939:

PRESIDENT BEVERLY W. HOWE. Today at the Executives' Club, a little in advance, we are celebrating Memorial Day.

It is fitting that in such a celebration we would think of Abraham Lincoln. Verily, let us have him with us by description.

Henry Clay Whitney, an Illinois lawyer who practiced on the circuit with Lincoln and in the practice of law at least for many years was one of Lincoln's most intimate associates, wrote a book entitled "Life on the Circuit With Lincoln" which is prized by all Lincoln lovers who possess a copy and craved by all who do not own one.

To Whitney, more than to any other man unless it is Herndon, Lincoln's law partner, we are indebted for most of what we know about Lincoln before he was inaugurated President. Whitney thus describes Lincoln:

"He was 6 feet and 4 inches in height, his legs and arms were disproportionately long, his feet and hands were abnormally large,

he was awkward in his gait and actions. His skin was dark, sallow color, his features were coarse; his expression kind and amiable; his eyes were indicative of deep reflection; and in times of repose of deep sorrow as well. His head was high, but not large; his forehead was broad at the base, but retreated. He wore a hat measuring seven and one-eighth. His ears were large; his hair coarse, black, and bushy, which stood out all over his head, with no appearance of even having been combed."

With Lincoln with us on this occasion in such wise, we are pleased to have as our guest speaker a Member of the present Congress which has demonstrated and gives promise of further manifesting that it is determined that we shall not lose now what Lincoln saved for us in the 1860's and that "government of the people, by the people, for the people shall not perish from the earth."

The subject our guest speaker has chosen is "It Is Happening Here." I am pleased to present the Congressman from the Twelfth District of Illinois, Hon. N. M. MASON, of Oglesby. [Applause.]

Hon. N. M. MASON. Mr. Chairman, members of the Executives' Club, and guests, I have been a school teacher for thirty-odd years, and school teachers have things happen to them that no other class or group of people has.

For instance, some few years ago one of the boys in the Oglesby School was reported to me as not getting along very well in school and giving his teachers considerable trouble. After investigating the case I decided that the boy was not a bad boy at all, but that he had gotten in with some older boys who were having a bad influence upon him.

So I decided to invite the parents in for a conference. As usual on occasions of that kind, it was only the better half of the house that responded to the invitation. After talking the situation over with the good lady and pointing out the difficulties to her, I suggested that she have a heart-to-heart talk with the boy to see if she could not get him to see the error of his ways.

While I was making that request of her, she interrupted me with the exclamation: "That won't do at all, Professor; that won't do at all; he won't listen to me. He won't listen to anybody but darn fools. You'd better talk to him." [Laughter.]

And someone in this club thought I had better come and talk to you today.

I have been filling Congressman DIES' place on several occasions, speaking engagements that he could not fill, and in these various places I describe Congressman DIES as a six-foot-two, red-blooded, double-fisted Texas Democrat. He wears a No. 12 shoe. He is a real man. And here I am a little, squatty, runty fellow wearing a six-and-a-half shoe, and a Republican at that, trying to fill his shoes. [Applause.]

It is not always easy to do that. Your chairman called attention to the near approach of Memorial Day, and he painted for you a picture of Lincoln in the raw, and if ever there was a time in the history of this Nation we needed Lincoln's spirit abroad in this land we need it today. [Applause.]

I have made many Memorial Day addresses, and they usually cover a brief review of the past history, a description of the present, and a preview of the future. I am leaving out that review of the past, and my message today will devote itself entirely to the situation that confronts this Nation now, as we have learned it on the Dies committee, and, perhaps, a suggestion as to what the future will be if we do not take the proper steps.

I think every man in this room has heard more than once the statement: "It can't happen here." Perhaps most of you have said, as I have, many times: "It can't happen here."

Why, I have been buttonholed during the past 5, 6, 7 years by Legionnaires who tried to convince me of a "red" menace in this country, and I have said with a shrug of my shoulder, "Oh, it might happen in Russia where 90 percent or more of the people are illiterate, but it can't happen here." And I have been buttonholed by members of the Knights of Columbus and Catholic leaders in this State and in the Nation, and have had them call to my attention this supposed "red" menace, and I have given them the same answer: "It can't happen here."

EVIDENCE THAT IT IS HAPPENING HERE

Up until a year ago I would have given you that answer, but the revelation, the sworn statements, the written evidence that would be acceptable in any court in the land, that has been presented to the Dies Committee, has changed my opinion on that situation, and I apologize to those Legionnaires and to those Catholic leaders who recognized this menace long before any of the rest of us did, and I now say, "It is happening here." And I want to give you enough evidence in this talk of mine to prove to you that it is happening here.

One of the chief witnesses before our committee, Dr. J. B. Matthews, made this statement:

"Communism has made more progress in the United States during the last 5 years than it had made in the 50-year period previous to that time."

And when I asked him how he accounted for that rapid progress he gave four reasons, which I want to give to you. They are worth considering.

REASONS NOS. 1 AND 2

"First," he said, "this so-called depression has lasted so long that it has brought about mass discontent and mass discontent"—those are his words—"makes fertile soil for communistic crops."

Well, that statement does not need any explanation. It is our job, however, to remove that fertile soil, mass discontent, as soon as possible.

His second statement was this: "High Government officials have, through speeches, radio addresses, and written statements, deliberately created or engendered class hatreds in this country of ours, and class hatreds make an excellent seedbed for communistic seed." Think that over.

And if you review the past year or two—Ickes, Jackson, Hopkins, mouthpieces of the President, and the name callings that they have been spreading over this country of ours, deliberately creating class hatreds indicting a whole group of people, the industrialists, by the words "economic royalists" when it only applies to 1 or 2 percent of the group—you know what that witness meant when he said high Government officials have deliberately been creating class hatred in this land of ours.

And let me tell you people those same men decry race hatred and prejudice and religious hatred and prejudice, but they deliberately set about creating class hatred. I say class hatred is a twin brother to race hatred and religious hatred, and there is no place in this land of ours for any of those brothers, because where one is created it inevitably engenders the other.

In that connection I want to say that our investigators all over this country report to us that there is a surge, an upsweep, not only of class hatred, but of religious hatreds and race hatreds in this country of ours—plenty of evidence of it.

REASON NO. 3

The third reason that witness advanced for this rapid spread of communism is this: "High Government officials have not only sympathized with but they have actually encouraged communistic leaders in their activities in this Nation of ours."

Immediately I called the witness on that and said, "That is a strong statement to make, Mr. Witness; what is your evidence?"

He smiled and said: "Congressman, what about this man Bridges on the west coast? He is an alien—a guest, as it were, in this country of ours. He is a Communist and you have his Communist card in your files." And we have. We secured it from the Labor Department.

And he continued: "He has preached the overthrow of this Government by force from many public platforms, and you have sworn statements to that effect; and preaching the overthrow of this Government by force under our present law by an alien is a deportable offense. He has been picked up twice to face deportation proceedings.

"The first time they were canceled by the Secretary of Labor, and the second time they were indefinitely postponed awaiting a decision of the Supreme Court in the so-called Strecher case. Wouldn't you say that was not only sympathizing with but encouraging communistic leaders in their activities?"

And then he said: "If that is not enough, what about the Governor of Michigan"—who was the Governor, now ex-Governor—"who, when the sit-down strikes were called in Michigan, called out the State Militia? What for? To protect the sit-downers in their illegal possession of property and to prevent American citizens, 75 percent of the workmen in each of those cases, or more, who wanted to work, from going in and pulling them out by force. Wouldn't you say that that was sympathizing with and encouraging communistic leaders in their activities, particularly when the sit-down strike technique was first used in France by the Communist leaders there, and it worked so successfully that the Communist leaders of the C. I. O. adopted it and used it in those strikes there in Michigan?"

You people will recall the Secretary of Labor at that time was asked whether sit-down strikes were illegal, and her answer was: "The legality or illegality of sit-down strikes has not been determined as yet by the Court, and we shall not act until they have been determined by the Court." Thank God, they have been determined by the Court, lately.

REASON NO. 4

The fourth reason that he advanced for the rapid spread of communism in this Nation of ours was this: "Federal funds have been generously used to advance the cause of communism in the United States. Your tax money and my tax money has been generously used."

Again I called the witness and said: "Definite, concrete evidence of that, please!"

He smiled and said: "Congressman, I am leaving that statement stand as I have made it without any evidence, because I know your committee is going to have before it many witnesses from New York City in the next 2 or 3 days who will testify and give you plenty of evidence to back up that statement."

And, sure enough, for 3 days we listened to testimony from the W. P. A. and the Federal theater projects of New York City, which proved conclusively, and which has been substantiated by this new committee of Congress investigating the W. P. A. just lately, that the Workers' Alliance of New York City, a Communist outfit, controls, dominates, and directs the Federal theater project of New York City, for whose support we appropriated some $47,000,000 a year ago.

What have been their activities? They have been writing, preparing, and presenting communistic plays in the city of New York—presenting them on high-school platforms and public platforms.

I said, "We will have to have some copies of those plays for our files as evidence to the statement that they are communistic plays." And they filed for us some 18 or 20 copies. I have two or three of them in my grip, and, take it from me, they are communistic plays.

ABETTING COMMUNISTIC PROPAGANDA

I will just sketch one, because it is a sample. This one is called "The Revolt of the Beavers." The word "beavers" is synonymous with "workers." This is the synopsis of the play:

A little boy and girl about 9 years of age get tired of school, play hookey, go out into the woods and play around until they get tired, fall asleep, and in their sleep they dream and in their dream they are transported by the north wind to some imaginary country near the North Pole called "Beaverland."

When they get to Beaverland they discover the poor, down-trodden, hard-worked beavers, forced to work long hours at very little pay, little substance, while the chief beaver lives in all the luxury possible, and he is supported in his control over the workers by his trained army.

A beaver professor organizes a revolt, imports arms, overthrows the government by force, the workers take over, and then they have heaven on earth in Beaverland, with frequent references to the situation in Russia and to what has been going on in Russia in the last 15 or 20 years.

Would you say that is a Communist propaganda play? And that is the kind of stuff that has been produced by the Federal theater project of New York City at our expense.

Oh, yes; I could give you others. For example, there is the play called "The Class of '29," built around eight or nine college graduates who went out in the world, could not find jobs, became radicals, and preach all through the play, free love.

One of the girls proposes to one of the young men that they live together without the blessings of matrimony, because of the situation. They make fun of religion and of home life all through the play.

That is what our money is being spent for, and it is time the American people woke up to that fact. Oh, I could go on and tell you about the writers project, a guide book from every State, infiltrated with Marxism in those guide books, at our expense.

WHY COMMUNISM SPREADS

The rapid spread of communism is because of the mass discontent, which we must attempt to remove, because of those speeches by high Government officials engendering class hatreds, because of the sympathy and encouragement shown by high Government officials to communistic leaders, and because of the expenditure of Federal funds to promote the cause of communism in the United States—that is the situation we are facing as we approach this Memorial Day.

The evidence that was placed before us, and the sworn testimony, proves conclusively that the slimy trail of communism can be traced right into our schools—college instructors and professors testifying to the spread of it in their own colleges, not in the other fellow's college, and activities on their campuses and what they are trying to do to get rid of it. It can be traced right into the churches of the land, the last place you would expect to find it.

Why, the testimony of Earl Browder himself is to the effect that many of the pulpits of our land are occupied by silent Communists, so far as membership is concerned, but who thoroughly believe in the principles of communism and who try to preach communism alongside of Christianity, and it won't work. You cannot mix communistic principles and Christian principles at the same time. They do not mix any more than oil and water.

Where communism thrives Christianity dies, and where Christianity is held uppermost there is no place for communism.

It has spread into our labor ranks. This year John P. Fry, vice president of the American Federation of Labor, testified for more than 2 days to the spread of communism in the A. F. of L. units, and what he and others have been trying to do to get rid of it in their units, and that testimony was to the effect that more than 100 well-known Communists are on the pay rolls of the C. I. O. as C. I. O. organizers, and that has come home to roost, as Homer Martin could tell you.

I want to give you a little sample of that. Let me submit Senate Document No. 14 of the Sixty-eighth Congress, entitled "The Attempt by Communism to Seize the American Labor Movement," consisting of 43 pages. That is the most complete and damaging indictment of the Communists and Communist objectives that anybody could possibly compile, and do you know who compiled it? John L. Lewis—the great John L. Lewis, and he compiled it in 1924. Send and get a copy from the Government Printing Office. It is the most damning indictment of communism and its effect upon the labor movement that could be prepared, and that same John L. Lewis now, 14 years later, employs some of these Communists that he decries in that statement as labor organizers for him in the C. I. O.

HOW COMMUNISM "HELPS" LABOR

Another little thing on this communism in the labor movement. I have here a few figures.

Akron, Ohio, 60,000 people 20 years ago, 270,000 now—that tremendous growth based entirely upon the growth of the rubber industry.

Akron, Ohio, paid the highest wages in the land, common working wages—$1 an hour for women and $1.10 an hour for men—minimum wages, mind you. Yet labor troubles came to Akron, Ohio, 2 or 3 years ago, mostly from Communist leaders, not over hours, not over wages.

Akron used to process 66⅔ percent of the world rubber industry. Today the rubber industry there has been decentralized, as it is called. They now process less than one-third of the rubber industry of the country.

Akron, Ohio, has more people out of work running the streets and more people on relief today than any other city of its size in the United States, mostly the result of Communist influences in the labor ranks.

Here is another little card: "Labor economic loss on strikes." I want you to get this. During the 4-year period from 1929 to 1933 there were 3,209 strikes in the United States. They involved 1,135,000 men. There was a total loss of $260,000,000 during that 4-year period.

But in the 4-year period from 1933 to 1937, the latest year we have complete figures upon, there were 12,577 strikes or 4 times as many as the previous 4-year period. There were 6,399,000 men out of work because of those strikes—6 times as many as in the previous 4-year period. There was a loss of $4,200,000,000 as a result of those strikes—16 times as much as the previous 4-year period—mostly the result of Communists' influences and their infiltration in the labor ranks of this Nation of ours.

Is it time we took stock, paused, and wondered where we are going?

And then, last but not least, the fourth place where this slimy trail of communism is leading is into our Federal Government and Federal departments.

I had the pleasure and the doubtful honor of pointing that out in the first place early last summer.

The Labor Department particularly, the Social Security Department particularly; yes, and the Wages and Hours Division, have many well-known Communists occupying key positions today, and you will hear more about that later. Let me give you an example.

Some 2 years ago there were about 15 or 16 radicals, most of whom are Communists, who were employed by the Department of Justice, the Attorney General's Department. This was 2 years ago. They were caught at subversive activities. They were fired, as they should have been, by the Attorney General's Department.

Get this. They walked in a body up the street and secured employment the same day from the Social Security Department, and today they are on the pay roll of the Social Security Department.

Is it time we sat up and took notice of the slimy trail of communism in schools, churches, labor ranks, and Federal departments?

COMMUNISTIC DOUBLE-CROSSING TACTICS

What is the strategy of these Communists? According to their own statements, mind, the Trojan horse strategy, up until about 5 years ago. What is that? Well, you all know the story of how Troy was captured with that wooden horse.

Legitimate organizations have Communists inserted into their ranks—Communists boring from within—to destroy and to control legitimate organizations such as labor organizations. Christian organizations, Y. M. C. A.'s, and the rest of them. If you want to know more about that get it from Lewis' indictment and read it and you will know what was going on up until about 5 years ago.

They have changed their tactics now. That was too slow a process. They now organize themselves into what are known as legal, legitimate organizations, with wonderful objectives for window dressing, and inside those legal organizations they have small holding companies or illegal organizations that control and dominate and direct the activities of the big organizations. There are some 100 of those in the United States today. They are known a united front organizations, the best known of which is the American League for Peace and Democracy, and I will describe it to you because it is typical of all the others.

Have you ever heard of it? You know, in the name of a good many of these organizations you will find the word "peace." Well, everybody is for peace. That is part of the window dressing—to attract.

The American League for Peace and Democracy, organized in 1933, receives orders from Stalin in Moscow. This is how it happened:

In 1933 Stalin became alarmed at the rise of fascism. He saw what he thought an inevitable death struggle between fascism on one side and communism on the other, and he decided the situation was serious enough to call in the executive committee of the Internationale to Moscow.

Earl Browder was our delegate at that meeting. They discussed the situation. Here was Hitler coming into power in Germany, Mussolini rattling the sword in Italy, Japan already having gobbled up Manchuria and making a puppet state out of it. They discussed the situation and decided that they would organize what is known as the popular front government in France, which is the government of France today, the popular front government in Spain, which was the popular government of Spain known as the Royalists.

But the United States, Canada, Australia, and some other countries were not ready for the popular-front government. They had to be brought to it by degrees. So, they thought, they will organize what is known as the united front government or a united front organization to bring it on by degrees, and that is what these united front organizations are.

Stalin gave Earl Browder orders to come back to America and organize what then was called the "American League Against War and Fascism" which was changed about 2 years ago—and, by the

way, it was changed at the same time in Canada and Australia and several other countries—from American League Against War and Fascism to the American League for Peace and Democracy. That sounds better. It attracts more flies.

That is the origin of the American League for Peace and Democracy.

This witness of ours, Dr. J. B. Matthews, was its first president and was its president until late in 1935, when he became so disgusted with the whole thing and began to realize what was going on that since then he has been trying to undo what he had been doing before.

There are four kinds of members in this American League for Peace and Democracy and similar organizations. What are they? Active Communists, occupying strategic positions and doing most of the work. Fellow travelers, who are Communists at heart and to all intents and purposes, but do not take out a membership card because they want to deny that they are Communists, and so they are called fellow travelers.

Dr. Matthews was one. They go around to the different college campuses and church pulpits lecturing as liberals, and when anyone accuses them of being a Communist the answer is, "No; I am not a Communist."

STOOGES, DUPES, AND DECOYS

The third class is an interesting class. There are none here in that class. They have, interchangeably, three names: Stooges, dupes, and decoys. Who are they? The stooges, dupes, or decoys are the outstanding people of the Nation in university life, in church life, in Government life, names that have great publicity value, and if they can get one of those fellows to speak at one of their meetings it gives prestige and standing to that organization and thus helps attract the innocent.

Who are these stooges and dupes? I could name a lot of them.

By the way, it was in this connection that poor little Shirley Temple's name was brought in, and the Dies Committee was held up to scorn for trying to say that poor little Shirley Temple was a Communist. Not so at all.

The evidence that was presented showed some eight or nine of the prominent movie stars of this Nation, for publicity purposes, signed a letter of commendation to a certain achievement of a Communist newspaper in Paris called "LeCour," and poor little Shirley's name was added to the list, and that is all Shirley Temple knew about the thing.

But get this: Sixty Members of Congress signed a manifesto to the so-called Loyalist government of Spain, but which was a popular front government, on having achieved successful resistance for 1 year against the Franco forces, and two of those Congressmen went over there and gave their personal blessings at the front.

Thank God, those two are not in Congress now. [Applause.]

Does that mean those 60 Congressmen were Communists? Not a bit. I know many of them. They are as good Americans as any one in this room. But they were dupes, shall we say? They did not know what they were doing and have regretted it, of course, since the publicity.

And let me tell you something else. When we were having that testimony before us, the same day the wife of the President of the United States was speaking on the campus of Vassar College under the auspices of the American Youth Congress that was the host to the World Youth Congress, and 35 out of the 50 delegates to that congress were representatives of the Communist organizations—a straight out-and-out Communist organization.

Let me read what the American Youth Congress stands for: "The American Youth Congress fights for peace because, among other things, it means that the world proletariat is given still more time to rally its forces for the final overthrow of capitalism."

Does that mean that the President's wife is a Communist? No.

Does that mean that the President's wife sympathizes with and encourages communism? Not necessarily.

But it does mean that her name and the name of the highest office in the land was used to give prestige and standing to that organization that is an out-and-out united front organization. That is what it means. And I think it is time that we awoke to what is going on in this great Nation of ours.

AMERICAN COMMUNISTIC PROGRAM

What is the program of the American Communists? I will tell you what it is, from their own statement. It is the overthrow of the present party in power, the so-called Democratic Party, but really New Deal Party. How are they going to do it?

This is their program: Drive a wedge in between the left wing and the right wing, split them in two, and we on Capitol Hill have evidence every day that that wedge is more than halfway driven through. And let me suggest to you that the President's purge program gave more impetus to that wedge than any other thing that has happened, and drove it further in. And that is the situation of the party that now holds the reins of Government.

That does not mean that the President deliberately played the game of the Communists, but he certainly played into their hands in that purge program of his.

What after they overthrow the party in power? Their program has been changed since, but this was their program a year ago: "Place in power the Farmer-Labor Party." Why? Because the Communists hold the strategic positions in that Farmer-Labor Party and can control and dominate it the minute they get in the saddle.

What next? Why, the next thing is to overthrow capitalism, which is the final purpose of the Communists, and to bankrupt the Nation. Why bankrupt the Nation? It is necessary to bankrupt the Nation at the same time so as to bring about that condition of chaos that requires a receiver to be appointed to take over, and that receiver naturally and logically will be this militant, well-organized, aggressive group known as the American Communist. And then what? They will have heaven on earth in America, just as they have heaven on earth in Russia today.

God save us from that kind of a heaven on earth. I want none of it. [Applause.]

That program has been changed or revised—not given up but revised—in view of last fall's elections when so many of the Farmer-Labor Party candidates went down to defeat.

This is their program now, according to the testimony of witnesses and evidence that we secured under subpena last week: If they can get America involved in a European war—every leading Communist in the United States, although they are all for peace supposedly, is doing his darnedest to encourage the involvement of America into a European war at this present time—they don't have to wait 5, 10, or 15 years to take over. They can immediately take over under the dictator powers that are always in evidence during wartime.

Read your morning's papers on what went on in England—a dictator over industry in democratic England, getting ready for the war; and there are dictator bills before us in Congress—the May bill of 2 years ago, and there is the Lee bill before us today.

There is another bill that would confiscate practically all of the profit during war. If we are involved in war, as sure as night follows day, we will come out of it not a democracy but something very close to what they have in Soviet Russia today or in Germany today. God forbid!

Now, that is a fantastic program, isn't it? It can't happen here? I tell you men it is happening here. This communistic business is working today just like yeast in dough, quietly permeating the whole lump. If there are any doctors present, it is working just like a deadly virus injected into the blood stream of the body politic, poisoning the whole of it.

WHAT SHOULD BE DONE

The only thing that can be done is to bring this out into the sunlight of public opinion, air it, let the people know what is going on. Then we do not need to worry about it. It is not dangerous then. It cannot live and thrive in the sunlight of public opinion, but it is certainly deadly as long as it is working underneath, permeating the lump quietly and very efficiently.

What should be done? I have been asked that many times. I have said: "Why, take every Communist and every parlor pink, and we have too many of them, send them over to Russia, make them live there 3 or 4 years until they get their bellies full of it, and you won't need to worry about them any more." [Applause.]

This beautiful idealistic thing called communism as pictured, and this dirty, filthy thing that is communism in reality, are two different things.

Now, it is our job and we had better attend to it. We are just 10 years late in tackling it, and now some would turn our attention from our real job at home to an idealistic internationalist something abroad. Our real job is to put those ten or twelve million men to work and get rid of this mass discontent which makes fertile soil. [Applause.]

Our real job is to stop men in high positions from deliberately creating the seedbed for communistic seed by preaching class hatreds and race hatreds and religious hatreds. There is no place in this Government of ours for that. Go back to the founding fathers, go back to the principles upon which this Nation was founded. There is no place for class hatreds and prejudices here. Let us stop that and tackle the real job. That is what we are facing this Memorial Day.

I shall close with a little poem. As a school man I have had thousands of school children memorize it. I have been a school man in a very small town, composed of 17 different nationalities, three-fourths of the population either foreign-born or foreign-born parents. I required this little poem to be taught in every room until when my students went through the grades most of them could recite it. This is my idea of Americanism. It is called "The Patriot's Creed":

"If I knew a better land in this glorious world of ours,
Where a man gets bigger money or is working shorter hours;
If the Briton or the Frenchman had an easier life than mine,
I'd pack my goods this minute and I'd sail across the brine.

"But I notice when an alien wants a land of hope and cheer
And a future for his children he comes out and settles here.
Here's the glorious land of freedom, here's the milk-and-honey goal,
For the peasant out of Russia, for the long subjected Pole.

" 'Tis here the sons of Italy and the men of Austria turn
For the comforts of their bodies and the wages they can earn.
And with all that men complain of and with all that goes amiss
There's no happier, better nation on this world's broad face than this.

"So I'm thinking when I listen to the wails of discontent
As some Communist agitator spreads his evil sentiment
That these enemies of freedom who are spreading sin and shame
In this glorious land of freedom should go back from whence they came.

"And I hold it is the duty, rich or poor, of everyone
Who enjoys this Nation's blessings to be all-American."

[Applause.]

If and when we get the masses to thinking and acting along these lines, I verily believe we will have no occasion for further concern over the preservation of our Nation. [Applause.]

Dedication of the Palestine Pavilion at the New York World's Fair

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

ADDRESSES AT THE DEDICATION OF THE PALESTINE PAVILION AT THE NEW YORK WORLD'S FAIR, MAY 28, 1939

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following message of Governor Lehman, read by Lieutenant Governor Poletti, and speeches made by Senator King, Mayor LaGuardia, Emil Ludwig, Dr. Einstein, Dr. Wise, Dr. Weizmann, Dr. Goldstein, Dr. Goldman, Mrs. Moses P. Epstein, George Backer, and Louis Lipsky, at the dedication of the Palestine Pavilion on Sunday, May 28, 1939, at the New York World's Fair, 1939:

MESSAGE FROM GOV. HERBERT H. LEHMAN, OF NEW YORK, READ BY LT. GOV. CHARLES A. POLETTI

It would have been a source of very great satisfaction and pleasure to have had the privilege of participating in the dedication of this Palestine Pavilion. Unfortunately, however, official engagements of long standing made it absolutely necessary for me to remain in Albany today. I have, however, asked my colleague, Lt. Gov. Charles Poletti, to bring you my greetings and good wishes in the following message:

Many thousands of men and women pioneers have gone to Palestine with the single purpose of escaping from cruel oppression and of reviving a cultural and spiritual history of which they, like ourselves, are justly proud, and which indeed has vastly added to the civilization and humanity of the world. These men and women have been real pioneers, brave and strong, undergoing indescribable hardships on the road to the Promised Land and accepting cheerfully great sacrifices for years after their arrival. Like the pioneers of our own country, their lives have frequently been austere and somber, with little or no material comfort. They have toiled early and late to wrest a hard living from the soil. They have gone out into the lands that have been desert for centuries and have turned the deserts into garden spots.

They have been producers and builders of their country. They have worked in the fields and in the orchards. They have created irrigation; they have built roads and power plants, and factories and hospitals. They have not been ambitious for wealth and power. Their standard of success and accomplishment has not been measured in terms of material or worldly gain, but by those things which make for character, spirituality, and idealism. In spite of the rigor of their life, which taxed body and soul, they have visioned and built universities, schools, hospitals, and orphan asylums. They have drained the marshes to eliminate the dread scourge of malaria, which for generations decimated the country. They have created a modern water supply and sewers to combat typhoid. They have introduced intelligent nursing service, which has lessened mortality and illness, and eased the bed of suffering of thousands. In no place in the world has there been evidenced greater social consciousness or more constructive effort to improve the conditions of living.

And in everything that they have done, whether it was material in character, such as the building of roads and power plants and orchards, or social, such as the elimination of disease, the care of the sick, and the furthering of education, the Jews have shared the results of their efforts and sacrifices with the country as a whole.

No act of theirs—save of a purely religious character—has been reserved for their use alone. In every instance all the elements of the population—Jew, Christian, and Mohammedan—English, American, European, and Asiatic—shared alike in the benefits. Their efforts were truly community-wide and country-wide. They did all these things secure in the guarantees which had been given them.

It is inconceivable to me that the world in general—Jew and gentile alike—will be willing to have that work, so well carried on, nullified; the sacrifices of generations brought to naught.

It would be a tragic anticlimax if at this most sad and critical moment in Jewish history Jewish immigration to Palestine should be stopped or greatly curtailed, and the obligations recognized in the Palestine mandate repudiated. I am convinced that the right-thinking peoples of the world will regard as cruel and unwarranted any action which would make even narrower the difficult path of great masses of homeless Jews seeking a place of security and peace.

This pavilion brings to the people of this country and of other countries visual evidence of what a brave group of men and women have been able to accomplish against great odds through the strength of their vigor and courage and idealism.

But it is more than that.

It is a symbol of peace and liberty, of tolerance, and of good will, of spiritual aspirations, and of the right to free worship.

These are the fundamental principles of all true democracy and of all true religion.

They are the spirit in which this pavilion was built and in which it is dedicated to mankind. May it carry a message of good will to all the world.

ADDRESS BY HON. WILLIAM H. KING, UNITED STATES SENATOR FROM UTAH

Mr. Chairman, Mr. Mayor, ladies, and gentlemen, it is a privilege to meet in this magnificent temple of peace and to speak from the same platform with Dr. Einstein, one of the greatest scientists of his age.

It is most fitting that the dedication of the Jewish Palestine Pavilion should be celebrated in the Court of Peace. For the Jewish people have throughout the centuries been dedicated to the ideals of peace. We can have no more graphic demonstration of its devotion to peace than the heroic self-restraint which the Jewish settlers in Palestine displayed in the face of violent provocation on the part of the Arab terrorists during the past 3 years.

And even at this crucial hour for the Jewish homeland—an hour in which the entire civilized world is shocked by the British Government's unconscionable repudiation of its sacred pledges under the Balfour declaration and the League of Nations mandate—the Jews of Palestine have shunned the use of violence in registering their protest and indignation. As long as the Jews continue to answer White Papers with further colonization and broader settlement activities, what they have so gloriously built in Palestine will endure long after the Hitlers and Mussolinis have passed from the earth.

What a remarkable spirit of faith and optimism the Jews possess! Is it not the highest idealism that has sustained Jewish pioneers in building up a homeland at a time when in so many other parts of the world their people and their Jewish name are being destroyed and vilified by blind forces of hatred and oppression? Palestine holds aloft the torch of hope for the entire world, because it symbolizes a new life and a new future wrenched out of the despair and misery of the Old World—a world grown too old and weary to honor the primary values of international justice and morality.

It has been said that Great Britain and the United States are the foremost democracies in the world. English jurisprudence and English law form the basis of many of our most cherished democratic institutions. The example of England during the past century has been an inspiration to all democracies in establishing more firmly the right and dignity of mankind everywhere. But the policy of the present government threatens to retreat from the noble role she has played. First at Munich, and now again in this White Paper, she seems to be surrendering to a policy of appeasement where expediency is the measure and barometer of her conscience. It is my feeling that England must stand by democratic America in pursuing a policy based on moral and ethical grounds. Certainly, it is inconsistent with our common conception of democratic policy, for England now to close the doors of Palestine to homeless refugees, to reward Arab brigands and gangsters, and at the same time to penalize courageous Jewish pioneers who heroically defend not only Jewish colonies, but the entire country. Certainly, as a great democracy, she cannot follow the example of the dictators of the world, and reduce to a scrap of paper the Balfour declaration and the League of Nations mandate, which was entrusted to her by 52 nations, including the United States.

If England is desirous of cultivating and preserving the friendship and sympathy of the American people—as I am certain she is—then she cannot ignore our deep interest in the continued upbuilding of the Jewish national home in Palestine. Her action in Palestine is not an isolated instance of pressure by the dictators. We cannot have any faith in the determination of a government that will yield to the war-mongering axis powers, if it is to have these unjustifiable relapses of appeasement.

The world must for all time banish the rule of the jungle. We must return to a sane life, free from the suspicion and poisonous propaganda that has reduced so many individuals to the low level of the mob. Let us not fall into the error of mistaking mob rule for popular rule. The rule of democracy is the rule of justice and freedom and tolerance. The rule of the mob is slavery, bloodshed, and barbarism.

The Palestine Pavilion that is being dedicated today is living testimony to the eternal faith and creative energy of the Jewish people. It is the embodiment of a modern miracle in which Jewish intellectuals and professional men became the most successful colonizers of the twentieth century. The Jews who are being driven out of Europe are reenacting in Palestine the historic pioneering days of our own country.

The Jews in Palestine, as well as those who are seeking liberty and justice in other lands, must move forward courageously in the defense of truth and liberty and justice. We must not forget there are forces greater than those of man; that the purposes of a divine Providence will ultimately prevail. The Prophet of Old indicated that spiritual and moral achievements would be attained "Not by power, and not by might; but by My spirit, saith the Lord."

EXCERPT FROM ADDRESS BY MAYOR FIORELLO H. LAGUARDIA

On behalf of the people of the city of New York I send fraternal greetings to the people of Tel Aviv.

This small exhibit is not in the nature of those of the strong countries, it is not constructed to display the products of the land. It is a temple of thanksgiving, a token of gratitude from a people who gave civilization the fundamentals of law and order—the Ten Commandments. It is a symbol of thanks from a people who are now grateful for a tiny piece of land.

As for the world contributions of the Jewish people, you can find them in other buildings at this fair—in the exhibitions of the arts, of science, of chemistry, of medicine, and of all the exhibitions that typify the aims of the fair. That is where you can find the great contributions of this people, who have been misrepresented but never afraid, who have been persecuted but never despairing, who have been injured but have returned love for hatred.

And now in your exhibit you greet the dawn of a new day, when there will be no persecution, when the Jewish people will take their place in a world of peace and freedom and brotherhood.

ADDRESS BY EMIL LUDWIG

What Palestine created in 20 years you will see in the Palestine Pavilion at this fair. What Palestine has been during the last 3,000 years or more is exhibited in that great permanent world's fair of mankind which we call history. Why does everybody look to Palestine? Not for the Jaffa oranges; not because of the Suez Canal. Towns and money excite the curiosity of men for only a short time. What endures for centuries has always been the spirit. Palestine, the young colony, excites the hearts of men because she is mankind's oldest colony.

The British knew that when they promised the Jews, 22 years ago, to faciliate the establishment of the Jewish national home in Palestine. Lord Balfour once told me that his practical motives as a member of the British Cabinet and his spiritual motives as a Christian and a philosopher went together when he gave the British Government's solemn promise to the Jews. In those days the British Government's word still had its gold value, and had not yet been devalued. In the time of Balfour a treaty was still the firm basis of international life.

If today the Jews should lose Palestine, the motives which induced the investment of more than a hundred million dollars by Americans in that far-away country would be swept away. But the passion which the British Government's pronouncement has aroused everywhere is due to something far greater and deeper than the fear of monetary loss on the part of the investors.

It is due to the fact that a mighty people has announced that it would sacrifice a weak people whom it had solemnly promised to protect; that the official protector has forgotten his mandate.

If today anyone wishes to break treaties, he calls it "dynamic"; and when he refuses to pay his just debts, he calls it "autarchy." It seems that Mr. Chamberlain, on his repeated business trips to Germany, made studies there in the art of the dictators and learned how to change a sealed treaty into a scrap of paper. Whether that is done because of impertinence, bluff, or plain fear does not alter the nature of the action. In Munich the menacing guns of Germany and in Jerusalem the menacing outburst of the Arabs paralyzed the nerves of the British so much that they sacrificed one small people after the other.

But in politics, as in ordinary life, morality is not merely a matter of ethical argumentation. It is perhaps strange to say, but nevertheless true, that in politics too the results of lack of morality are bad. Let me give you a picture:

One evening in spring, 10 years ago, I sat in Nazareth on a very old fountain where probably the mother of Jesus drew water. Under the cypresses sat other Jews with their dark eyes and their silent thinking. Suddenly there arrived a dozen British riders, who watered their horses at the fountain. I recognized in them the revived Romans who came to the same fountain as so-called protectors of the country 2,000 years ago. As long as these Romans enforced the law and lived up to their treaties they remained a great nation. When corruption and demoralization set in among them they perished.

The powerful British Empire, on whose flag the sun never sets, will not sanction the breach of its treaties. The spirit of the British people will arise against any government which is guilty of such a breach.

Palestine belongs to the Jews because there are there the same mountains and deserts, rivers, plains, and even the towns where the Jews lived and worked millenia ago. The Jews claim Palestine under their treaty with Britain and because of historical traditions and their own efficiency in the rebuilding of the land. In 20 years they have done more for the country than the Arabs have done in a thousand years. Here in the Palestine Pavilion may be seen the proofs in some measure—in the Palestine Pavilion which stands in a country that has given the same rights to its 5,000,000 Jews as it has to all its other citizens. It is unthinkable that the rights of the Jewish people to their national home in Palestine should now be denied. I wish to remind Great Britain that the greatest book ever written contains 2 Testaments and that it was written in Palestine, the spiritual center of the world.

ADDRESS BY DR. ALBERT EINSTEIN

The world's fair is in a way a reflection of mankind, its work and aspirations. But it projects the world of men like a wishful dream. Only the creative forces are on show, none of the sinister and destructive ones which today more than ever jeopardize the happiness, the very existence of civilized humanity.

Such a presentation seems fully justified, though it be one-sided. Whoever has learned to appreciate and admire the positive side of man's aspirations is sure to be willing to protect and, if necessary, to fight with all his might in defense of what has been achieved.

I am here entrusted with the high privilege of officially dedicating the building which my Palestine brethren have erected as their contribution to the world's fair. The thing that will strike the discerning observer about this structure is its quiet nobility, the spirit of simplicity and harmony which pervades it. In Palestine a handful of people is threatened by the political intrigues of the powers. Sheer brutal mob violence would rob it of achievements won at the price of hard work and bitter sacrifice. It is exposed to constant attack, and every one of its members is forced to fight for his very life, even over and above the bitter economic struggle for survival.

Nothing of this shows here. We see only the quiet, noble lines of a building and within it a presentation of the Palestine homeland, new and at once age-old—and also a practical demonstration of what productive work was there created. Only a people that has found an inner security rooted deep in tradition—a security tempered in thousands of years of bitter history—only such a people can thus express itself.

May the fine creative spirit of those who have built this structure find an understanding and appreciative public.

ADDRESS BY DR. STEPHEN S. WISE, PRESIDENT OF THE AMERICAN JEWISH CONGRESS AND HONORARY PRESIDENT OF THE BOARD OF THE JEWISH PALESTINE PAVILION

The dedication of the Palestine Pavilion is the answer of American Jewry to the Chamberlain White Paper. Not only the answer of American Jewry, but the answer of world Jewry. World Jewry is gathered symbolically within the walls of the Palestine Pavilion. It represents and embodies the work of the Jewish builders, and even though the Chamberlain government rejects this stone it will still become the cornerstone of the world of tomorrow for the Jewish people in Palestine.

The Palestine Pavilion is Sukkat Shalom—a pavilion of peace. This is not the hour for a summons to resistance against the British Government. Nonetheless the world would unite in declaring that Jews are unworthy of their calling and their high tradition if they failed to reaffirm today in the name of world Jewry that the Palestine Pavilion in the New York World's Fair is not only a sign of Israel's unshattered will, but a symbol of American concern with the right and the duty of the Jew to rebuild the Jewish national home.

Throughout 40 years, beginning with President Benjamin Harrison and up to this day, the Presidents of the United States, notably Presidents Wilson and Roosevelt, have uniformly given their wise and helpful furtherance to the Zionist movement. And at the peace conference in 1919 Woodrow Wilson moved his associates anew to understand that there could be no vindication of the rights of peoples to self-determination unless the Turkish—not Arab—province of Palestine were reestablished as the Jewish National Home.

Within that Palestine Pavilion we behold today the spirits of the great and good within and without Jewry, who have labored to make Palestine a free Jewish land for a free Jewish people. Invisible but real are the presences among the transfigured of Theodor Herzl and Max Nordau, David Wolfsohn and Nahum Sokolow, Achad Ha-am, Ben Jehudah and Bialik, of Balfour, Wilson, and Masaryk; and among the living we greet Louis D. Brandeis, Chaim Weizmann, David Ben Gurion, Chief Rabbi Herzog, and to name only the fewest of those who have been the understanding supporters of the ideal of the Jewish National Home—David Lloyd George and, above all, President Roosevelt.

We, of the House of Israel, stand within the court of peace of New York World's Fair, knowing that we have the right to say that we were among the chiefest builders of the world of yesterday, that world at its highest and truest, a world of spiritual aims and moral imperatives; that this court of peace and its temple of religion are nothing more than a symbolic fulfillment of the prophecy of Isaiah—"For my house shall be called a house of prayer for all peoples"; that we shall have an honorable part in the building of the world of tomorrow, that the Zion out of which the law came and the Jerusalem whence the word of God issued shall again become a center of the world's spiritual light and ethical leading; that wherever Jews dwell they are to be among the faithful, loyal, creative citizens of the nations of which they are a part, and that the remnant of Israel, dreaming, aspiring, creating, achieving, shall dwell within the Pavilion of Palestine.

The dedication of the Palestine Pavilion at the New York World's Fair, within the court of peace, is the answer of the people of the United States, including American Jewry, to them to whom the concepts of religion and race are invocation to strife and hatred and war. And America points to the world of tomorrow, patterned, it believes, after the American Commonwealth, and it reaffirms that within God's world men are brothers, that despite every difference of faith and race they may be one in their quest of the eternal and within the bonds of a brotherhood that liberates men unto freedom.

EXCERPT FROM ADDRESS OF DR. CHAIM WEITZMANN, PRESIDENT OF THE JEWISH AGENCY FOR PALESTINE, DELIVERED AT PARIS, FRANCE, ON THE OCCASION OF THE DEDICATION OF THE JEWISH PALESTINE PAVILION AT THE NEW YORK WORLD'S FAIR, MAY 28, 1939, AND BROADCAST TO THE UNITED STATES BY THE NATIONAL BROADCASTING CO.

I should have been happy to be with you on this auspicious occasion of the official opening of the Palestine Pavilion. Unfortunately the press of duties makes this impossible and I am bound to content myself with a greeting from afar.

It is a welcome coincidence that at a time when our rights in Palestine are harshly challenged we are given the opportunity of showing on the lofty stage of the world's fair what our work means in Palestine and what Palestine means to the Jewish people.

Palestine as a country is the product of Jewish history. And it is the constructive endeavor of the Jews of three generations that placed Palestine again on the map of the world, focusing the attention of civilized mankind upon its destiny.

The future of this endeavor is now in grave jeopardy. The decision of the British Government, amounting in effect to a retraction of the pledge made 22 years ago, came as a rude and painful shock to the Jews and deeply stirred the conscience of large numbers of non-Jews in both hemispheres. But this decision cannot become the verdict of history.

The great historical process of the return of Jews to the land of their ancestors will not be abruptly terminated by this decree. It will go on. It is the prophecies of old and the living determination of Jews of today that will eventually triumph.

The Government's decision has already been severely criticized by leaders of British opinion in various camps. It also evoked an echo of deep sympathy from the great American democracy. I have always been deeply appreciative of the recognition given by the Government and Congress of America to our rights in Palestine and the interest taken by American leaders in our work and struggle. We confidently hope to retain that sympathetic interest in the future.

But the salvation of the Jewish people always has been and remains first and foremost the work of the Jews themselves. We are already firmly established in Palestine and our future struggle will be borne by those who heroically withstood the onslaught over 3 years, building and planting by day, standing guard by night.

To enable them to continue from strength to strength and to enable more Jews looking to the gates of the homeland to join in the peaceful labor and self-defense is the imperative duty of our people throughout the world.

As on many critical occasions in the past, a special responsibility devolves today upon American Jewry. We look to them for the greatest support in our struggle and for the major share of the means for the work of reconstruction.

The threat to our future must be met, and at once, with vigorous, constructive effort. Let the Palestine Pavilion carry our message to the heart of America. Knowing the zeal and devotion lavished upon it by its organizers, I feel confident that it will succeed in this mission of serving as a beacon of Zionist faith to millions of American Jews and bringing home to the people of the United States the achievement and potentialities of our work in Palestine.

ADDRESS BY DR. ISRAEL GOLDSTEIN, PRESIDENT OF THE JEWISH NATIONAL FUND AND CHAIRMAN OF THE BOARD OF THE JEWISH PALESTINE PAVILION AT THE NEW YORK WORLD'S FAIR

What is to happen now that Parliament has reluctantly and barely approved its Government's black White Paper?

Although the British Government blandly announces that it is proceeding to carry out its policy without regard to the League of Nations Mandates Commission, it will, I believe, hardly dare to ignore the legal body from which it holds its mandate over Palestine.

For England, the prime prop of the League, to proceed with a drastic change of policy of a League mandate over Palestine in total disregard of that international tribunal which, weak as it is, next to the World Court at The Hague, is the only existing instrument of international judgment, would be a slap at the League of Nations by its chief sponsor. Germany, Italy, and Japan would enjoy nothing better.

There is a struggle before us for the preservation of our rights in Palestine, but it is not a hopeless struggle. It is not hopeless, because justice is on our side and we have been taught by our long history to believe that a just cause is bound to be vindicated. We are greatly encouraged by the sympathy and understanding of the American people as reflected in the utterances of its statesmen, its intellectuals, its press, its clergy, and the people as a whole.

To my fellow Jews I should like to say a special word. The way in which the Jews in Palestine are meeting this crisis is a glorious example of Jewish self-respect, courage, dignity, discipline, and determination.

If we shall do our share as well as they are doing their share, victory can yet be ours, for to a large degree the result of the struggle in which we are engaged will depend upon the Jews themselves. We have seen government papers before reduced to dead letters by the pressure of live resistance.

What is our share? To give moral and material support to the further upbuilding of Jewish life in Palestine. The cue has been given just a few days ago by the announcement from Palestine that six new colonies have sprung up in the past weeks as an answer to the White Paper. We must supply the material resources for buying more land which can be bought, for building more colonies, for strengthening and expanding the Jewish national home not merely to the fullest extent which the situation will permit, but to the fullest extent which the realities permit. This is not a distinction without a difference.

This tremendous multitude of Jews and non-Jews assembled to dedicate the Jewish Palestine Pavilion at the World's Fair should serve as a demonstration to all whom it may concern that the Jewish people will not be deflected from its resolution to go forward with the building of the Jewish national home, confident its just cause will prevail.

New York World's Fair is dedicated to the world of tomorrow. It is the hope and prayer of all of us that in the world of tomorrow international peace and fellowship will be more prevalent than they are in the world of today. These premises occupied by the buildings representative of the great nations of the world are dedicated to the cause of world peace.

It is well to remind ourselves that the moral foundation of world peace is the keeping of faith among nations and the fulfillment of international pledges, especially those given by the strong to the weak. When honoring of a pledge is in proportion to the strength of a pledgee, brute force is placed at a premium and the foundations of peace as well as honor become undermined.

The fulfillment of Great Britain's pledge to facilitate the establishment of a Jewish National Home in Palestine becomes, therefore, the touchstone of a program to which the world's fair is dedicated.

The Jewish Palestine pavilion stands and will continue to stand as witness to the world that the Jewish people has fulfilled its part of the undertakings implicit in the Balfour declaration.

EXCERPT FROM ADDRESS BY DR. SOLOMON GOLDMAN, PRESIDENT OF THE ZIONIST ORGANIZATION OF AMERICA

Recent political developments in Europe have convinced even the most fervent advocates of an appeasement policy that the most effective statesmanship, if world peace is to be assured, is a strong and uncompromising stand by the democratic nations against the forces of aggression. That incontrovertible truth, however, has not yet penetrated to the Near East. In Palestine the terrorists who have waged an unlawful war against the peaceful inhabitants of the country are to be rewarded, in the hope that they will be appeased. It will be of no avail.

The Jews' right and relationship to Palestine is not dependent upon government papers. In his long history the Jew has had occasion to read many state papers. His Majesty's Government, however, is little more than duped if its fancies that any state document can prove more effective than Psalm 137: "If I forget thee, O Jerusalem, let my right hand forget her cunning."

The new White Paper offers nothing original when it threatens to deny the Jew entry to Palestine in 1944. Such injunctions can be found in the classic Latin of antiquity and in the degenerate Latin of the early Middle Ages. The Jew has read such state papers. And he has also read Isaiah 62: "For Zion's sake will I not hold my peace, and for Jerusalem's sake I will not rest, until the righteousness thereof go forth as brightness, and the salvation thereof as a lamp that burneth."

The Jewish people claims that Palestine belongs to it. Christians and Moslems cannot deny this simple, incontrovertible historic fact. If their Holy Writ, the Bible, and the Koran, is not a scrap of paper, then it belies the White Paper. Palestine never was and never will be an Arab state. Palestine is a country that spews out injustice and resists the violent hand of force. Neither Roman nor Crusader nor Arab nor Turk were able to create anything grand and permanent in the land. Here in this pavilion we show you what Jewish love and longing achieved in a quarter of a century.

If the vote by which the British Parliament approved the White Paper last week and the reaction of the British press to it mean anything, they mean that the British people did not approve of the Government policy in regard to Palestine. The leaders of the real England—men like David Lloyd George, Winston Churchill, and the Archbishop of Canterbury—have unequivocally condemned the ratification of the White Paper by a minority of the total membership of the House of Commons.

In the world of tomorrow the Jewish national homeland in Palestine looms as a reality which no temporary setbacks can obscure. The Jewish Palestine Pavilion which is so integral a part of the world of tomorrow as represented in the New York World's Fair expresses not only our justified pride in what the Jewish pioneers have achieved in the past, but our unshakable faith in the Jewish Palestine of the future.

ADDRESS BY MRS. MOSES P. EPSTEIN, NATIONAL PRESIDENT OF HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA

Standing here in the Court of Peace surrounded by the pavilions of the nations of the world, it is hard to accept the fact that the genius of man, his creative urge, his conquest of Nature, should have failed in the task of producing a harmonious, peaceful society. Perhaps for that reason the fair is well named The World of Tomorrow, a future which beckons to us with its hopes that men will learn to merge their contributions, their talents, and riches to make a more abundant life for all men no matter where they live.

We who live in the world of today have a responsibility for the world of tomorrow. If we did not have faith that it would be a better world, it would be very difficult to face the dark clouds that overhang our present civilization.

The Jewish people has a great advantage over other peoples in that through its long history it has developed fortitude and has learned patience and faith in the attainability of a better order of society. Nowhere has that faith in the New World been more realistically evidenced than in the historic effort of the rebuilding of a Jewish national home in Palestine. Today the official opening of the Jewish Palestine Pavilion presents dramatically the miracle that ability, faith, and fortitude have accomplished. That there will be enormous interest in the exhibition, not only on the part of the Jewish world but from non-Jews as well, we do not doubt. Palestine has always played a role out of all proportion to its size. The cradle of three great religions, it has been the birthplace of teachers and prophets who envisioned a world of tomorrow in which men would live together as brothers.

It is a vision necessary today in a world made uninhabitable for men of conscience by the ruthless application of force, a world in which it is not easy to talk of morality and the self-evident rights of men and nations. And yet, if we are to continue to adhere to those democratic beliefs which are the foundations at least of American, and, indeed, of all moral, communities, we must be prepared to give our unflagging support to the rights of the oppressed throughout the world.

The world of tomorrow will understand that a society of men living in peace with each other will be possible only if each people is permeated with a belief that all have a right to a creative, constructive life. Such a world will understand at once the problem of the homeless Jew, harassed and driven for centuries from one land to another. That world will acknowledge the right of a people to rebuild its ancient land, neglected for centuries. It will accept the fact that it is possible for a people to return to such a land bringing progress and not hurt to existing populations. Indeed, such a return will be sponsored by men and nations who will evaluate properly the desire and the need of an ancient people for its home, as well as their desire to bring to it the benefits that they have learned in the lands of exile.

Hadassah, as the Women's Zionist organization of America, has brought to Palestine American techniques and American standards of public health and hospitalization available to all sections of the community. Its new medical center on Mount Scopus in Jerusalem is an American institution built with American funds. But it is also a Zionist institution, symbolizing American Jewish belief in the present and future generations of the country which shall be our national home.

It was natural that as women we should have chosen the traditional province of healing and teaching as our specific job. Our achievements in this sphere are the best testimony of our success. Even the British Royal Commissions have acknowledged the benefits which have redounded to the entire country through Hadassah's program.

But in an age of tragedy women cannot limit themselves to the peaceful pursuits of healing and teaching. This is a time of emergencies. We must be ready for emergency action. A political science based on exterminating those whose blood does not measure up to arbitrary standards of purity has victimized a whole generation of Jewish youth. It was to rescue this youth that Hadassah became the American agency for the Youth Aliyah movement which has brought almost 5,000 children from countries of persecution in Europe to a new life in Palestine. We cannot betray them; we will not betray them now.

The Jewish National Home is a reality, and the lives and destinies of millions of people are bound up with it. But more far-reaching than that, the honor of all mankind is involved in its destiny, and we cannot face the future at all unless we believe that honor to be eternal.

EXCERPT FROM ADDRESS BY GEORGE BACKER, PRESIDENT OF THE BOARD OF DIRECTORS OF THE JEWISH PALESTINE PAVILION AT THE NEW YORK WORLD'S FAIR, SPEAKING IN BEHALF OF THE BOARD AT THE FORMAL OPENING OF THE PAVILION, MAY 28, 1939

We have come to the point when our labors are done and we present this completed fact, this building, to the representative of the Jewish agency. We want all to feel that we have done this because we believe that what is symbolized in this building has a deep and powerful meaning. The things the Jewish pioneers are building in Palestine are different from anything ever done before. In former times pioneers went to virgin territory, unsettled by man. But we have come to the point when virgin territory no longer exists, and pioneering must take a new direction.

The Jewish pioneers in Palestine do not cut down forests or conquer the country by force of arms. They come there to replenish the earth, to rebuild cities which stood thousands of years ago. Because we believe these efforts are sincere we believe in their meaning and that they must be crowned with success.

I give you, Mr. Lipsky, this key to the Palestine Pavilion, the symbol of our belief that their efforts in Palestine will succeed.

ADDRESS BY LOUIS LIPSKY, AMERICAN MEMBER OF THE EXECUTIVE OF THE JEWISH AGENCY FOR PALESTINE, MAY 28, 1939

On behalf of the executive of the Jewish Agency it is my privilege and honor to accept the symbolic key to the Jewish Palestine Pavilion with gratitude and appreciation to the committee for its splendid service in making real a long-deferred hope. The structure you have designed and constructed is fit, in its modesty and simple beauty, as the stage upon which to reveal the fine achievements of the building of the homeland. You have created the setting, but it is they, the pioneers, the creators of the national life, who have contributed its contents. The exhibit is theirs, and to them our tribute must be extended, and our fraternal greetings.

In a world temporarily obscured and confused by passions and prejudices, they have recovered and re-created its once vanished dream, a Jewish national life of vibrant, colorful beauty, free of the vulgarities of hate, and filled it with the joy of discovery and creation.

In a world that has driven our people into exile, a refugee without status, they have laid the foundations of a commonwealth, inspired by the hope of freedom, justice, and peace. With malice toward none and kindness toward all, in the midst of deepest tragedy they have given dignity and wealth to labor; they have preached and practiced peace; they have brought again into the historic land the sanctity that once was there.

The Palestine Pavilion will give you in summary a vivid illustration of the work of redemption. But unfortunately it is being dedicated in a moment of crisis in the building of the homeland. It has nothing to do with them. There has been no failure of nature. The waters have not dried out, there has been no eruption of a volcano, no floods have forced the crisis. The crisis has been caused by man's unfaithfulness to man, and a great empire, the flag of whose imposing building lies virtually in view, in the Avenue of Nations, flouting its own covenant, has found it politic and opportune to halt the work of redemption, to yield it up to encirclement by the desert.

The Palestine Pavilion, when first thought of, was to have been a tribute to England, trustee of Palestine. Today it is a protest against the trustee and an appeal to the conscience of the world for justice and fair play. The life of Israel may be forced to bend, but it will not let itself be broken. The pioneers will resist oppression. The right to peace will be defended, as all rights must be defended.

We persist in the right, however, that the people of England will not permit an English army of conquest to occupy the city of Jerusalem, to transform the Holy Land into a battlefield, and once more Jews to be sent into exile from the Promised Land. It is our confident hope that just as in the past 20 years Jews of America gave generous moral and material support to the building of the homeland, so in the coming days of struggle they will, with deep understanding and sympathy and faith, in adequate measure, contribute to the maintenance, the growth, and the defense of the Jewish national home.

I take this symbolic key and I ask those who stand at the doors to open them, in order that the Palestine Pavilion may be officially opened to be viewed by all those who desire to see it.

Per Ton Costs of Maintenance by Rail and by Waterways

REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, on the occasion of the passage of the river and harbor authorization bill recently I delivered an address on the floor of the House. Mr. J. J. Pelly, president of the Association of Railroad Executives, has taken issue with me in regard to some of my statements concerning traffic charges. He has sent me a letter which he requests that I have embraced in the CONGRESSIONAL RECORD. I ask unanimous consent to extend my remarks and to include his letter and also to include a reply which I have this day made to him.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letter referred to follows:

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., June 8, 1939.

Hon. JOSEPH J. MANSFIELD,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MANSFIELD: As chairman of the Rivers and Harbors Committee of the House, you presented on May 17, 1939, the omnibus bill (H. R. 6264) for river and harbor improvement, containing 72 projects and calling for an initial expenditure of about $120,000,000.

In the course of your remarks, page 5656 of the CONGRESSIONAL RECORD, you said:

"The Budget has approved the expenditure of $41,000,000 for the maintenance of all these waterways for the coming year. The maintenance for the year 1937, the last year for which we have official reports, amounted to $38,004,296.45. The waterborne commerce for that year was 583,100,000 tons. The cost of maintenance was 6½ cents per ton of all the freights handled.

"The maintenance of our railways for the same year 1937, as approved by the I. C. C., including equipment, was $1,322,302,748. The freights moved by rail originating on class I railroads for that year was 1,015,586,028 tons. This maintenance cost per ton of freights handled by rail was $1.30, as compared with the cost of 6½ cents per ton of freights moved by water. Maintenance of the waterways are paid out of appropriations made by Congress. Maintenance of railways is paid out of freight and passenger charges approved by the I. C. C. In both instances, Jones pays the freight."

The projects in the bill which you were discussing apply indiscriminately to harbors on the Pacific, Gulf, and Atlantic coasts, harbors on the Great Lakes, and improvements of rivers and canals. Combining these different types of water improvements leads inevitably to confusion and misunderstanding. Such confusion and misunderstanding appear in the remarks quoted.

So far as the railroad position is concerned, there has been no opposition to legitimate expenditures for harbor improvements on the coasts or on the Great Lakes. These are projects quite distinct from improvements of rivers and canals, and, in our opinion, they should always be kept distinct in any discussion of the subject.

The comparison which you undertake to make between waterways and railways is of the gravest concern to us, because we believe the comparison is invalid and wholly erroneous.

It is true that the maintenance figure for the year 1937 of $38,004,296 is in the official report of the Chief of Engineers, but it covers not only rivers and canals but also all harbors on the Atlantic coast, the Gulf coast, the Pacific coast, and the Great Lakes. It is also true that the figure of 583,100,000 tons appears in the official report (table No. 1, pt. 4, pt. II) but it likewise includes both foreign and domestic traffic in and out of all ports on the Atlantic, Gulf, and Pacific coasts and all ports on the Great Lakes.

It is on the basis of these figures that you derive your maintenance of 6½ cents per ton by including all the seacoast and lake harbors and all the tonnage moving in and out of these ports. You then set up the figure of 6½ cents per ton alongside a maintenance figure for railroads which, strangely enough, includes equipment, divided into tons originating on class I railroads, to arrive at $1.30 per ton. This is not a valid comparison, as even a cursory examination will show. In the first place, there is no real significance in a figure derived in this way on the basis of tonnage originating. If a comparison is to be made, it should be made on the basis of ton mileage, which is the measure of service by a transportation agency.

Furthermore, if a comparison is to be made between waterways and railroads, it should be between rivers and canals, on the one hand, and railroads, on the other. Out of the $38,000,000 total maintenance of waterways, about one-half, or $19,000,000, represents maintenance of inland waterways for 1937. The tonnage figure should also be one applying to rivers and canals. Such tonnage figure should not include floated and rafted timber, for the reason that river improvements are not made for this kind of traffic and may even be a hindrance to it. If it were possible to do so, Government traffic for the construction of the waterway itself should be taken out. The traffic for 1937 on inland waterways of the United States, eliminating floated and rafted timber, was about 16,000,000,000 ton-miles (15,909,282,515). On this basis, as you will see, the maintenance cost of inland waterways per ton-mile was 1.19 mills.

For class I railroads the freight proportion of roadway maintenance, excluding equipment maintenance, as is done in the case of waterways, was $335,963,000 for 1937. Ton-miles for freight traffic in the same year were 360,620,269,000. Therefore, maintenance expense for freight on class I railroads was 0.93 mill. This is one-third less than the maintenance figure for waterways.

Even this is not the entire picture. There are duplications to an undefined extent in the reported tonnage figures on inland waterways. Only "obvious" duplications have been removed in the engineers' report. For example, the Mississippi River, which is reported by sections, shows for 1937 a duplication of over 54 percent. It is not possible, unfortunately, from any published statistics to remove these duplications.

As has been said, river traffic representing materials for the construction of the waterway project itself has no place in this picture. An illustration will indicate the significance of this fact. On the Missouri River from Kansas City to the mouth, the reported total traffic for 1937 was 416,474 tons. The amount used in connection with river improvements was 149,227 tons. This means that 35.8 percent of the total traffic was for Government use on the river. Between Kansas City and Sioux City, on the same stream, the reported total traffic was 566,706 tons. The amount used in connection with river improvements was 465,230 tons, or 82.1 percent of the entire traffic. From Sioux City to Fort Benton, on the Missouri River, total reported traffic was 92,198 tons. Of this amount, 92,000 tons, or 99.8 percent, were in connection with river improvement. On the Missouri River, from Fort Benton to the mouth, 65.7 percent of all the reported traffic was for Government use in connection with river improvement.

It is interesting also to note that on the section of this river between Kansas City and Sioux City, all of the traffic, other than that in connection with river improvement, 101,476 tons, was sand dredged from the bottom of the river.

Even on the great Mississippi River, over 48.5 percent of the tonnage is petroleum products. It is important to note this fact because you say, as quoted, that the maintenance of waterways is paid out of appropriations made by Congress and maintenance of railways is paid out of freight and passenger charges, so that in both instances "Jones pays the freight." Who, then, is Jones? Is he who pays the freight the same as he who receives the advantage of subsidized transportation? Does the public get any advantage from subsidized transportation on these great waterways? With respect to the transportation of petroleum products on the Mississippi River the answer is given by Mr. W. H. Reed, an oil dealer in Memphis, Tenn., who said in a recent address:

"Taxpayers are fed the baloney that the Mississippi River is a wonderful thing for the people of Memphis. * * *

"As to the oil business, the truth is the Mississippi River is the curse of Memphis.

"The question is * * * if the public pays millions in taxes to get the benefit of cheap water transportation, does the public get the benefit of water transportation, or what?

"The answer is that the oil corporations get the benefit of cheap water transportation. And the oil corporations keep the profits themselves. The public pays the bills to make water transportation possible. The oil corporations get richer.

"When I buy a tank of gasoline, I pay the spot market price for the gasoline. But, in addition, I have to pay the oil company as freight the railroad freight rate on gasoline from Shreveport, La., to Memphis Understand that the gasoline I get never saw Shreveport, La. It came to Memphis by water from the New Orleans refining district. The actual water charge on this gasoline is about one-half cent a gallon, but I have to pay a railroad rate from Shreveport, which is over 2 cents a gallon. In other words, the oil corporation takes me for a buggy ride to the extent of 1½ cents per gallon. In money, this means that every time I get a 10,000 gallon car of gasoline, the oil company makes $150."

You also undertake to sustain the point that in the 22 years during which you have studied the problems of waterways you have never been able to find any successful waterway that has injured any railway. Surely you could not have had opportunity to examine the records carefully of those railroads that are compelled to compete with subsidized waterways, such as the Mississippi, the Ohio, and Warrior Rivers. Waterways have not developed new traffic. They have taken it from the railroads through Government subsidy, and the public that has furnished the subsidy has not received the benefit therefrom. The competing railroads have lost traffic due to this subsidy, and their revenues and their employees have been decreased.

You contend, as you have often done, that improved waterways develop great centers of industry and commerce from which railroads profit. In this connection you cite the development of the city of Pittsburgh. Have you also examined the record of Youngstown, Ohio, which is without the so-called advantage of subsidized waterways? From 1910 to 1920 Pittsburgh increased in population 10.2 percent. In the same period Youngstown increased in population by 67.4 percent. Business, industry, and traffic increased in these two cities in proportion corresponding to increase in population.

May I not most respectfully call your attention to the advice of the National Resources Committee in its recent report. It says:

"We need new estimating, accounting, and cost-finding techinque not only to weigh the advantages and disadvantages of river transportation but to determine the proper place of inland waterways in a coordinated national transportation system. It may be desirable to introduce a new element by imposing charges where they are justified by special services and special facilities and where the traffic can bear them."

I am quite sure that in making the statement which appears in the CONGRESSIONAL RECORD, quoted by me on the first page, you had no purpose to treat the railroad industry otherwise than in a spirit of fairness. I am writing you in that same spirit. The railroads ask nothing at the hands of Congress, and the people except fair treatment and an opportunity to compete on an equal basis. I hope I am not exceeding the proprieties when I ask you respectfully to insert this letter in the RECORD so that all the Members of Congress may have an opportunity to read our side of the question.

Very respectfully yours.

J. J. PELLEY.

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 19, 1939.

MR. J. J. PELLEY,
President, Association of American Railroads,
Transportation Building, Washington, D. C.

MY DEAR MR. PELLEY: I thank you for your letter of June 8, 1939.

The river and harbor bill (H. R. 6264) contained 68 projects for the improvement of lake and coastal harbors and inland waterways, the former predominating. In the course of my remarks in presenting this proposed legislation, I introduced statistics which I considered to bear directly on the subject, as they reflected the performance of existing projects similar in every respect to those contained in the bill.

It is gathered from your letter that you would have preferred the elimination of all reference to the benefits from harbor projects which are so necessary to the railroads and which are so freely used by them without any direct contribution toward improvement or maintenance. Every improved harbor from Puget Sound to Eastport, Maine, is a potential asset to American railroads. Even the great harbor of New York accommodates a greater value of tonnage in car ferriage than is borne in oceangoing bottoms. Apparently you also prefer to exclude all reference to the benefits of improved ports and channels on the Great Lakes, in the enjoyment and extension of which the interests you represent are content to participate at considerable profit to themselves. Every additional foot of depth on the Limekiln Crossing in Detroit River, in the St. Clair Flats, in the St. Marys River; every additional lock at the "Soo" has facilitated and encouraged the transportation of ore, coal, limestone, and grain, which otherwise could not move in such volume and which feed the railroads at both ends of the Lakes transit. You wish to exclude the many channels and harbors of the Great Lakes dedicated almost exclusively to railroad use in the ferriage of freight and passenger trains, and maintained at Government expense. You wish to limit my comparison to inland waterways versus railroads on a ton-mile basis.

To accept that wholly misleading basis of appraisal would be in effect to lend countenance and validity to a most transparent effort to discredit the national waterway policy in the eyes of the public. You cannot keep traffic off the rivers by drastic rate slashing and then point to its absence as being of any economic significance. Commissioner Eastman recently testified on H. R. 2531 that—

"The minute a waterway is constructed and the water carriers began to inaugurate low rates, then the railroads reduce their rates. The public gets the benefit of these reductions, but the waterway does not get the benefit of that traffic, and if you included all the traffic on all the reduced rates for which waterways were responsible there would be a very different showing."

The basis you propose ignores the fact that rate wars during the last 20 years have not only kept adapted tonnage off the rivers but have brought the actively competing rail carriers to the verge of mass bankruptcy in this short-sighted but relentless campaign to prevent the development of water-borne ton-mileage and the demonstration of the practical value of waterways. In effect you have said to the public:

"Refrain from using these low-cost water routes provided at your expense. Let them dry up. Use our lines in the meantime, and we will pay you back the difference between our normal rates and water rates out of our earnings on other traffic that can't help itself. Until we can wipe out the water carriers."

Such practices represent a two-fold economic loss that the public will have to bear in the long run. They do not afford any basis for true appraisal of the value of waterways to the public.

The Interstate Commerce Commission very aptly described the situation in Ex parte 115:

"In their need for increased revenues, applicants" (the railroads) "have been careful to avoid proposing any increases in rates which have been published to meet the competition of other forms of transportation, although these are the depressed rates which are so largely responsible for their financial troubles."

I concur with the members of the Commission in this and similar statements to the effect that such a policy spells collapse of the whole transportation system. I cannot concur with them in freely granting relief to the rail carriers from the operation of the fourth section for the purpose of carrying out such disastrous practices. With all this evidence that the Commission is aware of both the objectives and the consequences of such a policy, I cannot help but feel the gravest apprehension for the security of the public's stake in its low-cost water-carrier service, if placed under the control of that body.

You say that the railroads ask nothing but an opportunity to compete on an equal basis. That simply means on a basis on which they can destroy water competition forthwith. The inherent differences are too great and too one-sided. Inland water transportation will always be at a disadvantage. Without protection it will always be at the mercy of rail carriers. It has no backlog of noncompetitive tonnage to bear the burden of rate wars. It must earn a profit on each ton transported, and its only salvation lies in its extremely low operating costs. This situation accounts for the natural regulation which functions automatically on inland waterways to hold the scale of freight charges within reasonable limits and closely related to the cost of service. It is quite possible that artificial regulation, in the guise of equality, could be applied to water carriage with completely destructive effect.

I would like to answer the allegations in your letter one by one, although this requires a candid analysis of the method of presenting the statistics. You say that you write in a spirit of fairness and I am sure that you mean it. I will use passages in your letter to show how difficult it is for any man or body of men, trying sincerely to be fair, but interested primarily in the profitable operation of their own properties, to avoid distortion of evidence to the injury of the public interest. It calls to mind a passage in Commissioner Eastman's recent testimony in which he said:

"The railroads will tell you that almost anything they do is done at a profit, when they want to show it that way. If they want to show it another way, it is always at a loss."

Accepting for the sake of argument your statement that in 1937 the maintenance cost of inland waterways per ton-mile of freight which managed to reach them was 1.19 mills and that for class I railroads it was 0.93 mills. How do you make 0.93 one-third less than 1.19? And is not the 0.93 mill rather an indication that railroads are not properly maintaining their roadbeds? They spent practically twice as much on maintenance in the 8 years preceding the depression as they did in the 8 years following 1929. Even with the greater ton-mileage of the prosperous period they spent 1.3 mills per ton-mile, which is greater, not less, than 1.19 and reverses the picture you painted.

Your next paragraph indicates that the comparison is still more unfavorable to waterways because tons passing from one division to another are reported in each division. You have already put the comparison on a ton-mile basis, and it must be obvious to you, if not to the casual reader, that there is no duplication of ton-mileage involved in that method of reporting the statistics.

Exception must be taken, however, to your exclusion of sand, gravel, and rafted freight from the benefits of river improvement. Testimony at our hearings is overwhelmingly to the effect that before improvement the movement of this class of freight was restricted, hazardous, and dependent upon seasonal and river stages. After improvement rafted freight is towed and may therefore find markets both up and down stream and at all seasons.

Your next two paragraphs deal with the tonnage, or more properly, the lack of tonnage on sections of waterway under construction and not yet open to traffic. Your rail statistics are all for class I carriers, but it is noted that a comparison with class I waterways is invariably shunned in favor of some such section as that from Sioux City to Fort Benton. It would be as logical to expect revenue tonnage over a section of railroad on which the ties were in place but no rail laid. Furthermore, there is no sound reason why water-borne materials and Government freight destined for use in connection with projects for flood control, power development, and like purposes should not be counted as commercial freight and the savings credited to the waterways over which they move. For instance, the only practical method of transportation available for materials required by the P. W. A. for Fort Peck Dam, and by the War Department for projects on other sections of the Missouri involved movement over the waterways. In the absence of these waterways the projects would be prosecuted just the same, while the materials would have to move by the more expensive rail routes. In this case the savings are reflected directly in the balance of funds in the United States Treasury.

Incidentally, I am reliably informed that the railroads have profited enormously from transportation of machinery and materials for river improvements throughout the country. Certainly they have profited from the transportation of machinery and materials for each other's use. If the same rules were applied to the large tonnage of steel rails handled by the Pennsylvania out of the Pittsburgh district, or by the L. & N. out of the Birmingham district, for connecting railroads, as you apply to materials moved over one waterway for use in improving another, your ton-mile computations would be still further upset. The same would apply to the large tonnage of cross ties and bridge and trestle timbers, forms, etc., transported by southern railroads for their northern connections.

The page of your letter next following is dedicated to the theory that savings made in the transportation of petroleum products in bulk on inland waterways are not passed on to the consumer but are "pocketed" by the distributor. It is passing strange that the testimony to that effect by two individuals has been publicized to the farthest corners of the Nation, while testimony to the contrary by more numerous and certainly equally credible witnesses, as well as the teachings of leading authorities on economics are ignored. Personally, I am far from claiming any prestige as an economist, but I am familiar enough with the oil industry to know that, in a business so highly competitive, it is impossible for any savings over and above a reasonable profit to be permanently "pocketed" by anybody along the line from producer to dealer. The aggregate transportation bill—that of getting the product from refinery to consumer—by pipe line, barge, tank car, and truck—is one of the costs of production, along with drilling and refining, and these combined costs determine the base price of the product, in the long run. The greater the proportionate volume that can take advantage of low-cost tank-barge transportation, the lower the base price to all consumers.

Locklin, in his "Economics of Transportation" (1938), very aptly says:

"The most obvious way in which cheap transportation reduces prices is through the reduction in the cost of getting goods from the point of production to the consumer. The process of production is not complete until the goods are placed in the hands of consumers.

"The short-time result may be quite different, but in the long run prices must be high enough to cover costs of production, including transportation costs, or the goods will not be produced."

Conversely prices cannot be much higher than necessary to cover costs of production, including transportation charges, or else competition will take away the market. Additional light was inadvertently thrown on this matter in the testimony of counsel for your association on H. R. 2531 in behalf of limiting the period for recovery of overcharges when he said:

"Now the man who is the wholesaler in the jobbing center has paid the rate and he has passed it on to the retailer, the man at the point of destination. The retailer has taken that rate into consideration in pricing his product. The real chap who has suffered is the consumer. He is the man who has to bear the burden. The wholesale merchant has not lost a nickel. He has just added the freight to his price."

The fact that this witness was referring to high rail rates rather than low water rates would seem to indicate that the consumer pays the transportation bill and that he suffers when it is high and benefits when it is low.

This is not intended as merely an unproductive series of criticisms of the claims advanced in your letter. Along with most of the rest of the country I am seriously concerned over the railroad situation and want to see everything done that can be legitimately and fairly done to better it. I offer for consideration a plan that has been suggested and that may be the solution of your problem.

It is said that there is a present surplus of transportation facilities throughout the country. If true, the fact will have to be faced that the uneconomical, overobligated, and unwisely located carriers, by highway, water, or rail, must inevitably make way. But assuredly it is not the part of wisdom to sacrifice sound and economical public waterways to save the so-called weak and superfluous rail lines.

This is illustrated in your paragraph on gasoline distribution, in which you show that it costs 2 cents per gallon to move gasoline by rail 321 miles from Shreveport to Memphis, while it costs but one-half cent per gallon to transport it 648 miles by inland waterway from the New Orleans area to Memphis. On your ton-mile basis this works out 19 mills by rail against 2.3 mills by water. It is obviously worse than futile for the rail carriers to continue their attempts to compete with water service at such great odds. Even adding the 1.19 mills for maintenance of the waterway fails to change the comparison appreciably.

Perhaps it would be better for all concerned—for the producers, the consumers, and the railroads themselves—to let such traffic go as is so obviously adapted to barge movement; to restore their rates to normal levels, both those that are too high and those that are too low; to desist from flying in the face of economic law and trying to substitute fictitious savings for the real savings made possible by water; and with the increase in the movement of commerce that would follow, continue to carry the great preponderance of the Nation's freight, which always has and always will travel by rail, but at rates restored to profitable levels.

It is on these grounds that I sustain the point that in 22 years I have never been able to find any successful waterway that has injured any railway. It is the depression of rates below cost in a futile effort to hold water traffic on the rails that has proved so disastrous for rail carriers and water carriers alike. You can easily prove by the simplest computation that the restoration of all the inland-waterway tonnage to rail at these competitive levels would neither restore rail revenues nor increase the number of employees, as you so categorically seem to claim.

None of us know all the factors which might affect the rate of growth of such centers as Pittsburgh and Youngstown. We know that both share the benefits of inland-water transportation in varying degree, although Youngstown is not yet a river port. We know that the site of Pittsburgh is topographically so restricted that her native industries have had to expand up and down the rivers out of the metropolitan area in order to grow. But for the sake of fairness, why go back to the decade 1910 to 1920 to show the rate of growth for Youngstown of 67 percent and for Pittsburgh of 10 percent? Why not use the latest available decade, 1920 to 1930, during which the relative percentages were 28 and 14? Or, better still, report the testimony at a recent hearing concerning the exodus of industries from the Youngstown area because of lack of waterway connections?

As you probably realize, there is nothing new in the allegations contained in your letter. Like the Committee on Rivers and Harbors, reporting officers of the Corps of Engineers are practiced in sifting the claims of over-enthusiastic advocates as well as of implacable adversaries of waterway improvement. Converting such claims to a factual basis has become more or less routine in the analysis of the economic phases of proposed improvements, and it is seldom found that the public interest coincides with the desires of either faction. It is logical, therefore, to expect your association to be displeased with any favorable recommendation of the Army Engineers and to sponsor the delegation of their duties to some one of the perhaps more amenable agencies which are more or less constantly seeking to expand. It is well to bear in mind the absolute necessity that some group keep its feet on the ground and analyze competently and dispassionately the economic and engineering phases of proposed Government improvements for the guidance of Congress.

If the agencies responsible for the engineering and economic investigation of proposed Federal projects were to permit the influence of pressure groups to sway their recommendations, they would cease to be good public servants. This great democratic Government is fortunate in having its waterway investigations in the hands of the Corps of Engineers of the Army, who are free from partisan interests and motives of every character and who are also exceptionally skilled in the tasks assigned to them by law.

Careful consideration of all that you have said leads me to the conclusion that the argument simmers down to whether or not we shall continue to have a democratic form of government. Our actions must be governed by the interests of the whole public. We must continue to work for the welfare of all the people, particularly labor, including men working on railways, highways, and waterways.

In the final analysis, "Jones pays the freight." In the case of the railroads, at least in times past, the entire objective was private profit. Private capital built the railroads, showed large profits, and the securities were disposed of to "Jones," the public. In each case "Jones" bought of his own free will, without coercion of any kind. The public generally had no voice in erection of the financial structure. If it had been possible to prescribe that structure and regulate its alterations so as to protect each and every "Jones," that would have been advantageous. However, up to the present time the accomplishment of that end has not been practicable. The situation may be like visiting the sins of the fathers on the children, and, of course, we should endeavor to alleviate the hardships of the results. But this should not be done by penalizing all other kinds of transportation, such as waterways.

The public has a voice in the expenditures for waterways, and it reaps the benefits. There is no monopoly on their use. From the beginning of the history of the Nation its waterways have been free to each and every "Jones," and I am not alone in hoping that this right will never be taken away from him. It would be a most fallacious presumption to think that the railroads could gain thereby. In the long run such a procedure would result in their greatest injury. In conclusion, let me repeat that I have the greatest sympathy for the railroads, and I hope that we shall grow out of the present business depression, so that invested capital of every kind will receive a fair return.

Very truly yours,

J. J. MANSFIELD,
Chairman, Committee on Rivers and Harbors, House of Representatives.

Repeal of the Seventeenth Amendment

REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 19, 1939

Mr. THORKELSON. Mr. Speaker and Members of the House, I am introducing a resolution for repeal of the seventeenth amendment, which I hope will be reported favorably by the committee to which it is assigned for consideration. This resolution when adopted will restore a republican form of government to the United States, as guaranteed in article IV, section 4, of the Constitution:

The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion, and on application of the legislature, or of the executive (when the legislature cannot be convened), against domestic violence.

This article is plain, and states in fact that 47 States must guarantee to each State a republican form of government, in these words: "The United States shall guarantee to every State in this Union a republican form of government." It is now evident that the seventeenth amendment does not conform to article IV, section 4, and its adoption by three-fourths of the States is therefore not allowable under the Constitution. The seventeenth amendment does not amend the Constitution, but it destroys it instead, and there is no provision for destruction of the Government in the Constitution of the United States. Destruction of the Constitution is paramount to civil war, and that will be fought by the people.

The seventeenth amendment does not conform to the ninth and tenth amendments in the Bill of Rights, for it has abrogated rights reserved to the States and to the people, and this is clearly evident when I quote the ninth and tenth amendments:

ART. IX. The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

ART. X. The powers not delegated to the United States by the Constitution nor prohibited by it to the States, are reserved to the States respectively or to the people.

It will be seen after reading these amendments that each State delegates certain power to the Federal Government, but reserves the remaining power to itself and to the people, and such rights must not be treated lightly, as set forth in amendment No. 9.

Technically the seventeenth amendment may therefore be held invalid by Congress and the Supreme Court if one State failed in ratifying its adoption, and if so, it can now be repudiated by such States as did not agree to it. The safety and the security of our Republic is a matter which concerns all the United States and all the people, and may therefore not be destroyed by any State or States but must instead be a matter of vital interest to all the States.

It is indeed difficult to understand why this amendment was adopted, for it is so flagrantly not only unconstitutional but absolutely destructive to our Government, as it is set forth in the Constitution of the United States. In order to clarify this, I shall now quote article V:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which in either case shall be valid to all intents and purposes as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress, provided that no amendments which may be made prior to the year 1808 shall in any manner affect the first and fourth clauses in the ninth section of the first article; and that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

This provides the manner in which the Constitution may be amended, but we must always bear in mind an amendment to fundamental laws should improve such laws and not destroy them.

Article V further states that—

No State, without its consent, shall be deprived of its equal suffrage in the Senate.

It should now be clear to everyone that all the United States have been deprived of equal suffrage in the Senate, and that in itself is such clear violation of the Constitution that it should be plain to a schoolboy.

The question the American people must ask themselves is what happened to the United States when this amendment was adopted? And who were the forces that brought about causes for its adoption?

This is what happened: We destroyed constitutional representative government, and substituted instead a pure socialistic organization, no different from the socialism now prevailing in nearly all European countries. We speak of it as a democracy, but it must be clearly separated from democratic constitutional government, for the two are far apart. Our Government is a democratic republic, and Jefferson was often called a "republican democrat." Yet the word "democracy" was not used until European agitators formulated socialism, communism, and anarchy, so democracy and communism are actually synonymous terms. We have two parties, a Republican Party and a Democratic Party, but neither of the two bears any relation to socialism, communism, or democracy as it is used today by those who are misinformed disciples of dangerous European philosophies.

Let us now look back a few years and try to determine what causes led to the adoption of the seventeenth amendment. There is no question in my mind but that attempts to destroy our Government have been held by certain interests who are more interested in their own welfare than in that of the United States. While this thing dates back many, many years, it has been active only since 1895 or 1896, when impetus was given to it by events in Europe. The influence of communistic philosophies is felt more and more from that period on. Agitation for adoption of the seventeenth amendment was brought about by bribing of certain individuals in Congress, particularly in the Senate. It finally became a national scandal, which prepared the public for adoption of this amendment.

This, in my opinion, was a deliberate attempt to prepare for gradual conversion of a republican form of government into a socialistic or communistic state, which we have now. It should be clear to us that State representation in the Senate is the anchor that secured us to a representative, republican government, as set forth in the Constitution of the United States. It was, therefore, necessary, in order to bring about conditions that we have today, to destroy this link. It could be done only by the destruction of the Constitution itself, and the seventeenth amendment accomplished this destruction.

It was not felt at first, because a few of the Senators in 1913 remaining in the Senate adhered to the Constitution in its original intent, probably without recognizing the change that had taken place. We find, however, as we go on, greater and greater departure from State representation in the Senate. That is to be expected, because the Senators as well as the Representatives in Congress are now elected by the popular majority and not by the legislatures of the States.

According to the Constitution, the State legislature elected the Senators, and having the power of election or appointment of them, had also the power of impeachment or recall. This was a wholesome power and should never have been abrogated, because of corruption, but should instead have been used to recall those who fell victims to barter and trade. As it is now, the State has no real power over the Senators, any more than it has over the Representatives, and that is the real cause of the chaotic condition in which we find our Nation today.

Let us not forget that all governments are either aristocratic or democratic, and that intolerance and persecution are always present in extreme or too zealous application of either one of these types. The founders of our country were aware of that and in this knowledge provided for our security by making the United States an "aristocratic democracy."

The 48 States are the aristocrats. We the people are the democrats. The Senate represented the States, and the House of Representatives, the people.

The Senators were elected by the State legislature, and therefore represented the States and the State government alone. The Representatives represent the people, and are elected by popular ballot. This provided for a balance in the Government and it is the most humane and practical form of government that the world has ever had.

It is now my desire that the people be given an opportunity to restore such sane and sound government, and it can only be accomplished by the repeal of the seventeenth amendment. If we fail in this, no power can prevent a totalitarian government in this country.

Analyses of S. 1796 and House Amendment Thereto

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. MAY. Mr. Speaker, first, S. 1796 merely provided bond authority for completion of the tentative deal specified in the contract of sale and purchase of the Tennessee Electric Power Co. and Southern Tennessee Power Co., dated May 12, 1939, between the power companies and the Tennesseee Valley Authority. That is all it did except to make a slight change in the language of sections 15 and 15a of the original T. V. A. Act of 1933, as amended.

The House Military Affairs Committee, after exhaustive hearings and careful study of the matters disclosed therein, struck out everything in S. 1796, following the enacting clause and so amended the acts as to provide:

First. Authority to issue ample bonds to carry into execution the contract as fully and completely as could be done under S. 1796 as passed by the Senate and at the same

time allowed all money necessary to purchase additional electrical properties in 27 counties in north Alabama and Mississippi not actually included in the contract of May 12, with money for rehabilitation and integration of these properties of about two and one-half million for completion of a tentative deal with the city of Memphis and yet we brought about an actual saving of $35,000,000 as compared with the Senate bill.

Second. The House amendment restricts the operations of the authority to the Tennessee River drainage area, the 27 Alabama and Mississippi counties, plus the area embraced in and served by the properties acquired in the Cumberland River Valley until such time as the Authority secures the approval of Congress to expand its territory. This was done by the committee and approved by the House of Representatives to prevent an unfortunate recurrence of a similar situation as that already created by the Authority's competitive activities that have made necessary this legislation. In other words the committee guarded against the use of unlimited power and large amounts of money by the directors to further confiscate and destroy good-faith investments of innocent people.

Third. The committee bill, as passed by the House, places the accounting system of the T. V. A. under supervision and auditing of the General Accounting Office, and your committee was induced to do this because of the fact that all other money-spending agencies of the Government are required to submit to the General Accounting Office all expenditures for auditing, and we felt that there were no reasons whatever for exempting this particular Government corporation from that wholesome rule. On the contrary, we found from the evidence that there exists today, and has from the very inception of the T. V. A., a discrepancy of many millions of dollars in their accounts. This we do not think a desirable situation, especially when there is such widespread spending of taxpayers' money.

Fourth. The evidence before your committee shows that T. V. A. now has, or at least its directors claim, a present income of more than $2,000,000, and simultaneous with the acquisition of the T. E. P. properties and the conclusion of the pending contract will have an additional income of $5,000,000, making a total of $7,000,000, and with bond interest fixed in the bill at a maximum of 3½ percent of the net earnings would carry a $200,000,000 bond issue, and they will have to issue only $65,000,000 to consummate the deal and integrate, rehabilitate, and otherwise improve their network of the whole system.

Fifth. Your committee by another provision of the House amendment requires the corporation to put itself on a business basis by setting up a regular sinking fund for retirement of its bonds, and to safeguard it against raids on its earnings by taxing agencies of State and local governments, and thus we put it in a position where the Board will be able to avoid local controversies and difficulties if it so desires.

Finally I am sure the House provisions as a whole are a wholesome step toward better relations between Government and private enterprise, and, if finally written into law and the T. V. A. directors cooperate, the difficulties of both Government and industry, so far as T. V. A. is concerned, will be over.

Economy in Government

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

LETTER FROM CITIZEN

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from a citizen of New York:

BUFFALO, N. Y., *June 5, 1939.*

Hon. W. G. ANDREWS,

House of Representatives, Washington, D. C.

DEAR SIR: The mental attitude of the rank and file of the American people has not drastically changed during the past 10 years. Many millions of our people today retain the same mental, spiritual and physical ability which enabled them and their forbears to build our Nation as it was in 1928, and these same people are still living, striving, and working to maintain the American way of life and its standard of living; under tremendous odds it is true, but with determination that America shall grow to even greater heights.

The blight, which of recent years has been steadily growing, has not come from the rank and file, the workingman, the little-business man nor the big-business man, but from the distorted and wrong economic theories advanced by those temporarily in power in Washington and those groups who have the official ear.

It is high time that Congress takes a definite stand to reassert itself in the interest of true economy in Government, regardless of pressure blocks and groups clamoring for legislation to aid one group of citizens at the expense of another.

Congress can and must stop the drain upon our national income which has arisen during the past 12 years 259 percent, thereby killing initiative and keeping 10,000,000 on our unemployment rolls.

Congress can and must stop the enervating propaganda that we are living in a time of perpetual emergency, and the doctrine that the National Government is a charitable institution. Neither shall it allow the gullible to be fooled, by the adroit changing of a portion of the bonded debt, into seeming assets, by clever manipulation of Government figures.

Congress must assume its full responsibility toward correcting the evils which have put this blighting influence into the laws, regardless of party affiliation.

Congress must, by its own power and will declare an end to unbalanced budgets; by reduction of expenditures of the National Government, through efficient operation, and the curtailment of nonessential services and functions.

Congress must again make laws for the welfare of all the people instead of classes of its citizens, and must stop saddling them with ever-mounting taxes.

This is an urgent call for true statesmanship and courage of the highest order, to give back to all our people the opportunity to raise themselves out of the slough of despond, by their own efforts, instead of allowing those temporarily in power to try to establish a utopia by Government edict.

This letter is not written for the purpose of the repeal or amendment of any particular laws—the evils which you are called upon to correct are hydraheaded, and cry out for correction—it is an appeal to you, as a representative of all your constituents wherever located, to act in behalf of all of them, so that Americans in every part of this great Union shall again be able to assert their God-given initiatives and ambitions which now lie dormant. You personally have it in your power by your influence and by your vote to put men to work by the correction of legislation which has proven wrong in practice. To stop waste in Government wherever it may be found.

Opportunity is asking each of you to give of your best, unselfishly, for every individual American of tomorrow. Do not load him with a burden you have not been asked to assume by yesterday's children—he has been handicapped too much already.

This letter is being sent to all Congressmen alike—to those of you who have been fighting for the things mentioned may it serve as an encouragement to still greater effort—success is sure. To those of you who have up to now been merely time servers and "rubber stamps," I say to you, time changes all things—the chaff is even now being winnowed. The spirit of America marches on!

Sincerely and respectfully yours,

G. ROBT. SUTTER,
One of the Rank and File.

How Canby, Oreg., Did It

REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. PIERCE of Oregon. Mr. Speaker, I have received a most remarkable statement from a little community in Oregon that started the work of distributing its own electricity during the year I was elected Governor of Oregon in 1922. I encouraged them all I could during the 4 years I was Governor. I lived near this little town while at the State capital.

This is a very remarkable showing, Mr. Speaker, and I ask unanimous consent that I may insert it in the Appendix of the RECORD. I call it to the attention of my colleagues

in the House who are interested in electricity, particularly the gentleman from Michigan, and I ask them to read this showing of the little town of Canby, Oreg., with a population of under a thousand people, that in less than 20 years has saved out of the operations of its electric plant almost $200,000.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. PIERCE]?

There was no objection.

The statement referred to follows:

HOW CANBY IN OREGON DID IT—A REMARKABLE STORY OF SUCCESSFUL MUNICIPAL OWNERSHIP IN A SMALL CITY

(By A. C. Heyman, of Albany, Oreg.)

(The following article is a summary of four addresses delivered by Mr. M. J. Lee, of Canby, for the Chambers of Commerce in Brownsville, Harrisburg, and Halsey and the Lake Creek Grange in Linn County, Oreg. It was prepared by A. C. Heyman, chairman of the sponsors committee of the proposed Linn County people's utility district. The figures have been confirmed by the mayor, the city treasurer, and the superintendent of the water and light department of Canby.)

One of the most outstanding achievements in public ownership of power is that of the little town of Canby, Oreg.—population 744—as told to several Linn County audiences by Mr. M. J. Lee, of Canby, who was one of the city council in 1922 when the new venture was made and who is still a leader in the civic improvement projects. Mr. Lee was chairman of the light and water committee and sought to serve his town to the best of his ability. On investigation he found that the citizens of Canby were paying $3.30 for 20 kilowatt-hours of electricity when other neighboring towns were paying to other private utilities only $1.49 for the same amount of energy. This appeared to the committee very much like discrimination, and so it sought to correct the matter.

TURNED OFF THE LIGHT—TURNED ON THE HEAT

The franchise of the private utility serving the town had expired and the committee decided to use this leverage to get free street lighting for which it was paying $75 a month before renewing the charter. The private utility bluntly refused with the excuse that it could not be done. At the following council meeting the matter was further discussed with the owner of the private utility with the result that both parties went home that night furious with anger. The owner was so enraged that he turned off the street lights the next night and left the town in darkness. This was his Waterloo.

The townspeople then became even more enraged, and the next night, through the initiative of Mr. Lee, the whole town turned out to a mass meeting. The result of this meeting was an organization setting on foot a movement for public ownership of light and power. It also confirmed the conviction of many that private utilities cannot be controlled or regulated by State public-utility commissions or any other regulating bodies. From here on action was speedy.

HOW THE CITY GOT A REASONABLE PRICE

The owner of the private utility bought his "juice" wholesale from the Portland Electric Power Company and served seven other small towns besides Canby. The light committee dickered with the owner for his distribution system in Canby. He wanted $25,000. The price was outrageously high. A survey was made of the property and it was found to be worth only $5,500. Then the owner came down to $14,000. No agreement could be reached. The city, therefore, called an election to vote general-obligation bonds for $10,000 to build an entirely new distribution system. Bids for construction were received.

While still trying to bluff, the owner saw that the city meant business and became more amenable to reason. The committee recommended the purchase of the going business if a reasonable purchase price could be agreed upon rather than enter into competition and all kinds of litigation. After considerable wrangling $7,000 was offered by the city for the system and this was finally accepted by the owner. This was in the middle of October 1922. On the first of November the city of Canby became the owner and operator of its own distribution system.

THE CITY BEGINS OPERATION

Of the $10,000 bonds voted by the citizens only $8,000 was issued; $7,000 for the distribution system, $500 for engineering services, and $500 for some immediate improvements.

Thus by January 1, 1923, with the acquiring of the water system 6 years previously, Canby had a debt with bonds and outstanding warrants drawing 6 percent interest, of $56,000 together with an interest payment of $3,360 due on January 1, 1923. The city-owned water system had only enough income to pay interest and operating expenses and when new mains were laid or extensions made, new bonds had to be issued. The water system therefore increased rather than diminished the city debt.

When the city took over the light system the two systems, light and water, were put into one department and under one management. The previous manager of the private system was retained as the superintendent of the newly created department of light and water and has now been serving the city for 17 years.

A 30-PERCENT INITIAL REDUCTION IN RATES

The first stroke of the new department was to reduce the light rates 30 percent, give the city free street lighting, besides extending the street lights and doubling the watt capacity of the lamps. This saved the city immediately $100 a month on street lighting. It also gave the city free electricity to run three motors for the water system, which was also costing the city another $50 a month.

OTHER RATE REDUCTIONS

To the question, "Did you make any further reductions in rates after the first reduction of 30 percent?" Mr. Lee replied, "Yes; we made four or five reductions, amounting in all to something like 10 percent. Whenever the people protested that rates were too high we made a reduction. And then we published the fact loudly far and wide just as the private companies do. But we did not reduce the rates any faster than we had to, because there were other things that we wanted to do. We wanted to pay off our debt and get rid of the interest burden. Also we wanted the other things mentioned below. Our citizens are now glad that we have these things. And it is not particularly hard for them to get them in this way."

LAST YEAR'S NET PROFIT $5,464

Hearing of the success of the municipal plant at Canby, the citizens of Woodburn, a considerably larger city about 12 miles away, sent a committee down to Canby to inquire into the matter. An examination of the books showed the Woodburn committee that the plant was making an annual profit of $5,464 a year, besides saving the city in many other ways.

In the calendar year of 1938 the committee found Canby's gross receipts from electric customers were $16,025.50. Expenditures the same year were $8,802.38 for the purchase of power and $1,759 cost of administration, a total of $10,561.38—leaving a net profit of $5,464.12. To this could be added the free street lighting which would have cost the city $1,104 under private ownership; also the electricity used to light the city hall and to pump the city water. This would bring the net profits for the year up to $7,480.87. However, Canby ignores the items of free service and figures its net profit for the year at $5,464.12.

Out of the net profit the city spent $1,868 for various improvements and extensions, equipment, etc., including transformers, poles, wire, meters, labor, and other necessities to keep the system in good working order. Subtracting these items leaves still a net of $3,595. But if the value of the free services is added this would bring the figure up to $5,611.

MAKES AND SAVES $194,938 IN 16½ YEARS

Speaking of the final results of the municipal-ownership enterprise in Canby for the period of 16½ years that the city has owned the system, Mr. Lee submits the figures below to show that the city has made and saved a total of $194,938.96.

PAID FOR IN 10 YEARS

The following are the payments made on the system during the 10 years to pay for it:

Date	Bonds and warrants outstanding	Payments on principal	Payments on interest	Total payments
Jan. 1, 1923	$56,000		[1]$3,360	[1]$3,360
Jan. 1, 1924	49,000	$7,000	3,360	10,360
Jan. 1, 1925	42,500	6,500	2,940	9,440
Jan. 1, 1926	40,000	[2]2,500	2,550	5,050
Jan. 1, 1927	35,000	5,000	2,400	7,400
Jan. 1, 1928	28,000	7,000	2,100	9,100
Jan. 1, 1929	18,500	9,500	1,680	11,180
Jan. 1, 1930	7,500	11,000	1,110	12,110
Jan. 1, 1931	1,500	6,000	450	6,450
Jan. 1, 1932		1,500	90	1,590
Total		56,000	20,040	76,040

[1] Paid by city warrants and later repaid out of income.
[2] In 1926 Canby built a 10,000-gallon steel water tank and tower paid for out of earnings of light department.

Mr. Lee's audiences marveled at this remarkable showing in a city the size of Canby in paying off such a large debt in less than 10 years. "But wait," said Mr. Lee; "the half has not yet been told. We had money to do other things as well as pay off the debt. The following improvements and donations have been made from money coming out of our light income:

Improvements to the light and water system:	
389 light and power meters, at $10	$3,890.00
317 water meters, at $16	5,377.00
43 transformers, at $125	5,375.00
1 100,000-gallon steel tank and 110-foot steel tower	10,000.00
Spring for water reservoir, pump, and motor	8,500.00
Engineering fees	500.00
	33,642.00

Donations to high school:	
3 acres of land	3,000.00
Concrete tennis court	800.00
Water main and hydrant	819.29
Transformer	536.67
Paving walks and road	1,000.00
	6,206.96
Other donations:	
20-acre cemetery for city	$6,500.00
Part payment to city hall	7,150.00
New fire truck and hose	5,000.00
	18,650.00
Savings:	
16½ years' street lighting	16,500.00
16½ years' power for water system	9,900.00
Cash reserve in bank	21,000.00
	47,400.00
Losses covered by plant earnings:	
Bank failure	2,000.00
Burning of powerhouse	2,500.00
Damage suit for personal injury	7,500.00
	12,000.00

SUMMARY

Summarizing the above figures, we have the following:	
Payments—bonds, warrants, and interest	$76,040.00
Improvements to system	33,642.00
Donations to high school	6,206.96
Savings on light and power	47,400.00
Other donations	18,650.00
Losses covered	12,000.00
Grand total for 16½ years	194,938.96

This money was saved for the benefit of the Canby community and not contributed to the profiteers and holding companies.

IS IT A GOOD POLICY?

Several individuals asked Mr. Lee if he thought it was a good policy "to keep rates up in order to raise money for other city expenses?" To this Mr. Lee replied: "There are two theories in setting rates and use of revenues of publicly owned utilities. One theory is to set the rates just high enough to care for operating, maintenance, interest, amortization, and depreciation. In this manner the people get the benefit of the lowest rates possible as is the case in Eugene (Oregon municipal plant). The other theory is to keep the rates high enough so that after taking care of all operating and other fixed charges there remains a surplus for other purposes. Your choice of the two methods will depend on your circumstances. The citizens of Canby choose to have a surplus for other purposes."

"How do your rates compare with those in surrounding towns?" was another question asked of the speaker. To this Mr. Lee replied: "Our last reduction brought our rates down in every respect to the rates of the Portland Electric Power Co., from whom we buy our energy wholesale, costing us about $8,500 a year. With this rate we still made a surplus last year of $5,464, and at the present time (April 1939) we are making a net profit of $1,000 a month."

He further explained that Canby is seeking a contract with the Bonneville project for energy at the announced rate of $17.50 per kilowatt-year. At this cost the city will save another $4,000 annually.

WILL AID IRRIGATION

Mr. Lee also brought another interesting and unique feature of this Canby municipal plant. It proposes to aid the surrounding rural and farm population by helping them to develop their irrigation system. With the savings effected already and additional savings that will result from the lower rates for power purchased from the Bonneville project, he said, there will be some surplus power at off-peak periods which the city will give to an irrigation project of some 2,500 acres adjacent to the town. "Canby has agreed to furnish free of cost," he said, "half of the energy required to pump the water for this project."

A WARNING

"But there is a final warning," said Mr. Lee. "Look out for the agitators who undermine the public sentiment for public ownership. After we were running smoothly for 5 years our success looked too good to the private power company. Our example, they thought, would very likely stimulate other communities to undertake municipal ownership, as indeed it already has done. So the Portland Electric Power Co. offered to buy our water and light system for $45,000. The Canby council refused. But the hired agitators succeeded in bringing the sale to a vote. No one thought the city would sell out and so the vote was very small. We saved our plant by only two votes.

"This vote being so close, the power company agitators called another election as early as possible, hoping to gain the few votes necessary for victory. But by this time the Canby voters awakened to what was going on and we beat the sell-out by a 2-to-1 vote."

The reproduction value of the Canby light and water plants is figured at $64,500, the actual value at $54,000. The reproduction value of the light plant alone is figured at $19,988 and the actual value at $15,450.

Serious Situation Confronting Retail Meat Industry

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. CELLER. Mr. Speaker, under date of May 31, 1939, there was passed in the Senate, S. 2390, a bill to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes."

Before its passage by the Senate, there was stricken from this measure an amendment introduced by Senator CARL HAYDEN, of Arizona, which would repeal the tax on all coconut oil which is denatured and rendered inedible. While this proposal was killed in the Senate, it has reappeared in the House measure now pending before the Committee on Insular Affairs.

It is important that immediate steps be taken in the House to bring about the defeat of this proposed amendment. For, should said amendment receive favorable action and be enacted into law, the tax on all coconut oil which is denatured and rendered inedible would be repealed. This applies not only to products from the Philippines but equally as well to coconut oil from all parts of the world. The net result would be the fixing of the price of coconut oil in the United States at a level not far from the present price of 2.75 cents a pound. That, in turn, would fix the price of tallow and greases as well as of most other domestic oils and fats. This would make futile all the work on fats and oils taxes that has been done in the past 5 years.

Last year the coconut oil used in the United States in soap amounted to 343,000,000 pounds, and in other nonedible products to about 4,000,000 pounds additional. There were available in our commerce in 1938 the enormous total of 555,000,000 pounds which might have been so used. There were available in world trade in 1936, the last year for which figures are available, a commercial copra crop which would produce 1,029,000 tong tons of coconut oil (International Institute of Agriculture). This is equivalent to 2,283,000,000 pounds of coconut oil. Every pound of that oil is a potential competitor of the domestic oils, both edible and inedible, if the amendment under discussion is enacted into law.

Thus it can readily be seen that the retail meat dealers, as well as the renderers, have much at stake in having retained the present tax on coconut oil. For, if the said tax is removed, the soap manufacturers will be able to use far more coconut oil than before. The immediate result of this would be a decreased use of tallow, the price of which would consequently be reduced about 40 percent below even the present low levels.

Every butcher in New York City and in the country at large is desirous of receiving a reasonable price for his fat and other byproducts. But if this amendment is permitted to stand, returns from byproducts will be greatly reduced and foreign producers of coconut oil will secure all the benefits. It is apparent, therefore, that a situation of serious import would confront the retail meat industry should the amendment in question be adopted.

In light of all the above I shall do all in my power to the end that the proposed amendment to the afore-mentioned measure be not enacted into law.

Imperative Mining Needs

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, western Congressmen are receiving many letters from their constituents asking for some phase of legislation pertaining to the mining industry in the West. I would like to mention a few of these problems which I have had presented to me and indicate the importance of some of them. For the last several weeks I have been urged to try to extend the moratorium on mining-claim assessment work for another year. Many arguments which appeal to me have been presented showing why this should be done, but I have also received arguments against it from those who feel that there should be no further moratorium in this respect. The assessment work must be done on unpatented claims at once, as the time limit expires on June 30. In view of the fact that the Senate committee some weeks ago postponed consideration of this moratorium, and the House Mines and Mining Committee later did the same thing for a companion bill, it seems impossible to get any such measure through this session. I have advised my constituents to that effect.

Another immediate problem directly concerning Arizona is the question of the price of silver. I do trust that the silver-purchase program will be continued with regard to domestically produced silver at a higher price than the Government has been paying for the past 18 months. This means that Congress should continue some legislation which would otherwise expire June 30, 1939. If this is done and the President can see his way clear to raise the price of silver, it will mean life to many mining camps in the West, and if not done, some that have been thriving centers of human activity will become ghost towns.

Arizona is our greatest copper-producing State. It might be supposed that any legislation for the benefit of silver would have little or no effect upon copper mining. Such is not true. Many of our copper mines produce silver as a by-product. To such mines the price of silver is almost as important as the price of copper. The passage of H. R. 6851 today is not only a good move for revenue production but affords some needed protection to American workers and businessmen in the copper camps of the West. This measure carries with it the 4 cents per pound excise duty on foreign copper. Should this protection be removed every copper camp in our country would close down and thousands now working would be thrown on relief.

Mining throughout the great West is in a dormant or semi-dormant condition generally. This is due to the lack of new capital and new development. Mining men feel that this is partly due to low prices for our metals and partly due to the new restrictions that have recently been thrown around the investment of capital. The R. F. C., it is true, is authorized to make loans for mining developments, but such loans are restricted to a few metals, such as gold, silver, and tin. Western development calls for more private capital and more public credit such as has been extended to other lines of business. We think that the R. F. C. should be permitted and encouraged to make loans in the development of all important metals, but particularly the strategic war materials.

Private capital is not now going into the mining field. One reason for that is the restrictions laid down by the Securities and Exchange Commission. The West would like to have a new set of regulations by the S. E. C. so liberalized as to encourage capital to invest in mines. Recently a new division has been set up within the S. E. C. to facilitate mining applications, which is a start in the right direction. However, this all-important industry in the West really justifies a special commission with a sufficient working fund and regulations suited to the industry to help bring mining to its rightful place in American industrial life. Let it be remembered that mining is one industry, not considering gold and silver, which has received no Government aid comparable to that which has been given to agriculture and other lines of industry.

As a wartime provision, we have recently embarked upon a policy of laying in a supply of strategic metals. Some of these are to be obtained from abroad at once, but the general policy is to be the encouragement of home production. Nothing would be wiser policy, as a matter of national defense and a stimulation of home industry, than for the Government to give liberal encouragement to mining throughout our entire West of gold, silver, copper, lead, and zinc, and especially the other strategic metals, all of which the country needs both in peace and in war. If the mining West prospers, it pours all of these metals into the channels of trade and furnishes the best market for the heavy-production goods, machinery, and all the manufactured articles which the eastern centers wish to market. I verily believe that a mutual exchange of goods between our East and West is a far more important thing to encourage than all of our export trade or all of our international trade added together. I submit that national prosperity waits on proper legislative treatment of the mining industry in the far West.

National Convention of Paper Mill Superintendents

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

ADDRESS BY W. J. CAMERON

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein an address delivered by Mr. W. J. Cameron, of Detroit, Mich. He is a nationally known commentator and is on the Ford Hour every Sunday evening.

I had the pleasure of having heard Mr. Cameron give this address on June 15 at the National Convention of the Paper Mill Superintendents, held on that date:

Your convention occurs at a moment when the difference between public policies and public thought is reaching an acute state of tension. During the long infatuation public thought and public policy romped the primrose path together toward the great mirage, and there was little to be done about it. The fever had to run its course. But now that wholesome separation between truth and fallacy has begun and no one any longer believes that extravagant promises can be fulfilled, the task before us is clear—which task is, for the sake of the future, to identify and cultivate principles that will carry over into the future, and that, as you will not be slow to observe lets many present policies out. We might as well make up our minds that some things in this country will have to be endured for at least another year and a half. That year and a half will be more endurable if we remember in the meantime that the country is steadily recovering its recognition of principle. That is true of all of us equally. It must be admitted that these last few years the business mind has not been conspicuously superior to any other. Indeed, had not business dallied these last 40 years with the very economic heresies that recently have come full circle; had not business, equally with the crowd, mistaken political sheet lightning for the dawn of the millenium; in brief, had we been different, our condition today would have been very different. If we were even now what we ought to be, a different cast would overspread the face of events.

I regard business today as the chief hope and anchor of our country. With all that it includes, business governs life more directly than government does; economic laws go deeper than political legislation. At this moment business provides the only substantial basis that exists for the maintenance of the human values we cherish. The material pedestal on which our spiritual and social values rest is formed by plentiful production and vigorous circulation of wealth. Home and health, community and education, religion and government flourish where business and industry flourish, and where industry and business fail these fail, too. Ordinary observation confirms that. A profounder responsibility, therefore, devolves upon businessmen to maintain the

soberness and wisdom and courage of American business than has ever devolved on us before.

Now, to bring ourselves up to that standard—and it is a common confession that on the whole we are not up to it—it may be well to assess the gains and losses of the last 10 years. In one respect "gain" and "loss" are not the words, for there has been no change at all. Heretofore, national crises were expected to produce a great leader or to disclose a new principle. The artificially prolonged condition under which we have lived for 7 years has not produced either—it has not led forth a new leader, it has not unveiled a single new economic principle. And, probably, that is as it should be. For myself, I cannot find the slightest tinge of disappointment in it. I accept it as the voice of events recalling us from utterly un-American dependence on dazzling personalities, and also as bespeaking from us a new consideration of the principles that have brought us so safely and so far. As to the first our way of life does not depend on brilliant and erratic comets streaking across the political heavens every 4 or 8 years; we only require sound, dependable administrators of the system of government the people have set up—not men who regard themselves as being the Government, but men who realize that under our system they can only be the servitors and not the rulers of the state. Administration has so long given way to innovation that we have forgotten that innovation begins where the mandate of administration begins—with the people. The American people's obsession for glamorous personality in public life is one important source of their late defection toward principle. The voice of events is clear that we are not to be saved by supermen.

Nor need we be disappointed that no new economic principle has emerged. We may interpret that as the voice of events informing us that no new principle is needed—we were on the right road of principle before. Never old or new, principle is always potent with pristine virility; whatever apparent weakness it may exhibit is the reflection of our failure to apply it intelligently and to follow it through to complete demonstration. Our cry for new principles indicates we have not yet understood those we call the old. Events are telling us we must go through on the road where we began. Travel is impossible on any other. Consciousness of this necessity that is upon us is now apparent in all classes of our people. And while all this does not represent positive headway, it does represent a return to the place whence headway may be made.

In other matters, however, there has been a decided change. Amongst the gains, we may name a better conception of business on the part of the American people. For years they stood on the side lines seeming to regard as a private feud the antagonism of political administration toward business, apparently unaware that business is their business, not merely the business of the businessman. They saw certain despicable evils in commerce which they attributed to the essential nature of business itself. Crack-brained leaders preached to them that business was naturally and necessarily predatory. Selfishness, greed, and crookedness did exist, God knows; restrict the gaze to those and the record is black indeed. But the fact has now gained general currency that these out croppings of human nature are not indigenous to business, are not necessary to business, are not helpful to business, are positively detrimental to business, and that the real history of business is the record of how the morality requisite to constructive transactions between man and man has been ruthlessly breeding these evils out. Business is fundamentally and necessarily moral as a condition of its own survival, and of its own volition, for its self-preservation, has curbed the economic license of lower human tendencies. That fact is now pretty well established in the public mind. Moreover, people generally are becoming aware that the real beneficiaries and profit takers of business are not the makers and sellers, but the users of its goods and services; that business is not a sucker on life but a feeder and supporter of it.

This new enlightenment or reversal of the public mind has been accompanied by the exposure and utter defeat of a false political philosophy. That philosophy has not been rescinded as legislation and I don't expect it to be—yet. But nonetheless it is defeated, not by anything that human beings have done against it, but by the blight it drew down upon itself by its own violation of the laws of life. It has even confessed its defeat. It confessed when it announced its conversion to views that you and I have always held, and for holding which we were excoriated. For 2 or 3 months of this year that philosophy used as its approved official vocabulary the very words we were denounced 3 years ago for using; and the very contentions for which it visited on us the name of "economic royalists" were for 2 or 3 months the approved official contentions. During that brief period of pretended reform I was accustomed to say that I hoped, for the sake of the political souls involved, that the conversions were genuine, but I was not willing to trust my country to that hope; I preferred to trust it with men who had shown a steadfast, unwavering, intelligent loyalty to American principles from the beginning—men who had never wasted the country's substance in prodigal-son fashion and had never had to creep home for pardon.

But that is all over now; the conversions have been repudiated, they seem to have been only political expedients after all, and I am sorry for those businessmen who were temporarily fooled by them. It is not with any exultant feeling that I view the utter defeat of this false political philosophy; boasting is hushed when we remember how many, even of our own class and calling, fell victims to its spurious plausibilities. But we may, and I do, indulge a deep sense of gratitude for the unchanged integrity of the universe; had it been possible for any of those unnatural, uneconomic, and ultimately inhuman ideas to work, then this no longer had been the universe of law that the long experience of humanity has conceived it to be. Because they did not work, faith in the universal verities remains.

Gentlemen, expect nothing from that philosophy, not even a serious attempt to ease the burdens it has laid upon this Nation. The childlike reliance of many businessmen in the definite promise of economy, was pathetic to see; the "economy" we got was a burden a billion dollars heavier than before. The cost of going wrong is going up. The occupational disease of politics is spending. You may confidently assume that even an effort toward change is no longer possible to those who constructed this politico-economic monstrosity. They are now completely mastered by it as by a gigantic Frankenstein.

Having made up your mind to that, some of the worst is over. We do not know how much more punishment the Nation can take, but one thing is certain—if you are inclined to tragic prophecies, be warned in advance that most of them will turn out to be false prophecies. They take no account of what America is. They put a handful of men—temporary occupants of public office—they put a few false quantities above the great fact of American resourcefulness. Our fears always grow great when knowledge of our people is small. The choice with us is always between Fear and Faith, and the difference between Fear and Faith is that fear is faith in the wrong thing. The man who fears today only confesses his faith—confesses he actually believes that the Providence which guides this Nation is impotent, that our national destiny is a delusion. Let him take his fears and write them out as a formal confession of his faith, and he will discard them instantly; he will just instinctively know they are not so.

On the whole there has been, I think, a gain in the stamina of America business enterprise. I regard that as extremely important because I believe that when American enterprise rises sufficiently high, it will float a number of activities that are now aground. Only enterprise can do it; politics cannot; the expenditure of another $20,000,000,000 cannot, for weal or woe it is in our own hand, and I think it will be for weal. Putting this job of national salvation up to business may seem reminiscent of something that has been said at Washington lately. But I don't mean it in that sense. There is a considerable difference between enlisting business to keep the New Deal afloat and enlisting it to keep the United States afloat. If they remain too long tied together, ultimately one of them must sink. Should it be the United States that sinks—which I cannot regard as even a remote possibility—why the New Deal sinks with it; but if the New Deal sinks, the Nation floats free. I expect this Nation to float free. That issue will not be decided by politicians, but by the quality of popular common sense and of American business enterprise. In saying this it is readily admitted that the obstacles in the way of business are enormous; what we want to know is whether American business will maintain its magnificent record of meeting the obstacle by an overmatching effort. That is what enterprise means—adjusting efforts to obstacles, and topping them. We were pretty soft in 1929. We were almost totally bewildered by the bludgeonings given us from 1933 to 1937. Our softness permitted woeful interference with the freedom of American enterprise. Yet with all this true, we must take our stand upon the fact that never could we have become an enterprising people had we waited until someone made us a free people, we made ourselves a free people as soon as we became enterprising; and that still remains the formula—enterprise brings freedom. There is no other way. Enterprise was not legislated into us and it cannot be legislated out of us. To go around crying that we are interfered with only proves something wrong with the quality of our enterprise. There seems to be evidence that we are opening our eyes wide enough to see that.

What we are now asking is whether enterprise itself is sufficient? Can independent business enterprise alone do this thing—pull this country onto the road again? Men say, your motor may be tuned, your gas tank full, but on a road filled with barricades how far can you go? The answer to that question is in the person that asks it. One who believes that enterprise is sufficient of itself is likely to make it so; all of us know men who have done this all through the depression. But if you do not believe it, why, there you are. Many of us believe that enterprise of itself is sufficient for the present duty, not only because of its direct accomplishments on the spot where it is used, but also because of the indirect forces it puts in motion. There is nothing more radioactive in the field of human affairs than intelligent enterprise centered in a man who knows where he wants to go. We may say what we like about the surrounding hindrances, and no man in his senses would minimize their number or their power, but that will not whittle down by one-millionth of an inch the fact that the greatest hindrance any of us has had to meet is the collapse of our own spirit. That brings this matter directly where it belongs into the inner throne room of human forces—for there we win, there we lose, there we may recover. Of course, there could occur an event—say a complete change of political attitude or control—that would restore confidence and energy to business and the whole Nation in a single day; we have stood waiting and hoping for some such event. Gentlemen, the surest way to that end is to recover the sturdiness of attitude and unremitting effort that creates the event. If we accept that view of the case we will save time; if not, then the wilderness is wide and we can still go on wandering. I stress this because we do not

always give self-generated enterprise or recovery of spirit the place they deserve among real and tangible things. On its negative side we do recognize it; we go about collapsing each other's spirits. When we try to turn to its positive side our efforts usually evaporate in trivial "optimism" and back slapping. The regenerative power will come of a profound knowledge of what America is, which means more than at first appears. All of us agree that an event could and would change the whole mood and tempo of this country in a matter of hours; but I don't see how the event can come save out of a condition our own restored spirit first creates. That is to say, I believe business enterprise can accomplish this thing more quickly than votes can.

One thing that puts the brake on thought and energies is our tendency to look at conditions in the large, to the neglect of more immediate elements. Men think almost exclusively of the times as making them; a moment's reflection would show that they also make the times. We all think we are world statesmen nowadays, we are all economists, we are all experts in the effect of this or that on business—but seldom experts in the greater effect of business on this or that. Hence, the immediate duty to the immediate job is often dissipated in a welter of disturbing impressions. We run with the times when half our job is always to buck the trend of the times. Those who bucked the delusion misnamed "prosperity" in 1929 were wise men and escaped the plague; these men also refused to bow the knee to psychological gods of the depression, and though they passed through the furnace the smell of fire is not upon them. Forbearing to hunt with the hounds, they found need to run with the hares. The spirit of the times is a much too inferior guide for those who serve the spirit of the ages. You never saw a kite aloft except it bucked the winds. In all our business offices we know more about the process of yielding to adverse influences than we do about utilizing the exceedingly stronger favorable influences. But, as I said before, this view of things does not minimize the hindrances—they are there, and they are serious. However, they arose under our democratic form of government, and under our democratic form of government they will be removed—in time. But to accomplish this desirable end more quickly, work for a rebirth of basic American enterprise. If each of us did the much more that we can do even under present conditions, we should be sterilizing hindrances at every advance we make, at the same time rendering ourselves immune to them. If we could focus our attention on the hindrances that business is up against in itself, the rest would follow in course.

Business has nothing whatever to be ashamed of. Making things that people use to get their living with—which is the sole function of industry; providing services that make for wider distribution through exchange and easy access to the things that belong to comfort and security—these never had any part in bringing on the state of things we all deplore. It is because these social contributions have been stopped by forces with which they had nothing whatever to do that the present state of things persists. What I am urging is that the best way now open to us to override these destructive forces is to increase our energy in efforts toward the resumption of that contribution.

That brings us to an element we hear much about today—the element of risk. Men who have the means and could use them will not take the risk today, we are told. Need I go over the long tally of legislation that shackles business hand and foot in this respect? Any country merchant, any publisher of a country weekly can give it to you. But what it amounts to is this: The thought is ingrained in the business mind—and has long clouded the wage earner's wind—etched there by 7 years of experience, that risk, which was never anything more than a fair chance, is now become sheer jeopardy; risk that was always the normal next step of intelligent enterprise now partakes the dread certainty of a leap over the precipice. Constructive business risk has been legislatively transformed into a steel trap—that is the general conviction. I am not going to argue that; there is no argument. The thing stands stark before us. It approaches to a grave degree the totalitarian process of conscripting wealth in support, not of government but schemes administrators of government have invented. And they are not sound schemes; they are self-destructive schemes. Except for intervention, they can only live as long as the tree lives on which they are parasites; then both fall together.

Now, all of us are for having the tree of American life live. I am wondering if we cannot discover some way to circumvent or neutralize the damage done to the element of risk which has always been a nutritious element in that tree's soil. I think we can, if while we recognize that risk is discouraged, we do not also assume that all business action is thereby necessarily paralyzed. Admit that not many if any new fields are being opened now; are the old fields fully developed? Regardless of what new things may come, does anyone believe that existing staple industries and services will be supplanted? If he does, he should study his country a little more carefully. Or does anyone believe that existing industries and services have anywhere near covered their respective fields? No; that job is not nearly done, and to do it, the kind of risk that is primarily needed is not the risk that is now forbidden. We need a more reckless risking of personal energy—we lack that more than money; it is where all the money comes from; it commands money. All financial risk begins in personal risk of personal vision and effort. I have yet to see where the genuine, simon-pure quality of competent personal enterprise generously invested has yet been retarded by lack of money. Contrariwise, I have never seen money accomplish anything where that other more powerful investment did not accompany it. It isn't the hesitancy to take financial risk that occurs first; that follows our hesitancy to take risk of work and hope. It would be very nice if we could start new enterprises as we used to, but in the present situation it would be nicer if we could prick awake some of the enterprises we have. There are unnecessary burdens attached even to that, to be sure, but for the little time they are likely to remain we could makeshift to carry them. The difficulties are greater than before, but the opportunities and the facilities are greater still. Those who talk about the "ceiling of production" have never seen it—we have never come within telescopic sight of it in this country. Production and supply have scarcely begun. We boast of business accomplishments in a tone that suggests we have attained the summit. We even assume that parts of the country not now supplied are too poor ever to be supplied.

Gentlemen, there is in this country today literally a wider area and a greater population awaiting service, than awaited all the great business enterprises of our time when they began. These great enterprises grew out of less promise than our most unpromising fields offer us today. No industry or service that you will point out as a "big success" had anything like the unserved area and population to begin with that is still awaiting us. The times they chose for their beginnings were no more propitious, the opportunity was not nearly so alluring. If there is little encouragement today for new ventures, there is ample need and room for the growth of business ventures already established—if we recklessly risk the personal energy for which we are supposed to be famous.

Personally, I have no expectation whatever for national release from the ghastly spell that is upon us, save in the revived faith and dogged courage of persons—persons in the business world—the same sort of single-pointed dogged courage that we would hope to show were we at war. I wish we could see that the present duty devolving upon business is as much if not more patriotic than war would require of us. If you know anything better to do for your country than what you are doing, then for God's sake go and do it; if you remain at your present task, do it as for your country. I think it all comes down to that at last—personal dedication to a social service that builds the country. This may require of us some sacrifice of pride, some dimming of our self-conceived grandeur. It may require the abandonment of certain prejudices, certain professionalisms that never meant anything anyway. It may require us humbling ourselves to the devotion of learners.

And there is not a man in the world who can tell you how to do any of these things. There are no charts—over this sea no ships have passed before. We do know that every one of our jobs can be done better—every one of them. There's a better housing job waiting to be done, a better banking job, a better manufacturing job, a better distribution job, a better educational and legislative and administrative job. We haven't touched the frontiers of any of them. And the only wise and faithful counselor that can tell us how, is our job itself. All we have learned up to now, our job has taught us. All you will learn in this convention is what some men learned from their jobs. Sit down before the job and listen to it. I have seen many businessmen—the biggest as big as they come, and the smallest—but the best I have seen were those who learned from the job.

The Crime of Lynching

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

PRESS RELEASE OF THE NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I am calling the attention of Members of this House to a press release issued on June 2 by the National Association for the Advancement of Colored People.

This press release tells the horrible story of the hot-iron lynching of a Negro citizen of Canton, Miss., on May 8.

A considerable number of Members, including myself, have introduced bills to end the infamous and un-American crime of lynching. We are, however, concerned only with the immediate passage of a Federal antilynching act, and not with pressing for passage of our own bills. For that

reason most of the sponsors of antilynching bills have already signed the Gavagan discharge petition, which is No. 10 on the Speaker's desk and to which more than a hundred signatures are already appended. Every man in this House who honestly wants to wipe out the shame of lynching in America should sign discharge petition No. 10 at once and speed the Gavagan bill to passage in this session.

It is no accident that lynchings, like the barbarous crime described below, are again increasing. Even the prospect of passing a Federal antilynch law in the Seventy-fifth Congress had a deterrent effect on those who presume to take the law in their own hands, and during its consideration lynching actually ceased. It was only after the Senate filibuster defeated the Wagner-Gavagan bill in the Senate and again put off the passage of this desperately needed legislation that the crime of lynching again began to flourish.

If we can temporarily halt lynching by debating a Federal antilynch law, we can put an end to it for all time by passing such a law.

I therefore urge that all my colleagues read carefully this tragic story and sign discharge petition No. 10 today.

[Press service of the National Association for the Advancement of Colored People]

HOT-IRON TORTURE LYNCHING IN MISSISSIPPI REVEALED BY N. A. A. C. P.—LUMBER WORKER SHOT, BURNED, AND BODY THROWN IN RIVER FOR OBJECTING TO $5.50 DEDUCTION FROM PAY

NEW YORK, June 2.—The hot-iron torture lynching of Joe Rodgers, lumber worker, and respected citizen of Canton, Miss., on May 8, was revealed here today by the National Association for the Advancement of Colored People, following receipt of an investigator's report.

According to the investigator's report, Rodgers, a deacon in Canton's Mount Zion Baptist Church, was shot, tortured by hot irons, brutally cut, and his body thrown into the Pearl River by a foreman of a local lumber mill where he was employed.

He was lynched, the report said, because he refused to accept a weekly deduction of $5.50 from his wages in payment for renting a company-owned cabin which he did not occupy.

The lynching represents the fifth in the United States for 1939 and the first in Mississippi this year. It followed by 9 months the lynching of Claude Banks, in the same town, July 21, 1938. Banks was the innocent victim of a white mob which was seeking suspects in the killing of a white man.

The lynching of Rodgers has brought no arrests, no publicity from the local papers, and an order from town officials advising local citizens to refrain from discussing the crime, despite the fact that the millworker's body has been recovered from the river and given a decent burial. The text of the investigator's report follows:

"On the 8th of May at Canton, Miss., a Negro named Joe Rodgers was lynched. He was a workman at a lumber company, and was notified by his foreman that he had to live in the mill quarters. He refused to obey these orders. However, the company deducted from his weekly wages the sum of $5.50 for rent, just as if he were living in the mill quarters. This Rodgers protested and asked for his full payment. His foreman struck him with a shovel and Rodgers struck him back with one, whereupon he was captured, tied hand and foot, shot, tortured with red hot iron, and cut and the body thrown into the Pearl River.

"The body was recovered from the river 3 days later and held in the funeral parlors of People's Funeral Home at Canton, Miss. He was later buried at Forest, Miss.

"This man was a deacon of Mount Zion Baptist Church at Canton, president of the church choir, and had a splendid record in every way. The newspapers of Canton have not written a word, and there have been no arrests made. The Negroes have been told not to discuss the incident.

"The sheriff of Canton is C. H. James. The mayor of the town is C. N. Harris."

Other lynchings during 1939 listed by the N. A. A. C. P. follow:

February—Eldorado, Ark.: Walter Lee Frazier, alleged to have molested white couples—shot.

March—Woodcliff, Ga.: Charley Williams, accused of having said "something to a white woman that she didn't like," was snatched from a freight train and hanged.

April 1—Panama City, Fla.: Miles W. Brown (white), convicted of first degree murder for the killing of a former employer, was shot to death after being taken from jail by a band of masked men.

April 29—Daytona Beach, Fla.: Lee Snell, Negro taxi driver, was shot to death on a highway near Daytona Beach while being taken to jail, and Constable James Durden said the slayers were two brothers of a boy fatally injured by Snell's taxi several hours earlier.

The Democratic Party Offers Its Service for the Future on Its Record of the Past

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from Florida [Mr. PEPPER] before the joint meeting of 10 Young Democratic Clubs of the District of Columbia at the Shoreham Hotel in Washington on June 17.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In 1936 the Democratic national platform began with this stirring declaration of faith: "We hold this truth to be self-evident, that the test of a representative government is its ability to promote the safey and happiness of the people." There followed these words, which laid down for all time a real declaration of independence for the American people: "We hold this truth to be self-evident, that government in a modern civilization has certain inescapable obligations to its citizens, among which are:

"1. Protection of the family and home.

"2. Establishment of a democracy of opportunity for all the people.

"3. Aid to those overtaken by disaster.

"These obligations, neglected through 12 years of the old leadership, have once more been recognized by American Government. Under the new leadership they will never be neglected."

The record of the Democratic leadership which promulgated those truly American sentiments has kept the faith; those high objectives have not been neglected. We have laid down the sacred hearthstone of home for millions of American families; we have saved the citadel of home for another million American families against the dire day of mortgage foreclosure; we have kept America's families together, given the husband a job, the children a chance to go to school, where a widowed mother struggled with dependent children she has been borne upon her Government's arm, by aid for her and her children; the blind, the crippled, the maimed, and the halt have, too, not been neglected. The dread of their children being kidnaped no longer grips the hearts of America's mothers and fathers; we have built scores of hospitals to serve America's families, provided nurses to bind up the wounds, to attend the ills of the impoverished. We, too, have carried the boon of electricity for the first time into farm homes, and through an interested Government the burden of toil has been lightened upon the back of the rural housewife. The privilege of the radio has become possible for more millions of America's families; opportunities for recreation and inspiration, altogether new in American life, have been provided.

Is there any man anywhere who questions that the American family is not healthier, the American home more secure, the institutions of the American family better assured than ever before against disruption and dissolution under the solicitude and the protection of America's first family man—Franklin D. Roosevelt?

Meanwhile, on another front has progressed the most dramatic battle in all American history for the establishment of a true democracy of opportunity for all the people of this country. The principles of democracy have not only been preserved in the sphere of politics, they have been actually extended to the realm of business. There has been a new Magna Carta for American labor, but instead of being wrung from a hostile and unsympathetic government it has been freely and gladly given by an administration which actually represented the people of America. Immunities of little men against being crushed by octopuses of the business world have been protected and effectively reestablished; the constitutional immunities of free speech, freedom of assembly, have been restored to their ancient integrity. The right to live, the right to a place in the political and economic sun of the American life has been vouchsafed to the individual man, woman, and child to a degree that challenges the admiration of the world.

Even the herculean efforts of this administration in 6 years have not been able to give to the average man and woman of this country the opportunities he and she should have. But who is there to question that a man, woman, or child has now a better chance since 1933 than they had before to some measure of success in their pursuit of happiness? Who questions that there is a greater dignity, a more assured sense of importance felt by the average man in this country than ever before? Who thinks that

the man and woman in the little home beside the road doubt in their heart that there is in the people's White House and in power in the Nation's Capital a dominating spirit which after God's own teaching has tried to be a good Samaritan?

The hundred millions of dollars spent, the millions of families cared for in distress, the soothing hand of governmental assistance and succor which has been held out to those overtaken by disaster, attest with what fidelity we have kept our obligation to those stricken by misfortune. When one regards the help that this Government has given to the Dust Bowl, the area stricken by floods, hurricane, and other disasters, what a contrast is presented by the spectacle of President Hoover fighting with all the power at his command and accusing those who offered to provide a moderate sum of money to feed hungry drought victims in Arkansas and other States, with "playing politics with human misery." In every home in America a family can lie down to sleep at night with unquestioning confidence in their hearts that if disaster shall break upon them in the stillness of the night and all the pent-up fury of unbridled nature destroy all that they have, on the morrow true as a minister to his faith, they will find sympathy and succor from their Government, which believes in the principle of the brotherhood of man.

Is it now time to abandon these objectives? Have they been found unworthy ends? Have we placed an undue emphasis upon the protection of the family and the home; the establishment of a democracy of opportunity for all the people, upon aid to those who are the victims of disaster? Is there no longer any need for government, and by that we mean for society in general, to concern itself about the welfare of individual men, women, and children, about whether they have jobs, decent homes, safe health conditions; about a fair chance to get a foothold on the economic system?

How tragic is the picture confronting us when we lift our eyes to the horizon of what yet needs to be done. There are 29,000,000 American families, consisting on an average of four and a fraction persons per family. Fourteen percent of those families have an annual income of $500 or less; 42 percent an annual income of $1,000 or less; 65 percent an annual income of $1,500 or less; 87 percent an annual income of $2,500 or less; 97 percent an annual income of $5,000 or less; 99 percent $10,000 or less as annual income, and 1 percent only, $10,000 or more per year. The figures for farm groups alone would be distinctly less. In some sections of the country the wage of a farm laborer sounds almost like the compensation of the Chinese coolie. With such a standard of living condemning 25,000,000 American citizens to a bare margin of nutritive safety, is there any wonder that there is widespread pellagra and very general undernourishment, that every year there are over a million preventable deaths of somebody's loved ones.

There are some 1,300 counties in the United States in which there are no hospital facilities. It is the opinion of the United States Public Health Service that in all probability another 10 years could be added to the life expectancy of the citizenship of this country by the application of measures known to medical science to be wholly, or even partially effective; that the death rate in cancer could be cut in half; infant and maternal mortality with vigorous and intelligent attention could be reduced another 50 percent; that pneumonia, the "captain of men of death," can be diminished at least 25 percent; that venereal diseases, a major cause of insanity, insecurity, and death, could be practically abolished; that tuberculosis could be practically wiped out; that the improvement of general conditions and the application of proper medical care would relatively abolish insanity; that the life expectancy of our people could be pushed up to 70 years even within the next decade.

Two hundred of the largest corporations of this country still own approximately one-fourth of all the wealth of this country and about one-half of all the nonbanking corporate wealth of the Nation. One-tenth of 1 percent of the corporations of the United States earn 50 percent of the earnings of all the corporations of the country. In a recent year 4 percent of all the estates transmitted by inheritance represented one-third of all the property descending by inheritance.

In the year 1910, with a population of 92,000,000, there were 32,000,000 farmers in the United States. In 1938, with a population of 130,000,000, the country had only 31,819,000 farmers. There are 650,000 farmers tilling 100,000,000 acres of land where the farms are too poor to yield a decent living. Forty-two percent of the farm population are tenants. An additional 10 percent rent the land they cultivate. Between 1930 and 1935 there were over 200,000 increase in the number of tenant farmers in the United States.

A territory as large as the State of North Carolina has been eroded into uselessness. There are probably 10,000,000 people in this country of employable age, who actually need work, want to work, and can't find a decent job. We have more illiterates than college graduates. Only two and one-fourth million of our population are college graduates; only 5,000,000 are high-school graduates; 32,000,000 have had only elementary school work. Rural school teachers receive less than $550 per year. Out of a population of 20,000,000 boys and girls from 16 to 24 years of age, nearly 5,000,000 are out of school, unemployed, and seeking jobs.

There are 700,000 crimes committed annually by people under 21 years of age in the United States. We have over 4,000,000 criminals. A felony is committed every 24 seconds. Thirty-six lives are taken every day by homicide. There is one murder in our civilized country every 40 minutes. In institutions of juvenile delinquency there are 30,000 inmates; in our State and Federal prisons, 140,000; in State and county prisons, there are another 46,000. The total United States annual crime cost is estimated at $15,000,000,000, which is $28,500 every minute—over $40,000,000 every day.

In 1933 we had 300,000 children under institutional care, 350,000 patients in hospitals for mental diseases, 100,000 feeble-minded and epileptics in State institutions, 66,000 children blind and partially seeing, 100,000 crippled children, 500,000 deaf and hard-of-hearing children, another half million delinquent children, 1,000,000 more children with defective speech. Fifty percent of all these defectives lived in rural areas.

Does this picture convince anyone that the time for constructive effort and for a crusade for human welfare is past in America? Can anyone see this sad spectacle without his heart going out to the suffering and the sorrowful, to the neglected, the forgotten, the little-privileged, the weak, the victims of their own disabilities, those caught in the fell clutch of untoward circumstances? Remember there is none of these but who has a human soul and in his heart the echoes of all the lofty aspirations that have ever reverberated in the conscience of men. Remember that through his heart surges all those human hopes which man has ever dreamed of. Remember that he, too, yearns anxiously for his place, though small, in the sun of life—in his country's destiny.

Here is presented then a period in our history when in a way never approximated in the Nation's past a whole political party, the Government of the United States by the will of the American people, has devoted itself to making things better for those who dwell upon this soil, and with the singleness of purpose which no administration past has observed, it has persisted in its determination to make this Nation a conspicuous example of how in the crucible of honest cooperative effort there may be refined the greatest and happiest Nation in all the world. This policy has represented no maudlin sentiment, no unreasoning sympathy, no irresponsible emotionalism; it has been at once an administration that joined both head and heart. For while it has placed first things first, while it has contemplated that the only thing that mattered about this country was the way the people who inhabited it lived, nevertheless, it has not only made conditions better for the man at the foot of the structure, but as well for the man who sits in his exalted position at the apex of the economic pyramid. That man in his rarified atmosphere is, too, better off than he was, because those things which were once but the signs of wealth have become tangible and real economic assets. His business, his home, his personal and physical well-being enjoy a security which comes from an ordered nation where chaos, anarchy, the threat of revolution have been destroyed. A government has dared to grapple with economic difficulties challenging the best efforts and the best brains of the world. People have been guided into new services and new vocations, they have been taught new skill. Work has been provided for those displaced by the irresistible march of technological improvement. A purchasing power to enjoy the good things and to give a market to the sellers of good things has been developed. Without trespass upon a single immunity, without the violation of any right, without force, any manner of coercion, but through the sheer compelling power of intelligent and devoted leadership there has come about an order, a pattern, a spirit of coordination in our national life which makes America now the strongest Nation she has ever been in her history. Not only that, it has given America again the feel of herself. Like Antaeus of old, our people have touched Mother Earth, and in touching it they have gained new strength that comes only from contact with the eternal forces of the world.

We young men of America have a right to be concerned about our inheritance. It was being wasted away and squandered by those who neither knew how to preserve it nor cared a great deal about its conservation. Now it is in the hands of a new trustee. It has been restored. It has been saved, not only for us but for our posterity. We have a right to expect and to demand that no little group of economic royalists shall again be allowed to build a wall around an economic system and emblazon to ambitious youth from the crest of its ornamented gates the sign: "Keep out—Private property." Young men and women have a right to ask and to demand the answer to the question: "What kind of a future are we building for them—for their bodies, their minds, their souls, and dynamic ambitions?"

Ahead lies a vista that challenges the scope of the imagination, a future that grasps the fancy and sends the blood racing through the veins of a proud and understanding citizenry. The long road is winding toward the top of the hill. If we but hold our course, husband our resources for the final climb, spend ourselves in our fidelity to our cause, there shall soon burst upon our vision the green valley on the other side.

The Alien Problem

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

RADIO ADDRESS BY HON. ELBERT D. THOMAS OF UTAH

Mr. MINTON. Mr. President, on June 18, 1939, the Senator from Utah [Mr. THOMAS] delivered a radio address on the program of The American Forum of the Air, on the subject of our alien problem, which I ask to have printed in the Appendix.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In this country the alien problem never sleeps. Our attention to it varies from day to day, from mild concern during ordinary periods of our national life to sudden desperate legislation when there is an unexpected migration our way. It is not new for us to blame the foreigners for many of our ills.

As a result our immigration laws are a patchwork, and in some ways a poor one.

To this, if we are to add the two applications which the United States makes in determining citizenship, and their ramifications; we often have been in doubt as to just who is a stranger within our gates. How to act toward these strangers has always been a problem.

A short time ago I took occasion to raise my voice in defense of citizenship as a result of place of birth, a doctrine known as jus soli. The Supreme Court decision, newly rendered, reaffirming this doctrine gives me a feeling of satisfaction that we have made at least one great step forward.

The question arose concerning children who were born here, whose parents later removed to another country and renounced their citizenship, and who themselves, having grown up with their parents and not wishing to lose United States citizenship simply because their parents did, had been denied the privilege of choice.

I protested such an interpretation of our laws in vain before several of the departments affected. It was most gratifying to learn once again from the Supreme Court that to be born in the United States constitutes a treasured and unshakable right. When we are born here something important in the way of a right is vested in us. Security of citizenship is as important as any other form of social security.

Then, we may ask, what about the security of residence? Here we come to the alien question. First, let us take those who are with us and consider them. I shall not take up the various so-called antialien bills in detail, because tonight I do not want to analyze bills, but simply talk about governmental policy. We have a number of persons in the United States who are under our jurisdiction but who are not citizens. It is important to weigh these words. These men, women, and children are under our jurisdiction, but they are not citizens of the United States or of any State. They are, though, under our jurisdiction, and, therefore, subject to our laws, but they are aliens.

These persons may or may not take out citizenship papers. They may or may not be eligible to naturalization. They may or may not be deportable according to the various conditions of their residence. As they are under our jurisdiction, we tax them. In some instances we have even let them vote. We may enlist some for our wars. We give their children free schooling. We give them rights in our commerce and let them ply their occupations as freely, as independently, as unrestrictedly as citizens. Under this plan we have been getting along pretty well.

Then something happens abroad. The roar of a totalitarian state is heard. There are signs of impending emigration. We take it as a signal to tighten up all along the line. We learn to despise totalitarianism in any form as a more or less uniform nation. Then we look around where we always look around when there is a suspicion of dissent in our country. We behold the alien in our midst and we behold the alien awaiting embarkation to America. We turn our legislative machinery into a grist mill and out pour antialien bills. We are shocked into action contrary to our national habits and contrary to our happy experiences. We have been faced with demands to prohibit any further immigration from any country for the next 5 or 10 years. We have been faced with demands to register every alien here. We have been faced with demands to deport every alien or give him the alternative of becoming a citizen. Indeed, under the stress of emotionalism we are acting strangely. Imagine, if you will, making American citizenship so cheap that we force persons into it.

It is time we did something about our immigration laws, but not these things. This is no new problem for me because I served on the advisory committee that recommended our present quota law. That was, as I remember it, work lasting many years.

I believe there are 60 bills in Congress today directed against aliens. This itself is not imposing as there are always 60 bills in Congress on every subject, and, indeed, it is a task keeping abreast of them all.

We must not lose sight of the fact, however, that some of these bills have made rather startling progress. One measure passed which provides for deportation of aliens believing in changing the American form of government or belonging to any organization which subscribes to such belief.

I think I know the feeling that prompted such a bill. The endeavor undoubtedly is to get rid of persons who, not citizens, constitute a threat to democracy. We have democracy, we love it, we have kept it through our use of the ballot box, and because our representatives remember their oaths, and we are likely to keep it in this manner to the end of time. A change in the American form of government is a very grave thing to contemplate. Remember, though, our Government is one of law.

Already before the Senate has considered this bill it is explained that constitutional lawyers disagree about the meaning of the expression found in the bill, "any change in the American form of government." It is at least debatable whether a person advocating the reorganization bill which just passed both Houses and became law would not fall under the ax of this alien bill and be deportable for his political views. Advocates of judicial reform might come under the same ban, if they chanced to be aliens. We must never forget that there have been times in our country in some of our States that the majority of the grown persons in it were immigrants.

We encounter the same difficulty when we set about to register aliens without registering ourselves. If it is meet that we should be fingerprinted let us all be fingerprinted. If one should carry a card, so should another. American passports are about all that is asked of Americans visiting or living in most foreign lands.

Because if an alien commits a crime we not only arrest him but we punish him and may deport him. Thus we have two safeguards against his conduct. Against our own we have but one. We do not deport citizens. America does not send her sons and daughters away. This is a blessed right, the right of an American citizen not to be banished or exiled. There are no St. Helenas for our people. We banish only aliens who have misbehaved. This is a strong preventative against alien misconducts. I have heard it said that a short time ago deportation of certain aliens meant their immediate conscription for service in the Spanish war; this I have not attempted to verify but I do know that the fear of deportation was always present in the hearts of aliens when their own countries were at war or contributing to one. Whether a real or fancied danger, the fear was real. To this fear we need add nothing. Registration only would open the door to abuse of civil rights, rights no less real to human beings no less human because they are only under the jurisdiction of, and not part and parcel, of our governmental structure. As one who sat in the civil liberties hearings month after month and learned that among all the lashes of involuntary servitude none had a greater sting than that of industrial spying, I cannot advocate any measure of restriction among aliens so great that it might, or could, make him cow before antilabor organizers and antisocial employers, their agencies and their spies or a racketeer labor leader with an anti-immigrant bias.

Compulsory naturalization is, of course, ridiculous. We do not want any shotgun citizens. Duress invalidates any proceeding, whether it be marriage, the signing of a contract, the making of a will, or the forced renouncement of allegiance to foreign kings and potentates. To make American citizenship anything but a prize to be competed for and earned only after a struggle is to cheapen it beyond words. I appreciate the fact that we should not lower our sights, but should make an alien measure up to our standards or get out. But if we do this by law, we shall have lowered our standards in the very act. We shall have held up citizenship as a bad-tasting medicine; we shall have labeled it as something to be resorted to under pain of banishment; we shall have made it the subject of threat. What then shall we have done to that abstract thing which our ancestors fought for so valiantly, and which, representing as it does constitutional and democratic government, we would protect with our very lives?

I am not discussing bills; I am discussing policy. One bill sets out to restrict immigration in whole. Right at the moment I am deeply interested in a family whose members are separated. The husband and father is here because he came here to a land of opportunity, came because he loved our country, and has recently applied for citizenship. We opened our gates to him gladly under our immigration quota, for someone very, very responsible had guaranteed him to be of high type and guaranteed further he would never be a public charge. His family are abroad. They are as anxious to be with him as your families are to be with you. They may expect to come soon under what is called, I think, second-preference quota. It is a relatively short process. Uncle Sam never wants to see again the baby-snatching cases—few, to be sure, but heartbreaking to those who went through them that occurred after our Chinese Exclusion Act and again after we made immigration from Japan almost airtight.

Now, along comes an alarmist and cries out: See, these countries are expelling their peoples in great numbers. Boats are making a file on the high seas toward our shores. We soon will be deluged with refugees. An emotional wave sweeps the country and we say to all foreigners, here is a 5-year moratorium on the pack of you. Families may be broken up. All the care with which you prepared for coming in under reasonable quotas must be swept away. This is no estray pound. Our labor must not be made to compete with you.

But wait. There is no appeal from labor to pass these anti-immigration and antialien bills. Labor has been preyed upon for support. Sufficient propaganda has been launched to convince the unions, if they are to be convinced. As chairman of the Education and Labor Committee I have no petition before me from labor seeking sharp exclusion of aliens, pointing to our unemployment lists and blaming immigration quotas for their existence, or offering to prove that Americans are being underbidden for their services. I believe that the worker is entirely sympathetic to the problems of his foreign brother who already is over here, and to those few who, in the normal run of things, may confidently expect to join kinsmen and friends in this land of opportunity.

I am making an appeal, if you please, not for but against radicalism. Let us be natural. We know that events are happening in many places in rapid succession.

When the refugee problem became acute I shared the feelings of President Roosevelt concerning preferences without alteration of quotas. Surely there must be some mercy somewhere for peoples who are expelled ruthlessly from countries which because of racial and religious intolerance will not have them longer.

Our quotas are low enough all around, in any event, and they are perhaps undoubtedly high enough.

We do need revision of our citizenship and immigration laws. There are some inconsistencies, and there were more before the Supreme Court of the United States spoke definitely to affirm citizenship by place of birth but a few days ago. We need a comprehensive, deliberative study so that those having security may obtain greater security and those who are insecure may have security, in keeping with the times and the trends. Impassioned and sudden legislation would be fatal to our whole structure of suffrage, citizenship, and immigration.

The Great American Theater "On Its Way"

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

STATEMENT BY KATE OGLESBY

Mr. WOODRUM of Virginia. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following short statement on the Federal Theater Project:

Francis Wilson used to sing an amusing ballad that ran something like this:

> "I just dropped in, in an offhand sort of way;
> I haven't long to linger, I hadn't ought to stay;
> I don't know where I'm going, but I'm on the way."

This seems appropriate now to the Federal theater. The Government is in the show business the tune of many millions. It is a W. P. A. project known as the F. T. P.—Federal Theater Project. The director is Mrs. Hallie Flanagan, formerly of the department of drama at Vassar College.

The object of the F. T. P. was ostensibly to put back to work actors and other workers of the theater who were out of employment because of the depression. Someone who knew very little about the situation assumed that a state of unemployment was an emergency in the theater. During the winter of 1927–28, at the peak of employment, only 30 percent of the members of Equity were employed over 15 weeks. Equity is the actor's union, affiliated with the Federation of Labor. It sets the minimum salaries, conditions, and hours of work of the actors and protects them from infringements of these rules on the part of managers. It is necessary to be a member of Equity in order to be allowed to play in a professional performance on Broadway.

Accepting Equity's statistics as the best available, it therefore can be seen that the unemployment among actors was not an emergency caused by the depression but only an exaggeration of a permanent situation. With employment at its peak, there was no place nor any living wage for 70 percent of the actors of America. Even this did not take into account a large number of men and women, boys and girls, who were not members of Equity and who yet were haunting managers' offices and calling themselves "actors." It always has been an enigma how these people lived. One thing, however, was always certain: That too many years of a hand-to-mouth existence, with its enforced lack of work, unfitted them for normal jobs later on.

There was always a desperate need in the theater for some sort of clearing house for this talent, some plan by which the very talented could be given a chance early (for the theater is a race with youth) and some plan by which the rest could be led gently into other channels—channels giving them a living wage. Some such job—of a clearing house and reeducation of the people not fitted to make a living in the theater—the Government had at hand, but it did not see fit to consider so great a necessity. Instead, according to their own statistics, the Federal Theater Project took on 12,000 theater workers, 50 percent, or 6,000, of them "actors," and proceeded to build performances around them. It is questionable how many of these were accredited actors, as Equity's membership is 4,500. On the face of it, it would seem as though groups of young people who were eligible or partly eligible for relief were "tipped off" to the fact that the going would be good in the arts, and so made haste to register as "actors" and were automatically taken off relief and given salaries by the Federal Theater. Before this was done, nothing could have been simpler than to inquire whether they were, or had ever been, members of Equity. This was too simple a process, and a more complicated one of developing more actors to add to the future unemployed was chosen.

Granted that dues of $18 a year and a membership in Equity doesn't always make an actor, neither does being on a relief project, although it seems as though Mrs. Flanagan thought it did. Times change.

With Equity it is not so simple. To be a regular member assures an audience that the player has had at least 2 years on the professional stage. Mrs. Flanagan, not being of the professional theater, was doubtless accustomed to calling amateurs "actors." Some few are, but with them acting is an avocation, not a vocation, and therefore they should not have been eligible for relief as actors. Later the F. T. P evidently found itself embarrassed by this situation, for newspapers carried the message that "W. P. A. headquarters will clear its rolls of actors—who never acted." It is an interesting commentary that in the Federal Theater strike in May of this year no Equity member took part.

No one can possibly have any criticism of relief for anyone who is in distress. Relief in New York averages about $17.40 a month per person. Digest the following paragraphs and see for yourself what it means to transfer anyone from relief to the Federal Theater—and what it costs to keep an actor "acting."

Instead of relief at $47.40, a salary of $104 monthly began with the transfer to the Federal Theater organization. This remuneration goes on whether those chosen are acting, rehearsing, or just sitting. Rehearsals with hundreds of actors on salary go on indefinitely. "Indefinitely" is used discriminately. Two examples are typical. One play started rehearsing in December and hoped to open in June. A children's-theater group rehearsed several months then changed the play and began rehearsing again.

Katherine Cornell is credited with saying that nothing is such a menace to the theater as inferior acting. The Federal Theater discovered this fact and found it necessary to hire actors of standing and not on relief to play the important parts. The first ruling was that 10 percent could be taken on outside the relief rolls. At times this has come nearer to being 30 percent.

The same situation developed in other departments, and persons not on relief were hired as organizers, managers, producers, and members of office forces. Soon the unions took a hand in the game. The heads of the departments of the stage crews were raised to $130 a month. And the Government established a 4-hour working day. In some cases this necessitated a double crew.

There has never been a direct statement of the number of persons not on relief who have been hired on this project, and the total amount paid for their salaries; but it is a large sum.

Now, actors can't just act. So theaters are rented, heated, cleaned, and run—theaters for 6,000 actors. It has been stated that the entire gross receipts of the F. T. P. are not sufficient to pay even the rent of the theaters. Scenery is designed, executed, and trucked at union rates. Costumes are designed and kept in order. Offices and rehearsal rooms are rented, cleaned, and manned. And part of this force, also, is made up of nonrelief workers.

Many of the players have paid understudies. To have understudies for important parts is usual; but there are understudies in the Federal Theater for actors who have no lines to speak. Such actors used to be known as "extras." It is current gossip that in one production the stage manager had difficulty persuading the extras to stay in the theater until their part of the show was over. They didn't think it worth while. An endowed theater without morale!

There is also a plan providing for vacations with pay for all who have been at work on salary since January 1, 1936. They are allowed 2½ days for each month's work, even if that meant only 4 hours a day on the job.

Winning Back the Road, has also proved rather costly. Carrying scenery from place to place, paying railroad fares for actors and crew, and making each person in the company an allowance of $3 a day for personal expenses, is not cheap. One report states that at the first performance in Richmond of the traveling

company presenting Jefferson Davis, with 29 players, there were 153 paid admissions at 25 and 55 cents.

And this isn't all. There is a publicity account. Besides general publicity, it was found necessary to pay for regular ads in the newspapers, so much an inch. Publicity is very expensive.

Now, add up for yourself what it costs the Government (and you) to keep an actor "acting." You will be surprised. Acting is a luxury at best, and should be an avocation for all except the few whom the gods have chosen. The world is overstocked with mediocre art. If the Government plans to subsidize the theater, let it give support to the best in the theater. It might prolong the runs of the most artistic and most popular plays, keeping the original casts, by guaranteeing the expenses and selling the seats at such prices that all could attend, and paying the deficit.

On one of the printed folders of the Federal theater project there is a naive statement by Mrs. Flanagan: "The New York Federal theater project is securing excellent cooperation from Victor Ridder and Mr. Nurn, from the Procurement Bureau, and from the United States Treasury." Last but not least, the United States Treasury! Some of it may come in on your milk bill.

Why has our Government elected to open the back door to an already overcrowded profession? Why has it elected to set up a new semiprofessional organization instead of using established channels? The professional theater had every facility to carry on by itself with a little aid from the outside. A guaranteed audience is all it ever asks. Guarantee an audience to cover expenses, and the theater will hire actors and will hire the ones who should stay in the theater. The theater is like the dry-goods business. An actor sells himself wholesale to the manager, who must then retail him to the public. If he does not sell in the theater, it does not mean that he may be very valuable somewhere else. But he should take his wares to the other markets.

Into the midst of this "abundant life" of the theater drops a letter from the Actors' Church in New York, asking for aid for a sick and unemployed actress, "Our money has been stretched to the limit taking care of other needy actors and actresses." Yet there are 6,000 actors in the Federal theater and there were only 4,500 members in the Actors' Equity to start with; and recently Mr. Frank Gillmore, president of Actors' Equity, stated that only 751 members of Equity were employed in the Federal theater. Where did the Federal theater project dig up the other 5,249? The Federal Theater Project is a grand amateur dramatic recreation program—combined with a school for actors—but can truly not be called the legitimate theater.

Theodore Roosevelt said there was a "lunatic fringe" to every party. Is the Federal Theater the lunatic fringe of the W. P. A., or are its fantastic doings only indicative of all the relief departments of the W. P. A.?

The Government has been in the "show" business before. Hundreds of actors toured the country during the war. They played in the Liberty Theaters. These 36 theaters the Government owned and ran in the camps distributed over the United States. The entrance fees were set at 25 and 50 cents. Here was a large potential audience, but not a guaranteed audience, and yet these theaters were booked every week on a regular percentage basis. The performances had to be seen and passed on by a committee under the War Department. There were many managers anxious to send out companies. The companies stopped en route from one camp to another at any city or town where there was an available place in which to play, in order to eliminate the long jump and the attendant high railroad fares. Good performances prospered; mediocre ones died a natural death, as they should. At the end of the war the Government, as well as most of the touring companies, showed a substantial profit, not a deficit. And yet the same objectives as those of the Federal Theater were arrived at: More actors hired, good performances at low cost, and road tours. This was brought about by encouraging established managers who knew their business. Another idea—too simple to be used by the Federal Theater.

Burns Mantle, dramatic editor of the New York Daily News, says that there are too many actors now—most of the unemployed "are, unhappily, the intermediates—neither good nor very bad, and there just isn't any place for them in the modern theater's schemes. The sooner they are sufficiently discouraged to seek work in other lines of endeavor, the better it will be for them, for the theater, and for the Government."

Teach them a commercially valuable byproduct while there is yet time, or put them back on relief. If they belong in the theater, the artists among them will band together and, having a bed and a biscuit, they will somehow manage to bring forth something of interest and value to the theater through the real artist urge. They will beg, borrow, or steal a stage and a setting, and with "a chair, a table, and a passion" they will find their audience.

As things are, it is to laugh, but it also is to weep. When the supply of toys has given out, Santa Claus will have to make useful presents. Tastes adjusted to the excitements of taking part in public performances will have hard sledding. Actors who are being encouraged to stay in their always overcrowded profession will find that a theater that has to earn its keep has small place for them. No place to go but back to oblivion and to readjustments when the masquerade is over and the curtain is down.

KATE OGLEBOY.

The Amazing Silver Program

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. GURNEY. Mr. President, I ask to have printed in the Appendix of the RECORD a statement made by the very able Senator from Delaware [Mr. TOWNSEND] on the subject The Amazing Silver Program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Chairman Eccles, of the Federal Reserve System, states that silver certificates are no better than greenbacks, that there is no monetary justification for any kind of silver program, that the purchase of foreign silver is "wholly and totally unnecessary," that the silver program is "very inflationary" in tendency, and that there is nothing which will ultimately destroy the American silver industry so surely as the continued purchase of foreign silver.

The Secretary of the Treasury has never endorsed the present silver program.

The Secretary of the Treasury has testified he has no way of telling whether or not he is buying Mexican silver.

The Secretary of the Treasury has testified that he is opposed to all subsidies.

The money this Government has spent for silver since the Silver Purchase Act was passed is enough to pay all the expenses, of the legislative, judicial, and executive branches of the Federal Government for more than 24 years, believe it or not.

Government experts, including Marriner S. Eccles, have testified that silver is useless to us for the settlement of international balances, and so we may never expect to dispose of the huge hoard of silver we have already built up.

The administration now has the power, delegated by Congress, to make $12.92 of currency out of a piece of silver really worth only a dollar.

Although one object of the silver program was to raise the price of silver, the world market price, even though artificially supported by the Treasury, is today lower than it was when the Silver Purchase Act was passed in 1934.

This country's silver program has completely reversed the flow of metal since 1933 and has made us a large importer instead of an exporter of silver.

At a time when there were over 500,000,000 standard silver dollars in coin reposing in dark Treasury vaults in 1934, the administration commenced to mint more of those coins—believe it or not.

Although the silver program was designed to increase the monetary standing of silver throughout the world, it has resulted in and actually financed the complete abandonment of the silver standard abroad.

Over four-fifths of the silver bought by the Treasury to date has been foreign silver.

The Treasury now holds almost as much silver sterile as it holds as backing against silver certificates.

In 1934, before the Silver Purchase Act was a demonstrated failure, 2,560 economists were polled on bimetallism, and only 31 were found who favored it, believe it or not.

Although the Treasury has paid out over $1,000,000,000 for silver, there is almost as much silver required under the terms of the Silver Purchase Act today as when the act was passed.

There is no way of telling how much more silver would have to be bought to fulfill the terms of the Silver Purchase Act of 1934.

Although silver with a "monetary value" of about $2,500,000,000 has been acquired under the present program, the actual increase of silver dollar coins in circulation has been less than 12,000,000 or not even half of 1 percent of the purchases.

Although the London silver agreement, which had for one of its objects stabilization of the price of silver, was sought and signed by this country, subsequent action by this country produced violent disturbances in the silver market, and even crises in foreign countries.

Until June 30 the administration has the power, which it has long had, to revalue silver and bring to an immediate end the Silver Purchase Act, without further action by Congress, believe it or not.

Georgetown University Sesquicentennial

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

ADDRESS BY ATTORNEY GENERAL MURPHY

Mr. O'MAHONEY. Mr. President, the University of Georgetown celebrated its sesquicentennial this year. Upon that occasion the Attorney General of the United States, Hon. Frank Murphy, delivered a notable address at the Georgetown Law School upon the Lawyer and the Economy of Tomorrow. It was a summons to the members of the legal profession to meet the opportunities and the responsibilities which the present crisis offers them.

I deem the address well worthy of the attentive study of all who are so fortunate as to have the opportunity of reading it. I ask unanimous consent that the address may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE LAWYER AND THE ECONOMY OF TOMORROW

It is not given to many institutions to enjoy the distinction that Georgetown University has borne for a century and a half. It came into being under the guidance of a noble Christian priest and patriot at the very time that a group of far-visioned men, also Christians and patriots, were founding the American Republic. The university has grown and prospered in company with the Nation. While the one has become one of the great nations of history and the embodiment of an enduring democracy, the other has developed into an educational institution known throughout the country, alike for its intellectual vigor and its spiritual ideals.

There is more in this parallel than a mere historical coincidence. It reflects a relationship that has profoundly affected the character of both the Nation and the school.

Only because the United States has remained a free nation has it been possible for Georgetown to become the distinguished hall of learning that we honor today. And this democracy in turn owes its continued existence, in a large measure, to the fidelity and ability with which its educational institutions have trained the youth of the Nation to bear the responsibilities and welcome the privileges of a free people.

As a vital link in our educational system, Georgetown University has recognized that democracy, like any other system of life, is not self-perpetuating. Just as autocracy, which is founded on force, must sustain itself by resort to force, so democracy, which is more nearly founded on agreement and a faith in human reason, must sustain itself by searching through reason and mutual agreement for the means to strengthen individual liberty and make it, as nearly as possible, complete.

It is because democracy operates through reason, rather than force, that the lawyer's role has been of such tremendous significance from the very outset of our national history. For it is the lawyer who translates the reasoned standards of social conduct into the rules by which we live. And, on a more ultimate plane, it is the lawyer, under our governmental system, who measures the legislative acts of the people's representatives against the fundamental principles of our organic law.

For the century and a half that America and this university have grown together, we have succeeded, generally speaking, in protecting our political freedom and civil rights.

And for most of this century and a half we also enjoyed quite generally the benefits of economic freedom—freedom from want and the fear of insecurity. It is only of late that our economic life has changed. But the change has been so vast, so deep-seated, that now, to preserve democracy, we are compelled to solve an entirely new problem—a problem new in kind and incredibly new in size.

It is no longer the simple matter of discovering and exploiting new natural resources. That day is gone. Our vastly more difficult problem today is to discover new fields of endeavor, to develop wisely our existing resources, and to organize the economic machinery in such a way as to insure a more stable and equitable distribution of its products.

The cost of our failure so far to solve this problem has been demoralizing misery and suffering for millions of the least fortunate of our people, demoralizing uncertainty and fear for the rest. History suggests that the cost of our continued failure to solve it may be something far worse—the destruction of the people's faith in the ideal that has always been the symbol of civilization—the ideal of individual liberty.

Beyond any question that faith is the most precious thing that we possess or that any people could possess. And because that is so, we must solve the economic problem. We must recognize that, being a new problem, it demands a new approach, a new orientation, both of individual and of national thought. There must be a new attitude of wise and sober restraint and a ready admission that private interests must be subordinate to public welfare. We need on a national scale the kind of conscience that asks not merely, "Will this venture or this method profit me?" but also, "Will this in the long run profit society?"

Whether or not that kind of attitude shall become a characteristic of our society, and how soon it will do so, rests to an almost unbelievable extent with the lawyer. As Woodrow Wilson once said, "We can go only as fast as the legal habit of mind of our lawyers will permit."

At first glance that statement may seem extravagant. After all, in a democracy it is the people themselves who ultimately decide all questions. But, looking closer, the sobering truth of President Wilson's analysis becomes apparent.

It is the lawyer who shapes the tools of social progress—the rules by which the will of the people is concretely expressed. Lawyers helped write into law the public's desire that men and women be insured against unemployment and old age. They framed the act that gave legal recognition to the worker's right of collective bargaining. They drafted the legislation under which an effort has been made to protect the farmer against destructive fluctuations in the price of his crops. They wrote the laws that enlisted the National Government in the struggle to replace the slums with decent homes.

By the care and precision, or the lack of it, with which he shapes these tools of progress, the lawyer has it in his power to make a wise and wholesome policy succeed or fail. In terms of generations, of course, his role in shaping governmental policy can be only temporary. But in terms of a decade or less, the lawyer may be responsible for the welfare and happiness of a whole nation.

But the lawyer in our society is more than a toolmaker. He is also an engineer, a practitioner of the art of government. One could almost say with accuracy that, of all professions, the lawyer is the engineer. Our Presidents since the founding of the Union represent an almost unbroken line of men whose profession was the law. There is hardly a judicial post of consequence that is not occupied by a lawyer. Persons trained in the law are found in many of the highest administrative offices. In most departments and agencies a substantial number of the subordinate staff are lawyers. And it is common knowledge that since the foundation of our National Government a majority of our representatives in the Congress have been lawyers.

The explanation, of course, is simple. It is not that the American people believe those who enter the profession of law are necessarily wiser or more capable or more honest than others. Obviously lawyers are not a superclass, and obviously a training in the law does not immunize any man against human weaknesses any more than it guarantees great learning or wisdom.

The answer is simply that ours is in fact a government of law and not of men. And because that is true we do not ordinarily look to the warriors or the propagandists or the businessmen to direct public affairs, but to those who are schooled in the law, who understand its origins and its devious ways, and who are skilled in framing law as an expression of the popular will.

There was a time, however, when the lawyer bore an even broader responsibility, when society did more than give him the major part of the task of framing and administering the law. Having bestowed these obligations on him, it looked to him also for counsel in determining what the law should say.

So much was this true that Rufus Choate once said the lawyer "shared in the dignity of founders of states, of restorers of states, of preservers of states." "While lawyers," he said, "and because we are lawyers, we are statesmen."

But Rufus Choate lived 100 years ago, and in the course of that century the status of the legal profession, like so many other things, has undergone a considerable change.

As far back as 1910, Woodrow Wilson, then president of Princeton University, was admonishing the American Bar Association that "society has lost its one-time feeling for law as the basis of its peace, its progress, its prosperity. Lawyers are not now regarded as the mediators of progress."

Just 5 years ago, Mr. Justice Stone declared that "candor would compel even those of us who have the most abiding faith in our profession, and the firmest belief in its capacity for future usefulness, to admit that in our own time the bar has not maintained its traditional position of public influence and leadership."

And among thoughtful people, there is little doubt that what Wilson said in 1910, and Mr. Justice Stone repeated in 1934, is equally true in 1939.

Why has this come to pass? Why has the lawyer lost prestige?

Certainly it is not that the lawyers of today are less able, or less honest, or less industrious. As a matter of fact, it is likely that with our present educational facilities we have more good lawyers, relatively speaking, than the country had a century ago. And I know of no reason for believing that the industry or the personal integrity of the members of the legal profession have gone into a decline in the last 100 years.

We must look elsewhere for the reason.

We will find it, I believe, in the same transition that has revolutionized our economic life and left us with a huge task of economic reconstruction. We will find it in a new kind of

economic system—a system of mass production and vast corporations that has had the effect of reducing not the lawyer's professional ability or competence but his ability to know the people and their needs.

Before the Civil War, the average lawyer was in a very genuine sense a general practitioner. He drew his clientele from many walks of life and thereby acquired an education in public affairs more diversified and more real than any that he might obtain from books and classes. In the course of the day's work, he was likely to serve both a laborer and his employer and to deal with one case involving a few dollars and another involving thousands. His work was the liberal education that any man needs to keep in tune with the times.

Move on a few decades and the picture changes radically. Instead of the general practitioner we find, in rapidly growing numbers, the legal specialist—the corporation lawyer, the patent attorney, the tax expert, the labor attorney, the specialist in this field and that. We find an increasing number of lawyers deepening their knowledge in one particular phase of the law at the cost of a broad knowledge of the whole field of the law. We find their clientele restricted to persons engaged in one particular branch of activity, and their contacts with a cross-section of the people greatly reduced or almost entirely eliminated.

In short, we find vast social forces over which the individual lawyer—in fact, the entire profession—has little control, steadily cutting down the opportunities for a liberal education that enabled the lawyer of another day to enjoy a profound influence on the thinking of his fellow men in other walks of life.

Inevitably, as a result of this process, the legal profession has developed a tendency to become a trade or specialty, a profession in which the object is mainly to provide legal service and advice in large volume and for high fees. Let me quote again from Mr. Justice Stone. "The successful lawyer of our day," he said, "more often than not is the proprietor or general manager of a new type of factory, whose legal product is increasingly the result of mass-production methods. More and more the amount of his income is the measure of professional success. More and more he must look for his rewards to the material satisfactions derived from profits as from a successfully conducted business, rather than to the intangible and more durable satisfactions which are to be found in a professional service more consciously directed toward the advancement of the public interest."

It was probably inevitable, also, that as the profession placed more and more emphasis on specialization and material gain, many of its members have given less and less attention to cultural and spiritual values. It is an unhappy truth that when men begin to concern themselves primarily with the size of their income, the Sermon on the Mount and those other matters we refer to as the "finer things in life" seem to recede into the distance. I recognize, of course, that this has been true no more of the lawyers than of our society as a whole.

These factors—specialization, the tendency to emphasize material satisfactions over public service, and the slurring of spiritual and cultural values—I believe are the primary reasons for the legal profession's lowered estate.

There is another reason that we should not overlook. It is the fact that while these things have been happening within the legal profession, other professions have been climbing upward. Education, engineering, business administration—all of them have been steadily gaining in stature and coming more and more into the public eye. And by gaining in stature, they have inevitably taken over some of the responsibility for leadership that once belonged to the lawyer.

This, then, is the situation. What is to be done? Are we to make an effort to turn back the clock? Shall we make a stand against specialization in the legal profession?

Obviously that is not the remedy. Even if men would they cannot undo the natural development of the economic system. The conditions that have brought about specialization are here to stay, at least until economic processes or public policy change them.

Yet, we are in the midst of an era of tremendous reconstruction—greater, perhaps, than any period of transition in our history. Steadily, if slowly, we are moving from the boom-era economy of the post-war days, with its recklessness and disregard for the future, toward the more stable economy that we must devise if our system is to be saved. In this transition the legal profession, I am sure, has no desire to devote its great talents to opposing reform and defending the status quo. Society needs that talent, exercised in wise statesmanship and calm leadership, to make the transition smooth.

It needs men who can resolve the conflict between the need of industry for freedom from unnecessary restraint and the desire of the people as a whole for that reasonable measure of governmental control that will wisely regulate the private use of economic power and smooth out the devastating fluctuations in the economic cycle.

Society needs men who can interpret and make effective in law the desire of the people to protect the farmer against anarchy in the market for his crops.

It needs men who can wisely lead the way to a broader and more effective system of social security.

It needs the impartial type of mind that can show us how better to preserve the just rights both of the laborer and the employer without damaging the mutual confidence which should inhere in their relations.

It needs men who can reconcile the views of those who believe that government must take action to protect the health of the underprivileged and those who fear for the rights of the medical profession.

It needs statesmen and diplomats who can guide us in our search for the proper balance between public and private works, for a relationship between government and business that is sound and mutually beneficial.

If ever there were tasks that called for the skilled and sympathetic attention of legal minds in touch with the public needs, these are the tasks. They are not tasks for lawyers alone, of course. To be successfully completed they must be done at the willing hands of a people united into one great partnership for the preservation of democracy.

But if these tasks are to be completed on time and in the right way, the legal profession must meet its responsibility as it once did.

How shall it do that? I cannot prescribe a cure-all or guarantee a treatment. No more, I believe, can any living man.

But of one thing I am sure as anyone can be with regard to so intangible a problem. It is that the lawyers themselves possess the means at least to halt the trend that has so seriously reduced their value as servants of democracy.

They cannot, of course, go back to the old days when the legal profession was primarily a group of general practitioners. They need not do so.

They do need, very urgently, to encourage among themselves a more careful, more sympathetic, and more earnest familiarity with the world around them. They do need to take care that their study of social events and human problems does not end with their college days.

In their study, and in their work, they do need to remember that the lawyer is a member of a learned profession and a servant of the public. He is not an entrepreneur. His tradition is not one that supplies advice as to how obligations may be avoided, or how the laws of society may be flouted. In its noblest traditions, the legal profession is one that advises clients how to make their behavior conform with the law, and that helps to make the law conform with the needs and the larger interests of society as a whole.

In short, the lawyer must again be primarily a servant of society. His eyes must be fixed less on private gain and more on the spiritual satisfactions which derive from a disinterested public service. With skill and intelligence and a devotion to the highest professional standards, he must combine a fine concern for what Bismarck once spoke of as the "imponderables"—the things that purify and uplift the human personality.

So doing, the lawyers of this democracy may come once more to be the "mediators of progress," the ultimate architects of an intelligently organized social life.

Draft of Capital in Time of War—Foreign Policies

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

RESOLUTIONS OF THE BROTHERHOOD OF RAILROAD TRAINMEN

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD resolutions adopted by the Brotherhood of Railroad Trainmen in support of the proposal to draft the use of capital in case of war, and in support of the President's foreign policies.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION ON WAR PROFITS

Whereas wars take great toll in human life and bring untold suffering to the common people, while in the past it has made huge profits for war profiteers; and

Whereas Congress has previously subscribed to the conscription of human life for war and should also have conscripted wealth and put an end to war profits; and

Whereas there is no logical reason or objection to a law conscripting wealth in time of war; and

Whereas Congress has as much power to conscript wealth as it has to conscript men; and

Whereas President Roosevelt, in his message to Congress of January 28 of this year, endorsed such a plan; and

Whereas the conscription of men and not the conscription of money would be to the benefit of a very small percentage of the

people and to the detriment of a vast majority of the people: Therefore be it

Resolved, That the Brotherhood wholeheartedly endorse the position of President Roosevelt in urging conscription of wealth in time of war; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, to the Members of Congress, and to the press.

RESOLUTION ON PEACE AND FOREIGN POLICY

Whereas we deplore the fact that nations are now seeing fit to make the largest peacetime military appropriations in history; and

Whereas we deplore the destruction of labor unions and civil liberties in nations that have corrupted education and imposed mental and physical tyranny upon their people while attempting to glorify war and aggression against peaceful peoples; and

Whereas wars take great toll in human life and bring suffering to the common people while making huge profits for war profiteers; and

Whereas Congress conscripts human life for war and should also conscript wealth and put an end to war profits; and

Whereas on October 5, 1937, President Franklin D. Roosevelt wisely urged that the American people and other peaceful peoples and governments should "quarantine the aggressors"; and

Whereas the President then proceeded to institute such a policy by securing the cooperation of all the American countries in the formation of an antiaggresion bloc, coupled with the exchange of goods on a reciprocal trade basis in the spirit of the good neighbor; and

Whereas in his opening message to the Seventy-sixth Congress the President made a declaration of American foreign policy that received the overwhelming approval of American citizens and of peoples from other countries who, bereft of democratic leadership, look to our own land for guidance, which declaration was as follows:

"Obviously they—the democracies—must proceed along practical, peaceful lines. But the mere fact that we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. Words may be futile, but war is not the only means of commanding a decent respect for the opinions of mankind. There are many methods short of war, but stronger and more effective than mere words, of bringing home to aggressor governments the aggregate sentiments of our own people.

"At the very least, we can and should avoid any action, or any lack of action, which will encourage, assist, or build up an aggressor. We have learned that when we deliberately try to legislate neutrality our neutrality laws may operate unevenly and unfairly—may actually give aid to an aggressor and deny it to the victim. The instinct of self-preservation should warn us that we ought not to let that happen any more"; and

Whereas the President has since commanded the respect of the world by urging the settlement of all international differences around the conference table, and the immediate effect of his message has been to stay the aggressors, to put new heart and courage into the democratic nations: Now, therefore, be it

Resolved, That the Brotherhood of Railroad Trainmen, in convention assembled, endorses wholeheartedly President Roosevelt's foreign policies and his peace program, which, as he puts it, consists of utilizing "many methods short of war" to stop aggression; and be it further

Resolved, That the Brotherhood cooperate with other organizations who are supporting such a peace program as herein outlined, to the end that American democracy, in which labor particularly has a vital stake, shall be fortified against war by helping to keep war out of the world; and be it finally

Resolved, That copies of this resolution be sent to the President of the United States, the Members of Congress, the press, and that the resolution be published in full in the Railroad Trainman.

Jobs—the Paramount Issue in America

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

ADDRESS BY JOHN CECIL

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a talk made by the Honorable John Cecil, president, American Immigration Board, 92 Liberty Street, New York City, before the Kiwanis Club of New York City, Hotel McAlpin ballroom, May 10, 1939, over the network of the Intercity Broadcasting System of that section. This address is most interesting and informative and I think deserves the attention of every reader of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The program of the American Immigration Conference Board is American. It is pro-American; it is not anti-Jewish, not anti-Irish, not anti-Armenian, not anti-Greek, nor to the detriment of any citizen representing any race, nationality, political or religious creed. There is not an iota of evidence covering any phase of our program which does not benefit the hyphenated American citizen as much as the native-born citizen.

I want to talk to you about a problem that is not 3,000 miles away. I want to discuss our own unemployment problem. "Jobs—the Paramount Issue" is my topic.

I am convinced that "America's way out" is to provide jobs for our own unemployed.

Evidence is plentiful that we cannot longer afford to take in the surplus and unwanted labor of the entire world.

STARTLING GOVERNMENT FACTS

Government figures recently released plainly verify the truth of this statement. In 1929 there were 37,700,000 available workers in America; today there are 43,000,000 available workers, an increase of 5,300,000 available workers in 10 years. In 1929 there were 36,100,000 workers employed in this country. Ten years later there are only 33,000,000 persons at work.

In other words, based on the last 10-year record, we are increasing our available workers by over a half million a year and decreasing our jobs by 300,000 a year. No nation can face such a situation and continue to import surplus labor from abroad. To do so will wreck us economically, politically, socially, and morally.

Recently Mr. Harry Hopkins, now Secretary of Commerce, testified before a congressional committee that there were as many as 20,000,000 Americans who were subsisting on public relief. He said that as many as 6,000,000 families were on public relief. In case you do not realize how many families 6,000,000 families are, let me point out it is 1 out of every 6 families in the United States, which, according to Mr. Hopkins, are all on relief.

TWENTY-SEVEN MILLION AMERICANS NEED FULL-TIME JOBS

More recently, Mr. Leon Henderson, New Deal economist, testified before a senatorial committee that "only"—and I quote his word "only"—ten and a half million Americans are totally unemployed. If we assume his unusually low estimate as correct—add to it, if you will, a varying figure of somewhere from ten to seventeen million other citizens who work intermittently and part time, depending upon the season of the year, and you arrive at the staggering figure of from twenty to twenty-seven million American breadwinners who are at this very instant in need of full-time jobs.

In making this statement I want to be well understood; it's not my purpose to come here today and blame any philosophy of government for this failure to put people back to work. I am simply stating the facts.

Jobs are the paramount issue in the United States today. Jobs are the "cure-all" for our National, State, and municipal social, economic, and political ills. Jobs will be the paramount issue in the political campaign of 1940, and on that issue we will elect a Congress and will elect a national Presidential candidate.

THE WAY TO STOP ALL FOREIGN "ISMS"

You ask me how to stop communism, fascism, and nazi-ism in America? Here is the way to stop all foreign "isms" in the United States: Put every person in America who wants to work back to work at decent wages at a job they can do and like to do, and you will stop communism, fascism, and nazi-ism dead in their tracks. Jobs are the key to American stability. Jobs are the very key to the perpetuity of the American form of government.

MILLIONS OF ALIENS AT WORK AND ON RELIEF HERE

But the sad fact is that while millions of our own people are out of work and are walking the streets unemployed, there are at least 4,000,000 legally and illegally entered aliens—citizens of foreign countries, for whom we have no responsibility whatsoever—at work in the United States. That statement has been made repeatedly on the floors of the United States Senate and House of Representatives over the period of the last few years. It has never been refuted.

The American Immigration Conference Board maintains, therefore, that economically there is no justification for importing to America at this time one potential shopkeeper, doctor, lawyer, workingman, skilled mechanic, or unskilled laborer while we are confronted with the most gigantic unemployment problem and the greatest relief problem ever known in the entire history of mankind.

Have you seen the recent survey released by the League of Nations, through a commission which had studied the world-wide unemployment problem? It discloses that as many as 70 percent of all unemployed in the entire world are in America, at this instant.

EIGHTY-THREE PERCENT OF AMERICANS SAY "NO OPEN DOOR"

In the April issue of the magazine Fortune, the results of a nation-wide survey made to ascertain the attitude of the American people toward opening floodgates to immigration, have been set forth. This survey, which was carefully made by experts, reveals that 83 percent of the American people are opposed to open-

ing the immigration doors. The survey stresses the fact that anti-Semitism did not enter into the voting. It states in unmistakable language that the matter was considered entirely from an economic standpoint, and that racial and religious matters were not considered.

In a more recent issue of Liberty magazine, Bernarr Macfadden has a signed editorial in which he said: "As long as there is a good American citizen on the unemployed list there is no earthly reason why we should be accepting prospective job-seeking citizens from other countries. We should protect our own homes first of all."

Now, I want to ask a pertinent question: What in the name of heaven is American citizenship worth anyway, unless it first provides the right to Americans to the jobs made available by American industry and American business?

Until we study the question we have the idea that immigration here has stopped. Under the immigration laws of 1921, and particularly under the Immigration Acts of 1924, quotas were established restricting immigration from certain countries, limited practically to Europe. The opinion has grown up that this series of legislation abolished immigration. That is far from the facts in the case. The net increase in population in the United States because of permanent immigration, since we passed the quota laws in 1924, has been well in advance of 1,000,000 persons.

OVER 22,000,000 IMMIGRANTS IN MY LIFETIME

Do you know that beginning about the year I was born—in the nineties—and continuing until the present time this Nation has received over 22,000,000 aliens? Only a small percentage of these have departed for their native lands. Most of them came here to make their stake and remained in America. This number of aliens who entered is a number almost equal to one-sixth of the present population of the Nation. Most of them were born in countries which today do not have even the semblance of self-government.

Is it any wonder that thoughtful people have begun to tremble for the preservation of American institutions and American standards of living? Is it any wonder that we are confronted with the problem of our own fitness as a nation to govern ourselves? Is it any wonder that we have the most gigantic economic problem of unemployment, and its companion problem of relief, known to man?

NOW WE ARE CONFRONTED WITH A NEW PROBLEM

There are millions of refugees now knocking at our doors clamoring "in the name of humanity" for the right to come here. You all know of their troubles. Minority pressure groups largely, but the humanitarian aspects of their case particularly, have brought about a full understanding by the American people of the plight of 9,000,000 human beings who must migrate from Europe.

The refugee problem, of course, is an old one. We have had it since the World War, but it now threatens to become America's most serious economic threat.

We have a grave responsibility—and it is our sole responsibility—to put 20,000,000 Americans back to work at full-time jobs. We have an inescapable responsibility to take 20,000,000 Americans off public relief and three and a quarter million American families off starvation wages of the Government dole. There is not an American who will deny that to find jobs for our own unemployed citizens is America's sole responsibility in this hour.

In saying this I want you to understand me fully. I am not without sympathy for the victims of the political machinations in central Europe, but, I must affirm, I have much more sympathy for the unfortunate victims of the American depression, my own countrymen, who are unemployed, hungry, and in dire want.

However humane may be the pronouncements of this administration for the political refugees of Europe, my compassion is greater for the economic refugees in the United States.

AMERICA MUST NOT ASSUME RESPONSIBILITY FOR ALIENS

I am looking at this question entirely from the standpoint of what I consider best for America. I want it to be understood; I have no prejudice against any people because of race or religion. I am not actuated by hate because of political differences with these people. I would like to see these refugees in a permanent home somewhere. We will never have world peace until a national home is provided for them. I have suggested it not only as their right but as an absolute necessity. I know that under the circumstances America cannot and must not assume responsibility for more of them. We cannot give away our jobs to foreigners and at the same time provide jobs for our own unemployed. We have not jobs enough for both.

Why should America be looked to for asylum for the unwanted labor of the entire world?

There are many sparsely settled, rich, fertile territories in the world to which these refugees could go if the great nations would combine to make such a territory available to them.

We have done our share in bringing here 22,000,000 aliens during my lifetime. Now, we have not jobs—neither have we further responsibility for more immigrants.

THIS IS THE TIME FOR US TO ATTEND TO OUR OWN BUSINESS

America has no greater business than to put millions of Americans back to work. This can best be done by insuring that American jobs shall go to Americans, and only Americans.

To continue to allow an influx of foreigners to come here at this time and usurp jobs belonging to our citizens, in my estimation, is a culpable offense and a rank injustice. Those responsible for bringing these job seekers here eventually will be held accountable before the high court of public opinion of the common citizens—the workers of this country.

In no other country are aliens allowed to enter and take jobs belonging to nationals, or to receive the relief benefits intended for citizens, no matter what the excuse for migrating may be.

My plea is that America may arise as a man, and demand laws of Congress which will insure that American jobs and relief shall be given only to Americans.

Every other nation has laws safeguarding jobs for nationals, and this administration and Congress is well aware of that fact.

IS AMERICA A "SUCKER NATION"?

Call the roll of all the nations of Europe, of North and South America; read the restriction imposed on aliens who seek to enter and usurp the jobs. The story is the same throughout the world. Only in the United States are foreigners allowed to enter and take jobs belonging to citizens.

In one midwestern American city there are actually more aliens employed in a single industry, than the number of Americans at work in all foreign countries combined.

If no further importation of foreign labor is permitted in this country from this time on, we will still be unable to give employment to every workman now here, or who will be born here for the next quarter of a century.

The United States will never get out of the depression; it will never provide work for its jobless; we will never take the millions off relief rolls until drastic legislative steps are taken to safeguard American jobs for Americans.

Foreign job seekers and potential workers, whatever their excuse may be, whether refugees or fortune hunters, must now be barred, if we are to get out of this depression.

REFUGEES ARE COMING BY THE SHIPLOAD

Refugees are coming into our ports by the shiploads. They are being rushed into employment with as little delay as possible, especially right here in New York City. They are coming under the quotas. They are coming under the permits of temporary visitors, the number of which has no legal limit. These temporary permits are extended time after time for the benefit of aliens who hold American jobs.

I make the statement without fear of contradiction—more refugees have settled in the United States in the last year than the number who permanently settled during this period in all the rest of the world.

I urge your support therefore for the bills introduced by United States Senator ROBERT R. REYNOLDS, of North Carolina, and Representative JOE STARNES, of Alabama, known as the Reynolds-Starnes bills. These bills are backed by the American Legion and by literally hundreds of religious and patriotic groups scattered throughout the Nation. These bills seek:

(1) To protect American labor and to provide jobs for Americans first by the enactment of legislation which will stop all immigration for a period of 10 years, or until such time as the Department of Labor shall certify that unemployment in this country does not exceed 3,000,000 persons;

(2) To provide for national defense by enactment of legislation providing for the fingerprinting and registering of all aliens in the United States, and also to provide for deporting any alien whose presence here is inimical to the public interest, or who engages in espionage or sabotage, or who is an alien criminal or undesirable, or who is illegally in the country; and

(3) To reduce the cost of government by enactment of legislation to provide for the immediate deportation of aliens subsisting on relief for a period of 6 months.

These bills undoubtedly will come up for vote in the United States Senate before Congress adjourns this summer. I predict that some form of remedial legislation will be passed during the Seventy-sixth Congress.

Jewish Refugees on Steamship "St. Louis"

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

ARTICLE BY JAMES M. THOMSON

Mr. CLARK of Missouri. Mr. President, I think every humane person in the United States has been interested in the terrible problem of the German refugees, especially those who are Jews, and particularly those who are on the steamship *St. Louis*.

I ask unanimous consent to have inserted in the Appendix of the RECORD the very able and eloquent discussion of that

subject by James M. Thomson, editor and publisher of the New Orleans Item and Tribune.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Orleans Item and Tribune]

FOR MORE HELP TO THE HOMELESS AND HELPLESS

(By James M. Thomson)

In another column is a summary by Time Magazine of late stories of ships laden with Jewish refugees but turned back from American shores. I imagine that many other Americans who read this story are having something of the feeling of shame and regret that I felt as we printed the story from day to day in the newspapers and as I read Time's brief summary of this incident. I would not discuss it if I did not have the feeling that our own United States is overlooking a practical duty, not to Jewish refugees but to itself and to its own best traditions, because its people have failed to do all that they could have done.

Conditions are such in the United States, with millions of unemployed, that none of us want to see our wage scales broken down or to see more labor competition, that it may not be practical to take into this country all of the refugees from Europe who would like to come here. But conditions are such in the United States that it should be easy for the people of this country, if properly aroused, to raise from a hundred million to three hundred million dollars to aid these Jewish people in settling where they can be taken in.

For as I read these articles the problem which has confronted them in entering Cuba, Central and South American countries, as well as other countries, has been the problem of having enough money to insure their being taken care of until they establish themselves in some line which would be noncompetitive for the natives of these countries and to be helpful to them.

My own ancestors were principally Scotch, Scotch-Irish, and English, and most of them came to this country prior to the American Revolution; and I have never had the time nor the inclination to look closely into their reasons for coming. But they, along with nearly everyone else's ancestors who came to this country from Europe, came because they felt that they could enjoy more freedom over here and lead a better life than they could in the old country.

Whatever feeling of racial loyalty I have is loyalty to Scotland and the Scottish people. Let us suppose that some great government for purposes of its own had started out to exile the Scottish people—to run them out of their own country and to get up such propaganda against them throughout the world that no one in the world that is going through panic conditions would want to receive them, not because they are not a thrifty and useful people, but because they didn't want the competition of new peoples in lands where there was not sufficient employment for the people at home.

I don't believe that the Scotch people could take care of their own case under those circumstances, as well as could well-meaning people of other races. I don't look on this Jewish problem as a Jewish problem alone. It is the problem of all of us. I have felt that in the United States—the richest nation in the world—a Nation which has benefited most by being an asylum for refugees, that the people of old English, Irish, and Scottish stock should associate themselves, raise money among themselves, and should tackle this Jewish problem both with their own Government and with the other governments of the civilized nations of the world.

I don't believe it can be handled by the Jews, for they have not enough money and influence on their own account to handle it alone. What is more, they have met with the disagreeable and hampering propaganda which would not confront leaders of the types who are found in the Episcopalian, Methodist, Baptist, and other churches of our country.

The United States may not be able politically just now to change its immigration laws. But the old protestant elements in the United States have plenty of money to finance the settlement of many of the Jewish and European immigrants in the two Americas. Two questions arise. Have they the will to do it? Can they get the leaders interested to handle the job? All that I can do is to make this suggestion and to say that in my opinion it should be done, and that it is a reflection on the people who came to the New World and who have established great fortunes here that they should not furnish at least the leadership and put up the money to help solve the problem.

The Americas represent lands which have been largely taken away from the Indians. For one I am glad of this, for the Indians lived in a way that enabled these lands to support a very scant population and they were not cohesive and sufficiently advanced in the arts of progress and organization to survive.

The people who have made the most use and the best use of these lands have been immigrants from Europe. And among some of the most valuable immigrants that have come from Europe have been the Jews.

If we have no religious feeling in this great country, no sentiment about people who both gave us our Old Testament and our dominant religion, we should figure that the Americas have been made worth while because of European immigration and because a great part of that immigration represented sturdy, able, and intelligent stocks who came here to enjoy religious and political freedom.

If, with our money and intelligent organization, we could help successfully locate some millions of these European exiles on unused lands on the South American continent, we would be building it up, helping put its people to work in the development of their resources and we would be transplanting people to the Americas who would be forever grateful to the people of the United States because they had helped them in their hour of need.

It is ridiculous to discuss the question whether there is room in the Americas for a million, two million, or even five million of these people. There is room in the Americas for hundreds of millions of additional people. The slump in the world is a temporary slump. If Europe persists in destroying itself, the United States is committed to keep it from taking over and destroying either of the Americas. And the more able and intelligent people we have on these two continents the better off we will be.

I don't like to present my thought here on a purely practical basis. I like to think that there is enough love of liberty, enough sympathy for suffering humanity among the fortunate people of our country to make them want to do something to remove from our continent the stigma that attached by turning back homeless refugees from Europe. I know that our so-called Christian people are horrified by what has happened. I don't think that they have organized in the most practical and intelligent way to put a stop to what has happened.

If European countries are driving these people out and starting world-wide propaganda against them, they should be helped to locate where they can be located, and that, in my mind, is purely a question of determination, of organization, and money.

Many of us have talked about this thing and have written about it without doing anything about it, and it is because I believe something more should be done about it than has been done that I am registering my own opinion and the best thought that I have on the subject. To repeat, it is evident that existing machinery is not sufficient to solve this problem, and that something more should be done than has been done.

President Wilson and Colonel House

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

ARTICLE BY WILLIAM F. WILMOTH

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD one of the most amazing documents I have ever read on the behind-the-scenes events leading up to this country's participation in the World War. The document was written by William F. Wilmoth, a Washington, D. C., businessman, a keen student of foreign and domestic affairs, and a genuine patriot anxious to maintain his country's traditional policy of isolation. This document, I believe, merits the attention of every thinking American.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT WILSON AND COLONEL HOUSE

(By William F. Wilmoth)

The revolutionary reversal of American history and the established foreign policy of the United States was contrived by Col. Edward Mandell House, one of the most inscrutable characters in all political history. This fact is undubitably established by the colonel's own correspondence and the official record of England and the United States. These records show that Colonel House prevailed on President Wilson, the pacifist, to make belligerent utterances and moves against his own better judgment. Colonel House, an astute Texan with a great deal of money, indulged in national and international politics as a hobby. He engineered the nomination of President Wilson in 1912. Wilson later remarked that "Mr. House is my second self. He is myself independent of me. His thoughts and mine are one."

House dominated Wilson. He dictated appointments of ambassadors and of most of Wilson's Cabinet officers. Internal affairs of the United States Government were side issues with House. His main interest was centered in international politics, and he worked zealously for a league of powers founded upon Anglo-Saxon solidarity.

With the outbreak of the World War in 1914, House lost no time in giving expression to his ideas on this country's foreign policies. He records, "There were other things he (Wilson) could do which would be far more delightful in accomplishment, and would add even more to his fame. I referred particularly to his foreign policy, which, if properly followed, would bring him world-wide recognition. I found the President singularly lacking in appreciation of the importance of this European crisis. He seems more interested in domestic affairs, and I find it difficult to get his attention centered upon the one big question. Congress will adjourn now within a few days, and when it is out of the way it

is my purpose to make a drive at the President, and try to get him absorbed in the greatest problem of world-wide interest that has ever come or may ever come before a President of the United States."

Thus is revealed the startling attitude of Colonel House by his own admission. As early as November 8, 1914, when there was no thought of this country's entry into the World War, House continued prodding Wilson for a definite expression of the United States' stand on the European conflict. Wilson and his countrymen wanted peace. They desired strict neutrality at any cost. House, the internationalist, believed the European outbreak was definitely the concern of this country, an idea which even today is sweeping certain sections of the United States. His incredible diary entry quoted above was followed by this amazing statement, "I wanted to find out what his (Wilson's) views were regarding the Army. He did not believe there was the slightest danger to this country from foreign invasion, even if the Germans were successful. He talked as innocent as my little grandchild, Jane Tucker. He spoke with great feeling, and I fear he may give trouble."

House spent much time in England in conference with Sir Edward Grey and other members of the British Government and English leaders of opinion.

At the outset of the war, the British and French established a blockade of the sea, cutting off German commerce with the outside world. Germany retaliated with submarine warfare, sinking ships with cargoes for England. The English were seizing American cargoes destined for Germany and the Scandinavian countries and the Germans were sinking ships loaded with ammunitions and supplies for the Allies.

The American State Department was strongly protesting to England and Germany against this high-handed treatment of the commerce of a neutral nation. House counseled the British on the replies they should make and over the head of the State Department, dictated the despatches of the American Government.

Sir Edward Grey formulated a private code for use between himself and House, to keep their communication secret from the State Department and from the British Ambassador. House was not only exercising the powers of the Chief Executive but the functions of the Secretary of State. House wrote in his diary: "His (the President's) immediate entourage, from Secretary of State down, are having an unhappy time of it just now. He is consulting none of them and they are as ignorant of his intentions as the man in the street."

In February 1916 House, back in London, was "full of the idea of American intervention," according to no less an authority than American Ambassador Page, then in England, where he was certainly in a position to ascertain the inner workings between the United States and Great Britain. Page writes: "First his plan was that he and I and a group of the British Cabinet should at once work out a minimum program of peace, the least the Allies would accept, which he assumed would be unacceptable to the Germans, and the President would present his program to both. The side that declined would be responsible for continuing the war. Then, to end the war, the President would help the other side—that is, the Allies. Of course, the fatal moral weakness of the foregoing scheme is that we should plunge into the war, not on the merits of the cause, but by a carefully sprung trick." This was too much for even the pro-English Mr. Page. Colonel House reported to the President, "If the Allies will agree to the conference, and if Germany does not, I have promised for you that we will throw in all our weight in order to bring her to terms."

About this time, House relates: "He (Lord Kitchener) was very cordial when I put the question as to whether it would be of benefit to the Allies for the United States to come in on their side. He said, 'Nobody but a damn fool could think it would not be of benefit to us and I am surprised that any Englishman could question it.' "

On House's return to America, following the House-Grey agreement for intervention on the call from Great Britain, he wrote his friend Sir Edward Grey, British Foreign Minister:

"DEAR SIR EDWARD: After explaining to the President all that occurred at our conference, he wrote the cable I sent you on March 8. I added nothing, for it was a complete approval of what I had done. If the situation continues as now, and if Congress does not restrict him, everything will go through as planned. It is now squarely up to you to make the next move. Be assured, my dear friend, that I am thinking of you always."

The hesitation of the Allies greatly rankled House, for he wrote: "It is stupid to refuse our proffered intervention on the terms I proposed in Paris and London. If Germany refused to acquiesce in such settlement, I promised we would take the part of the Allies and try to force it."

Though rebuffed, House continued to press Sir Edward Grey by cable to give the word for the President to intervene. Sir Edward's replies were that the situation of the Allies made that action impracticable. House wrote after receiving Sir Edward's cable May 13: "I am disappointed that he does not rise to the occasion. For 2 years he has been telling me that the solution of the problem of international well-being depended upon the United States being willing to take part in world affairs. I am distinctly disappointed. We are running up against the incohesion of the British Government." He wrote Sir Edward, "The President has gone a long way toward placing upon this country its share of the responsibility for the future. I sometimes feel discouraged when the Allied Governments and press overlook the weight the President has thrown on their side at almost every turn of the war." "If Sir Edward had tried hard, he could scarcely have contrived anything which would more surely be a damper on the pro-English ardor of such Americans as myself."

House never received from Grey the anxiously awaited word for the President to intervene and America's entry into war was delayed for almost a year. The refusal of the Allies to accept House's plan of intervention and at the same time ignoring the State Department's continued protests against the seizure of American cargoes and mails was greatly embarrassing the President, who wrote House that something had to be done.

On May 17, 1916, House answered the President: "It has been apparent that when our difficulties with Germany were settled our difficulties with the Allies would begin, and the solution has disturbed me greatly. The more I see of the dealings of governments among themselves the more I am impressed with the utter selfishness of their outlook. Gratitude is a thing unknown, and all we have done for the Allies will be forgotten overnight if we antagonize them now. Nevertheless I am convinced that it is your duty to press for a peace conference with all you command."

Two days before House had written Grey:

"DEAR SIR EDWARD: We have been on the eve of a break with Germany so long that I have not written, as it seemed it must come each day. For the moment matters are quiet again, and unless Germany transgresses further there will probably be no break."

The facts were that Germany had been held to "strict accountability" and had yielded to every demand, and even the ultimatum that the United States had made for the respect of American neutral rights, while hardly a pretense, had been made of holding the Allies to a similar account.

The Anglo-French naval blockade of Germany and the North Sea attempted to cut off all trade between Germany and the neutral nations of the world. They held up American cargoes of food, cotton, oil, and copper, destined for Germany and even neutral Holland and Scandinavia, and the protests of the American Government went unanswered. They seized and opened American mails, blacklisted American merchants and manufacturers, while Great Britain and France received a continuous stream of ammunitions and everything they wanted from the United States, floated loans, and borrowed huge sums from American bankers, which was later repaid from the United States Treasury after this country had joined them in the war.

Spring-Rice, the British Ambassador, hoped that the Allies would make some concessions to the United States "before Congress meets" for "we are using this country as a base of supply."

American ships bound for neutral countries were compelled to go into allied ports for examination of the mails. Lansing complained that, "Important papers which can never be duplicated, rare documents, checks, money orders, are lost or delayed for weeks and months."

House records that at a conference with the President, "When we were discussing the seizure of vessels by Great Britain he read a page from his History of the American People, telling how, during the Madison administration, the War of 1812 was started in exactly the same way as this controversy."

The State Department under both Bryan and Lansing had protested vigorously against the seizure of American ships and cargoes by the Allies, but the effect was nullified by the interference of Colonel House or Ambassador Page, who advised the British Government to disregard the protests. Page made no secret of his bias for the interest of the British, against those of the Nation he represented and his contempt for the President and the State Department. House writes: "We dined at the Embassy in order that Page and I might have a quiet talk. My entire evening was spent in listening to his denunciation of the President and Lansing and of the administration in general. He thought the State Department should be cleaned from top to bottom. The President has no policy, he has lost the respect of Great Britain and that of the world. Lansing insults everyone with his notes." "What damn fool in the State Department," wrote Page to House, "supposed I was making agreements with any government." "In no event," wrote Lansing to House, "should we take a course that would seriously endanger our friendly relations with Great Britain. But it was nonetheless essential that the infractions of international law involved in the allied blockade could not be passed over, after assuming such a strong one in the controversy with Germany. Wilson must maintain American principles, as against Allied methods, otherwise American impartiality might fairly be called in question and the American position in future crises with Germany might be seriously weakened."

President Wilson in his proclamation of neutrality had said: "I venture, my fellow countrymen, to speak a solemn word of warning to you against that deepest, most subtle, most essential breach of neutrality which may spring out of partisanship, out of passionately taking sides. The United States must be neutral in fact as well as in name. It is easy to excite passion. Those responsible for exciting it will assume a heavy responsibility, for no less a thing than the people of the United States, whose love of their country and whose loyalty to its Government should unite them as Americans, all, bound in honor to think first of her and her interests. Every man who really loves America will act and speak in the true spirit of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned."

Here was the Government of a great Nation with two diametrically opposed foreign policies—one, open; the other, secret. The State Department, in charge of foreign affairs, endeavoring with all its might to maintain the declared neutral policy of the Government, while the President's "second self" was secretly plotting with foreign governments, with the aid of an American ambassador, to nullify that policy and to bring the country into war as an ally of one group of the belligerents.

During one of the crises over the British seizure of American ships and cargoes, House wrote the President that Page was greatly disturbed over the situation and he says the President replied, "That if Page was disturbed by the attitude of the State Department, he, Wilson, was disturbed by that of the Ambassador, that he did not enjoy having the work of the State Department, which emphasized the American point of view, referred to as that of a "library of lawyers."

House writes that while at the White House: "A large package of papers come from the State Department, marked 'urgent.' The President and I immediately got down to work. The State Department had written a long letter to Page concerning the 'Declaration of London' and its effect upon neutral shipping. This letter of instructions to Page was exceedingly undiplomatic, and I urged the President not to permit it to be sent. I suggested that he permit me to have a conference with Sir Spring-Rice, British Ambassador, and get to the bottom of the controversy, which he approved. I showed the Ambassador the letter the State Department had prepared to send Page. He was thoroughly alarmed over some of the diplomatic expressions. One paragraph, he thought, amounted almost to a declaration of war. We discussed the best ways and means of getting out of the difficulty. We outlined a despatch for this Government to send to Page, and then we outlined a despatch which he should send to Sir Edward Grey. We agreed to be absolutely frank with one another, letting each know what was being done." Of this incident, Professor Seymour says, "It would be difficult to find in all history another instance of diplomacy so unconventional and so effective." "Colonel House, a private citizen, spreads all the cards on the table and concerts [sic] with the Ambassador of a foreign power, the despatches to be sent to the American Ambassador and the Foreign Minister of that power."

The tension between the State Department and the Allies over the blockade and with Germany over the submarines continued. Great Britain claimed that to modify the blockade would be to surrender the great advantage the navy gave her of putting economic pressure on Germany, which in effect made the high seas British property, and the Germans contended that the submarine was their only weapon against the iron ring the Allies had forged around the Central Powers, with the purpose, they said, of starving them into submission. The last thing, however, that Germany wanted was war with the United States and had agreed to the American demand not to sink merchant ships, even of the enemy, without warning and providing for the safety of passengers, as required under international law, but refused to agree that the submarine was an illegal ship of war. It was the arming of merchant ships by the Allies that brought another crisis with Germany and at last the United States in the war.

In January 1916, Secretary of State Lansing had presented to the Allied Ambassadors a note suggesting that all merchantmen be disarmed, in return for which, by agreement with Germany, they would not be attacked without warning. Provisions would be made for the safety of passengers. President Wilson, following House's advice, rejected Lansing's proposal. The President, apparently influenced even to the point of adopting House's own language, wrote to Senator Stone, "For my own part I cannot consent to any abridgment of the rights of American citizens in any respect. The honor and self-respect of the Nation is involved."

There was insistence in Congress and among the people that Americans should be kept out of the war zone and off armed belligerent ships and they would not then be drowned, and the submarine dispute with Germany would lapse. Says Professor Seymour, "Members of the House of Representatives virtually served notice upon the President that unless he would warn American citizens that they must not take passage on armed ships, the House would issue such a warning in the form of a resolution." Such a resolution was actually presented by Representative McLemore, of Texas. "Champ Clark, Speaker of the House, led a delegation to interview the President, and told him that it would be carried 2 to 1." "Senator Stone, chairman of the Foreign Relations Committee, insisted that unless Wilson yielded, he would be repudiated by his own party." While the Democratic leaders in Congress stood firm, the President brought sufficient pressure on the rank and file to defeat the resolution. The President then demanded that Germany "give assurances that the submarine warfare against merchant vessels (whether armed or not) be conducted in such a way as not to imperil Americans traveling on the high seas."

In the period A. D. 1913 to 1919, the United States of America had three Houses of Government—the White House, the Congress House, and the real Colonel House.

This battle of the "Houses" showed which was the Power House, through the latter House was in England during this controversy.

On the return voyage, House writes, March 4, 1916, "The captain had delivered to me each day his Marconi messages. In them I find that the President and Lansing have gotten themselves into deep waters, brought about by their ill-timed proposals as to the disarming of merchantmen. I have received two wireless messages from the President, asking me to come direct to Washington." "In precipitating this controversy with Congress and making the situation so acute with Germany, I feel that the President and Lansing have largely interfered with my plans abroad." On March 24 a German submarine sank the French channel steamer *Sussex* on which there were American citizens, but no American lives were lost. This brought another crisis, and House was going to force the United States into a European war because the Germans had sunk a small French steamer in the English Channel. House writes:

"I am inclined to believe that he (Wilson) intends to make excuses for not acting promptly in this new submarine crisis forced upon him by the sinking of the *Sussex*. He does not seem to realize one of the main points of criticism against him is that he talks boldly, but acts weakly."

Mr. Wilson's every word and act from the beginning of the European war showed that participation in that war was as far from his mind as it was from that of Mahatma Ghandi's. He ridiculed the bloodthirsty speeches of the pro-allies in this country, who would drag the country into war, and said that some day to their confusion he would turn their words against them.

Professor Seymour comments: "The arguments of House produced no immediate effect on the President, who in his annual message to Congress refused to approve plans for a large reserve force and the principle of compulsory training." Wilson insisted that "any revolution in our established military policy would indicate that we had been thrown off our balance by a war with which we have nothing to do, whose causes cannot touch us." Thus House quotes the President on November 25, 1914.

House in London writes in his dairy May 30, 1915: "I concluded that war with Germany is inevitable, and on June 1, 1915, I told Plunket I was leaving for America and my reason for doing so. I said it was my purpose to persuade the President not to conduct a milk and water war, but to put all the strength, all the virility, and all the energy of our Nation into it, so that Europe might remember for a century what it meant to provoke a peaceful nation into war. Plunket wanted me to see some of the British Cabinet and talk with them before I left. He arranged for me to meet Lloyd George at 6."

Evidently House's belligerancy had been cooled by the sea voyage for on June 16, 1915, in a gloomy report to the President, he wrote:

"I think we shall find ourselves drifting into war with Germany. Regrettable as this would be, there would be compensations. The war would be more speedily ended, and we would be in a strong position to aid the other great democracies in turning the world in the right path."

Contrary to House's expectations (and hopes) Germany agreed to abandon or modify her submarine warfare, in accordance with American demands. This served to emphasize the controversy with Great Britain over the seizure of American cargoes and mails. The President cabled House of the "change that was coming over American opinion, because of British interference with neutral trade and expressed the fear that it might be impossible to prevent the passage by Congress of an embargo upon the shipment of arms."

The following is an illustration of House's methods. He records in his diary, June 3, 1915: "Lord Crewe (Acting Foreign Minister) and I lunched alone, in order to have a farewell talk about matters which could not be discussed before a third party. I read him the President's dispatches to me regarding the shipping controversy and urged him to impress his colleagues the necessity of straightening this out, provided we did not immediately drift into war with Germany. I told him the President was being criticized for writing one kind of note to Germany and demanding an immediate answer, and writing another kind to Great Britain and having no reply for months. I considered it necessary for them to prepare an answer at once to the note sent in February, concerning the stoppage of cargoes, and to hold it in readiness for delivery in the event it was asked for. On the other hand, I would advise the President not to ask for it until the German submarine controversy was settled one way or the other, and if it was settled by war, there would be no need for an answer, but if our differences with Germany were settled—then an immediate answer should be forthcoming. I spoke of how pressed the President was in this matter, and that it would not do to act in the future as they had acted in the past."

That the United States had not broken with Germany, caused bitter disappointment and recrimination against the President in England.

House records, August 6, 1915: "I arranged to meet the British Ambassador at the home of a mutual friend, Hetty Higginson. We met at Hetty's because we could do it without notice. We discussed cotton and the relations between Great Britain and the United States. I showed Sir Cecil the letter I wrote Page. I wished him to know that I felt strongly the injustice the Allies were doing the President of our people."

Page wrote House from London, July 21:

"We are in deep water with the Government. It is a curious thing to say, but the only solution that I see is another Lusitania outrage, which would force war." House wrote the President: "Page is in a blue bunk. So is Sir Edward."

House answered Page on August 4, 1915:

"Sir Edward and you cannot know the true situation here. I did not know it myself until I returned and began to plumb it. Ninety percent of our people do not want the President to involve us in war. They desire him to be firm in his treatment of Germany, but they do not wish him to go to such length that war will follow. He went the very limit in his last note to Germany. If the President had followed any course other than the one he has, his influence would have been broken, and he would not be able to steer the Nation, as he now is, in the way which, in the end, will be best for all. He sees the situation just as you see it, and I do, but he must necessarily heed the rocks.

"I am sorry there is anyone in England who thinks so ill of the President as to write A Merry Ballad of Woodrow Wilson.

"A year ago the Allies would have been content beyond measure if they could have been assured that munitions of war would go to them from here in such unrestricted volume, and they had known that the President would demand of Germany a cessation of her submarine policy, in regard to the sinking of merchantmen without warning, to the extent of a threat of war. What neutral nation has done so much?

"I outlined very briefly," House noted, "a plan which has occurred to me and which seems of much value. I thought we had lost our opportunity to break with Germany, and it looked as if she had a better chance of winning; and if she did, it would be our turn next. Therefore we should do something decisive now—something that would either end the war, in a way to abolish militarism, or that would bring us with the Allies, to help them do it. My suggestion is to ask the Allies, unofficially, to let me know whether or not it would be agreeable to them to have us demand that hostilities cease. We would put it upon the high ground that the neutral world was suffering along with the belligerents, and that we had rights as well as they, and that peace parleys should begin upon the broad basis of both military and naval disarmament.

"If the Allies understood our purpose, we could be as severe in our language concerning them as we were with Central Powers. The Allies, after some hesitation, could accept our offer or demand and if the Central Powers accepted, we would then have accomplished a master-stroke of diplomacy. If the Central Powers refused to acquiesce, we would then push our insistence to a point where diplomatic relations would be broken off, and later the whole force of our Government, and the force of every neutral, might be brought against them. The President was startled by this plan (records House). He seemed to acquiesce by silence. I had no time to push it further, for our entire conversation did not last longer than 20 minutes."

House lost no time in communicating to Grey his success with the President, in a "split letter," telling him that he was coming to Europe to confer and put his plan into operation. He says, "This was one of the most important letters I ever wrote."

"It is in my mind that (he wrote Grey) after conferring with your Government, I should proceed to Berlin and tell them that it was the President's purpose to intervene, and stop this destructive war, provided the weight of the United States, thrown on the side that accepted our proposal, could do it. I would not let Berlin know, of course, of any understanding had with the Allies, but would rather lead them to think our proposal would be rejected by the Allies. This might induce Berlin to accept the proposal, but, if they did not do so, it would nevertheless be the purpose to intervene. If the central powers were still obdurate, it would (probably) be necessary for us to join the Allies and force the issue. The President inserted the word 'probably'."

"I do not like the general outlook this morning," wrote House on November 17, 1915. "We are beset on all sides, both at home and abroad. By 'we' I mean the administration. The part that gives one faith in the course we are pursuing, is that all the critics differ violently among themselves as to the remedy. I have no doubt that it is the right course and will so prove itself, provided it is not made impossible by the extremists here and abroad. It is all very clear in my mind now what this country should do. The question is: Can the President do it unmolested? The convening of Congress puts a new and disturbing element into the situation."

This is a brief sketch of the role played by Colonel House before and during the Great War in which millions of men and women were so needlessly slaughtered. We entered that war "to make the world safe for democracy." We failed in our objective. Are we going to be dragged into another conflict? Is, after all, a foreign crisis, any of our business?

Mr. Berle Didn't Advocate It

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

EDITORIAL FROM MILWAUKEE JOURNAL

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the Milwaukee Journal on Saturday, June 10, 1939. This editorial, entitled "Mr. Berle Didn't Advocate It," was printed by the Journal at Mr. Berle's request to correct certain erroneous ideas conveyed in a Journal editorial of May 28. Since I entered that editorial in the RECORD, I feel that in fairness to Mr. Berle this subsequent explanatory article should be printed.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal of June 10, 1939]

MR. BERLE DIDN'T ADVOCATE IT

On May 28, under the head "Berle Outlines a Revolution," the Journal said: "The Nation ought to be grateful to Adolph A. Berle for making it clear that he is advocating a revolution in the American way of life and thinking." It followed with quotations from published accounts of a memorandum Mr. Berle had presented to the Temporary National Economic Committee. Mr. Berle now writes us:

"In that memorandum, I made the point that continued Government spending, to be effective, would mean that the Government would enter into many activities now supposed to be private; that I did not favor this; that in order to prevent the danger of this occurrence it would be advisable to extend the operation of our present banking system so as to take care of capital needs as well as commercial needs."

We are glad to make the correction that Mr. Berle did not advocate the revolution which he outlined as possible. The error was due to the fact that in published reports, one from a metropolitan newspaper of very large circulation and the other from one of the great press services, this brief sentence from the Berle memorandum was not included:

"If, therefore, wealth is to be created by creation of government debt, the scope of government enterprise must be largely increased." Then followed the sentence which standing alone was sensational: "Briefly, the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitably that the Government ultimately will control and own those activities."

In the Berle memorandum it is immediately added that: "This is certainly so fundamentally a change in the course of American life that the decision to make it should be taken for reasons other than relief of a series of temporary difficulties." This, if Mr. Berle will pardon us, might have been put more clearly. Read alone, it would be interpreted as advocacy of the change.

We are very glad that Mr. Berle did not advocate such a complete change from private to public ownership, for this would be serious coming from an Assistant Secretary of State.

Turning to what Mr. Berle says and recommends in his memorandum, we, nevertheless, find proposals which will seem to many to go far in the direction of substituting Government credit for private credit. The Berle position is:

"In a democratic organization of economy, the obvious end should be to permit and require private initiative to do as much of the work as it can, consistent with maintaining the national economy on a reasonably even flow, distributing the burdens and benefits meanwhile so that no class will be unduly favored, no class unduly burdened, and a maximum of opportunity be provided for everyone to use his abilities usefully with corresponding reward. It is the definite function of the financial system to make this possible at all times. The conclusion seems inevitable. Either we are on the eve of a change in our financial system, or we are on the eve of a change in our social system."

If government is going to undertake all that, it will not be an immeasurable distance away from the ownership Mr. Berle deprecates.

Consider one of Mr. Berle's three specific recommendations, "a bill to insure loans for small business." His idea, Mr. Berle told the committee, is contained in the Mead bill now in the Senate. The Mead bill would authorize the R. F. C. to insure loans of up to $1,000,000 for 90 percent of their face. If the insurance is to be effective, it must pledge the credit of the Government, and any loss suffered must ultimately be paid by the Government.

How different is this scheme of using the Government credit up to a possible total of many billions from "direct financing of activities by government"? A continuance of this, Mr. Berle said, "must be inevitably that the Government ultimately will control and own those activities."

The latter, Mr. Berle says he does not favor. But if what he does expressly favor is not a step and a long step toward what he does not favor, he has not made it clear in a memorandum many thousands of words long.

North, South, East, West

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

ARTICLE BY FRANK L. PERRIN

Mr. TOBEY. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an article from the Christian Science Monitor of last Saturday, entitled "North, South, East, West," and commend it to the public, regardless of party, race, or creed.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor]

NORTH, SOUTH, EAST, WEST—JUST AROUND THE CORNER

(By Frank L. Perrin)

There is no doubt that the people of the United States have displayed courage, patience, and supreme endurance in their desire to be released from the entanglements of what they have believed to be unavoidable economic and industrial distress. They have permitted themselves to be persuaded, to a degree which now appears to be fantastic and visionary, to believe that by the legerdemain invented by those of an undergraduate school of economists the dross of imposed lack, scarcity, and managed nonproduction could, in some way, be transmuted into the gold of prosperity and contentment.

But now there has come an awakening to the realization that those who offered the assurance that "just around the corner" would be found the opportunities and the fulfillment of their hopes have spoken out of turn or with a desire to deceive. The turning point, the elusive corner, has receded as the goal has been sought. It cannot be insisted by those who pointed the way and repeated stereotyped reassurances that those who hoped for the relief promised have hindered the leaders and their army of strategists and experts. Twice, once in 1932 and again in 1936, the right-of-way has been given to those who professed to be able to undo and rectify the mistakes which all agreed had been made. That there is doubt expressed now, after more than 6 years of patient wandering in the economic wilderness, is not due to a lack of faith originally, but to the realization that those who have led have themselves followed false guides or designing mentors.

Now, despite realized failures, the difficulties of reversing or retracing the course daily become greater. The juggernaut of false and destructive hopes, once it has gained momentum, moves swiftly in its course of destruction. It is not to those who man and guide it that we must look for admissions that they themselves have erred or been misled. Even those who have suffered and will suffer most from past mistakes may despair of escaping the consequences of their own folly. But we all feel the responsibilities imposed by the implied pledge we have taken to preserve for succeeding generations of Americans the heritage which we ourselves have so carelessly protected.

Realizing this, we are convinced that the time has come when, not counting the cost to ourselves, not conscious of the threat of lost pride or prestige, the trek back to economic and political fundamentals must be begun. Beyond the borderland toward which the war-battered economic trail is now leading lies the no-man's land of destroyed hopes and lost human safety. From it there is no returning by any process short of revolution. The ballot box, in that devastated territory, cannot be made the agency of free expression or the mouthpiece of an awakened people.

What of the way back? It will not be a pleasant or an easy journey. But it must be undertaken. It can be made. You say there must be leadership, that from the people there must rise up one able and willing to point the way and rally the forces of true democracy from the four points of the compass. Admitting this, it is reassuring to know that when the need is realized and the extremity recognized, the hour will produce, as it always has, one worthy and capable, one who can go forward with confidence. The greatness of men is discovered in their willingness and ability to catch and reflect the inspired and inspiring vision of right and justice.

With our eyes on the horizon we do not limit our vision by selfishly or stubbornly insisting that one who is worthy of our trust and confidence must subscribe to some particular political code or declare his allegiance to prescribed party dogma. That, as I see it, is the generous state of American consciousness today. It may be difficult, in the full realization of such a release from past ties, to lay aside persuasive prejudices and predilections. We all like to believe that we have always been right, that we have been reasonably liberal, that we are willing to desert the old for the new or the new for the old when changing conditions demand.

Now, or quite soon, the opportunity will appear when we can prove our political sincerity. In this testing time we must not forget that our obligation is not to ourselves alone, but to those who by right look to us to protect what is theirs as well as ours.

The American Flag

EXTENSION OF REMARKS

OF

HON. JAMES M. BARNES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

ARTICLE BY MRS. JOHN ENGLISH

Mr. BARNES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mrs. Sara John English, of Jacksonville:

If yonder flag hanging in graceful folds could find a voice and speak its thoughts, what message would it give us today?

Hark! I think I hear it whispering to us now, "I am the flag of the United States. I am your flag. I am 154 years old. My Nation pays me loving homage. Who designed me? Ah, that's a secret I can never tell. I was born of the sun, the sky, and the stars. I was baptized by patriotism and dedicated to liberty's cause. My Nation and I have changed with the tide of time. I have added many brilliant State stars to my azure field, but our principles are ever the same.

"During these long years I have led my beloved glorious country from a mere infant in the cradle of liberty until it has become a giant of power in the world.

"A mighty traveler I am. I have entered every port of the world on the masts of ships, yea, even from the North and South Poles I've floated. Through the air and on sea I fly to the breeze, on mountain and plain you'll find me again. Even the children carry me in their dear tiny hands and I flutter whispering my love.

"When joy fills the heart of my Nation in triumph I wave; but when sorrow or gloom bows her heart, I, too, am bowed with grief and droop at half mast. Sad are the moments when my heroes fall asleep in eternal rest. Then tenderly I enfold their caskets in farewell embrace.

"I was first carried in battle by the troops of the Father of his Country at Brandywine. I was first saluted at the surrender of Burgoyne. I first flew in battle in the Pacific on the mast of the United States frigate *Essex* in the War of 1812. During this war Francis Scott Key gave me an inspiring name which brought me honor and fame. It was he who immortalized my Nation as the 'land of the free and the home of the brave,' when he breathed undying devotion to us in his wondrous story, "The Star-Spangled Banner.'

"I have never been sullied, though I have been stained with the smoke of many a battle and drenched with the blood of our hero brave who suffered and gave all that you and I might live. I have been sorely rent and torn with shot and shell and cannons of war and strife.

"But never daunted, you will always find me in the lead to give heart, courage, and cheer to the children of Uncle Sam wherever they be. June 14 is my day. My Nation honors me and I am filled with great joy, not for the honor but for the love that is given to me. I am happy, for I float over a country at peace with the world and because my Nation is the leader in the causes of right—that's how she gained her might.

"I hope always to merit your love and respect and on through the ages to hear you exultantly shout, 'And the Star-Spangled Banner in triumph shall wave o'er the land of the free and the home of the brave.'"

After knowing what our flag means to us and what it represents, may we cry with one of our 1812 heroes, Stephen Decatur, "To her we drink, for her we pray, for her we'll fight, come what may, the Stars and Stripes forever."

Is Representative Democracy Worth Saving?

EXTENSION OF REMARKS

OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

RADIO ADDRESS BY HON. A. WILLIS ROBERTSON, OF VIRGINIA, JUNE 17, 1939

Mr. SMITH of Virginia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Hon. A. WILLIS ROBERTSON, of Virginia, over stations of the National Broadcasting Co., on the Grange Hour, from Washington, D. C., June 17, 1919:

On the one hundredth anniversary of the birth of George Washington, Daniel Webster, speaking of Washington's contribution to the triumph of social principle over feudal principle and the maintenance of social rights against military power through the establishment of a representative democracy, said:

"If disastrous war should sweep our commerce from the ocean, another generation may renew it; if it exhaust our Treasury, future industry may replenish it; if it desolate and lay waste our fields, still, under a new cultivation, they will grow green again, and ripen to future harvests. It were but a trifle even if the walls of yonder Capitol were to crumble, if its lofty pillars should fall, and its gorgeous decorations be all covered by the dust of the valley. All these might be rebuilt. But who shall reconstruct the fabric of demolished government? Who shall rear again the well-proportioned columns of constitutional liberty? Who shall frame together the skillful architecture which unites national sovereignty with State rights, individual security, and public prosperity? No, if these columns fall they will be raised not again. Like the Coliseum and the Parthenon, they will be

destined to a mournful, a melancholy immortality. Bitterer tears, however, will flow over them than were ever shed over the monuments of Roman or Grecian art, for they will be the remnants of a more glorious edifice than Greece or Rome ever saw, the edifice of constitutional American liberty."

If that great statesman deemed it necessary 107 years ago to warn us that our unique form of government was not safe from attack, that it could be destroyed, and if destroyed it could never be rebuilt it becomes especially pertinent for us to give thought to what has happened to other governments in the last 22 years as bearing upon our security and the perpetuity of our cherished institutions.

The subject I have chosen today, "Is Representative Democracy Worth Saving?" is, of course, in the nature of a rhetorical question to which the overwhelming majority of American people would promptly answer, "Yes." But in making such an answer many do not fully comprehend what representative democracy is and how it differs from all other forms of government in the world. They do not fully appreciate the benefits we have enjoyed, nor do they understand the attacks being made both here and abroad upon the "well-proportioned columns of constitutional liberty." While we have in this country more Communists and more Fascists than many realize, I do not fear their open assaults, if the Dies committee can expose them, as much as I do the covered and insidious suggestions that autocracy is more efficient than democracy. The termite is more to be feared than the lightning bolt.

During the past 9 years I fear all too often the large number of unemployed in this country has obscured our vision of what was happening in foreign lands during the same period and blinded us to the fact that the lower ratio of unemployment in the dictatorship nations has been due in part to employment growing out of the manufacture of war munitions and in part to their policy of conscripting labor for public works, to say nothing of their use, as Westbrook Pegler says, of soap wrappers, tobacco tags, and sea shells for money. Under our form of representative democracy, even after 9 years of depression, our banks are overflowing with idle money seeking investment, our knowledge of the technique of mass production has advanced, our inventive genius has continued to discover new ways and means of converting our natural resources into consumable and enjoyable wealth, and our farms have continued to produce more than a sufficiency to feed our own people. With 6 percent of the world's area and 7 percent of its population we have two-thirds of civilization's banking resources, with a purchasing power greater than that of the 500,000,000 people of Europe, and much greater than that of a billion or more Asiatics. And even at the bottom of the depression we had the highest standard of living of any nation in the world and the fullest measure of personal freedom. The unemployment to which I have referred and which is a seedbed for foreign "isms" has grown, not from a lack of abundance of good things but in part from a temporary break-down in methods of distribution and in part from a lack of confidence and courage to go forward. Our immediate task, therefore, is to solve that problem without destroying either the foundation of American constitutional liberty or the superstructure of a National Government composed of 48 separate and sovereign States.

Long before Webster issued his warning, John Philpot Curran said, "The condition upon which God hath given liberty to man is eternal vigilance; which condition, if he break, servitude is at once the consequence of his crime, and the punishment of his guilt." The United States of America was 150 years old this spring; years so filled with prosperity that a majority of our people have taken their form of government for granted and have posted no sentinels to warn of the approach of invading enemies. Those, who, like myself, are past fifty, can recall how as school boys we read of the imperialistic power of the Russian czars, and never dreamed it could be broken. We read of the emperors of Germany, as proud and as powerful as Charlemagne or a Roman Caesar. The picture of a German emperor sawing wood in a Dutch village hadn't been painted. But the World War did more than kill some ten million men, disable many millions more, and cause a property destruction estimated at $400,000,000,000. It gave birth to a virus called "new ideologies" that has changed the social, economic, and political order of Europe, with serious repercussions on this side of the Atlantic. "Postulates of the past," said Chief Justice Hughes, "must show cause."

The great Harvard psychologist, William James, wrote many years ago, "It is habit that protects the rich from the envious uprisings of the poor." Habit, which had been the safeguard of the czars and emperors, was broken by the World War. We must face that fact and then ask ourselves has it likewise been broken here? And is there any safe reason for assuming that representative democracy can't be lost in this country just as existing forms of government were lost and destroyed in Russia, Germany, and Italy? Where the established order of things under pressure of economic unrest has been overthrown in a foreign country the first point of attack has been on property rights, ignoring the advice of Edmund Burke, who, in condemning the somewhat similar program during the French Revolution, said, "When liberty and justice separate, the fate of neither is safe."

The most violent attack upon property rights occurred, of course, in Russia, although the attack upon the property rights of Jews in Germany cannot be ignored. The Kerensky revolution in Russia, designed to supplant the absolutism of the czars with a modified type of democracy, survived only 8 months when the White Army was destroyed by the Bolsheviks, who, in the name of giving to the proletariat a still greater measure of personal liberty, abolished all property rights.

I recall so well a conversation I had in January 1936 with my beloved friend, the late Speaker Byrns, when the subject turned to a discussion of the possible objectives of a few of the prominent so-called "brain trusters," then so active in the affairs of the Nation. I expressed the fear that some of the pending proposals might undermine our form of government and eventually lead us to fascism, since I was convinced that a nation of small home owners with the highest standard of living of any nation in the world would never turn to communism. Speaker Byrns then asked me what fascism was, and, being unable on the spur of the moment to give him a satisfactory answer, I returned to my office and got from the Library of Congress all available books on the subject. After reading those books I jotted down this memorandum on January 29, 1936:

Fascism is a new political philosophy that sprang up in Italy about 1922 and was born in the fertile brain of its chief exponent, Mussolini. The three cardinal principles of his philosophy are:

(1) Unity; and if any element in society attempts to split off for itself, the Fascist philosophy is that an army must be available to compel unity.

(2) The supremacy of the state, in which the individual is subordinate to the state and has no rights except those accorded him by the state; all that the citizen has belongs to the state, even life itself, when the state demands it.

(3) (And this is the most important of the three.) The recognition of the biological truth that all men are not created equal (which Jefferson declared to be the philosophy of a democracy), and that those best qualified have the right to rule.

Brushing aside the involved language used by some to explain the fundamental philosophy of fascism, we may say it is just the opposite of democracy. In a democracy we claim that the people are competent to govern themselves. In a Fascist state it is claimed that the people are not competent to govern themselves and must have a strong and superior man to rule and govern them. Yet that right to rule does not pass from father to son. Each ruler who assumes power must, under what the Fascists call a "pragmatic scheme," demonstrate his right to have and exercise it.

Of course, the essence of fascism is to concentrate in the chief executive supreme power, who in turn will delegate certain powers to a limited group of master minds. They, in turn, under a planned economy, will take from one group and give to another until they think they have the social order properly balanced, and then they will proceed to administer it according to their idea of the general welfare.

Fascism in theory is the enemy both of socialism and communism. Communism, beside destroying property rights, believes in leveling the social mass by killing off all of the superior elements of society. Socialism believes in the state owning the instrumentalities of production and having them operated by the producers. The Fascists, on the other hand, believe that a strong personality should be given the power to determine the conflicting interests of capital and labor while permitting the private ownership of the instrumentalities of production.

I can find no essential difference between fascism and nazism, and I must also confess that while under both systems the right of private ownership of property is recognized, it exists in both Italy and Germany, so far as the instrumentalities of production are concerned, more in theory than in fact. It necessarily follows that when any overlord embarks on a program of planned economy (a foreign term we have, without proper understanding, borrowed from Europe), it is difficult if not impossible to stop short of controlling all of the activities of a nation. That type of program strikes at the heart of the American form of government of the people, for the people, and by the people in which equality of opportunity is the fundamental principle. It strikes at the heart of a National Government whose powers are limited and circumscribed by a written Constitution which reserves to 48 sovereign States all powers not specifically granted to the National Government or relinquished by the States through the necessary implications of such grants. It also strikes at the heart of the powers to be exercised by the political subdivisions of States, on down to those fundamental rights and privileges reserved primarily in the first 10 amendments to the Constitution to be exercised and enjoyed by the individual citizen.

In a memorable address on the occasion of the one hundred and fiftieth anniversary of the First Congress under the Constitution our distinguished Chief Justice, Charles Evans Hughes, said: "We have a National Government equipped with vast powers which have proved to be adequate to the development of a great nation, and at the same time maintaining the balance between centralized authority and local autonomy. It has been said that to preserve that balance, if we did not have States, we should have to create them. In our 48 States we have the separate sources of power necessary to protect local interests and thus also to preserve the central authority, in the vast variety of our concerns, from breaking down under it own weight."

No other nation in the world has ever had that form of government, and one of the best evidences of the fact that our form of government must be better than any other yet devised is the fact that it has survived in its present form for a longer period of time than any other now in operation. We have had unity in our Nation, but it has been a unity based upon a common understanding and agreement of what constitutes true liberty and what constitutes true liberalism. Lincoln remarked in 1864 that the wolf and the lamb would never be able to agree on a definition of liberty. But by holding fast to Jefferson's democratic theory that all men are born equal we have never divided into groups of

wolves and lambs to debate and determine the definition of liberty. Yet that is just what happened in certain European countries following the World War.

And if we do not find adequate means of checking the tendency of legislating in this country on the basis of pressure groups, the same thing may happen here. There has developed in some quarters a tendency to regard the financially successful man in America as a predator, although the opportunity for the poor American boy to rise to the heights of business success has been the boast and glory of our American institutions. There has been an inclination in some quarters to treat the highly efficient mass production of American industry, which has largely made possible our present standard of living, as a source of economic evil. In approaching the problem of a better distribution of opportunities and of the good things with which this Nation has been endowed by a beneficent Providence some have proposed laws which were characterized a few days ago by a prominent newspaper columnist in a radio address from Washington as proper "rights-of-way across private property." Now, if there is one thing above all else that should be clear to the American people, it is the fact that the heart of the American Constitution is a twin-lobed heart, one side of which pumps the lifeblood to human rights and the other to property rights. You can't cut a right-of-way across one lobe of that heart without killing it. When such a right-of-way was cut across private property rights in Russia and other dictatorship nations, personal liberty died.

Everyone recognizes the right of labor to engage in collective bargaining, but in the present Wagner Labor Relations Act we have a law that not only favors one labor group above another but favors all labor groups above industry. That situation, unless changed, will ultimately result in a right-of-way across property rights. All want to see labor have fair labor standards, but in the Wage and Hour Act we have created a lever through its 40-cent minimum wage and 40-hour maximum week to raise the living standards of industrial labor by using the back of agriculture as a fulcrum. If by law you increase the price of what the farmer buys but do not increase the price of what he sells, you have certainly cut a right-of-way across his property. If that same law gives the Federal Government power to take charge of all commerce, as some seek to construe it, you have likewise cut a right-of-way through the sovereignty of the States in nullifying the commerce clause of the Constitution; and if we ever reach the contemplated expenditure of $2,000,000,000 per year for the industrial workers covered by the Social Security Act without extending similar benefits to the agricultural worker, the farmer will be still further depressed in the economic scale.

We are providing under the Social Security Act annuities for the retired industrial workers that exceed the present average cash income of our farmers. Who can deny the equal right of farm labor to old-age security, but how can our farmers, with an average cash income of about $300 per year, contribute to an old-age security fund for their employees? How can farmers provide for their employees what they don't have for themselves? If our Constitution is to be changed, let it be by open covenant, openly arrived at. We can and must work out our problem of distribution within the safeguarding limitations of our Constitution if we are to preserve our religious and political freedom. Temporarily with respect to material things that may call for self-denial and sacrifice. But the game is worth the candle. Representative democracy is well worth saving. The fate of the governing classes of Russia is well worth avoiding. May it never be said of us, as it has been said of the Russian exiles in Siberia:

"Only in future years when their sins have taught them charity and their despair has taught them hope, and their loneliness has led them to faith, they shall listen again to the sound of bells coming across the field and comprehend and reverence the symbolism of the cross."

Agricultural Legislation

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Monday, June 19 (legislative day of Thursday, June 15), 1939

RADIO ADDRESS BY GLENN J. TALBOTT

Mr. MURRAY. Mr. President, upon the request of Glenn J. Talbott, president, North Dakota Farmers Union, I ask leave to have printed in the Appendix of the CONGRESSIONAL RECORD an address delivered by Mr. Talbott over the Columbia radio network, Sunday, May 21, dealing with agricultural legislation, sponsored by the National Farmers Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, members of the Farmers Union and other listeners to this broadcast. Notices of this broadcast have been sent out over the State advising that tonight at this hour I would answer the radio address of Congressman WILLIAM LEMKE over the Columbia Broadcasting System, Sunday noon, May 21, 1939.

I should not put the expense of this broadcast on the treasury of the North Dakota Farmers Union or impose upon your time for half an hour merely to reply to the unfair and inaccurate statements made by Congressman LEMKE. I shall take but a few moments to dispose of these unfair and inaccurate statements and then I shall outline briefly to you, agricultural legislation now sponsored by the National Farmers Union which will give to the farm families of North Dakota and the other agricultural States, the economic security which they have a right to expect and which they have been seeking through the National Farmers Union for the past many years.

Leading up to my reply to Congressman LEMKE, just bear with me a moment while I review the democratic processes historically used by the National Farmers Union to bring into final expression the will and the concluded judgment of the members of our organization.

The procedure which is used by the National Farmers Union assures complete democracy to all of its members through the very definite constitution and bylaws of our organization. Of course, I, as president of the Farmers Union of North Dakota, which means its hired man, am under obligation and am bound to support and fight for such economic programs as are determined and approved by the Farmers Union members of North Dakota.

Our State Farmers Union, as well as other State Farmers Unions, is composed of local organizations which are usually representative of the farmers living in a single township. Under the constitution and bylaws of our organization these township locals each year select delegates to attend the annual State convention of our Farmers Union, and then these delegates to the State convention carry on, over a period of days, the discussions that bring final judgment of the majority of the delegates on all questions of interest to the convention.

We have within our State Farmers Union a set-up which divides the State into six districts. Each one of these districts each year elects its member to our State board, and the convention elects the seventh member of the State board at large, after which the seven members of the State board select and elect the State president and the other State officers. In other words, the members of the North Dakota Farmers Union enjoy the maximum of democracy.

Last fall our State convention was held at Mandan, N. Dak., and after four serious deliberative days, adopted a program for national legislation in the interest of American agriculture. This program has been published in full in the North Dakota Union Farmer. You are familiar with it, I'm sure. Similarly in other States, the Farmers Union State organizations determine their will and judgment relative to national legislation for agriculture. Each year in November the delegates from these various State Farmers Union organizations, through their chosen delegates, meet at a national convention. Last fall the annual convention of the National Farmers Union was held at Madison, Wis., and I know what the National Farmers Union decided, relative to national legislation on behalf of agriculture because I was chosen and acted as chairman of the resolutions and legislative committee for that convention. For 4 days and nights a large committee on resolutions considered the legislative proposals of the various State units of the National Farmers Union.

Now let's see if that committee on resolutions and legislation was truly representative of the Farmers Union of the United States. It was composed of 17 members selected by the national board of directors and it represented approximately 90 percent of the total membership of the National Farmers Union. Members of this committee were each duly elected delegates sent to the national convention from the following State organizations: Ohio, Arkansas, Oklahoma, Nebraska, South Dakota, North Dakota, Wisconsin, Iowa, Montana, Colorado, Louisiana, and Kansas.

After Congress convened the beginning of last January, the chosen leaders of the National Farmers Union and its cooperative organizations met at Omaha, Nebr., to discuss ways and means of preparing bills for the consideration of Congress in conformity with the legislative program demanded by the members of the Farmers Union.

Congressman LEMKE, without consulting any of the officers of the National Farmers Union or the officers of the Farmers Union in his own State of North Dakota, introduced a bill in the Congress of the United States, which bill declares for its purpose the securing of cost of production for American agriculture. I want to emphasize that throughout the years there has been and is only one general farm organization in the State of North Dakota—and that is the Farmers Union. Again I state that Congressman LEMKE did not discuss with any of us here in North Dakota his bill to give the American farmer cost of production. Likewise, he did not discuss his bill with the lifelong buddies of the late John Simpson. John Simpson was for years the president of the Farmers Union of Oklahoma. Through all of his life in Oklahoma his closest friend was Thomas Cheek, who, since the death of John Simpson, has been the president of the Farmers Union of Okla-

homa. Congressman LEMKE did not discuss his bill with any of the officers of John Simpson's organization. The entire group of officers and directors of the National Farmers Union were dumfounded that Congressman LEMKE would presume to introduce a cost-of-production bill in the Congress of the United States, creating the impression with the repeated statement that it was the Farmers Union bill, without ever having discussed any of the provisions of the bill with the officers of the National Farmers Union.

Repeated assertions by Congressman LEMKE that his bill was sponsored by the Farmers Union caused many other Congressmen to accept Mr. LEMKE's assertions as facts. It became necessary to inform Congress that Mr. LEMKE was not authorized to speak for the Farmers Union. Many meetings of Farmers Union officials were held during January and February before we were ready to present the real Farmers Union program to Congress. These meetings finally culminated in a large gathering of Farmers Union officials at Omaha, Nebr., in March of this year. There—we had most of the presidents of the State units of the Farmers Union—the national officers of the Farmers Union, the directors of the National Federation of Grain Cooperatives and the members of the Wheat Conservation Conference, and for 2 days we analyzed, and discussed, and debated Congressman LEMKE's cost-of-production bill. Unanimously this group of more than 40 chosen representatives of agriculture, opposed Congressman LEMKE's cost-of-production bill. We agreed with its objectives but we disagreed with every mechanical feature in his bill which he states would give farmers cost of production.

Then we determined the kind of legislation and the mechanics of legislation which would conform to the program adopted by the National Farmers Union and which, if passed by Congress and signed by the President, would in fact, give a parity income to American farmers for their products, based upon an abundance of production and upon a price per bushel or per pound, which would be parity price or cost-of-production price each year, whichever price might be higher. Such a program was unanimously adopted by all of those in attendance at the Omaha meeting.

I, as your president of the North Dakota Farmers Union, and your hired man, desired the fullest understanding and approval of the people of our organization here in the State of North Dakota and the other Northwest States. With my associates, I took advantage of a large group meeting held in St. Paul, Minn., in April of this year. At this meeting were the directors of our three large regional cooperative organizations, some presidents of State units of the Farmers Union, the board of directors of the National Farmers Union and its national president. For a day and a night we reviewed the conferences of January, February, and March, to which I have referred, and again discussed Congressman LEMKE's cost-of-production bill, why we had opposed it, and the mechanics of legislation upon which we had agreed and which would, in fact, give cost of production to farmers.

This large group meeting of our own people in St. Paul, unanimously supported the action of the group in Omaha, in opposing Congressman LEMKE's cost-of-production bill, and they approved our suggested mechanics and proposed legislation for giving cost of production to our farmers. And in addition, they discussed and approved our plan and our proposed bill, to scale down the debts that our farmers can never hope to pay, to put an end to ruthless foreclosure of the mortgage debt owed to the Federal Government, and to provide a corrected method of financing mortgages within which there would be adequate protection to the farm family to maintain their liberty and security in the farm home.

Following the April meeting of our group at St. Paul and under their direction, I did not return to North Dakota, but proceeded to Washington with my associates for the purpose of preparing bills for the consideration of the Congress to carry out our legislative proposals. Upon the arrival of our group at Washington we found that throughout Congress and the administration it was universally believed that Mr. LEMKE's cost-of-production bill was sponsored and supported by the National Farmers Union. At once we realized our responsibility to do two things, first to advise the Congress of the United States that Mr. LEMKE's cost-of-production bill was not, and is not, the method by which the National Farmers Union proposes to procure for the farmers cost-of-production prices and cost-of-production income. Our second responsibility was to present to the Congress a statement of our proposals for legislative consideration and the philosophy and mechanics upon which those proposals rest. A thorough and comprehensive statement was prepared for the consideration of the Congress and mailed to each Member of Congress under date of April 25, 1939. This letter was signed by the national president of the Farmers Union, the national directors of the Farmers Union and the officers of five States of the Farmers Union who were there in conference with the national officers. That is, a statement of the democratic processes through which the Farmers Union operates, and conducts the affairs of our organization on behalf of its members. It is a statement of the true manner in which we held four group meetings to arrive at the most careful judgment that a group of people could possibly consummate. It is a statement of our continued work at Washington, D. C., at great expense, to carry out the will and mandate of the National Farmers Union and the several State organizations.

Now, with this unimpeachable statement of facts and history, I want to call your attention to what Congressman LEMKE stated in his Columbia radio broadcast on last Sunday. Among other things, he stated that we had betrayed the gallant leader of another day, Mr. John A. Simpson, former president of the National Farmers Union. He stated that the Farmers Union had strangled its own child, the cost-of-production bill. He stated that our national leaders are subsidized by the Federal Government to defraud the American farmers. He stated that farm leaders had been subsidized as far back as 1933 to sell the American farmer down the river. He stated that we had waited until the eleventh hour to stab the farmers in the back. He stated that we are opposed to having his bill come on the floor for consideration. Now, in answer to Mr. LEMKE's last statement as just quoted, I call your attention to the fact that his bill was introduced in the other branch of Congress, that is, the United States Senate, by Senator FRAZIER. It has been reported in by the Senate Committee on Agriculture; Congressman LEMKE's bill is now on the Senate Calendar, and it has been there for weeks, awaiting the will of the United States Senate to debate it, and vote upon it; and I, with my associates, hope that the United States Senate will debate that bill and vote upon it.

May I suggest that Congressman LEMKE would better spend his time urging Senator FRAZIER and other Senators to bring the LEMKE cost-of-production bill up for debate and vote by the United States Senate, rather than taking to the radio to make an unjustified and false attack upon the National Farmers Union and its officers.

I now state with great reluctance and regret that our old friend Congressman LEMKE, in his attack on the Farmers' Union, has stooped to the lowest level of demagoguery that I have ever heard of in national politics. All he needs to do is to get the Senators to debate and vote upon his cost-of-production bill, which hangs day by day on the Senate Calendar awaiting the voice and the demand for consideration of the bill by the 17 United States Senators he claims are supporting his bill and seeking its enactment. Again I repeat that I have never read or heard of a public statement by a Member of Congress that was so deliberately misleading and false and so full of demagoguery as this radio address of Congressman LEMKE, which I have before me and which I have read many times. Again I state we all hope that the United States Senate will at once debate Mr. LEMKE's bill and vote upon it.

I want to add that not one of the three national farm organizations—and there are only three—supported this bill drawn by Congressman LEMKE. The only farm organization in America which is behind this bill is Mr. LEMKE's farm organization, and nobody knows very much about that one other than that they have superimposed themselves to speak for organized agriculture. We do not know of a single national or regional cooperative marketing organization in support of Congressman LEMKE's cost-of-production bill. After weeks of serious consideration of this bill drawn by Congressman LEMKE, the House Committee on Agriculture voted it down 17 to 6.

A reproduction of the statement made by the National Farmers Union to the Members of Congress relative to Congressman LEMKE's bill appeared in the Farmers Union Herald and in our own State paper, the North Dakota Union Farmer. There you may read the many important and unquestionable reasons why we oppose the mechanics figured out by Congressman LEMKE to give American agriculture cost of production and you may also read in the Herald and in our State paper the mechanics by which we propose to give parity income based upon parity price, or cost of production, whichever is higher, to the American farmers and at the same time protect the average sized farm against monopolistic feudalistic corporation farming. We have prepared and caused to be introduced four important bills for the consideration of the United States Congress in support of our proposals for national legislation. One bill covers rice, one covers cotton, one covers wheat, and the other one deals with the agricultural debt situation. In addition we have since prepared and will soon furnish to the Congress of the United States, separate bills for flaxseed, rye, and barley. We have not as yet prepared a bill for corn. That part of the program is under consideration by our national vice president, Mr. H. G. Keeney, president of the Nebraska Farmers Union. The National Farmers Union dairy committee hopes to present its bill in the interest of the dairy farmers very soon.

I wish now to discuss for a few moments our wheat bill and our debt adjustment bill and in that connection I want to read to you at this moment the statement of Senator B. K. WHEELER of Montana. You may recall that Congressman LEMKE claims that Senator WHEELER is one of the supporters and strong advocates of his cost-of-production bill. Senator WHEELER introduced the Farmers Union wheat bill the other day and it is known as Senate bill 2395 and he is now introducing our debt adjustment bill. When Senator WHEELER introduced our wheat bill he gave a public statement to the press, and wired me a copy of it, as follows:

"At the request of the National Farmers Union, National Federation of Grain Cooperatives, Northwest Farmers Union Legislative Committee, and Wheat Conservation Conference, through Mr. M. W. Thatcher, I am today introducing a bill which seeks to give the American wheat farmer the cost of production or parity price, whichever is the higher. One of the most difficult problems facing Congress today is to guarantee to the farmers of this country their cost of production. This bill is a practical approach to that phase of the problem insofar as wheat farmers are concerned. Under the existing law the farmer is compelled to come to Congress and seek appropriations from the Federal Government for parity prices. Only day before yesterday the Senate voted hundreds of millions of dollars for parity payments. To keep faith with the farmers it was necessary that this appropriation

be made. Under the bill which I am introducing, no money will be paid from the Federal Treasury. It is self-financing. There will be no dumping of surpluses on foreign markets but our legitimate wheat exports will not be disturbed. There will be no favoritism to foreign markets. The American farmer can plant what he wants and as much as he wishes to plant. He will receive payment for production on allotments based on his historic acreage. But he can plant more and store the surplus for years of drought or for years when production would be low at no cost of any kind to himself. Last fall in Montana it took 1 bushel of wheat to buy 3 loaves of bread and in some communities 1 bushel of wheat would buy only 2 loaves of bread. Every thoughtful person agrees that such conditions cannot continue. The cost of this plan will be borne by the processors, who will be compelled to purchase wheat income certificates. The wheat income certificate is issued by the Secretary of Agriculture, and its amount is determined by the difference between the estimated level of wheat prices and the cost of production or parity prices, whichever is the higher. The farmers' interest derived from compliance, in the wheat income certificates, will be represented by a payment made him in cash by the Secretary of Agriculture. While this bill will increase the price of wheat for the processor and miller, it should not raise the price of foodstuffs to the consuming public. A bushel of wheat produces 62 loaves of bread and the price of wheat has little influence on the price paid by the consumer for a loaf of bread.

"It is my intention to press for immediate consideration of this legislation by the Congress. In the near future I will introduce Federal farm-debt adjustment legislation designed to meet a definite need."

Now, let me repeat, Congressman LEMKE states that Senator WHEELER is one of the advocates and supporters of his cost-of-production bill. Now, since Senator WHEELER has introduced the real and genuine bill of the National Farmers Union, will Congressman LEMKE state over the radio that Senator WHEELER has betrayed the American farmer, that he stabbed the American farmer in the back, that he is a Judas to the memory of John Simpson? Will Congressman LEMKE state that Senator WHEELER has been subsidized, bribed, bought off, to sell the American farmer down the river?

I, as your president of the Farmers Union of North Dakota, desire and hope that the Senator from our State on the Senate Committee of Agriculture, and the representative from our State, Mr. LEMKE, on the House Committee on Agriculture, will seriously and honestly review our criticism of his bill, our alternative bill, and join with us in the National Farmers Union in a vigorous prosecution of national measures to at least bring to American farmers parity income and cost of production which they have so patiently waited for these many years.

Briefly, our bill for the wheat producers gives no disturbance to the orderly marketing of wheat through the country elevators and the processing of it through the mills and the distribution of the flour and bread to the consumer. Our bill makes it mandatory that the farmers shall receive, net in their pocket, parity income based upon parity price or cost-of-production price, whichever is higher, making allowance for discounts for lower grades or for premiums for the top grades, for protein content, etc. One farmer might receive, because of poor wheat, $1 a bushel, whereas another might receive, because of extra quality wheat, $1.40 per bushel. The last available figures indicate that the United States average cost-of-production price for wheat was $1.04 in 1937. Parity price for wheat in 1937 was $1.15. We want all we can get, therefore, when parity is higher than cost of production we want parity price and, if and when cost of production should be higher than parity, then we want cost of production.

The essential things which are mandatory in the bill are as follows: There shall be created a committee of five; three of whom will represent wheat producers, one the consumer, and one the Federal Government. This committee of five will, on May 15 of each year, taking into account the estimated production of wheat against the estimated need for wheat, determine the probably average level of the wheat price. Let us assume such a determination to be 65 cents per bushel net to the farmer. Since the farmer under our bill must receive parity price or cost-of-production price, whichever is higher, the committee would look at these different prices.

Let us assume that the higher price is $1.15 a bushel. It is immediately apparent that the wheat farmer is being short changed in the amount of the difference between 65 cents and $1.15 or 50 cents per bushel. The committee will then declare that the farmer is being underpaid 50 cents per bushel. Upon this finding of fact the Secretary of Agriculture shall declare to the Nation that all processors of wheat shall buy wheat income certificates as a condition for processing wheat and selling the production therefrom. Since all processors of wheat would be required to buy certificates at the rate of 50 cents per bushel and pay the money to the Secretary of Agriculture, it is perfectly apparent that there will be created a fund of money in his hands out of which he can and must make allotment payments to wheat farmers at 50 cents per bushel for their share of marketed wheat. In our bill the marketing of wheat rests upon selling a historic amount of wheat for domestic consumption in the amount of 500,000,000 bushels plus 100,000,000 bushels in foreign commerce, a total of 600,000,000 bushels.

The reason we have stated in our bill that marketed wheat must include 100,000,000 bushels in foreign trade is because our historic share of the export market is 20 percent of the total, and since the foreign markets now are buying about 500,000,000 bushels per year, we demand under our bill 100,000,000 bushels, or 20 percent of the world wheat market. Therefore our bill provides that American wheat farmers will have an outlet, other than for seed and feed, of 600,000,000 bushels of wheat for which they will receive parity price or cost of production price, whichever is higher. We merely use the income certificate as the device for raising the difference in the price which is represented by subtracting the cash market price from the parity or cost-of-production price predetermined by the committee of five previously referred to. I repeat, our bill makes it mandatory to give the wheat farmers parity income based upon parity price or cost-of-production price, whichever is higher that year.

To any extent the committee is inaccurate in its estimates of the market price for the year, correction will be made in the following year by adjusting the value of the certificate up or down as an offset to any mistake that may have been made in the previous year. This is also mandatory in the bill.

Our bill provides definite mechanics for a definite end, and the provisions are all mandatory in the bill. I also want to add that this 600,000,000 bushels represents the average production of wheat sold for processing and export during the past 20 years.

I now call your attention to what would be the situation of the wheat farmer if our Farmers' Union wheat bill becomes law. Every wheat farmer who receives an income certificate allotment, and that can be all of the wheat farmers, will have complete assurance and insurance of an income if he also takes out crop insurance. The crop-insurance bill, which we sponsored and secured, insures yield. The wheat income certificate plan insures price, so the wheat farmer who comes under our program is assured of an income, if he seeds his acreage, because the crop insurance and the wheat income certificate insurance pays the money to the farmer whether or not he is visited by grasshoppers, hail, drought, rust, a 50-cent market price, or any of the other misfortunes with which he has become so familiar. Our wheat bill, together with our crop-insurance bill, is the complete emancipation of the wheat farmer of America to the goal of a guaranteed income for his work each year.

In closing I want to make brief reference to our debt adjustment bill. This bill, when provided by Congress, and we know one day they will provide it, puts an end to ruthless foreclosure of farm mortgages on debts owed to the Federal Government. When the Federal land bank system finally decides to foreclose a mortgage and be done with the farmer, our bill provides that a new department in the Federal Government or a new agency in the Federal Government, will issue Government-guaranteed bonds to the Federal land bank system in payment of the foreclosed mortgage. Thereafter this new agency under our program will give the farmer a 5-year experience during which a county committee, composed of farmers in his county, will keep in close contact with his farming operations, determine the productivity of that farm, and what that farm can possibly pay out on mortgaged debt each year based upon the 5 years' experience. This county committee will determine the amount of debt that that farmer can hope to pay out over a long period of years, and the mortgage on the farm will be scaled down to that debt possibility. The bill also provides that where misfortune comes to the farmer from either lack of production or low price for the products of his farm, that the debtor farmer may have the opportunity to pay, instead of dollars on the mortgage, a percentage of the production off of the farm. Our bill also provides the mechanics through which all other debts owed by farmers to the Federal Government will be scaled down to the farmer's ability to pay out. That means seed and feed loans, etc.

Our wheat bill is a guaranty of an annual income to the wheat-farm family whether or not the crop comes up for harvest and our debt-adjustment bill is the guarantee to the farmer that he will be protected in the future against ruthless policies of collection now imposed upon him by some agencies of the Federal Government. We believe that our bill to protect debtors to the Federal Government will have the tendency to direct the attitude and policy of other mortgage holders, such as insurance companies, to giving comparably fair treatment to farmers who are in debt to them.

I want to state further, and most emphatically, that what I have been doing in the field of national legislation with my associates in this State and other States is in complete conformity with the wishes and determination of our members as expressed in their resolutions adopted at our last State convention of the Farmers Union. To have pursued any other policy than that which I have followed would have betrayed my duty as president of the Farmers Union of North Dakota. I hope I shall never again be called upon to discuss any Congressman from our State. We prefer to spend our time and our effort seeking relief and protection to our people rather than to be engaged in endless debate with those who disagree with our program. The North Dakota Farmers Union does not and will not engage in any partisan political controversy. We do, however, stand ready at all times to defend our organization and our program against attack from anyone, be he politician or not.

It has been my pleasure to sit here this evening at a banquet attended by a large group of officers and members of the Farmers Union, administrative officers and employees of the Farm Security Administration, and representatives of many other groups, and to have the opportunity to discuss briefly with the people in attendance at this banquet, as well as our members out over the State, the Farmers Union program for national legislation.

Thank you, and good night.

Work Relief, Relief, and the Federal Public-Works Program

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. KEOGH. Mr. Speaker, the press and membership of the House have been engaged in lively discussion during the past month concerning the construction of public works as a means of pushing forward encouraging signs on the business front. It is general knowledge that a large construction program, during favorable summer weather, will aid greatly in the promotion and maintenance of good business conditions. The bang of the hammer and the grinding of a concrete mixer spell out joy in the hearts of the community, for work is at hand and that work is needed.

Mr. Speaker, it is true that we have been spending money for public works for some 6 years now. We have learned that speed in the execution of a P. W. A. program largely determines its effectiveness. In 1933 the unchartered course of a gigantic public-works program made for slowness in order to insure the public funds not be wasted. Today, with the experience of the past few years, P. W. A. has learned to build jobs quickly as well as wisely.

Perhaps the most striking illustration of the need for speed, and the appreciation of the value of rapid execution of a public-building program, was recorded last summer, in the administration of the Public Works Appropriation Act of 1938. I incorporate an excerpt taken from the news comments of Fulton Lewis, Jr., president of the Radio Correspondents' Association, which was broadcast over station WOL and the Mutual Broadcasting System Wednesday, August 24, 1938:

> The Public Works Administration made an inventory, today, on the progress of its share of the President's spending program.
>
> It may seem a long time ago, since the battle over the spending program was going on, down in Congress—but, as a matter of fact, it isn't so long, at all * * * The President signed the bill, on June 22, which was just 2 months ago, day before yesterday.
>
> The purpose of that bill, of course, was to get money into circulation as quickly as possible * * * and it carried an item of about $850,000,000 for Public Works projects * * * about $520,000,000 of that has been allotted to private, State, and municipal projects.
>
> But Mr. Ickes, the Public Works Administrator, has allotted about $200,000,000 for strictly Federal projects * * * that is, projects that are financed and operated by the Federal Government * * * and on that lot, the inventory figures, today were rather impressive. * * *
>
> The records show that in this first 60 days of the spending program the Public Works Administration has actually broken ground and started construction on 80 percent of those Federal projects—$152,000,000 worth to be exact * * * which smashes all speed records for Government construction programs.
>
> One hundred and fifty-two million dollars worth of projects started within 60 days after the bill was signed * * * and whether you approved of that spending bill or not * * * I think you'll agree that the wheels must have been grinding very effectively and very efficiently to produce that record in so short a time.

It is because the Public Works Administration and the departments and agencies of the Federal Government made this wonderful record and demonstrated the ability to execute Federal construction contracts with a minimum of delay that a specific appropriation for Federal projects should be included in current legislation. If we appropriate money for Federal projects, we get speed plus necessary Federal buildings, institutions, power plants, hospitals, dams, vessels, or whatever other units are needed for the proper maintenance of Federal establishments throughout the country.

I am told that there is on file in the P. W. A. a large number of requests from Federal agencies for Federal project allotments. These applications have been examined from the standpoint of need and urgency and arranged in priorities on that basis. P. W. A. is, therefore, in a position to select useful projects, and a comprehensive program, based on needs, could be started without delay.

If this Congress determines that a public-works program will foster the economic welfare of the people, then I say that funds should be set aside for projects which will remain in the ownership of the Federal Government. Immediate construction of needed Federal facilities will mean that work which would be undertaken within the next few years under normal conditions would be accomplished now, with a consequent reduction of expenditures for such projects in future years.

A public-works program has become an integral part of the activities of the Federal Government. Some 80 Federal agencies have carried on construction programs with allotments from the P. W. A. Necessary facilities and institutional plant for the varied functions of the National Government have been provided. Every community has in some way become the beneficiary of these projects.

Among the Federal agencies sponsoring P. W. A. projects is the Corps of Engineers of the War Department, with its rivers and harbors improvement and flood-control projects. In New England at the present time the threatened ravages of future floods are being checked under the supervision of the Army engineers with a $3,000,000 P. W. A. allotment.

The Public Health Service is building important hospital, quarantine, and laboratory units. The job of providing necessary health facilities is only started and countless building units are needed and will be needed to take care of the health requirements of the Nation. Not only vital experimental and research laboratories but detention and hospital quarters are sorely needed.

Among other branches of the Government which are prepared to execute needful projects are the National Park Service, the Coast Guard, Veterans' Administration, the Bureau of Yards and Docks of the Navy Department, the Bureau of Reclamation, the Quartermaster Corps, the Office of Indian Affairs, the Forest Service, and the Soil Conservation Service.

It thus becomes apparent that Federal projects having a value of hundreds of millions of dollars could be advantageously undertaken within the next few months. Employment at project sites and in the mines and mills of the country would be stimulated. Wages at rates prevailing in the community in which the job is being built will place needed dollars in the hands of consumers. Government contracts will spur the contracting business and all interrelated industries, as well as financial institutions.

Mr. Speaker and Members of the House, I earnestly request that a Federal public-works program be supported. We are insured of speed in its execution and guaranteed that these capital investments will add to the permanent wealth of the Federal Government and its proprietors—the citizens of every community in the land.

Florida Canal—An Answer to Senator Vandenberg's Theory of Nonuse of the Florida Canal

EXTENSION OF REMARKS

OF

HON. LEX GREEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. GREEN. Mr. Speaker, in compliance with permission given me to extend my remarks in the RECORD, I include herewith statement concerning the Florida canal.

The distinguished Senator from Michigan [Mr. VANDENBERG], during the course of some recent remarks, read to the Senate a number of letters from concerns operating oil tankers, purporting to show that, when built, the Florida canal would not be used.

It appears that this is the only basis for a somewhat elaborate theory of nonuse which the Senator has built up and to which none of the authoritative agencies of the Government subscribe.

In the first place, it should be marked that, while there have been read into the RECORD a few letters from steamship operators indicating nonuse of the project by those particular companies, the great bulk of the really vigorous opposition to the project is voiced by the oil-tanker operators, owned by the great oil companies. These interests are obviously attempting to defeat the project, and their letters must be judged in the light of this knowledge.

This fact and this conclusion were reached definitely by the House Committee on Rivers and Harbors, which heard this whole matter in greatest detail. On this point they have reported as follows:

The very positive opposition of the large oil companies and certain of the ship operators is a factor which must be taken into consideration in studying their statements with regard to the project. Here again there is raised a presumption that such statements are designed to serve the policies of those corporations and are not primarily directed toward the public interest. Support is afforded to this view by the history of other great canal projects.

Also—

There are in evidence letters from a number of steamship companies which indicate that they will not use this waterway. On the other hand, there are, in a number of cases, letters from the same companies, written at a different date, stating that they would use the canal with substantial savings. In view of the fact that, manifestly, the canal will shorten the distance between Gulf and Atlantic ports by approximately 400 miles, and in view of the testimony presented by the Chief of Engineers and the Board of Engineers for Rivers and Harbors, and by navigation experts, that the canal will afford an unusually expeditious, safe, and convenient waterway for practically all vessels sailing to and from the Gulf of Mexico, the committee finds it impossible to agree with the nonuse theory, and concludes that the estimates of traffic of the Chief of Engineers are conservative, representing probably a minimum of commerce which would benefit by the project.

This is not a phenomenon unknown in the history of canals.

The distinguished and able Senator from Texas [Senator SHEPPARD] recently made to the Senate a statement on this subject that was so illuminating that I desire to quote it at this point:

The same contention about shipper nonuse was made in connection with the Panama Canal. Representative J. J. MANSFIELD, of Texas, chairman of the Rivers and Harbors Committee, said the original decision of shipping interests not to navigate the Houston Ship Channel has broken down; that 67 ship lines now use that channel, and that it carried annually about 23,000,000 tons of freight. General Markham stated that shipowners originally opposed also the Beaumont Channel, the Sabine-Neches Channel, and the Port Arthur Canal, stating they would not use them, but that these waterways are now being used most extensively. He said that there is nothing unusual about shipowners or ship captains saying they will not use a proposed channel; that it is the customary thing to anticipate; but that a ship will go anywhere it can gain a profit, unless the captain should find something in the situation that counterweighs that profit; and that he, General Markham, could find nothing in the Florida project that counterweighs that profit.

Now, let us turn to another recognized Federal authority, which has pronounced on this matter in opposition to the theory of the distinguished Senator from Michigan. The Department of Commerce, through the Bureau of Foreign and Domestic Commerce, with the help of the Bureau of Navigation, the Bureau of Lighthouses, and the Coast and Geodetic Survey, made a most exhaustive survey of this particular subject in 1933 and 1934. They received and reported the same expressions from certain ship operators offered by the distinguished Senator from Michigan in support of his nonuse theory. After duly weighing these expressions for what they were worth, and after carefully examining all other evidence, the Department concluded and reported as follows, under date of February 1, 1934:

The first question—Is the waterway practical from a navigation standpoint?—may be answered in the affirmative. A ship canal across the Florida Peninsula along designated route 13–B may be considered practical from a navigation standpoint. Most of the potential transits reported would have been actually made, provided (a) the waterway be available for ship movement on a 24-hour basis; (b) that all expenses incident to transit represent only a reasonable proportion of the resulting savings to ships utilizing the waterway.

It should be remembered also that the above statement was based upon a consideration of a canal with a minimum bottom width of 200 feet as compared with the canal now being discussed, which has twice that minimum bottom width.

Now, let us turn to a third Federal authority, the Department of the Navy. In a letter to the chairman of the Senate Committee on Commerce, under date of March 9, 1939, the Assistant Secretary of the Navy stated:

It is the opinion of the Navy Department that by shortening the distance and providing an additional route for seagoing vessels between the Atlantic Ocean and the Gulf of Mexico the Atlantic-Gulf Ship Canal would be of definite value during war in the shipment of necessary material for both military and commercial use as well as for the passage of naval vessels if sufficient draft is provided.

The Navy Department, comprising as it does, the Hydrographic Office, is probably the highest of all authorities on navigation in the world. The above statement definitely confirms the use of this canal by commercial vessels.

Further, let us examine the report on this question, made by the Board of Army Engineers, transmitted to Congress by the Chief of Engineers, and appearing in House Document 194, Seventy-fifth Congress, first session; pages 144 and 145:

The claim has been made by opponents of the canal that ships will not use it. If shipowners fail to use a route offering an average saving in time of 22.02 hours per trip, with probable annual savings in 1935 estimated at $9,553,244, it would mean a complete reversal of past policy and would be contrary to all business principles, unless the route be attended with so many hazards to navigation as to eliminate or greatly reduce the savings.

The Board has endeavored to ascertain the view of shipping companies with reference to the canal. Seventy-four letters were directed to owners or operators from which only 29 replies were received. Of these, 14 were favorable to its construction, 5 were unfavorable, and 10 were unresponsive. (See exhibit 2, annex 2, for details.) The lack of response to questions of this character is not unusual.

The great majority of potential users of the Atlantic-Gulf Canal are vessels pertaining to the petroleum industry carrying crude oil from the Gulf field to refineries located largely on the Atlantic. The effect of the canal would be to place the Gulf oil fields in a better competitive relation with other fields, particularly South American fields. As a matter of public policy this effect may not be a desirable one at this time. It may be better to allow present demands for petroleum to be supplied from the latter fields, while domestic resources are conserved.

The establishment of terminal facilities along the canal is essential to a realization of the predicted local benefits. No local commerce of importance can be expected to develop at once, particularly the kind whose movement is dependent on expensive facilities, until there have been provided wharves, warehouses, cooling plants, etc., the construction of which should be assured as promptly as possible.

There is no question that the canal will offer a practicable and safe route for ships. The dimensions are ample and the lights and signals proposed are of a more advanced type than any heretofore in use. There are no sharp turns or bends in the channel except at Dames Point in the existing improvement below Jacksonville, which has been widened to 1,000 feet. Visibility is ample, and there are no objectionable currents. There are fewer bends per unit of length than on any other major canal. The ships in this trade are now using channels and canals all over the world offering less facilities for navigation.

It is believed that the use of the Atlantic-Gulf Canal, at least to the extent estimated herein, will follow as the logical and inevitable business or commercial result.

These are the studied opinions of four great Federal authorities, namely: (1) The House Committee on Rivers and Harbors; (2) the Department of Commerce; (3) the Navy Department; and (4) the War Department.

Each and every one of these authorities definitely and conclusively combats and rejects the nonuse theory of the distinguished Senator from Michigan, who is supported in the main only by a number of letters from the great oil-tanker companies whose statements are reported by the House committee to be—

Designed to serve the policies of these corporations, and are not primarily directed toward the public interest.

However, that is not the whole refutation of the non-use theory of the distinguished Senator from Michigan. If other evidence were lacking, we should still have the affirm-

ative declarations of a large number of ship operating concerns. I shall read a number of these, all of which were addressed to the War Department during the month of July 1936 and were in response to a questionnaire sent out by the Army Engineer Board examining this project. These letters are a part of those from which the distinguished Senator from Michigan selected the letters he read to the Senate:

CONTINENTAL STEAMSHIP CO.,
Baltimore, Md., July 24, 1936.

BREHON SOMERVELL,
Lieutenant Colonel, Corps of Engineers, United States Engineer Office, Ocala, Fla.

DEAR SIR: I have noted with interest the description and map of the proposed Atlantic-Gulf Ship Canal across Florida enclosed with your letter of July 17.

Provided transit of the canal can be made in 24 hours or less and navigational risks are not too great for our use, I estimate our saving in operating cost on each ship per round trip from a Gulf to North Atlantic port would approximate $900. Operating three ships in this service, as we are at present, our annual saving should be about $45,000.

In my opinion, however, a reduction in ship-operating costs will ultimately result in lower freight rates, and with the exception of private carriers the shipper rather than the shipowner will most benefit from the canal.

Yours very truly,

(Signed) I. C. STOCKDALE,
Manager.

UNITED STATES TANKSHIP CORPORATION,
New York, July 28, 1936.

Atlantic-Gulf Ship Canal across Florida.
WAR DEPARTMENT,
United States Engineer Office, Ocala, Fla.

GENTLEMEN: In reply to yours of July 17, we wish to advise that the four ships operated by this company are mainly engaged in the transportation of cargoes of blackstrap molasses from the West Indies to the Gulf or to the North Atlantic ports. It is quite a rare occasion when we find it necessary to transport a cargo of molasses from the Gulf to the North Atlantic, under which circumstances the proposed Florida canal would be valuable to us.

During the fall and winter months when the heavy movement of molasses is over, we sometimes find it desirable to operate one or two of our tank steamers in the oil trade. Under such conditions the vessels transport oil from Texas ports to North Atlantic ports and under such circumstances the trans-Florida canal could be used to our advantage. However, we are not an oil company, the United States Tank Ship Corporation being organized directly for the transportation of molasses. In common with other petroleum carriers, we would be able to effect some savings in the round trip from Texas to North Atlantic and return by use of the trans-Florida canal. We would not, however, anticipate netting any greater profit from our seasonal oil transportation operations as a result of the canal for the reason that oil transportation rates would naturally seek a lower level as a result of the Florida canal being completed.

Every operator offering chartered tonnage to oil companies would naturally be forced to use the canal, so as to place them in a competitive position, the net gain accruing to the oil company.

However, from a general navigation standpoint we feel that the canal would be a good thing and would result in the economical betterment of the country.

Very truly yours,

UNITED STATES TANK SHIP CORPORATION,
(Signed) E. A. ARENTZ.

THE BANK LINE OF STEAMERS,
New York, July 27, 1936.

Proposed Atlantic-Gulf Ship Canal.
WAR DEPARTMENT,
United States Engineer Office, Ocala, Fla.

GENTLEMEN: We have carefully considered the above project and your letter to us of July 17, and are of the opinion that the proposed Atlantic-Gulf Ship Canal across Florida would be of great value to shipping, if it is to be constructed according to your description, and there are to be no tolls levied or other incidental charges, except pilotage.

We do not have any regular services operating between the Gulf and North Atlantic ports, but nevertheless consider that in our case the canal would reflect an annual saving in operating costs to the extent of about $20,000, and in these circumstances there can be no question of the benefits that would be derived from the construction of the proposed canal.

Very truly yours,

G. F. ANDOE.

ISTHMIAN STEAMSHIP CO.,
New York, August 6, 1936.

UNITED STATES ENGINEER OFFICE,
Ocala, Fla.

GENTLEMEN: With further reference to your inquiry of July 17, 1936, concerning the Atlantic-Gulf Ship Canal, I am pleased to advise you as follows:

Our present volume of business involves about 36 Gulf-to-Atlantic and 24 Atlantic-to-Gulf movements per annum.

Our vessels are oil-burning steamers, principally turbine driven, but a few reciprocating engine driven, of from 425 to 450 feet in length, from 55 to 56 feet beam, from 26 to 27 feet draft, loaded, of about 9,500 tons dead weight, and about 11 knots speed.

A bottom width of 250 feet and a depth of 33 feet certainly ought to accommodate such ships and if the traffic rules and regulations, lighting, current conditions, passing arrangements, and terminals, and so forth, are favorable, we see no reason why we would not use the canal. Of course, consideration will have to be eventually given to extra insurance costs, auxiliary charges such as tugs, and the extra cost of repairs on account of extra hazard.

Assuming the traffic outlined above and only extra charges of $40 per transit for pilotage, we figure roughly that a saving to us of about $20,000 per annum should be realized.

Very truly yours,

LOGAN CRESAP,
Marine Superintendent.

JANUARY 8, 1936.

From: George L. Holt.
To: Mr. A. V. Moore, president.
Subject: Florida Ship Canal.

Reference attached communication from the United States Senate. We find that the distance from Philadelphia to Tampa via the proposed canal would be 1,081, whereas via Key West it is 1,389, showing an actual saving of 301. The distance from Philadelphia to New Orleans via the proposed canal would be 1,364, whereas the distance via Key West is 1,713, showing a saving in favor of the canal of 349.

From information on hand, the proposed canal is to be 30 feet deep, 700 feet wide, and 206 miles long. The route of the canal is St. Johns River to Palatka, up the Oklawaha River Valley to point about 8 miles south of Ocala, thence to Withlacoochee River near Dunnellon and to Gulf of Mexico at Port Inglis.

It would appear that this canal would be very advantageous to the operation of the coastwise service. While traversing the canal the vessel's speed would be, of course, reduced to probably half speed, so that one may well assume that the 30 hours saved in both the north- and south-bound trips would be reduced actually to 20 hours each way due to this reduction in speed. It is correct that hazy weather might be expected in Florida in certain seasons of the year; however, if the canal were well and closely buoyed, it should be navigable except in dense fog.

Due to the prevalence of hurricanes in certain seasons in Florida, we assume that some special arrangements would be made for tying a ship up along the banks of the canal at certain intervals, so that in the event of a storm a ship could tie up, as otherwise, of course, she would blow ashore.

GEORGE L. HOLT.

JULY 31, 1936.

From: S. Aitken, vice president.
To: Capt. G. L. Holt, marine superintendent.
Subject: Atlantic-Gulf Ship Canal.

Re the attached chart of distances and time saved. This seems to vary a great deal from the data that you made up. I understand that Major Locke has these charts, which are very bulky, in his office, and I suggest that you check this over, as you will note that from Philadelphia to Tampa (according to this), at 10½ knots, we would save 27 hours, and from Philadelphia to New Orleans we would save 30.7 hours.

Are we not overlooking something here in going against this project?

S. AITKEN, *Vice President.*

AUGUST 4, 1936.

From: George L. Holt.
To: Mr. S. Aitken, vice president.
Subject: Atlantic-Gulf Ship Canal.

Reference your memorandum which I am returning herewith. Apparently you have forgotten the contents of my memorandum of January 8, in which I quite agree that there is a 30-hour saving both south- and north-bound were our vessels to go through the canal. However, I deducted 10 hours of this saving from each passage for reduced speed going through the canal, which is, of course, a matter of conjecture and is anybody's guess, because it cannot be established at what speed vessels would maintain while in transit through the canal.

It is my opinion, and always has been, that this canal, providing that excessive tolls were not charged, would be an enormous asset to our coastwise service, actually bringing the Gulf ports one day closer to the seaboard ports north of Hatteras.

I am attaching hereto copy of my memorandum of January 8, addresed to Mr. Moore, which is the only correspondence that has been issued by this office on the subject.

GEORGE L. HOLT.

FREEPORT SULPHUR TRANSPORTATION CO.,
New York, August 6, 1936.

BREHON SOMERVELL,
Lieutenant Colonel, Corps of Engineers, War Department, United States Engineer Office, Ocala, Fla.

DEAR SIR: Your circular letter of July 17, addressed to the Freeport Sulphur Co., this city, has been referred to us for reply because

the Freeport Sulphur Co. does not own or operate steamers engaged in coastwise service.

Upon reviewing our records for the past year we find that about 50 percent of these sailings were made by ships that proceeded into the Gulf from an Atlantic port, and if a canal were built it would be available for the use of such vessels, the other 50 percent being ships that proceeded direct from the West Indies to the Gulf. East-bound out of the Gulf to Puerto Rico the canal could not be used to advantage.

It is assumed that in transit reduced speed over a considerable portion of the canal would be necessary; and, taking into consideration the possibility of delays occasioned by the proposed bridges, we estimate that a vessel proceeding from an Atlantic port to the Gulf would save approximately 1 day as against the present route via Key West.

Very truly yours,

J. M. CASTLE, *Assistant Secretary.*

MOORE & MCCORMACK CO., INC.,
New York, August 12, 1936.

Lt. Col. B. B. SOMERVELL,
Camp Roosevelt, Ocala, Fla.

DEAR SIR: I have pleasure in attaching hereto report from our port captain, Captain Holt, from which you will note he favors the construction of the Atlantic-Gulf Ship Canal.

When this matter was previously put before us it was our understanding that tolls would be charged and we naturally believed that the tolls would be consistent with the cost of the canal, or at least an attempt made to return the cost of it; that there would be three pilots required at an unknown cost, and in all probability would be a State compulsory pilotage. It appeared to us at that time that the advantages of distance were overcome by the other unknown costs. Apparently, from our later information, these objections are overcome, and we can therefore favor the construction of this canal.

Very truly yours,

S. AITKEN, *Vice President.*

To sum up: This whole theory of nonuse advanced so repeatedly by the able Senator from Michigan rests chiefly on a group of letters from the great oil-shipping companies who, for reasons best known to themselves, are fighting to kill this important public enterprise. Representative ship operators unconnected with the oil trade affirm the use and benefit of the canal, and all departments and boards of the Federal Government which have ever investigated the matter are unanimously explicit in their findings that ships will use the canal to the very limit of their operations into and out of the Gulf of Mexico.

The Stake of Business in Peace

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 19, 1939

PROGRAM OF THE BUSINESSMEN'S COMMITTEE OF THE AMERICAN UNION FOR CONCERTED PEACE EFFORTS

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following peace program of the Businessmen's Committee of the American Union for Concerted Peace Efforts:

The shadow of war hangs over business like a pall in every great industrial country, including America. It stifles investment and postpones new enterprise.

The current forecasts of business activity by the advisory services are all contingent on the possibility of war. The "stake of business in peace" is the first subject on the agenda of the International Chamber of Commerce at its forthcoming world conference in Copenhagen.

Business faces a further burden of taxes to rearm America in a world the security of which is dependent upon the whim of one or two men in Europe. A great many of our present internal problems, both economic and ideological, are the price we pay for past and future wars.

If a general war breaks out, we know that the commodity and security markets in the United States will be thrown into a paroxism, exchanges closed, and thousands of our fellow businessmen ruined.

The polls of public opinion now show that our citizens favor the use of our resources in behalf of Great Britain and France. The Gallup poll of April 9 was as follows:

	Percent
Sell food to Britain and France:	
Democrats	88
Republicans	80
Sell arms to Britain and France:	
Democrats	70
Republicans	65

The American people obviously would wish also to sell Britain and France such things as cotton, copper, motors, scrap iron, and other products which today constitute the sinews of war equally with arms themselves.

With characteristic common sense the plain people of the United States have discarded the theories of the pacifists and recognized that the world today is governed by force. They have decided that the resources of our country must be on the side of the nations opposed to the aggressors—whether our own frontier be on the Rhine or on the Atlantic Ocean.

"It is clear that the weight of America's resources, both physical and financial, will be thrown against Hitler" (Standard Statistics, March 27, 1939).

Yet headlines on the front pages of the newspapers quoting Borah, Johnson, Nye, et al., would indicate that we would seal up our ports at the moment of the outbreak of war and let American shipping rot at the docks. Anyone who considers the history and temper of the American people knows better than this.

War or peace will depend, according to one authority, upon the single factor of what Hitler believes to be the attitude of the American people. He knows he cannot win against the resources of the United States.

With these facts before them, a group of 100 people met in Washington on April 15–16, and formed the American Union for Concerted Peace Efforts. Present were representatives of business, labor, the professions, and 13 peace organizations.

The basic question considered was this: What "methods short of war but stronger and more effective than words" can we use to improve the chances of peace?

The group agreed that the likelihood of war could be lessened by a 3-point program as follows:

1. By the amendment of the Neutrality Act to distinguish between aggressors and victims of war, as provided in the Thomas amendment, which states that the President with the consent of Congress may apply an embargo against a nation at war in violation of a treaty with the United States;
2. By the promotion of justice between nations to provide fair opportunity for trade and equal access to raw materials; and
3. By the development of adequate peace machinery.

Up to now businessmen have done little in the American peace movement. We believe it is high time, our stake being what it is, that we devote some of our practical brains and money to the prevention of war. The public is ready to follow sound leadership in foreign policy. The American Union for Concerted Peace Efforts offers a program.

A Series of Political Prognostications Indicating Which Way the Winds Are Blowing

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 19, 1939

IS THE REPUBLICAN PARTY GOING TO WIN IN 1940?
(*January 23, 1939*)

Mr. MASON. Mr. Speaker, some 40,000,000 voters of this Nation are pondering over the question, "Is the Republican Party going to win in 1940?"

From 1929 to 1932 the Republicans did nothing but fumble the ball. They could not seem to get going. Conditions changed from bad to worse. Republican leaders lost the confidence of the people and became discredited. Our people properly and naturally turned for guidance and help to the Democratic Party, whose leaders eagerly seized the opportunity provided them and offered the Nation "The best platform ever submitted to the voters of this Nation by any political party." They won in a landslide.

Soon after taking over the Government, however, the Democratic leaders, under the advice of crackpot socialistic theorists, discarded their excellent platform, and put into effect a social reform program of experimentation, designed

to bring about "heaven on earth"—but which after nearly 8 years of trial has produced little else than a great national headache. Recovery measures were entirely discarded and only just now have been brought back temporarily into the picture. The problem of farm prices, the number of unemployed, the relief mess, all stand about as they were in 1932, and we are now in debt to the tune of over $40,000,000,000. Do you wonder that the American people are growing tired of reform and beginning to insist upon recovery? Do you wonder, after nearly 8 years of Government doles, that people are clamoring for another change, demanding decent jobs in private industry at fair wages, and looking eagerly around for new leadership?

This is the situation confronting us today. It offers a real opportunity to Republicans and should present a challenge to the Republican Party. Father Time and the vicissitudes of political fortune have kindly removed most of the old discredited leaders. New leaders have developed, eager, anxious, alert, progressive, to take over and manage the G. O. P. The elephant has fully recovered from his sleeping sickness and is now "raring to go places." All signs point to a landslide in 1940. The people want another change. The Republicans will win if they do not fumble the ball or call the wrong signals.

A GREAT TEAM

(March 13, 1939)

Senator VANDENBERG is one of the most constructive thinkers in either branch of Congress. He has supported New Deal legislation when he considered it sound and beneficial and has opposed New Deal legislation when he considered it unsound and harmful. His batting average in this respect is practically perfect. He is seasoned, experienced, and a great campaigner.

Mr. Dewey is glamorous, colorful, aggressive, the hero of "Young America." He would appeal to the entire country and carry New York. In the greatest campaign ever staged in New York, a campaign that brought out 5,000,000 voters, he lost by only 60,000 votes. He bucked the Tammany machine, the influence of both Farley and President Roosevelt, the full strength of the LaGuardia city machine, and had all radicals, racketeers, and organized vice against him. Besides all that he had for his opponent the best Governor New York has had during the last 25 years. Some vote getter.

What a team they would make. VANDENBERG for President, seasoned, mature, constructive, sound; Dewey for Vice President, young, virile, colorful, aggressive. An unbeatable combination. What do you say?

MODERN ENCIRCLEMENTS

(May 1, 1939)

The word "encirclement" as defined by Webster means "a state of being enclosed, enclasped, embraced." The world has always thought of encirclement as a protected condition, surrounded by friends, enclosed in loving arms idea. Hitler, however, has recently given it the opposite meaning, such as surrounded by enemies, prevented from realizing desires, blocked off, frustrated.

This new connotation of "encirclement" might well be applied to our domestic political situation and the coming 1940 battle. The President's New Deal advisers are planning an encirclement movement against JACK GARNER. They hope to block him off from the Presidency by creating an alliance of New Dealers, labor leaders, radical "reds," and northern Negroes. It is a stop-Garner program.

Within this large encirclement movement several smaller encirclements are going on. John L. Lewis, with the aid of Madame Perkins and the N. L. R. B., is encircling and trying to block off and destroy the A. F. of L. The Communists are trying an encirclement movement upon the industrial unions of the C. I. O. and are having some success with the United Automobile Workers, at least that part not following Homer Martin. Then, again, the New Deal administration has been maneuvering during the past 6 years to put across an encirclement movement upon business, and almost succeeded before Congress woke up to what was going on. It is interesting to note that the final success of all these smaller encirclements depends to a large extent upon the success or outcome of the large encirclement movement that is aimed at the Garner camp of Jeffersonian Democrats.

We are living in an age of encirclements, and no one knows what the outcome will be. However, each individual American, each minority, each religious group, each political camp, must be eternally vigilant if we are to preserve freedom of action, freedom of thought, freedom of religion, and freedom of speech in this land of ours. We should go back to the horse-and-buggy kind of encirclements, the loving, protecting, helpful kind, and leave the Hitler kind of hatred encirclements to the dictators of Europe.

WILL THE PRESIDENT RUN FOR A THIRD TERM?

(May 8, 1939)

Millions of people in both parties are guessing, wondering, and worrying about that unpredictable person, the President, and about what he will do. Will he seek a third time? He has smashed many precedents already, and seems to enjoy doing so. He would not hesitate to attempt smashing the precedent against a third term that Washington established 150 years ago, if he took a notion to do so.

The picture concerning a third term has changed during the last few weeks. As you know, the war scare has prolonged this session of Congress. The war scare has also changed the President's attitude toward a third term. Judging by both his words and actions he now feels that war will break out in Europe before 1940 and we will become involved. Under those conditions he is convinced that he must remain at the helm of the ship of state. He would not trust the job to any one of his New Deal lieutenants in such a crisis, and most certainly he would not trust the job to a conservative Democrat; therefore, he is faced with the alternative of carrying on himself. Besides that, he has grave doubts that any of the lesser lights in the New Deal camp could win the election, and so in order to save the country from the Republicans he must carry the New Deal banner himself in 1940.

Then again, his truculent letter to the Young Democrats a short time ago, ordering all Jeffersonian Democrats either to bow to the New Deal program or to get out and join the Republicans, is a clear indication that the purge is not over, that he intends to lead the fight next spring against the conservative wing of his party, and plans to rally all radicals and new dealers around a third-term banner. Everyone agrees that he is the natural head of the New Deal party, and the most popular new dealer in the Nation; therefore, he should be the most likely candidate to win on a straight out-and-out New Deal platform.

Next spring will witness a desperate struggle in the Democratic ranks, a knock-down and drag-out fight, with no quarter asked and none given. Both camps, the one led by the President, the other by JACK GARNER, are getting ready for the battle of the century. The affair of honor will come off next spring, and third-term ideas will then be settled forever.

THE SITUATION IN THE DEMOCRATIC CAMP

(May 22, 1939)

The 1940 Democratic battle has entered a third phase. Now the Garner group has taken the offensive and has set out to frustrate the encirclement program of the New Deal group. It is understood that Big Jim Farley has been sent out by the Garner group to secure pledged delegates for the 1940 Democratic convention battle. As a result of this move, the New Deal leaders are panic stricken. They remember that it was Farley and GARNER that nominated F. D. R. in the first place. They now realize that the Farley-Garner team can probably nominate whomever they please at the next convention. No wonder F. D. R. and his lieutenants are scared stiff and are wondering what move to make next.

THE SITUATION IN THE REPUBLICAN CAMP

(May 29, 1939)

Republicans know that two large voting groups, labor and agriculture, are dissatisfied with present conditions and results that have been attained by the New Deal. The situation confronting the country today is about the same as it

was following the panic of 1893, when unemployment, bread lines, and labor troubles, coupled with low farm prices—13-cent oats and 20-cent corn—were prevalent. McKinley won the 1896 election with his "Full dinner pail" slogan. Today American labor wants jobs, not doles, and the American farmer wants parity prices not parity payments coupled with regimentation. The situation therefore calls for another McKinley, running on a platform of "Jobs, not doles." Republicans are looking around for a Presidential candidate that is sound, seasoned, mature, and courageous.

Everyone agrees that if the Republicans are to win in 1940 they must carry New York, so a New York favorite son will be selected for Vice President. The Republicans must also carry the Midwest, the bread-basket States, in order to win, so the Midwest is being scanned for the McKinley type of candidate. At present VANDENBERG and TAFT are being sized up as possible candidates for the White House job. No one knows today who the Republican Presidential candidate will be, but everyone agrees that Republicans must select forward-looking candidates.

PRESIDENT ROOSEVELT IN A NINE-HOLE

(June 6, 1939)

The air is full of speculation concerning a third term. The new dealers are ready to support Roosevelt, but as yet he says neither yea nor nay. Farley reported after his trip that New Deal policies are still popular over the country, but he carefully avoided advising the President to run for a third term. Now, Senator VANDENBERG comes out with a statement that the next President will have a real job on his hands, and in order to do it he should forget about a second term and keep both eyes upon his job, not one eye upon the job and one eye upon reelection. In fact, he proposes that the next Republican candidate should prepledge himself to one term. This puts President Roosevelt in a nine-hole on his third-term ambitions.

In view of these developments I advise the Republicans to run VANDENBERG for President, prepledged to one term, on a platform of "clean-cut, constructive, courageous principles which definitely promises to save the American system of free enterprise," and Dewey for Vice President with a 4-year seasoning, maturing, preparation period ahead of him. Republicans would then have an unbeatable team to carry their "Forward to '40 banner." Let us go!

W. P. A.

EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

EDITORIAL AND ADVERTISEMENT FROM THE ILLINOIS STATE REGISTER

Mr. FRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Illinois State Register with respect to W. P. A. and its program, and also an ad bought and paid for by 33 outstanding citizens and businessmen of Springfield, Ill.:

[From the Illinois State Register of June 8, 1939]

LIGHTER VEIN

To smile all day keeps the frowns away!

Our motto: Boost and the world smiles with you! Knock and you frown alone!

SIZZLING IN BLAZING SUN, OUR LOCAL W. P. A. WORKERS WIN SMILES OF OBSERVERS

George ("Sodie") Nelch is bossing this downtown W. P. A. rail-removal project. He and his men are doing a bully good job of it. They are creating smiles of satisfaction, entertaining the crowds, winning public approval, and offsetting much of the malicious derision that has been directed at W. P. A.

At Fifth and Monroe, Fifth and Jefferson, and other points I watched these men at work yesterday. The sun was blazing down upon them. Whites with bronzed arms and walnut backs were carrying brick and lifting huge steel rails. Blacks with bulging muscles and Joe Louis-like power were bending to their tasks in the blazing sun. There was no loafing on the job and no monkey business. It was work, work, work, with wonderful, amazing human endurance and praiseworthy efficiency. Those boys really hit the ball.

I steamed alongside of smiling "Charlie" Warner, tall, picturesque, snowcapped, sartorial and tonsorial specialist, who shared our admiration of the remarkable human endurance of those W. P. A. workers toiling in that blistering sun: "Charlie" laughed and said:

"I asked 'Sodie' Nelch if he would give me a job on that W. P. A. project. 'Sodie' looked at me a moment, laughed, and exclaimed: "'Charlie, if I gave you a job of that kind in that hot sun, you wouldn't last as long as the proverbial snowball.'"

And, judging from a remark we overheard a perspiring blond drop at Fifth and Monroe, it must have been at least that hot.

So, let's give the W. P. A. boys a hand. Approximately 1,200 of them working day and night in three 8-hour shifts will have removed huge steel rails from, and repaved, 24 blocks in the business area in approximately 20 days. Doesn't that sizzle your smiler?

If you've sneered, and thumbed your noses at W. P. A. you will feel doggone guilty if you go and watch "Sodie" Nelch and his men accomplishing this marvelous piece of work. All along the street we heard people praising the boys. That's why we fire this salvo of smiles in their honor.

APPRECIATION

We, the undersigned merchants of Monroe Street between Fourth and Fifth Streets, wish to publicly express our thanks and appreciation to the city officials and officers of the work's program, and especially to the hard-working men who labored day and night to finish our street between Fourth and Fifth on Monroe Street in almost incredible time for the benefit of our businesses.

Again we say W. P. A. you did the job quickly and most efficiently.

Thanks.

Watch for our grand Monroe Street opening, between Fourth and Fifth Streets. Free dancing—souvenirs—prizes. Date to be announced later.

The following merchants have contributed to this cause:

Monroe Market, 416 East Monroe Street; Lawrence Mizeur, vegetables and fruits, 406 East Monroe Street; Monroe Annex, 406 East Monroe Street; Coney Island, 420 East Monroe Street; Compo Market, 418 East Monroe Street; Maloney's Tavern, 401 East Monroe Street; Conner's Market, 405 East Monroe Street; The Annex, Robinson Bros., 426 East Monroe Street; Thrifty Cleaners, 426 East Monroe Street; The Music Shop, 414 East Monroe Street; Buckley's Plant Shop, 407 East Monroe Street; Oriental Cafe, 424 East Monroe Street; Arcadie Gifts, 402 East Monroe Street; Farmers' Market, 411 East Monroe Street; The Golden Well, 411 East Monroe Street; The Man's Store, 415 East Monroe Street; Claypool's Drug Store, 229 South Fifth Street; Winch Floral Shop, Fourth and Monroe Streets; Liggett's Drug Stone, 424 East Monroe Street; Ideal Cafe, Corner Fourth and Monroe; Koch's Barber Shop, scalp treatments, 222 United Mine Workers Building; Fred Slater's, band instrument shop, 412 East Monroe Street; Consumer's Coffee Co., 403 East Monroe Street; Roxy Cleaners, 422 East Monroe Street; The Den, John Goddall, 424 East Monroe Street; B. & F. Toggery, 412 East Monroe Street; Shoe Repair Works, Hy Ettelbrick, master shoe dying, 404 East Monroe Street; Modern Beauty Salon, 228 United Mine Workers Building; Paris Engraving Co., 410 East Monroe Street; Paramount Market, 422 East Monroe Street; Lee's Barber and Beauty Shop, 426 East Monroe Street; The Atlantic-Pacific Tea Co., United Mine Workers Building.

Success to our merchants on Monroe.

Busses are always at your service. * * *

America on the Move

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

ARTICLE FROM FREE AMERICA

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD I am very glad to include

the following article by Miss Helen E. Livingston on the pressing problem of interstate migration, as follows:

[From Free America for June 1939]

AMERICANS ON THE MOVE

(By Helen E. Livingston)

Not the least in the crop of derogatory labels which has sprung up out of the bewilderment of the past decade is the term "transient." Particularly in southern California, where the transient population is greater than in all States west of the Mississippi—where the problem in Los Angeles County alone exceeds that of many entire States—has the nonresident family become an object of public suspicion and editorial alarm.

It is a strange right about face on the part of a community which has so industriously and indiscriminately offered itself as a mecca for the retired farmer, the prospective tourist, and the man seeking opportunity and a job. Like a nervous hostess taking stock of her larder as she views the response to a too enthusiastic invitation, Los Angeles is attempting to restrict her guest list to a carriage trade.

The retired farmer is no longer welcome unless he arrives with a healthy bank account. And the laborer, whom an earlier policy invited to California in order that "two men for every job" might insure an open shop, now finds himself unwelcome and unwanted. It is significant that the State which reveres the "Forty-niners" and the covered wagons of the pioneers, has chosen to classify the "horde of transients" as undesirables, dismiss them as shiftless ne'er-do-wells, and warn against their criminal tendencies.

In the face of such public censure, the transient has found little opportunity to speak for himself through the public press or in the voting booth. That he has a story to tell, I have learned in the past 5 years of working with him. Who are these transients and whence do they come? Day after day I have talked with them across a desk; have visited them in their new-found homes; their furnished rooms; their trailers. Young girls with fresh country complexions; broad-shouldered men with work-worn hands, faces sunbrowned and weathered by adversity, or pale and tense; and unwanted old men and women. In the twang of Texas, and the clipped nasal of the Bronx; in "high Yankee" and with a Southern drawl they tell their stories. They are stories the statistics do not tell.

In the name of their American citizenship, in the name of their self-respect and their hopes for the future, they ask for the chance to prove themselves: For the "grub stake" of the pioneer. But the statistics have spoken. Transients must be returned to their home States as soon as permission can be obtained from their legal residence.

One answer to the charge that these people are all aimless and confirmed wanderers, is the fact that I have been able to verify established residence for 71 percent of my families. For, bear in mind the fact that the home community, already overloaded with problems of its own, would be glad to refuse this permision if it could prove a lack of continued residence there. A once-established people, they have been uprooted by drought and flood, or cast aside by industrial lassitude. To the charge that the transients represent a horse of deliberate "spongers," the statistics on my cases offer further enlightenment. For 79 percent of them arrived in California with funds of their own or promise of employment, and were the victims of circumstances usually beyond their control.

The A family is an example of this group. Mr. A had sold out his business in Ohio and moved to California with a "stake." Besieged by promoters he had purchased a filling station upon his arrival, and made a substantial down payment on a home. He lost the filling station in a series of gas wars staged by the large oil companies to squeeze out independent dealers. His home was threatened as his funds grew low. Before the A's had been in California a year, it was necessary for them to apply for relief. When I told them they could only be returned to Ohio, Mr. A was inclined to be bitter. He had "fallen among thieves," he said. California had "stripped him of his raiment and robbed him," and now offered only to return him penniless to the community where he had been respected and, to a degree, prosperous.

When the aircraft company in my district shut down until a technicality over contracts could be adjusted, I heard more stories. Within the year this firm had imported from eastern branches a group of trained aircraft workers not available in California—and paid them from $16 to $24 a week. The shut-down found these families with no surplus of funds. But the company assured them that they would soon be back at work. Two months went by while the men called each week at the factory and were told to "come back next Tuesday."

In the meantime they had, of necessity, applied for relief and were classified as "indigent transients." When I offered them the alternatives of return transportation to their home States or suspension of relief, they were bewildered. Suppose they did return—what then? The jobs they had vacated there were already filled. Their prospects for going back to work were better in California where the tools they had put down when the plant closed waited for them. "They tell us we'll be going back any time now," they assured me.

And then one night I met socially an executive of the company and got another side of the picture. Production, he said, would not start for another 3 months at least.

"Then why," I asked, "do you tell these men they'll be back at work within a week or two?"

He was frank about it. "We have to have them when we are ready to start producing," he said. "They're trained men, and if we tell them they must wait 3 months, they're liable to go out and get another job. Then we would have to import more trained men."

In the interim, while he didn't approve of "all this relief expenditure," and the transient program in particular, he felt this situation was different from most. And he hoped we would not find it necessary to return the particular group of men his company would need—3 months hence.

There are other families whose situation is more hopeless. Elderly farmers, who had worked hard all their lives, had paid taxes, and owned their own farms, came for assistance. They had watched a lifetime of labor and the hope of a competence for their old age disappear with a mortgage foreclosure. They dreaded the prospect of becoming objects of public charity in the small communities where they had been respected citizens. The California sun was warm on their bodies aching with the arthritis and asthma born of their struggle with the elements in the business of raising crops. They had always paid taxes willingly, they argued. And on $30 a month they could live in California far more comfortably than in the rigorous climates from which they had come.

If persuading some of these people to return was often a great problem, then it was by no means the only one. The important duty of "establishing legal residence" had a way of presenting a tangle of technicalities. For the several States and even local communities make their own laws concerning residence—and they have done it with a vengeance. Some require only 6 weeks within their borders; others 5 years. And residence is lost with equal variation, ranging from "6 months willful absence," to the variously interpreted "until residence is acquired in some other State." Even these rulings serve only as a working basis, are subject to change and, sometimes, to the whim of the authorizing agency. Thus it was that a letter from one small Texas community read: "They're nice people and they have lived here a long time. But times are hard and we can't authorize their return unless we get a rain in the next month."

And time after time families have come to me asking to get home and been startled to find that they have no home. The urge to remain self-sufficient, which has prompted them to move on to new and untried fields when their own small world collapsed, has robbed them of their once-established residence in the home community. Unaware of residence laws, they have followed the American tradition of searching for greener fields, and found themselves disowned as a result. According to the statistics they are part of the army of aimless wanderers. But they insist their wanderings have not been aimless. One Oklahoma farmer stated it bluntly: "I'd 'a' been better off," he said, "to have applied for relief before I left Oklahoma, instead of trying to make out on my own."

These, then, are some of the problems of the transients. Beset with all of the consequences of business recession, natural catastrophes, and family and health problems, they emerge as a group who have, at least, attempted some positive action to counteract the situation in which they found themselves. And they have encountered new obstacles in the way of complex residence laws and bewildering hostility and public censure.

But what of the problem in relation to the community? What of Los Angeles, for instance? Suppose she offers a haven for all. It is estimated that 100,000 in need of employment entered the State by automobile alone in 1938. Can California, already staggering under heavy problems of her own, be expected to shoulder all of the additional problems attracted by her climate? And if California cannot, then who can?

Present methods of rendering assistance, based on the responsibility of the community of residence, have come down to us from the English poor laws, designed to repress a growing tendency to migrate. Even before 1929 their inadequacies were becoming apparent due to the increased mobility of population demanded by an expanding industrial system. But thriving communities were willing to "stretch a point" for potentially solvent newcomers and the manpower demanded by their busy factories. With the depression and mounting relief loads, however, came a revival of the strict interpretation of community responsibility, and the transient problem emerged.

Just how far does community responsibility extend? Is it fulfilled in meeting the bare subsistence requirements of its citizens, while it urges them blandly to "get another job"? Action taken by citizens of Manchester, N. H., is to the point. Manchester was a one-industry town. Every citizen of the community, directly or indirectly, was dependent upon the pay roll at the Amoskeag Mills. When hard times came, he could look forward to the day when the mills would open up again. Then came the staggering announcement—the mills were closing, never to reopen. In one stroke hundreds of potential transients were created. But Manchester determined otherwise. All possible resources of the town were pooled to purchase the mill buildings. And within them, gradually, have developed industries varying in character, building for many markets.

If every community could command such resources in the form of civic spirit and the necessary funds, large numbers of transients would never "leave home." But this is not always possible. The drought areas are also one-industry communities. From these depleted districts thousands of families have migrated. Can these drought-ridden communities be held entirely responsible for caring for all the victims of the unwavering sun? The answer lies in the sere grain fields, the dried cattle bones, the abandoned villages of the plains.

Speaking before the annual meeting of the United States Conference of Mayors in Washington, D. C., in 1937, former Mayor Frank Shaw of Los Angeles said: "Any attempts at solution on the part of the separate States will unavoidably involve a snarl of reprisals that will only complicate the difficulty. * * * Only the Federal Government can rise above such efforts and carry out a program that will be at once effective and fair to all.

What is the fate of the transient in the hands of the Federal Government? A Federal transient program born with the New Deal collapsed in September 1935, for lack of public support and public funds. In isolated areas the Farm Security Administration has continued to concern itself with the problems within the limitations of its budget by reclaiming drought-swept lands and assisting the dust-streaked residents to adapt themselves to the new conditions. Mindful also of the refugees from these regions struggling to find themselves in new lands, it has established migratory labor camps offering sanitation, medical care, and some hope of reestablishment on small plots of their own; their small income as "pickers" in the great fruit orchards and vegetable fields of the large-scale farming interests, supplemented by a cow and a small garden plot of their own. Heartening as the results have been, they are limited both by lack of funds on the part of the administration, and by the fact that the problems of the migrants, desperate as they are, are only a part of the whole transient problem.

To date the most comprehensive measure before Congress is the Voorhis bill, which attempts not only to meet the immediate need by Federal grants-in-aid, but proposes to straighten the tangled mass of residence laws by stipulating that benefiting States shall have residence requirements of not to exceed 3 years, of which 21 months must show self-sufficiency on the part of the family. Further, it requires that residence cannot be lost in one State until it has been acquired in another.

The fate of this bill—introduced in the last three sessions of Congress—is significant. Congress, as a whole, has shown profound lack of interest in this or any other attempt to formulate some adequate transient legislation. In the first place, transients can't vote, and any efforts on their behalf must be based on a purely humanitarian basis. In the second place, Congressmen, faced with the problem, have represented too effectively the attitudes of their own overburdened districts. One Texas Representative says, "Let the Texans go to California. We've more than we can handle in Texas without them." This, in general, is the attitude of most Congressmen—and their constituents—in the States from which people are migrating.

And what of the States on the receiving end of the problem? Far from being disinterested in legislation which would attempt fair and humane measures for the transient, they are actively hostile unless they are able to dictate the terms. California, for instance, approves of Federal funds, but revolts when she must loosen to some extent her strict residence requirements. Commenting on the Voorhis bill, the Los Angeles Times says: "Transient indigents are truly a Federal responsibility and a temporary one: but the Federal Government should not permit them to choose their own place of indigence."

And thus is the problem hedged between the Scylla of disinterest and the Charybdis of hostility.

Speaking as a California Congressman, Mr. VOORHIS says: "California needs Federal aid to help meet the nonresident relief problem. But a far more constructive approach from the standpoint of California is Federal action to guide, stabilize, and reduce this whole migratory movement." This is close to the heart of the matter. For we cannot forever say to our fellow citizens, "Stay where you are and starve." Neither can we expect some communities to assume the entire burden either cheerfully or adequately. The transient problem is part of every break-down in our economic system; part of every drought, flood, and dust storm. Any positive effort toward promoting "the general welfare" on the part of the smallest hamlet or by the National Government is an important contributing factor in its solution.

In the meantime the immediate emergency remains. It will not be solved by alarmist headlines, or even entirely by enlightened legislation. Above everything else, the transient asks to be regarded as a fellow citizen rather than as a mass menace. He asks understanding of his situation and its complex problems, and on that stand he rests his case.

In the Caribbean Sea

EXTENSION OF REMARKS

OF

HON. SANTIAGO IGLESIAS

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 15, 1939

Mr. IGLESIAS. Mr. Speaker, the recognition of the importance which the control of the Caribbean Sea has for the United States of America—which insures the control of the Antillean Archipelago and that of the Gulf of Mexico—is shown by the policy constantly followed by the United States during the last third of the last century when said country began to realize the importance of creating its hegemony in the said sea for the defense of its eastern coasts and also for its commercial interests, the only way of guaranteeing control of the Panama Canal.

The passage of the Canal to the Pacific Ocean will be insured only by the efficiency of battleships and the bases of our islands and lands near the outlet of the Canal, where a permanent service of vigilance and control should be established; and the battleships are going to be armed and maintained only by the United States. Congress has already passed measures to organize the service of national defense of Puerto Rico for the purpose of permanent vigilance and control.

Only Puerto Rico as a Territory in the Caribbean Sea is in a position fully to live in common with the United States. As it appears, the admission of Puerto Rico to the confederacy as a free and sovereign State would be the first step in the attainment of the high ideal which we maintain for Puerto Rico, which in historical prestige, in ethical values, in spiritual exquisiteness, or in material resources can be considered a great possibility to reach the standing of a prosperous State of the Republic.

True "Monroeism" consists in making friends, in gaining good will, and in making converts. Right intentions, honest actions, a straight road, and noble ideals—that is the clear, defined policy that the President has recommended and followed; and in that sense, and believing that the policy which the President was advocating will be the appropriate policy which the United States may follow in the future, there may come forth in the Caribbean Sea as by magic, not a new image or representation of its personality but its own true self, and its own essential and genuine rights, must, above all, lift Puerto Rico to the category of a free and sovereign State of the Union, under conditions equal to those of the other States. It also greatly concerns Puerto Rico that its final status—implying always a more or less ample grant, a "state of being," which does not depend on the will of the Puerto Rican people—be statehood; that is, to become an entity which acts.

A memorandum has been received which is self-explanatory, as follows:

MEMORANDUM TO THE RESIDENT COMMISSIONER FOR PUERTO RICO IN WASHINGTON, D. C., HON. SANTIAGO IGLESIAS, AND TO THE PRESIDENT OF THE SENATE OF PUERTO RICO, HON. RAFAEL MARTINEZ NADAL

MAY 31, 1939.

I—FISCAL POLITICAL STATUS

The Legislature of Puerto Rico, in the performance of its duty and exercising the right of the people it represents; according to the principles of liberty and democracy informing the traditions and life of the American people, and inspired by pure sentiments of human dignity, desires that Puerto Rico become a State and be admitted to the American Union under the same conditions as the Federal States.

Toward the realization of such political status, we reiterate the petition formally made to Congress through concurrent resolution adopted by the Legislature of Puerto Rico in the regular session of 1934, to wit, that legislation be adopted by Congress authorizing our people to frame its own State constitution, which shall be submitted for approval to the United States Congress after its ratification by the electoral body of Puerto Rico, to which it shall be submitted through a plebiscite for such purpose. The result of said plebiscite shall be certified by the Executive Secretary of Puerto Rico, and the Governor of Puerto Rico shall give notice thereof to the President of the United States for the proper purposes.

II—IMMEDIATE LIBERALIZING REFORMS TO THE PRESENT ANTONOMIC REGIME OF PUERTO RICO

Until such time as the above-mentioned political status is definitely established for Puerto Rico, the Legislature of Puerto Rico, which is the genuine representation of our people, demands an immediate liberalizing reform of the autonomic régime of government as now enjoyed by this island, petitioning Congress, as it is hereby petitioned, to amend the Organic Act of Puerto Rico, approved on March 2, 1917, as follows:

One: That sections 12 and 13 of an act entitled "An act to provide a civil government for Porto Rico, and for other purposes," approved March 2, 1917, be, and the same is hereby amended to read as follows:

SEC. 12. That the supreme executive power shall be vested in an executive officer, whose official title shall be the Governor of Puerto Rico. He shall be appointed by the President, by and with the advice and consent of the Senate, and hold his office at the pleasure of the President and until his successor is chosen and qualified. He shall have general supervision and control of all the departments and bureaus of the government in Puerto Rico, so far as is not inconsistent with the provisions of this act, and shall be commander in chief of the militia. He may grant pardons and reprieves and remit fines for offenses against the laws of Puerto Rico, and respites for all offenses against the laws of the United States until the decision of the President can be ascertained, and may veto any legislation enacted as hereinafter provided. He shall commission all officers that he may be authorized to appoint. He shall be responsible for the faithful execution of the laws of Puerto Rico and of the United States applicable in Puerto Rico, and whenever it becomes necessary he may call upon the commanders of the military and naval forces of the United States in the island, summon the posse comitatus, or call on the militia, to prevent or suppress lawless violence, invasion, insurrection, or rebellion, and he may, in case of rebellion or invasion, or imminent danger thereof, when the public safety requires it, suspend the privilege of the writ of habeas corpus or place the island or any part thereof under martial law until communication can be had with the President and the President's decision therein made known. He shall annually, and at such other times as he may be required, make official report of the transactions of the government of Puerto Rico to the Executive Department of the Government of the United States to be designated by the President as herein provided, and his said annual report shall be transmitted to Congress, and he shall perform such additional duties and functions as may, in pursuance of law, be delegated to him by the President.

"At the general election to be held in Puerto Rico in the year 1940, and thereafter at each general election, the qualified electors of Puerto Rico shall elect the Governor, who shall qualify as such on the first Monday of January of the succeeding year; and upon such qualification the office of the appointed Governor shall cease and terminate. A Lieutenant or Vice Governor shall also, at such time, be elected for a term of 4 years, under like conditions. He shall act as Governor in case of a vacancy, the temporary absence or removal, resignation, or disability of the Governor, and shall exercise all the powers and perform all the duties of the Governor during such vacancy, disability, or absence. The Lieutenant or Vice Governor shall be the ex officio president of the senate and shall receive such salary as the Legislature of Puerto Rico may determine. The Governor and the Lieutenant or Vice Governor thus elected shall hold their offices for a term of 4 years and until their successors have been elected and shall have qualified.

"The elected Governor herein provided for may be impeached by the insular house of representatives, and on trial by the insular senate may be removed by a two-thirds vote of that body for any impeachment cause. Judgment in cases of impeachment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust, or profit in Puerto Rico; but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment, and punishment according to law.

"SEC. 13. That the following executive departments are hereby created: A department of justice, the head of which shall be designated as the attorney general; a department of finance, the head of which shall be designated as the treasurer; a department of the interior, the head of which shall be designated as the commissioner of the interior; a department of education, the head of which shall be designated as the commissioner of education; a department of agriculture and commerce, the head of which shall be designated as the commissioner of agriculture and commerce; a department of labor, the head of which shall be designated as the commissioner of labor; a department of health, the head of which shall be designated as the commissioner of health; and a department of social welfare, the head of which shall be designated as the commissioner of social welfare.

"The heads of departments shall be appointed by the elected Governor, by and with the advice and consent of the Senate of Puerto Rico, for the term of 4 years, and until their successors are appointed and qualified, unless sooner removed by the elected Governor.

"Heads of departments shall reside in Puerto Rico during their official incumbency.

"The heads of departments shall collectively form a council to the Governor, known as the executive council. They shall perform under the general supervision of the Governor the duties hereinafter prescribed or which may hereafter be prescribed by law and such other duties not inconsistent with law as the Governor, with the approval of the President, may assign to them; and they shall make annual and such other reports to the Governor as he may require, which shall be transmitted to the executive department of the Government of the United States to be designated by the President as herein provided: *Provided*, That the duties herein imposed upon the heads of departments shall not carry with them additional compensation."

Two: That section 29 of the Organic Act of Puerto Rico approved March 2, 1917, be, and the same is hereby, amended to read as follows:

"SEC. 29. The next election in Puerto Rico shall be held the 5th day of November 1940. At such election there shall be chosen senators, representatives, two Resident Commissioners to the United States, as herein provided. Thereafter the elections shall be held on the first Tuesday after the first Monday in November, beginning with the year 1944, and every 4 years thereafter."

Three: That the first and fifteenth paragraphs of section 34 of the organic act of Puerto Rico, approved March 2, 1917, be, and the same is hereby, amended to read as follows:

"SEC. 34. That the enacting clause of the laws shall be, as to acts, 'Be it enacted by the Legislature of Puerto Rico,' and as to joint resolutions, 'Be it resolved by the Legislature of Puerto Rico.' Except as hereinafter provided, bills and joint resolutions may originate in either House. The Governor shall submit at the opening of each regular session of the legislature a budget of receipts and expenditures, which shall be the basis of the ensuing annual appropriation bill. Said appropriation bill shall embrace the estimated receipts and expenses hereinafter provided. No bill shall become a law until it be passed in each house by a majority yea-and-nay vote of all the members belonging to such house and entered upon the journal and be approved by the Governor within 10 days thereafter. If when a bill that has been passed is presented to the Governor for his signature, he approves the same, he shall sign it; or if not, he shall return it with his objections to the house in which it originated, which house shall enter his objections at large on its journal and proceed to reconsider it. If after such reconsideration, two-thirds of all the members of that house shall agree to pass the same it shall be sent, together with the objections to the other house, by which it shall likewise be reconsidered, and if approved by two-thirds of all the members of that house, it shall become law the same as if it had been approved by the Governor. The vote of each house shall be by yeas and nays, and the names of the members voting for and against shall be entered on the journal. If any bill shall not be returned by the Governor within 10 days (Sundays excepted) after it shall have been presented to him, it shall be a law in like manner as if he had signed it, unless the legislature by adjournment prevents its return, in which case it shall be a law if signed by the Governor within 30 days after receipt by him; otherwise, it shall not be a law. All laws enacted by the Legislature of Puerto Rico shall be reported to the Congress of the United States, as provided in section 23 of this act, which hereby reserves the power and authority to annul the same. If at the termination of any fiscal year the appropriations necessary for the support of the government for the ensuing fiscal year shall not have been made, the several sums appropriated in the last appropriation bills for the objects and purposes therein specified, so far as the same may be applicable, shall be deemed to be reappropriated item by item, and until the legislature shall act in such behalf the treasurer may, with the advice of the Governor, make the payments necessary for the purposes aforesaid."

"The general appropriation bill shall embrace the estimated receipts as determined by the treasurer of Puerto Rico, consistent with the existing sources of income and the revenue laws which the Legislature of Puerto Rico may pass, and all appropriations for the ordinary expenses of the executive, legislative, and judicial departments and agencies, dependencies, commissions, or bodies of the insular government, and for the payment of interest on the public debt. It shall also embrace appropriations for the works and services which, due to their nature and urgency, should be carried out and rendered during the fiscal year to which said appropriation bill refers. All other appropriations shall be made by separate bills, each embracing but one subject."

Fourth. That section 40 of the organic act of Puerto Rico, approved March 2, 1917, be, and the same is hereby, amended to read as follows:

"SEC. 40. That the judicial power shall be vested in the supreme court, composed of a chief justice and six associate justices, and in the other courts and tribunals now established and in operation under and by virtue of existing laws. The jurisdiction of said supreme court and other courts and tribunals, and the form of procedure in them, and the various officers and attachés thereof, shall also continue to be as now provided until otherwise provided by law: *Provided, however*, That the chief justice and associate justices of the supreme court shall be appointed by the elected Governor, by and with the advice and consent of the Senate of Puerto Rico, and the Legislature of Puerto Rico shall have authority from time to time as it may see fit, not inconsistent with this act, to organize, modify, or rearrange the courts and their jurisdiction and procedure, except the District Court of the United States for Puerto Rico."

Fifth. That the organic act of Puerto Rico, approved March 2, 1917, be amended granting authority to the Legislature of Puerto Rico to fix the powers and duties of the heads of departments and the number and titles thereof.

Respectfully submitted.

THE PUERTO RICAN LEGISLATIVE JOINT COMMITTEE,
CELESTINO IRIARTE.
MIGUEL GARCIA MENDEZ,
BOLIVAR PAGAN,
LINO PADRO RIVERA.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

ADDRESS OF HON. JAMES A. FARLEY, MAY 20, 1939

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. James A. Farley, Postmaster General of the United States, at the dinner of the Young Democrats of San Francisco, Inc., at San Francisco, Calif., on Saturday, May 20, 1939.

The address is as follows:

Visiting California has become a kind of habit with me and, I may add, a very pleasant one, indeed.

While here a couple of years ago I had the opportunity to thank the good people of the State for the splendid way in which they rallied to the Democratic cause in the Presidential election of 1936. At the time I suggested that it would be an excellent idea to complete the picture by electing a Democrat to the Governor's chair at Sacramento.

The voters responded with customary California courtesy, and I am now happy to congratulate you in person on the election of my good friend, Culbert L. Olson, to the governorship; and my good friend, SHERIDAN DOWNEY, to the United States Senate. The political climate of California has proved to be all that its admirers said it was.

This is a fine forum for the discussion of current political problems, because the people of the far West have always been noted for their progressive and liberal attitude on public questions. They are not afraid of an idea simply because it is new, and they are not afraid to root out old ideas and customs when experience has shown them to be useless and out of date. They know that government must adapt itself to changing times and changing conditions or else pay the penalty.

I came here primarily to visit the San Francisco World's Fair, the beauties and attractions of which are proving a magnet for untold thousands of people who never before had the pleasure of viewing this part of the country. The organization of Young Democrats very kindly invited me to be present at tonight's meeting, and as politics is never out of season, I was happy to accept. The strength of the Democratic Party in recent years has been due in large measure to the support of young voters, and one of the major aims of the party leadership is to justify this confidence and to insure its continuance.

The United States, like the rest of the world, has been going through a trying period of adjustment in social, economic, and political life. This condition was not a creation of the administration now in power at Washington. On the contrary, it was handed down as a form of unwelcome heritage from the administration which preceded it. The people of the Nation turned to the Democratic Party for guidance and leadership because the last Republican administration was either unwilling to face realities or unable to point the way out of these difficulties.

The task of clearing away the wreckage and then rebuilding is never an easy one. The new edifice does not spring up overnight as if by magic—its construction is the fruit of patience, wise understanding of the problems involved, and long hours of unremitting toil. For more than 6 years now the Roosevelt administration has been engaged at the labor of rebuilding. During all this time a lusty chorus of disapproval has come from those who wanted to discourage the builders. Disaster was predicted as each new step was taken. Some people, you know, love to believe that the worst is about to happen. Yet despite the clamor of the defeatists, the work has gone on until today it may be honestly said that the United States is in the strongest position of any nation in the world. We have problems to be met, of course, but these fade into relative insignificance when placed beside the dangers and the trials that beset other lands and other peoples. The United States has moved resolutely forward under a gallant President to do the things that had to be done. The necessary steps may have caused inconvenience to some individuals who felt happier under the old regime, but good fortune often hides itself under a disguise. If the fault finders would forget about their own personal discomforts for a while they might be grateful for the fact that the destiny of the country has not been in weaker hands.

The Roosevelt administration has based its policies on commonsense principles that should appeal to every right-minded person who has a care for the welfare of his fellow men. The administration has had two compelling objectives—to conserve natural resources, and, above all, to conserve human beings. President Roosevelt has never ceased to bring home to the American people the homely fact that a nation which tolerates continuing injustice to millions of worthy citizens is gambling on its own existence. Human lives may be blighted and destroyed in destructive warfare or they may fall the victims of an unjust economic system. There were too many lives being sacrificed to an industrial system that was out of order and badly in need of repair when the present administration took office. There were too many people living on the verge of poverty and ruin because waterpower resources went undeveloped and dust storms and erosion laid waste the soil while the Federal Government did nothing about it.

Now, there are two ways to meet an unwelcome situation in political affairs. The first is to turn away and do nothing, in the pious hope that time and nature will effect a cure. The second method is to look at the problem with candid eyes, measure the extent of the damage, and then proceed to correct it with the best tools that are available. President Roosevelt chose the latter course, because he believed that a courageous attack was far more typical of the American spirit than a spineless surrender. His purpose was not to add a blow-out patch that might keep the economic machine running on even keel for a few more miles, but to bring about a thorough overhauling that would preserve the machine for many more years of useful service.

This job the President has done ably and well, and the proof of his accomplishment lies in the grudging acceptance of his doctrine by the very individuals who protested in the loudest tones. The fact is that not a single outstanding political opponent has had the hardihood to advocate the repeal of the Roosevelt measures. They tried to block the enactment of these reforms, not for the public good but in the furtherance of their own selfish, partisan motives. They denounced social security as a menace to the country's fiscal structure; they opposed regulation of the stock market; they tried to halt the insurance of bank deposits; and they opposed every attempt to lift the buying power of the farmers.

They are still fundamentally opposed to these healthy reforms, but in the face of overwhelming public approval, they have come to the unhappy conclusion that it would be politically unhealthy to urge their repeal.

This attitude of obstruction, which has been the only visible sign of Republican statesmanship in the last few years, had an ironic twist just a few short weeks ago. In the light of experience, President Roosevelt recommended to Congress a number of changes which he felt would improve the workings of the Social Security Act, one of the most humane pieces of legislation ever placed on the statute books by this or any other administration. A leading Republican spokesman, frequently mentioned as a possible G. O. P. standard bearer in 1940, immediately announced to the public that the Chief Executive had yielded at last to popular pressure and had gone over bag and baggage to the Republican position. This statement was very fittingly distributed through the medium of the Republican National Committee. The eminent Senator who sponsored the statement apparently overlooked the fact that the Republican Committee had carried on a cruel and furious campaign to discredit and uproot the whole Social Security Act in the closing days of the 1936 campaign. I feel sure you recall that unfair and unfortunate attempt to deceive the public, even if the Senator did suffer such an amazing lapse of memory. In the face of the record, do you think the Republican leaders honestly wish to improve the workings of social security, or do they harbor a secret desire to rip it apart and toss the discarded shreds on the scrap heap? How long do you think any of these basic reforms would remain in effect if the reactionary forces succeeded in climbing into power once again?

It is always easy to stand on the sidelines and to offer advice and criticism to those who have been given a difficult assignment to carry out. We have learned from recent events in Europe that when a dishonest deed is about to be done it is a simple matter to find an excuse for doing so, even if it fails to convince anyone but the individual who offers it. By the same token it is always easy for those who oppose progress and reform to find an excuse for doing so. They never come out openly and say what they really think—that the Government should let the farmer, the workingman, and the unemployed take care of themselves, if they can. The tactics of obstruction are always clothed in plausible raiment and offered to the public on the high ground of patriotism.

Although a hailstorm of denunciation has been directed against every action taken by the administration now in power, the truth is that the past 6 years has been a period of imperishable gain for the United States. Old wrongs and abuses that should have been cured long ago have been rooted out of the economic system. The ideal of America as a land of equal opportunity for all has been recaptured and democracy has been vindicated by the simple process of making it work.

Our Republican friends, of course, remain dissatisfied. They have established themselves as champion Monday morning quarterbacks and bleacher managers. Ignoring the many fine things that have been accomplished, concerning which they find it wise to be silent, they point to the problems that remain and demand to know why they haven't been solved. The obvious answer is, why didn't they solve them when they were in authority? Every single sore spot that now troubles the Nation had its inception and grew to maturity in the 12 years of Republican misrule that took place before 1933. And please remember that an ounce of prevention is worth a pound of cure. Had these sore spots been treated earlier the task of removing them would be far easier than it is today.

A very distinguished neighbor of yours, Mr. Herbert Hoover, is badly upset because the National Budget is temporarily out of balance. If that is really a calamity, why did the Palo Alto statesman fail to balance it while he was in office? He left the White House with a distressing series of red marks on Uncle Sam's

books after what has amusingly been described as 12 years of Republican prosperity.

No honest man would attempt to underestimate the seriousness of the agricultural problem. No honest man would attempt to underestimate the problem of unemployment. These are two more unwelcome hangovers from the era of Republican misrule. The only difference is that this administration is making a genuine and sincere effort to correct these evils at their source—a policy in sharp contrast to the half-hearted and meaningless efforts that were put forth by the preceding regime.

The Republicans faced the same problems that exist today when they were in office a decade ago. They had nothing to offer then as corrective measures, and they have nothing to offer now. They have not moved an inch from the position they occupied on public questions during the disastrous period of Mr. Hoover's reign. The only statesmanlike leadership this country has known in our generation has come from President Roosevelt, and every constructive measure of his administration has been opposed by the full weight of the Republican Party.

It is an old custom in politics, when a party wishes to cover up its own shortcomings, to manufacture an issue that will distract the attention of the public. This is a period of chaos and upheaval in world affairs and the Chief Executive has been compelled to grapple with a series of foreign problems of unprecedented magnitude. The whole of civilization has been trembling at the fear of another general war. Every realistic person, who is ready to face facts, knows this to be true. And yet, only recently, another distinguished Republican Senator, also mentioned as a probable party standard bearer, gravely announced that the supposed crisis was merely an invention of the President to take the public mind off domestic questions.

If the Senator really believed his own words, then he must have convinced himself that every newspaper and every radio station in the United States had joined in this conspiracy with the Chief Executive to hoax the American people. His charge was so ridiculous that even the most biased Republican organs advised the Senator to forget about it and try something else. From other quarters, the charge has come that the Chief Executive wants to lead us into war because he has the courage to raise his voice against violence and international wrongdoing, a policy pursued by nearly every one of his illustrious predecessors in the White House.

I have known Mr. Roosevelt for many years, and there is no individual to whom I would rather trust the safety and security of the United States in these dangerous times. During his term of office, there has been a cruel war in the Orient, a war in Africa, a destructive civil war in Spain, and a number of border clashes that threatened to provoke a general conflict. In each one of these instances, American interests were involved either directly or indirectly. Yet the President, by his wise and skillful handling of these incidents, kept this country free of entanglement. Not a single American enlisted man has lost his life on foreign soil under this administration. They have not been chasing around the jungles of Latin America on questionable military ventures as they were under Republican rule.

For those who may be disturbed by the constant efforts to discredit the motives of the President in his quest for peace, it may be well to listen to the words of a public figure who has had first-hand acquaintance with the problems now facing the Chief Executive. Mr. Henry L. Stimson was Secretary of State in the Cabinet of Mr. Hoover. He occupied that position when the rule of anarchy was first beginning to take shape in international affairs. Like all men who are sincerely patriotic, Mr. Stimson believes that politics should end at the water line.

Instead of attacking the President's motives and policies for partisan purposes, Mr. Stimson has stated publicly that the course now being pursued is the proper one to follow in the interests of peace. I think you will agree with me that the unprejudiced testimony of Mr. Stimson should carry far more weight than the opinions of those gentlemen who like to believe that the President is always wrong.

In this period of confusion and danger, it is well nigh impossible for the individual citizen to appraise correctly what the President is doing, or even to understand fully the reasons that impel him to act. But the record speaks for itself and the record shows that the sacred cause of peace is far safer in his hands than it would be in the care of those who would like to convert the Nation's foreign policy into a political plaything for their own advantage. A brave voice raised in the interest of peace has never led to war and it never will.

The Democratic Party was called to power at a time of national crisis and in the stirring events of the past few years it has demonstrated its capacity to govern the country both wisely and well. In four successive national elections the party has been successful because the voters realized that no other party was equipped to do the job. The responsibility of continuing the chain unbroken rests with us.

The minority party is supposed, under the American system of government, to prove its capacity for leadership by the prudent use of the weapon of opposition while out of power. The people interpret opposition to mean something more than mere obstruction. If the minority wishes to prepare itself for the resumption of Federal authority, it should produce and train statesmen who have a program of their own and the ability to translate that program into reality. Despite the surface optimism now showing in Republican ranks the truth is that the party has woefully failed to produce a single leader of national dimensions and no one knows that fact better than the Republicans themselves. The G. O. P. is just as barren of leadership as it was when it surrendered the reins of government back in 1933.

Someone has very well said that the Republicans are now praying "O Lord! Help us get rid of Roosevelt and then give us a Roosevelt to take his place." The reason for their fervent plea is self-evident. Although they are unanimous in condemning the Chief Executive, they realize inwardly that not one of them is big enough to fill his shoes. Each one of them fears that the other fellow is not big enough to do the job. And so the great search is on—the search for a candidate who has little or no record in office and one who, if he can be found, has no public record of any kind. What they hope to discover is a political hermit who has managed to live through this vital period of world history without letting on that he knew what was taking place.

We face the election of 1940 with an unparalleled record of achievement for the public welfare. The Republicans face it without a leader, a policy, or a program. Victory is within our grasp if we seize the opportunity and march forward, shoulder to shoulder, towards the goal that lies ahead. The trail has already been blazed by the greatest public leader of his generation, President Franklin D. Roosevelt. The triumph of his principles will be a victory not only for the party, but a victory for the whole American people.

British Royalty and Broken Faith

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

RADIO ADDRESS BY HON. JAMES C. OLIVER, OF MAINE

Mr. OLIVER. Mr. Speaker, under permission given to me to extend my remarks, I am pleased to incorporate the following copy of a broadcast made by me over station WCSH, Portland, Maine, on last Saturday evening, June 17, 1939:

Citizens of the first district, during the past 2 weeks many incidents of major significance have occurred in Washington. The most widely publicized of these was, of course, the visit of royalty. Yet of far more vital importance to each and every one of you was the action of Congress in considering measures designed to care for millions of unfortunate American citizens suffering from lack of jobs—lack of the necessities of life—and lack of opportunity ever to tread the paths of happiness and security so bountifully spread before the feet of our royal visitors.

This, my friends, is a land of opposites, indeed—a land of contradictions and astonishing contrasts. For, while our Government lavishes wealth upon the entertainment of foreigners elevated to a throne by accident of birth, while our Government outdoes itself to honor visitors amply able to pay their own way, that same Government bickers and hedges and hems and haws, seeking how best it may do least for its own unemployed citizens and how it may evade providing more than a pauper's pittance in the name of social security for its own aged and helpless. Is there then such difference in the clay of men that one—by whim of circumstance a foreign king—deserves the homage and the best our Government can offer—the while another—some lowly American W. P. A. worker perchance—receives from his own Government the treatment accorded a pauper?

I, for one, ladies and gentlemen, say that there is no such difference to warrant such amazingly opposite treatment. Both, in the eyes of true Americans are but men, imbued with the same impulses, the same hopes and ambitions and desires, equipped with the same general physical characteristics, molded from the same common clay. Here in free America we recognize no kings, no royalty but the royalty of free Americanism. Let any true American deny that statement.

In that same spirit of what I believe to be true Americanism I willingly grant the charm, the likeableness, the delightful humanness of our recent royal visitors. Undoubtedly they are very fine people, very gracious people, very kindly people. They would make fine Americans—granted that sacred title so dear to us all. As people, just plain common people, they would make, no doubt, fine neighbors and fine friends. Even as rulers of an empire, they remain fine people and their own subjects should be mighty proud of them.

I so express my opinion that all, friends and critics alike, may know my true sentiments insofar as these royal personages as human beings and as distinguished visitors are concerned. Never have I by word or deed, implied otherwise, nor have I denied their right to the courtesy and hospitality to which all distinguished visitors are entitled. Yet there has been some minor criticism of my decision to

put the interests of my constituents, the business of theirs for the doing of which they sent me to Congress, before the empty hypocrisy of taking time off to kowtow to these foreign folks. There has been some criticism, even as there has been an amazing lot of commendation and praise, because I believed, and frankly said, that I should not take time off from my official duties for such mockery when there were so many of my constituents destitute, unemployed, ill-nourished, ill-housed, and ill-clothed, so many of my own people desperately seeking salvation from economic misery. As I see it, my job is to do everything within my power, to devote all of my time, to battle to relieve my constituents of that agony.

To my mind, and let the critics bawl as they may, to have abandoned the interests of my own people in order to kowtow to these visitors, to have participated in the pompous and glittering and outrageously expensive welcome tendered at the expense of our suffering taxpayers—to my mind, my friends, that would have been nothing short of hypocritical bunkum. As a free-born American—royalty, the exaltation of one human being above his fellows—the worship of man by man, is most repugnant to me. In this land of ours no man is king. I serve my own people, not foreign royalty. If this be such horrible sentiment, such outrageous conduct as they would pretend, let my critics make the most of it.

It chanced that prior to the visit of these emissaries of good will, I introduced an amendment to the Johnson Act—that act which now prohibits war-debt defaulters from borrowing more American money until they square up their present long-overdue debts. This is a very fine law and has been keeping us from being trimmed again by these European war-breeding and gold-hungry nations. The chief of these is Great Britain, owing us some five and a half billions of dollars. Great Britain has refused to pay, year after year after sadder year. But now—with Europe readied for war—curiously enough Great Britain suddenly remembers her debt to us and starts talking about paying it. But not about paying it in full. Oh, no! To quote from a recent Associated Press story, "Great Britain reiterates her willingness to discuss settlement of her war debt to this country whenever circumstances are such as to warrant the hope that a satisfactory result might be reached.

Ask yourselves, my friends, what is meant by a satisfactory result? A result satisfactory to whom? To Great Britain, of course. Meaning another unholy alliance, through which first, our wealth and then our manhood could be drawn across the sea to fight anew the battles of the wily diplomats. What man can doubt it?

Great Britain does not want to pay her just debt; she wants to settle for a dime on a dollar, or some such ridiculous fraction of the whole, to buy us off cheaply. And why this talk of settlement now, after the silence, the evasions, and excuses of the long years? Why now? Because, my friends, Europe bristles with guns, guns standing mute, mute for the lack of gold. Great Britain needs us now, needs our gold, needs our industrial and material backing. Is not that the truth, and the whole truth, behind this sudden love for us, this good-will visitation, this display of interest in debts long ignored? Is the talk of settlement more than a mere attempt to lure us into accepting a penny, and so tearing down the protection of the Johnson Act and permitting the wily ones of Europe to plunder us again, to pick Uncle Sam's pocket as they picked it 22 years ago? What do you think?

And so, thinking how easily this pocket-picking could be accomplished should this administration fall for the schemes and the fanfare, and let these wily ones settle their long-defaulted debts for a picayune token, I introduced this amendment to the Johnson Act to provide that, should any settlement be made, these debtors would be compelled to wait as long to borrow as they waited to pay. If they had money with which to build great navies, great armaments, great empires, money to lend to their neighbors, and money to maintain their glory during all these years, surely, ladies and gentlemen, they had money with which to pay Uncle Sam, had they but wanted to be honest. They didn't pay. They laughed at Uncle Sam as the prize sucker of all time. But now, faced by war, they talk of paying.

My friends, who among you but knows that this visit of royalty was but a step in the unfolding plan of Chamberlain and other European diplomats to draw this Nation into their pit, to secure the financial and industrial, and, inevitably thereafter, the might of these United States to support them in the European struggle for power and profits daily drawing nearer? What intelligent man can doubt it?

Who among you remembers that this same Great Britain, this long-time defaulter now seeking our good will and money, is the Great Britain which but 22 years ago, was charging us transportation for every American soldier, sailor, and marine transported to Europe to fight Great Britain's battles for Great Britain's protection and for Great Britain's welfare? Yes; they socked us for every man we sent to fight for them. Yet what contrast when, compared to this charging for the transportation of soldiers for her own salvation, we scan a few of the many items of expense paid by this Government with the money of the American people to make royal the way of these rulers during the recent visit, the touching visit, of the heads of this same Great Britain. For instance, friends, according to my understanding, there was the little item of $150, for a piece of carpeting upon which the regal feet might tread; the little item of $18,000 for refinishing the President's reception room in the Union Station at Washington, momentarily to greet the guests; the thousands of dollars spent in smoothing the pavement in front of that station so the feet of the emissaries might not stumble; the thousands upon thousands of dollars spent in placing guards every 20 feet along the railroad right-of-way to protect the royal bodies from harm. But, above all else, in view of that they charged us to send them soldiers, is the report that we paid for the railroad expense, for the hauling and servicing of the royal train within our borders. How different the treatment accorded the British here and American saviors going over there!

No, ladies and gentlemen, I did not attend the glamorous and glittering and outrageously costly public circuses arranged at the expense of the suffering American people to honor the visiting dignitaries. I did not quit my desk to kowtow and shake their august hands. But I do attend at every opportunity the gatherings of my colleagues intended to further the relief of America's aged and needy and unemployed—and I do attend to the utmost of my ability to the business of my constituents of every hue and creed and station. Moreover, I am ever glad and proud to shake the hand of any man in public office, yes, and kowtow to that man, if he is honestly trying to better the condition of the American people.

And, following the fanfare of the royal visitation, of the royal dispensation which granted the legislators of this free land the privilege of touching their august hands, following the pomp and glory upon which was squandered the money of our people, when those legislators returned to their tasks, cause had I to marvel at their reasoning which could condone such extravagance and such waste and yet, in considering pending amendments to the Social Security Act, could approve the raising of the Federal contribution toward old-age assistance from $15 to a munificent $20 per month in those States matching that contribution. Could any man behold a greater delusion, a more cruel joke, against the background of wealth squandered upon royal entertainment? What a sad, sad jest, my friends, when we will know that only one State of the Union is now matching the pitiful $15 of the original act. If they cannot, or will not, contribute $15, will they contribute $20? Of course they will not. And the very men accepting such an amendment knew that as well as do you. In fact, one member of the Ways and Means Committee frankly admitted that it was not expected that the various States would or could take advantage of the increase. International frippery! Regal greetings for royalty! Contrast that to this administration's concern for its aged and helpless citizens.

After the fanfare I wondered too at the seeming determination of the dominant ones in Congress to turn from such glittering squandering of people's money and proclaim their vaunted desire for economy by saving at the expense of the unfortunate millions now reduced to the existence wage of the W. P. A. They talk, these dominant ones, of cutting off these unfortunates, of work relief for but 2,000,000 of the unemployed, of gradually denying work to even these and so compelling destitute men and women to leave the only refuge they know, thrusting them forth to seek private employment where these very dominant ones themselves know there is no private employment. They talk of caring for 2,000,000 for a while. But what of the other 10,000,000, and more, of American unemployed? Are these to remain unemployed, to remain pauperized, to remain desperate and discouraged and hopeless in a land men call the richest upon the face of the globe? Sad as is the fate of the two millions, faced by imminent discharge from existence wage jobs, what of the other ten.

I have been criticized in some quarters because I declined to lend my approval and my presence to the wasteful, the undemocratic, the international complication breeding, squandering of the people's money upon a welcome to a king and queen, because I refused to fall in line for the august hand touch and the meaningless and hypocritical salutation. Conscious of the mockery of such legislation as I have just mentioned, conscious of the hypocrisy of our treatment of our own aged and needy and unemployed citizens, what honest man, true to his own convictions, could have done otherwise?

Let me repeat that I admire the charm, the likeableness, the delightful humanness of our recent royal visitors. Undoubtedly they are very fine people, very gracious people, very kindly people. But my business is not to greet visitors to America, however regal such may be. My job is to take care of the business of my office, to look after the interests of my constituents. To those that fear lest the prestige of our proud State has suffered by my addiction to duty, let me remind you that four of the five Maine Members of the Congress extended to the royal folk the hearty welcome of Maine's people. To the few who have chosen to criticize my action in preferring to do my duty rather than to waste my time in hypocritical kowtowing, let me say that I shall go on, God willing, doing what I conceive to be my honest duty. And to the many who have so kindly expressed their approval and appreciation of my action, please permit me to say thanks for understanding.

Until 2 weeks from tonight, my friends, good night and good wishes.

Appreciation

EXTENSION OF REMARKS
OF
HON. EVERETT M. DIRKSEN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 19, 1939

EDITORIAL AND ADVERTISEMENT FROM THE SPRINGFIELD (ILL.) REGISTER

Mr. DIRKSEN. Mr. Speaker, on a number of occasions I have expressed to the House my pride in some of the good work done by the Works Progress Administration in my district. On occasion I found pride in extolling the efficiency of the W. P. A. in the Peoria district in Illinois, especially so in view of the criticism directed at W. P. A. in other States and other sections of the country. I believe it is a happy custom to throw roses where they are merited.

The following statement, which appeared in a 12-inch 4-column advertisement in the Springfield Register, Springfield, Ill., on June 11, 1939, and attested by 33 business firms in that city, is a source of real gratification and high testimony to Mr. James F. McElwee, the W. P. A. director in that district, and to his staff:

APPRECIATION

We, the undersigned merchants of Monroe Street, between Fourth and Fifth Streets, wish to publicly express our thanks and appreciation to the city officials and officers of the works program—and especially to the hard-working men who labored day and night to finish our street between Fourth and Fifth on Monroe Street in almost incredible time for the benefit of our businesses.

Again we say, W. P. A., you did the job quickly and most efficiently.

Thanks.

In the same issue of the Springfield Register appeared the following editorial, which is worthy of insertion in the RECORD:

LIGHTER VEIN

To smile all day keeps the frowns away

Our motto: Boost and the world smiles with you, knock and you frown alone

SIZZLING IN BLAZING SUN OUR LOCAL W. P. A. WORKERS WIN SMILES OF OBSERVERS

George "Sodie" Nelch is bossing this downtown W. P. A. rail removal project. He and his men are doing a bully good job of it. They are creating smiles of satisfaction, entertaining the crowds, winning public approval, and offseting much of the malicious derision that has been directed at W. P. A.

At Fifth and Monroe, Fifth and Jefferson, and other points, I watched these men at work yesterday. The sun was blazing down upon them. Whites with bronzed arms and walnut backs were carrying brick and lifting huge steel rails. Blacks with bulging muscles and Joe Louis-like power were bending to their tasks in the blazing sun. There was no loafing on the job and no monkey business. It was work, work, work, with wonderful, amazing human endurance and praiseworthy efficiency. Those boys really hit the ball.

I steamed alongside of smiling Charlie Warner, tall, picturesque, snowcapped, sartorial and tonsorial specialist, who shared our admiration of the remarkable human endurance of those W. P. A. workers toiling in that blistering sun. Charlies laughed and said:

"I asked 'Sodie' Nelch if he would give me a job on that W. P. A. project. 'Sodie' looked at me a moment, laughed and exclaimed:

"'Charlie, if I gave you a job of that kind in that hot sun, you wouldn't last as long as the proverbial snowball.'

And, judging from a remark we overheard a perspiring blond drop at Fifth and Monroe, it must have been at least that hot.

So, let's give the W. P. A. boys a hand. Approximately 1,200 of them working day and night in three 8-hour shifts will have removed huge steel rails from, and repaved, 24 blocks in the business area in approximately 20 days. Doesn't that sizzle your smiler?

If you've sneered, and thumbed your noses at W. P. A. you will feel doggone guilty if you go and watch "Sodie" Nelch and his men accomplishing this marvelous piece of work. All along the street we heard people praising the boys. That's why we fire this salvo of smiles in their honor.

Save Agriculture to Save America

EXTENSION OF REMARKS
OF
HON. JOSEPH J. O'BRIEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 19, 1939

RADIO ADDRESS BY FRANK GANNETT

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address made by Frank Gannett, as guest speaker for the National Grange on the Farm and Home Hour, Saturday, June 17, 1939, over N. B. C. network:

To you farmers who are listening to this program, there is nothing more important than the prices you receive for your products. Upon this depends what you can buy for your homes; the kind of education you can give your children. Everyone who tills the soil knows that the farmers' income today is far below normal, is scarcely sufficient to maintain our farm families. As a matter of fact, the national farm income today is about $5,000,000,000 short of the predepression average.

When the farmer, the miner, and the lumberman receive good prices, they are able to buy. Industry then booms; workers have jobs and get good wages. As farm prices fall, industry lags.

Since 1929 farmers have been in their worst depression in history. More than a million and a half farmers have lost their homes, representing savings of a lifetime. Prices were so low that they could not buy what they needed for farm or home.

Last year I wrote 59,000 leaders of cooperatives, farm bureaus, and officers of granges. Their replies tell the story.

The secretary of a western farm bureau says: "In my township 8 out of 46 farm homes have been abandoned since 1929, and more will be abandoned within the next 3 or 4 years."

The secretary of a grange in North Carolina writes: "A fair chance for everybody is all farmers ask. If we could have living conditions even as good as the poorest town people our boys would stay here even if hours are long and work hard. We carry water 200 yards because we have no money to drill a well through rock. Yet we love farm life. It gives us freedom, peace, and contentment found nowhere else."

The wife of a farmer near Gainesville, N. Y., writes: "I pray America will awaken to the farmers' plight soon enough to save our homes, our farms, and our families."

What is the cause of this 10 years' distress for agriculture? Why this great drop in the income of farmers?

The answer is the increase in the value of the gold in our dollar.

We all know and understand the law of supply and demand and its effect upon prices. But we sometimes forget gold is a commodity, just as is silver, copper, lead, wheat, cotton, corn, or timber. The value of any of these products, including gold, is affected by the law of supply and demand. When gold is in high demand, it becomes more valuable and will buy more of any other commodity.

In 1929 world-wide panicky hoarding of gold began. In 3 years its exchange value for farm products increased two and one-half times, because everyone wanted gold.

The farmer, whose prices are set by the gold value of his product in world markets, who had given 20 bushels of wheat for an ounce of gold, now had to give 50 bushels for the same ounce of gold. Wheat fell from a dollar to 40 cents a bushel. Instead of 200 pounds of lard, he had to give 500 pounds for an ounce of gold. Lard fell from 10 to 4 cents a pound. Cotton, instead of 23 cents, brought him only 8 cents a pound. Butter, instead of 35 cents, brought 14 cents.

It wasn't overproduction that did this. We were producing even less than we had produced and consumed in the previous 10 years. The change was in the value of our gold-standard dollar.

From 1923 to 1929 the gross farm national income had averaged $12,000,000,000 a year. In 1932 it had dropped to five and a third billions. In the past 10 years the farmers of the United States, because of depressed prices, received thirty-five and a half billion dollars less than their average predepression income. Producers of other basic commodities lost $15,000,000,000 more, making a total destruction of income and buying power of $50,000,000,000.

Think of it! The farmers in this 10-year period lost almost as much as our total national debt! What an unjust blow to the farmers! What a terrible blow to America's prosperity! All of this happened because our Government refused to heed the fact that gold had become an unstable measure of value, sensitive to panic and war hoarding in Europe.

I doubt if the general public realizes what this great loss in farmers' income means to the farmer and to all of us. Farmers know the facts. But city people should also be concerned.

Ten million men, one-quarter of the gainfully employed, work on farms. Yet after deducting the cost of fertilizer, implements, taxes, and so forth, these owners and hired workers have left an average of only $500 a year. Deducting food consumed on the farm, counted as money, only $1.30 a day in cash wages remains for the average farm owner and his hired man, and nothing for a return on the fifty billions of capital invested in farms—nothing for the unpaid labor of 22,000,000 farm women and children.

How can the farmer, on such an income, buy from city industries? Research shows that among our farmers there is an unlimited market for bathrooms, radios, washing machines, vacuum cleaners, sewing machines, automobiles, trucks, tractors, and farm machinery. If the American farmer had his just income of five or six billion dollars more a year, every farmer would have $800 to $1,000 more a year to spend.

What a market there would then be for the products of our cities! There would be such a demand for these things the farmers need that there would be work for all willing workers. City industries would have to work to capacity to supply the demands. Here is the lost buying power that is prolonging our depression, and was one of its principal causes.

Let me repeat, give the farmer the income that he should have and prosperity will return immediately to our cities and to the country as a whole.

What makes me burn with indignation is the fact that other countries have solved this monetary problem and are enjoying great prosperity while we ignore their experience and remain in deflation and depression.

Every nation that has prosperous farmers, and there are many of them today, has restored farm prices by correcting the injustice in its monetary system. Other nations, wiser in finance than we are, correctly diagnosed the situation as due to the swollen value of gold and have lessened the amount of gold in their currencies. As a result their depression has been cut short, farm prices been restored, and general prosperity followed.

A few years ago I flew to Buenos Aires. While our farmers were compelled to plow under wheat and cotton and kill pigs, I found some South American nations enjoying great prosperity. Farmers down there were receiving in Argentine currency, with which they paid their taxes, interest, and debt, and bought their supplies, prices practically as high as during the predepression period. In Buenos Aires new buildings were being erected at an unprecedented rate. There was confidence in the future and there was no unemployment. These prosperous conditions still prevail there.

The financial leaders of the Argentine recognized that the swollen value of gold was the cause of the collapse in farm and other commodity prices. They advised their government to increase the amount of Argentine pesos into which gold could be converted. That is, the Argentine price of gold has been raised by a percentage that is equivalent to $60 an ounce. In other words, the gold content of the Argentine peso was reduced. Thus the farmers in the Argentine, despite the fact that the world was giving less gold, continued to receive good prices for their products, while the farmers of America, whose products exchanged for the same amount of gold, received low prices because the dollar price of gold has not been changed since it was fixed at $35 an ounce 5½ years ago.

The farmers of the Argentine have been able to pay their debts and taxes, and to have high purchasing power for the things they need, while our prices have bankrupted American farmers.

Australia, New Zealand, Denmark, Brazil, Finland, and a dozen other agricultural nations have done exactly what Argentina has done to help their farmers. They all exchange their products for the same amount of gold that American farmers receive, but on the average when they take their gold back home and convert it into their own currencies they receive 30 percent more than our farmers receive in dollars.

When President Roosevelt took office he did one thing which has been outstanding in his administration. It won for him my enthusiastic support. He took us off the gold standard and the price of gold was raised from $20.67 an ounce to some $30 in midsummer of 1933. Later the price of gold was raised to $35, but since January 1934—for 5½ years—the price of gold has remained at that fixed figure, while other nations have raised it much higher.

While President Roosevelt was putting this monetary policy into effect the United States had the greatest recovery in farm and other commodity prices, the greatest increase in employment, the greatest increase in business activity for any like period in the Nation's history. Nor did the cost of living rise. For while the dollar price of gold was raised 69 percent, and the price of basic commodities and farmers' products rose 67 percent, the cost of living rose only 3 percent. In July 1933, for some reason never explained, this successful policy was abandoned in favor of N. R. A., and a program for restricting and curbing production and labor, for huge Government spending and debt.

This program has failed.

After 6 years of failure, is it not time for us to discard this ruinous policy? Is it not time for us to adopt the policies followed by other nations where farmers are prospering?

What can we do?

The first move to right matters is to demand that Congress take from the President power, as great as any Caesar ever held, to change the value of our dollar and give that power to a monetary authority, set up under a mandate of Congress. Such an authority should be composed of men of standing and integrity, comparable to the members of the Supreme Court. They should be free from financial or political pressure and hold office for life.

The only fair way and safe way to measure values is to take as our base the average of 35 or 40 of our basic commodities—what is known as a price index. When the value of gold gets out of line with this average, the gold content of the dollar could be raised or lowered by this monetary authority, and the average of the farm and other commodity prices maintained at a just and stable level. This would give us an honest dollar, honest to creditor and to debtor alike, would make it possible to control our booms and depressions, restore prosperity to the farmer and to the producer of all basic commodities. Immediately it would bring this country out of its depression.

In conclusion I must say that I am gravely concerned over the present conditions because I know if they are continued much longer our form of government and our system of free enterprise will perish.

America today stands at the crossroads. What happens in the next few months or few years will determine what the future of this country shall be. We can't go on the way we're going, spending and spending more than our income, regulating and controlling everything and everybody from Washington. That policy has failed and will always fail. It is sure to bring disaster.

My call to farmers is use your political power to put through the monetary program on which the great national farm organizations, including the Farm Bureau, the Grange, the National Cooperative Council, have united. Go to the local leader of your organization, tell him to exert his influence. Go to the present leader of your party—tell him that restored farm prices are more important than a fixed price of gold. Write to your Congressmen and to your Senators. Then to the county chairman of your own party, and tell him that in 1940 you will vote only for candidates and a party that pledges action for monetary reform that will give to American agriculture its just income. Use your political power. Save agriculture to save America!

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

RADIO ADDRESS BY HON. JOHN W. BOEHNE, JR., OF INDIANA

Mr. LUDLOW. Mr. Speaker by unanimous consent of the House I present for publication in the RECORD the following radio address delivered by Hon. JOHN W. BOEHNE, Jr., over the red network of the National Broadcasting Co., station WMAL, Washington, D. C., on Friday evening, June 16, 1939:

On June 2, over this network, my Republican colleague from Indiana, Congressman FORREST A. HARNESS, delivered a philippic entitled "Recovery and the Tariff." I am grateful to the National Broadcasting Co. for this opportunity to answer this distinguished gentleman, but without the use of aerial acrobatics.

He opened his address by the use of a most interesting metaphorical expression in which he compared the New Deal to a series of circus performances by stating that the aerial acrobatics had been too much for him to grasp. I quote from his prepared manuscript these words:

"Speaking of circuses, we will probably never use anything under the big top any funnier than a New Dealer trying to act like a conservative."

To paraphrase the words of my distinguished colleague, I would say that there was nothing funnier than an Old Dealer trying to act like a liberal during the week of which he speaks. For several years the country has been bombarded with the theory that government through extravagance must be supplanted by government through economy. To a certain degree I concur in that theory. Today, however, even a politician is required once in a while to practice what he preaches. During the week referred to, those who believed that the time had come to halt unnecessary expenditures had a glorious opportunity to practice consistency. It is not an easy matter to deny Federal funds to any class or to any constituency. It seems difficult, almost impossible, to explain that the Federal Treasury is not a cornucopia; that all moneys expended by the Federal Government must come through taxes imposed upon all the people. During that week the House of Representatives faced squarely and properly a vote on a pension system that would ultimately cost $24,000,000,000 annually. To the State of Indiana, of which both Mr. HARNESS and myself are residents, it would have meant an additional tax cost of $638,000,000 annually. We need only to compare that figure with the total Federal internal revenue in Indiana of $114,000,000 to see the absurdity of attempting to impose this further burden upon our people. He voted for this expenditure. I voted against it.

His vote clearly showed the method used by some in gaining public favor. When we witness the spectacle of an economy-minded individual, who professes to believe thoroughly in the theory of government by economy, and who, suddenly, for reasons best known to himself, supports a stupendous financial program like this, when it is well known that taxes have just about reached the saturation point, then indeed, we are presented with that most unusual picture of an old dealer trying to act like a liberal. Consistency, thou art a jewel, but only when it is practiced by the other fellow.

Congressman HARNESS touched on other points, which are very interesting. In speaking of the Government's trade policy, my colleague from Indiana said, "Let us skip statistics and stick to logic and simple arithmetic." Did he desire to skip statistics because statistics show such favorable results for reciprocal-trade agreements, which as everyone knows, constitute the basic phase of this Government's foreign commercial policy? Could he have wanted to avoid statistics because they show that exports to agreement countries since this law was inaugurated have increased by 60 percent and to nonagreement countries by only 38 percent? Statistics, logic, and simple arithmetic all point to the conclusion that this phase of the administration's recovery program has been thoroughly successful.

Those of us who support the idea that expanding foreign trade is worth while—that we must buy in order to sell—realize that the domestic market is a good and a large market. Some of us even go so far as to agree with former President Hoover when, as Secretary of Commerce, he said that exports were the "balance wheel of prosperity."

In attempting to prove that foreign markets are not important, my colleague stated that the average exports were less than 10 per cent of domestic production. He did not skip statistics then, but he did make a most dangerous, fallacious, and misleading application of statistics. In effect he said that because a thing is comparatively small it is not important. The convenient stock phrase that exports are a small part of our economic activity and not important, so frequently used by our Republican friends, was designed to mislead. In 1938 that proportion of our production which was exported was larger than any year since 1930. In 1938 we exported 50 percent of our phosphate rock, 50 percent of our refined copper, 30 percent of our cotton, and 30 percent of our tobacco.

One might inquire if our exports, because they amount to less than 10 percent of our production, are of no importance to our economy, how is it that a much smaller percentage of imports—more than a billion dollars less in 1938 than our exports—could possibly have such bad effects on our productive capacity as the Republicans allege and complain about, particularly when a careful analysis of imports shows that no more than 15 percent of the total are in fact really competitive with domestic producers?

No one with even a rudimentary knowledge of producing, buying, and selling, and I know the gentleman from Indiana to be a man of particular brilliance and accomplishments, is ignorant of the fact that even a 10-percent surplus of any product over what the market will absorb will force down the price of the whole 100 percent of the production. I am sure that my colleague from Indiana in his college days was taught in his classes in economics, just as I was, the homely philosophy that one automobile, one bushel of wheat over and above the market demand, will cut the price of every machine and every bushel of wheat. Let 10 percent of our industrial or agricultural production back up on a glutted domestic market and the result is stagnation, unemployment, and poverty.

Certainly, it is a real circus performance when a member of a political party which sought markets abroad and at the same time increased tariffs, which inevitably cut those markets off, should raise the point of inconsistency. What is more inconsistent than to demand payments of foreign debts, for example, and at the same time raise tariffs so high that they make it impossible for foreign governments to pay those debts? It makes no difference how hard an attempt is made to explain away such inconsistencies, because the policy was condemned by the American people, and those who support that policy must take the responsibility for such inconsistent action which nearly destroyed our foreign trade between 1930 and 1933. I contend it takes a great deal of "face" for a member of that group to attempt to point out alleged inconsistencies of the present administration in its foreign commercial policy.

Those who condemn the reciprocal trade agreement policy usually weep a few perfunctory tears for the laboring man. They try to make the worker believe that all imports take jobs away from Americans. They do not seem to be concerned for the far greater number of workers who are producing for the export market. They never reveal that these workers receive much higher wages than do the comparatively few workers in industries which demand excessive protective tariffs and use those tariffs to bolster up the prices that American consumers must pay.

They never mention the fact that well over one-third of this country's total imports consist of raw materials, which go into American industries and which cannot be produced in this country. How many American workmen's jobs depend upon imports of rubber? What would be the effect on industry on the great State of Indiana if we excluded imports of rubber, tin, and foreign chemicals? How would the diet of the American workman be affected if we shut out imports of foodstuffs produced only abroad—bananas, coffee, and the like—which make up one-sixth of our total imports?

The principle of tariff protection is not violated by the trade-agreements program. It is still in force to protect the standard of living of American workers, although the experience of 1932 demonstrated very plainly that there are quite definite limitations on how far tariffs can protect the American standard of living. We had the highest tariff protection of all time from 1930 to 1934, and during most of that period the workers' standard of living was the lowest in decades.

Of course, we are all acquainted with the statement made on the floor of the Senate by former Senator James E. Watson, of Indiana. When commenting on the Hawley-Smoot tariff bill, he said that he could guarantee that within 6 months following the passage of that act we would find ourselves in the midst of the greatest era of prosperity we had ever seen. The prophesy came true to the extent that within 6 months we found ourselves in the very bottom of the trough of a depression.

My distinguished colleague further said:

"If you are a farmer, you cannot help feeling rather bitter that America, the greatest agricultural country in the world, has lately become an important importer of farm products."

The opposition frequently alleges that the trade-agreement program was not to the interest of American agriculture, because farm imports increased after the droughts of 1934 and 1936. In spite of much propaganda to the contrary, it has been well established that the principal agricultural items in which imports increased during those years, such as corn, wool, and wheat, paid the full rates provided for in the Hawley-Smoot Act. The program has continued in full effect during the decline in foreign imports that began about the middle of 1937, and if trade agreements were the only, or even a principal cause of farm imports, that decline would not have occurred.

I think a few simple statistics might clarify the issue and we shall not skip statistics, because they do not happen to suit the purpose of the opposition. I note that in 1929, a year generally regarded as prosperous, a year when the Government was in the hands of the political party professed by my distinguished colleague from Indiana, agricultural imports amounted to $2,218,000,000, whereas in 1938 agricultural imports amounted to only $955,000,000. In 1938 the imports were $1,125,000,000 less than in 1929. From the fiscal year 1936, when only three trade agreements were in effect, to 1938 when 16 were operative, the imports of agricultural products from these 16 trade-agreement countries actually decreased by 3 percent, while those from nonagreement countries increased by 4 percent. This does not in any way measure the success of trade agreements, but it does prove that the hue and cry about our foreign-trade program in relationship to agricultural imports is without cause. I know that farmers are capable of ascertaining the facts in this case, and will not be misled by partisans. In analyzing this forward-looking program, I must suggest to my colleague from Indiana that it is impossible to skip statistics, logic, arithmetic, or even common sense.

It is manifestly impossible to answer all of the charges, most of which were political in character, in the address delivered by Congressman HARNESS. I hope that my radio audience agrees with me that it is an excellent idea to stick to facts, and not to rely on meaningless platitudes, particularly when discussing the subjects that are of supreme importance to the American people.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. NEWT V. MILLS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

LETTER FROM C. C. HANSON, SECRETARY OF THE ASSOCIATION OF SOUTHERN COMMISSIONERS OF AGRICULTURE

Mr. MILLS of Louisiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me and also a statement by Hon. Sergio Osmena, Vice President of the Philippines, made before the House Committee on Insular Affairs:

[Association of Southern Commissioners of Agriculture, 1883 Galloway, Memphis, Tenn.]

WASHINGTON, D. C., *June 17, 1939.*

The Honorable NEWT V. MILLS,
House of Representatives, Washington, D. C.

MY DEAR MR. MILLS: We are addressing you as a Member of Congress from the "cotton South," as well as a member of the House Committee on Insular Affairs. We are writing in behalf of the American cotton and peanut planters, as well as in behalf of the interests which our southern livestock producers have in H. R. 6853, a bill "to amend the Philippine Islands Independence Act."

We would have you believe, with our association, that it is all important to our southern farmers that the House Committee on Insular Affairs hold a public hearing on H. R. 6858 before reporting the same from out of that committee to the Committee of the Whole.

We would have you know, Mr. Mills, that expert, impartial, and distinterested opinion of accredited agricultural authorities actually supports the conviction that the passage of H. R. 6858, as drawn, would have lasting adverse effects upon every cotton and peanut planter, upon every cattle and hog raiser, as well as upon the income of every dairyman in the State of Louisiana. This is the candid opinion of the association of the duly elected State officials charged by the electorate with the administration of agricultural affairs in each of the several cotton-producing States.

Among the commissioners is the Honorable Harry D. Wilson, commissioner of agriculture for the State of Louisiana. This Association of Agricultural Commissioners neither holds nor carries any brief for any interests, nor does it advance any viewpoint whatever except the viewpoint of the actual producers and consumers of America's fats, foods, and fiber.

The association feels that the proposal made in H. R. 6858 to abate the 3-cent excise tax on an annual import quota of 448,000,000 pounds of coconut oil is absolutely "indefensible, special-privilege legislation" conceived wholly in the interests of the American soap industry.

The Association of Southern Commissioners of Agriculture would direct your attention to the fact that this very proposal for abatement of the tax on Philippine coconut oil was argued in the Senate less than 2 weeks ago. The debate on that proposal, as recorded in the CONGRESSIONAL RECORD of May 31, 1939, constituted a veritable arsenal of argument against the enactment of that proposal at that time.

It was pointed out in that debate, and from every angle of economic soundness and justification, that the determination to fix the excise tax of 3 cents per pound on Philippine coconut oil was made at the very time of the enactment of the original independence act. It was enacted into law by the very same session of Congress and almost simultaneously with the passage of the original act.

Incontrovertible proof is available that every justification which gave rise to its enactment at that time is present today. In support of that argument in the recent Senate debate, Senatcr CONNALLY declared:

"Mr. President, the soap people are the only ones who were making this argument. I have here a long printed argument, 'Petition of soap industry to the Committee on Territories and Insular Affairs in support of the amendment of Senator HAYDEN relating to coconut oil. John B. Gordon, Secretary.' I will not read it all as nobody is interested, so far as I can discover, except the soap manufacturers.

"Have they reduced the price of soap? They have not. Will they reduce the price of soap? They will not. We hear statements about lauric acid, it being said that no other oil contains any lauric acid except coconut oil. Very well. This coconut oil is imported in the same volume with the tax or without the tax. If that be true, no one is hurt by the tax except the soap people, who want larger profits."

Now, let us hear further what was said in that debate as to just who the sponsors are of this proposal to do away with a 3-cent excise tax on coconut oil. In discussing that, Senator CONNALLY declared:

"How much was it that Procter & Gamble paid their president last year? There was some testimony before the Committee on Finance as to what they paid the president of the company. I cannot recall the figure now, but I shall check up on it and insert it in the RECORD. I am sure that Procter & Gamble's representative, who is in the gallery, will be glad to tell me about it when the session is over."

Having shown who the proponents of this excise slashing act are, let us now look behind the words of Senator CONNALLY and see exactly who it was that that distinguished exponent of the rights of American agriculture "disclosed" as being opposed to the adoption of any reduction in the excise tax of 3 cents per pound, and why it should not be done in discussing this point. Senator CONNALLY declared:

"Mr. President, the tax has resulted in benefit to domestic vegetable and animal fats. It has convinced the representatives of every farm organization I know of, such as the National Grange and the American Farm Bureau Federation. The dairy representatives are here asking that the tax be retained; the representatives of the fishing industry of the United States, who manufacture fish oil, are here asking that the tax be retained.

"Mr. President, I shall insist on a vote on the point of order on the ground that this is an amendment affecting the revenue, and therefore is not to be considered in the Senate but must originate in the House of Representatives."

And, in response to that motion made by Senator CONNALLY, the Senate, on May 31, 1939, overwhelmingly, by a vote of 54 to 8, defeated the proposal to do away with the excise tax on 448,000,000 pounds of coconut oil annually imported from the Philippines.

And so now the soap industry carries the bill to the House. The Association, Southern Commissioners of Agriculture, are not unmindful of the rights of the American soap industry to equitable treatment in the halls of our National Congress, but, likewise, the Southern Commissioners of Agriculture now ask a "day in court" for the American farmer.

In a letter recently made public, asking that hearing be had, America's oldest and most conservative farm organization, as represented by Mr. Fred Brenckman, Washington representative of the National Grange, demanded to know:

"Are not the American farmers entitled to as much consideration in Congress as the soap industry?"

This association feels confident that the Committee on Insular Affairs should make an affirmative answer to Mr. Brenckman's question. It is for the above, among other reasons, that this Association of Southern Commissioners of Agriculture make request of your personal support in seeing that a full, free, and frank discussion be had at a public hearing before the Committee on Insular Affairs and prior to the time which your committee report to the Committee of the Whole on this piece of legislation which is so threatening to American farm interests.

Very sincerely yours,

ASSOCIATION, SOUTHERN COMMISSIONERS OF AGRICULTURE,
C. C. HANSON, *Secretary*.

STATEMENT OF HON. SERGIO OSMENA, VICE PRESIDENT OF THE PHILIPPINES, ON SPECIAL MISSION TO THE UNITED STATES ON H. R. 6694, SUBMITTED TO THE COMMITTEE ON INSULAR AFFAIRS, HOUSE OF REPRESENTATIVES, ON JUNE 15, 1939

Six years ago the Congress of the United States approved the law which provided "for the complete independence of the Philippine Islands," and "for the adoption of a constitution and a form of government * * * and for other purposes." Pursuant to the provisions of this law, the Philippines has adopted a constitution which merited the approval of the President of the United States and the people of the Philippines through a national plebiscite. It inaugurated the Government of the Commonwealth, which is republican in form; as in the United States, government authority in the Philippines emanates from the people. The new Commonwealth, under the wise and able leadership of President Quezon, has instituted a system of national defense, reorganized the government, strengthened the judiciary and the civil service, expanded public education, adopted a long-range economic program, improved the lot of the masses, extended the system of public health and sanitation, communication, and transportation; in short, it has endeavored to implement the Independence Act and the Philippine Constitution with a view to effecting the necessary adjustments, political, social, and economic, so that the independence which shall climax the years of intimate and cordial association between America and the Philippines may become real, effective, and enduring.

We are thus engaged in a great task of national reconstruction in preparation for the final relinquishment of American authority. But, as the members of the committee are well aware, there are difficulties that lie in the way of adjusting the relations between nations. This is especially true in the economic sphere. Economic readjustment is not easy; nor is it the work of a day. It cannot be accomplished by the Filipinos alone. The assistance of the American Government is essential, particularly because the new policy instituted by the Independence Act is a reversal of America's economic policy in the Philippines which was followed for three decades.

It may not be amiss to recall that the American Government inaugurated the policy of free trade in the Philippines despite the objections on the part of the Filipinos. Such a policy, enforced for a period of years, resulted in the absorption of the Philippine economy into America's economic system. To disentangle the economic threads that have become interwoven is necessarily a long and difficult process, one which demands the patience, the wisdom, and the statesmanship of two peoples working in a spirit of good will and cooperation.

H. R. 6694, now under consideration by this committee, is primarily intended to facilitate the effectuation of the process of adjustment in American-Filipino economic relations without injury to American interests and with the least possible disruption or dislocation in Philippine national economy. I am here on behalf of the government of the Philippines in support of this bill. I urge the passage of the bill, with a slight change in phraseology in section 1, subsection f, subdivision 3. This amendment has been agreed to by Secretary Sayre as chairman of the interdepartmental committee. I ask permission to file as part of my statement a letter I forwarded to Secretary Sayre on this subject.

Having had the good fortune to form a part of a number of Philippine missions sent to the United States, once again I have the privilege of being the bearer of the message of good will and gratitude of the Filipino people to the Government and people of the United States for what they have done for us, for their continued solicitude for our welfare, and for their determination to bring their mission in the Philippines to a successful conclusion. We have long been pleased to recognize America's noble and unselfish purposes, and I can assure you that the presentation of the bill under consideration and the meeting of this committee are new causes for satisfaction and gratitude on our part.

My task is made relatively simple and easy because in this committee we have a chairman, a former chairman, and several members who have visited the Philippines and have first-hand information regarding our country and people. The present members of the committee are informed of America's prime purpose in the Philippines and of the history of our relations. To each and every one I express my deepest appreciation for this new evidence of your interest in our well-being and the cherished hope that your efforts will result in the enactment of a measure that will benefit both peoples.

The bill before the committee is a nonpolitical and a noncontroversial measure. It is, in fact, a legislation of an emergency nature, its basic idea being simply the modification of certain economic provisions of existing law. It is designed to bring some degree of relief to a few Philippine industries which, according to impartial and comprehensive studies made during the last 4 years by both governments, would be destroyed within a short period following the general application of the export taxes on November 15, 1940, provided by the Independence Act. The passage of this remedial legislation would give the coconut oil, the cigar, the embroidery, and the pearl-button industries an opportunity to live longer and will prevent their liquidation before the export taxes will operate next year and thereby forestall widespread unemployment, social unrest, and human suffering.

H. R. 6694 is a nonpolitical measure. It does not reopen the independence issue which was settled by the Independence Act. It is noncontroversial because it merely subjects the industries already mentioned to a diminishing duty-free quota instead of the graduated export taxes in the Independence Act. In other words, instead of levying the export tax of 5 percent at the sixth year of the period of transition, and increasing annually by 5 percent until 1946, you are now by this bill proposing a gradually diminishing quota so that in 1941 there would be 95 percent; in 1942, 90 percent; 1943, 85 percent; 1944, 80 percent; and in 1945, 75 percent.

This bill preserves the original purpose of the system of graduated export taxes, namely, to compel the industries to adjust themselves to the situation created by the advent of complete independence. The requirement to apply the proceeds from the export taxes to the payment of Philippine bonded indebtedness incurred before May 1, 1934, would not be materially affected by this change because, according to computations made by American and Filipino experts, there would be sufficient money to insure full payment of such bonded indebtedness from the export taxes on other Philippine products.

The plan of the diminishing duty-free quota is calculated to cushion the shock to Philippine economy that will ensue from the rigid application of the export taxes prescribed in the Independence Act. It is in no way harmful to America's interests. In fact, it may even prove beneficial to the people of America. By maintaining our purchasing power we shall be able to continue consuming American goods. It should be borne in mind that the population of the Philippines, which was about 8,000,000 in 1903, has now increased to about 18,000,000. It is worthy of note that, according to the trade statistics only recently released by the Department of Commerce of the United States for the 4-month period, January to April, 1939, the Philippines, which has been the eighth customer of the United States, has now risen to fifth place among the leading customers, being outranked only by the United Kingdom, Canada, Japan, and France. For the same period, too, the merchandise trade balance between the two countries is in favor of the United States.

The other provisions of the bill are more or less matters of routine and noncontroversial. Among such provisions are those having to do with allocations of quotas, the manner of paying the bonded indebtedness, the use of the proceeds from excise and import taxes for the adjustment of Philippine economy, the retention or exchange by the United States of properties in the Philippines suitable for diplomatic and consular establishments, and the recognition of the rights and privileges of citizens and corporations of the Philippines similar to that already granted to American citizens and corporations pending the complete withdrawal of the United States from the Philippines.

Since the purpose of this bill is to assist the Philippines to make the necessary adjustments in its economy, it is earnestly hoped that the matter of allocating the quota which by law and equity corresponds to us be left in the hands of the Philippine Government. The independence law and other statutes have recognized the right and authority of the Philippine Government to make the necessary allocation among the different industries and producers of the Philippines. This principle was recognized by another congressional act—Public, No. 137, Seventy-fourth Congress. This power which the Government of the United States rightly vested in the Government of the Philippines in respect to allocation should be preserved.

In one other particular H. R. 6694 amends the Philippine Independence Act. Section 4 reads as follows:

"Section 13 of the said act of March 24, 1934, is hereby amended by striking out the proviso and inserting in lieu thereof the following: '*Provided*, That at least 2 years prior to the date fixed in this act for the independence of the Philippine Islands, there shall be held a conference of representatives of the Government of the United States and the government of the Commonwealth of the Philippine Islands, such representatives, on the part of the United States, to consist of three United States Senators appointed by the President of the Senate, three Members of the House of Representatives appointed by the Speaker of the House, and three persons appointed by the President of the United States, and, on the part of the Philippines, to consist of nine representatives to be appointed by the President of the Commonwealth of the Philippines, with the consent of the Commission on Appointments of the National Assembly, for the purpose of formulating recommendations as to future trade relations between the United States and the independent Philippine Republic, the time, place, and manner of holding such conference to be determined by the President of the United States; but nothing in this proviso shall be construed to modify or affect in any way any provision of this act relating to the procedure leading up to Philippine independence or the date upon which the Philippine Islands shall become independent.

" 'In the event any vacancy occurs in the commission by reason of the death, resignation, or retirement of any member thereof, such vacancy may be filled by the authority appointing the member whose death, resignation, or retirement caused the vacancy.' "

In the Independence Act no specific provision is made as to the membership of the conference, while this measure provides for legislative and executive representation. We endorse this provision favorably in the belief that with congressional representation there will be greater likelihood and promptness in the approval of the pertinent recommendations formulated which may deal with the problems involved in the severance of political ties between the United States and the Philippines. These recommendations will prove vital and important because, according to the provisions of section 2 of the Independence Act, certain provisions do not only have to be embodied in the Constitution of the Philippines, but in a treaty with the United States "by way of further assurance."

Having said these, perhaps I have said practically all that need be stated regarding the purely material phase of this piece of remedial legislation, which, by the way, is in accord with the stand taken by the mission, of which I was a cochairman, in 1932. Before this same committee, the mission then stated: "If an economic readjustment were provided for, we would be more in favor of a restriction of the volume of trade, rather than a progressive imposition of tariff."

May I not be permitted to stress the importance of early action on this emergency legislation? It should be remembered that the export-tax provisions of the Independence Act will commence to operate next year unless amended; that, following congressional approval, the National Assembly of the Philippines has to take action in order to set in motion the machinery to amend our constitution and have the provisions of the act passed by the Congress made a part of the fundamental law of the Philippines.

I wish before closing to advert to the spirit of altruism and benevolence which has always animated America in her dealings with the Philippines from the time of your martyred President McKinley down to the present day. This far-seeing policy bore abundant fruitage in terms of material and spiritual rewards. It hastened the era of conciliation and amity that followed in the wake of misunderstanding and war; it was responsible for the inauguration of civil government as early as 1901; it led to the enactment of the organic law which gave us the first Philippine Assembly; it made possible cordial cooperation between Americans and Filipinos in the development, within the orderly processes of peace, of self-government in the Philippines; it resulted in the enlargement of Philippine autonomy by the passage of the Jones law; it necessarily was followed by the enactment of the independence law; logically and inevitably, it should culminate in the establishment of a free and democratic Philippine Republic on July 4, 1946.

Every act of justice and generosity to the Philippines on the part of America served to deepen the sense of gratitude of the Filipinos. It strengthened America's prestige in our part of the world. Whatever may be the vicissitudes of the future, it will perpetuate the relations of friendliness and trust between the United States and the Philippines; it will fortify the historic attachment of the Filipino people to the conceptions of liberty, culture, and democracy that gave birth to the American Republic.

America has it in her power to dissolve the political ties that bind the Philippines to her; yet it is also within her power, while so doing, to strengthen the cultural and spiritual bonds, and even the economic, since the last have proven mutually beneficial to the two democracies on opposite sides of the vast Pacific. In helping the Philippine Republic to be born and to survive as her daughter republic, America, while conferring a great boon on the Philippines, will have shown to the world that the way of peace and good will is the path to lasting progress and security; to happiness and liberty.

Eighteen million Filipinos, constituting the only Christian nation in the Orient, have implicit faith in American democracy rooted in spirituality. They have faith that, as America has disinterestedly aided them in the past, she cannot but look with benevolent sympathy upon their efforts in the epic task "to establish a government that shall embody their ideals, conserve and develop the patrimony of the nation, promote the general welfare, and secure to themselves and their posterity the blessings of independence under a regime of justice, liberty, and democracy."

OFFICE OF THE VICE PRESIDENT OF THE PHILIPPINES,
THE WILLARD HOTEL,
Washington, D. C., June 12, 1939.

Hon. FRANCIS B. SAYRE,
Assistant Secretary of State and Chairman,
Interdepartmental Committee on Philippine Affairs,
Washington, D. C.

MY DEAR SECRETARY SAYRE: In going over House bill 6694 and after consultation with both Mr. Jacobs and Mr. Hiss and the Government at Manila, I find that the purpose of subsection (f), subdivision (1) providing for the allocation of sugar quotas in the Philippines will be better accomplished if the said subsection is reworded as follows:

"(f) (1) The quotas for sugars other than refined sugars shall be allocated annually to the sugar-producing mills and the

planters supplying such mills proportionately on the basis of the average annual production of such mills during the calendar years 1931, 1932, and 1933. The allocations so made shall be prorated in each year by the Philippine Government, under export permits issued by that Government, between such mills and planters in accordance with their contracts in force on the date of allocation, provided that, upon the expiration of any milling contract, that portion of the national quota so involved shall be prorated, reallocated, or disposed of in such manner as the Philippine Government, within the powers granted to it by the Constitution of the Philippines, may by law prescribe to safeguard the general welfare of the Philippines."

As this language has been endorsed by the Philippine Government and, I understand, will not meet with objection on your part, may I not request you to recommend to Congressman KOCIALKOWSKI that it be incorporated in the bill which he may reintroduce in the House before the meeting of the House Committee on Insular Affairs is called?

Thanking you, I am,

Sincerely yours,

S. OSMENA,
Vice President of the Philippines,
on Special Mission to the United States.

Taxing Policies of the New Deal

EXTENSION OF REMARKS
OF
HON. ALBERT G. RUTHERFORD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. RUTHERFORD. Mr. Speaker, since coming to Congress in 1937, I have received a great many letters from business concerns relative to the effect of the New Deal taxing policies upon their companies. None that I have received have so clearly set out the dire results of those taxing policies as does the following letter which I received from a corporation in my State. It is well worth the attention and study of every Member of Congress.

SPROUT, WALDRON & CO., INC.,
Muncy, Pa., June 15, 1939.

Hon. ALBERT G. RUTHERFORD,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN RUTHERFORD: This letter is direct to you on the subject of taxes. It is an appeal to your better judgment in the interest of this community, the people who live in it, and the employees who work in it.

We do not know what has happened in other industries except by reports and hearsay. We do know what has happened in our business.

As a single case study in Pennsylvania, this may interest you.

Like other companies who were almost ruined as a result of the depression, this company, by strict economy, by sacrifice and the best possible management it was capable of, continued to employ, as the principal employer in this community, as many workers as was possible, regardless of profits or earnings.

Five years ago it set up a program with its objectives: First, to preserve the company as an asset to the community and as a source of income to its employees; second, to retire its accumulated obligations incurred during the stress of the depression years; and, third, if possible, to rebuild it as a source of income for its original stockholders.

Regardless of what any present-day reformers may believe or try to tell you and, while we cannot speak for others, these and these alone, in the order indicated above, were the objectives of our particular program.

A study from the tax angle over these 5 years indicates the following points which we hope will be of definite interest to you as a representative of the people of Pennsylvania.

From 1934 to 1938, inclusive, the 5-year period mentioned:

(1) Our net income before all taxes was $35,832.

(2) We paid taxes of $89,886, or $54,054 more than we earned. This means that in order to pay taxes the assets of the company had to be depleted $54,054.

(3) Our average sales volume per year increased 18.3 percent.

(4) Our average taxes per year increased from $4,268 in 1934 to $22,471 in 1938, an increase of 426 percent.

(5) Our annual pay roll per year was maintained during the 5-year period at an average figure of $280,000, varying in proportion to volume from a low of $250,000 to a high of $326,000. Wage rates were not only maintained but increased to 1929 levels.

(6) Not one single cent of dividends was paid to stockholders during this 5-year period; 1931 was the last year any dividends were paid.

(7) Only one stockholder, who holds less than 6 percent of outstanding stock, received a salary, and it was a modest one, below the average of wages paid for similar services in industry.

(8) Bondholders and noteholders accepted 3-percent interest instead of the 6 percent called for on their holdings during 3 of the 5 years included.

(9) In 1938, although accurate and true accounting indicated an income of the meager sum of $350 before any taxes, a total of $20,385.18 was paid in taxes.

(10) Taxes paid out of each dollar of sales increased from seven-tenths of 1 cent to 3 cents. Based on our average sales volume, this increase of 2.3 cents per sales dollar amounts to over $17,000 annually. This amount, $17,000, if not payable in taxes, would permit either (1) an increase of 6 percent on all wage rates paid; or (2) the additional 3-percent interest which our bondholders and noteholders were promised; or (3) a 5½-percent dividend on all common stock outstanding which has not received a dividend for over 8 years.

(11) All figures are taken from true statements audited by certified public accountants. All figures have been accepted by the Federal tax examiners except those for 1938, which tax reports have not been examined.

From the above facts can it not be logically concluded that the company, its stockholders, its security holders, its management, all of them, contributed toward preserving the company as a source of employment and income for its employees, and made concessions and sacrifices in order to do so?

On the other hand, the Government, through its taxing agencies, not only did not assist in this effort, but by imposition of ever-increasing taxes, did retard the company's progress in this program, and, indeed, actually caused a depletion of its assets—the very assets it is endeavoring to use to provide employment and increase purchasing power.

The result is nothing less than confiscation of property just as surely as the Mexican Government confiscated American-owned property in that country. We condemn the latter. We do not, for some reason, recognize the former which is going on right in our own country.

In the name of common fairness and of that common sense which guided those men who made States like Pennsylvania great industrial Commonwealths, is this not a time to take seriously the question of reducing and not increasing or even maintaining tax burdens?

Is not the problem one of reducing Government expenditures instead of increasing tax income?

Industries such as ours have had to reduce their expenditures, have had to leave undone the repairs, the improvements needed, have had to hold up and pass up its opportunities for expansion.

These very improvements and expansions, if possible, could solve the unemployment problem faster than any other single factor. But, how can we improve, how can we expand, while our assets are being depleted to pay taxes?

Our employees, for the most part homeowners, not one a floater, and all of them good citizens, do not want doles or relief. They do not want W. P. A. or P. W. A. jobs. They do not want to wait for unemployment insurance. They do want the right to work, to earn, at that work they know how to do best, a fair income. They want economic security rather than so-called social security.

How can we, as employers, give them this economic security when our Government representatives seem to be guided by false economic principles in relation to industries; when as a result, this Government, and seemingly, it alone, is hindering industry rather than aiding it in these efforts by ever increasing taxes, increased Government spending and ill-advised Government regulation of business and industry?

How long can this go on without a collapse of our industrial structure?

Again we repeat: We are speaking for no one but ourselves and our employees; we do not know other companies' problems; we do know our own; we live, work, and struggle with them.

This letter is not part of any organized propaganda or associated activity.

It is the simple, sincere appeal of one relatively small company for assistance and relief—not in any efforts to pay dividends, not in any efforts to accumulate great reserves, not even in any effort to expand, however justified and helpful such ambitions may be, but simply in its efforts to conserve and preserve its resources as a source of employment, income, and purchasing power for several hundred ordinary human beings who try to take pride in their citizenship in the United States.

Can we count on your serious interest and assistance?

Sincerely,

SPROUT, WALDRON & CO.,
IRVING A. BERNDT,
Vice President and Controller.

Mr. Speaker, for the past 6 years the new dealers have tried every scheme and experiment that has come to their brain in an attempt to bring about prosperity, but they have failed miserably. There are a lot of new dealers who do not want prosperity because they claim that the capitalistic system has failed and they would like to take us into a planned economy. However, the people of this country are not ready for any planned economy. The great majority still believe that the system that made our country the greatest in the world is still workable if allowed to

work. When you want to get your teeth fixed you do not go to a plumber. When you want your watch fixed you do not take it to a carpenter. When you are sick and need the services of a doctor you do not call in a banker no matter how high his standing may be in the community. So, when we want to make business work, instead of calling in a lot of professors and experimenters, who never had a bit of business experience, let the President call in men who have made a success of business and take their advice and it will only be a short time before the wheels of industry will be going and men will be returning to work.

Mr. Speaker, we have often heard the statement, "The power to tax is the power to destroy." We have sufficient proof of the truth of that statement when we see what the New Deal tax poliices have done to business. We see how the New Deal tax policies affected the corporation writing the letter set forth above. There are thousands of such corporations throughout the country that have been affected in the same manner and who were not able to make the grade. Mr. Speaker, if we ever expect to get back prosperity, we must rearrange our taxing of corporations. We have tried and taken the advice of everybody except businessmen on the matter of business taxation for the past 6 years, with the result that business has not been helped a bit but has steadily grown worse. Let us now give the businessmen of the country a chance to work out their own salvation by giving them a taxing system that will allow them to expand and grow. I believe, if we do that, prosperity will return shortly.

Last Week and This

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. HOFFMAN. Mr. Speaker, a 14-hour continuous session, ending at 1 o'clock Saturday morning, gave the country the best relief bill to date, but it is by no means as good as it should be. Those who say we accomplish nothing by fighting continuously against the New Deal are sadly mistaken. Republicans, joining Representative WOODRUM of Virginia and his economy-minded associates, fought back successfully all but one of the New Deal attempts to add to the present relief bill. Better yet, they threw out the theater project which has been the sponsor for plays bearing, among others, the following titles: The Mayor and the Manicure, A New Kind of Love, Up in Mabel's Room, Be Sure Your Sex Will Find You Out, A Boudoir Diplomat, Companionate Maggie, Go Easy Mabel, Just a Love Nest, Lend Me Your Husband, Love 'Em and Leave 'Em, Mary's Other Husband.

What do you, as decent, home-loving Americans, think of such trash, put out and paid for by your tax money? There were many more like these. This was the project where a Workers' Alliance W. P. A. supervisor, according to sworn testimony, advised the white actresses to go out socially with Negroes and vice versa.

Several other constructive, money-saving, efficiency-producing provisions were embodied in this bill, which were in none of the others. Today, Representative WOODRUM is the outstanding Democrat in the House and undoubtedly when opportunity offers, if alive, will represent Virginia in the Senate, a worthy successor to CARTER GLASS when his services are ended.

THE FIGHT MUST GO ON

Only by talking and voting against such measures as are offered and which can be made better will we make progress and personally I hope that soon relief will be turned back to the States and local municipalities, with Federal contributions as needed.

NEUTRALITY

The battle to give the President additional power in foreign affairs is on. He may win but only after a vigorous fight. Your Representative will not vote to give him more power which might be used to involve us in foreign war. I think we should keep our nose out of other nations' business. There is plenty of housecleaning to be done at home before we start sailing the seas looking for trouble.

AGRICULTURE AND TRADE POLICIES

Secretary of State Hull, long an advocate of reciprocal-trade treaties, sees his entire program threatened with destruction by Secretary of Agriculture Wallace who is advocating subsidies on exportation of farm products, which means, according to Hull, retaliation by foreign governments and, as everyone knows, the furnishing to foreign manufacturers of cheaper raw material and, under the trade pacts, return of the manufactured product to our shores at less than it can be manufactured for here. In this connection, note that on relief supplies sent by your tax money to the Virgin Islands, a Danish corporation charges us 6 cents a cubic foot dockage. We feed them, but we have to pay to do it. Some system.

LABOR

The word has gone out that there will be no amendments to the Wagner law at this session. On the other hand, do not be surprised if the coming week sees a resolution offered in and passed by the House to investigate the National Labor Relations Board and kindred activities.

The demands for a $13, 7-hour day, 80 cents an hour for common labor, 90 cents an hour for semiskilled labor, is threatening construction here in Washington, union contractors insisting that costs are going so high that building will cease. In this connection, read the article by Flynn in last week's Collier's on the same subject. He explains how excessive costs for labor and material once before curtailed the building industry.

TAXATION

Taxation will be up for discussion the coming week. Put this in your book: Federal taxes are twice as high as they were in 1929, and, to top it, we are spending three times as much as we did then, which means that, where in 1929 you paid $1 to the Federal Government, you now pay $2, and, in addition, the Government borrows another dollar which you have to repay, and spends it. But do not worry, says the President, you owe it to yourself. It is a good thing you do not owe it to your wife. She might make you pay it. As I wrote once before, your children will not be paying this debt, with interest, to themselves; they will be paying it to the holders of the tax-exempt bonds.

A THIRD TERM

Instead of a third term for President Roosevelt, Frank Gannett, New York newspaper publisher, calls upon him to resign, characterizing Harold Ickes' agitation for a third term as "senseless"; calling attention to the fact that everyone now conceded that the President's spending program had been a failure; that his promise to economize was nothing more than a political maneuver; that by stirring up class hatred he had continued to foster discontent; that we have had more than 6 years of waste, unprecedented expenditures, of failure to bring recovery.

He might well have added that, since President Roosevelt for many months has permitted John L. Lewis, whose United Mine Workers contributed $470,000 toward the New Deal campaign fund, to fasten himself and his organization like some great bloodsucker upon the American workingmen, demanding that all and each contribute a membership fee and dues to Lewis' organization before they may go to work, the President is betraying us into the hands of a labor dictator.

In city after city and industry after industry strikes are being called for the purpose of forcing all workers to join Lewis' organizations, the employers to submit to a closed shop, and to deduct from the employees' pay envelope a fee to be paid to Lewis or his organization.

That procedure is a betrayal of the American people, of the American worker, and it should end.

Tolerance for Communism Invites Destruction

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. THORKELSON. Mr. Speaker, communism or supersocialism is an insidious disease nourished by hatreds in the minds of those who subscribe to it. It is an Asiatic philosophy diametrically opposed to Christian principles and all that Christianity has accomplished in the past 2,000 years. Communism thrives on immorality and corruption, and is destructive to the family, social, and political life of all people, and to the Nation.

It is international in scope, and directed by an invisible government whose insane desire is the control of gold and the power it wields. The first objective is now a reality, for they have the gold, and the Gold Reserve Act of 1934 gave the power of control and ownership to the invisible government.

This objective is partly accomplished but much is yet to be done to make the American people swallow this bitter pill. It is quite possible that there are too many good, sound and sensible Americans left, who will in no uncertain manner voice their objections to regimentation by Asiatic Communists.

The first step in this conversion, namely, the transfer in ownership of gold, was brought about by servile Members of Congress. It was accomplished by hypnotized Congressmen who enacted communistic legislation.

The second stage, that of control and placing of more Communists in strategic positions, will be attempted by legislation now in force, by appointments, or by contemplated legislation. In this category, I refer to the Wagner Health Act and the Binderup-Voorhis Monetary Control Act, both of which are communistic in principle and in fact.

I have spoken very plainly, with one purpose in mind, which is to inform the American people about actual conditions that should be discussed in our newspapers. I do not believe that any red-blooded patriotic citizen would sit idly by and wait to be enchained by a few communistic supercriminals, whose agents may be found in many of our cities today. It would also be interesting for Congress to know the identity and affiliations of those who are constantly being placed in key positions in our own Government. What is the purpose of these changes, and why is it necessary to reorganize the Government without decreasing personnel or the cost of the pay roll? We are so far on the road of collectivism that little or no regard is given to the fundamental principles of our Government and the rights of the States.

This attempted conversion of our Republic is aided and abetted by radicals in society and in educational institutions. These radicals, "parlor pinks," and "reds" are dangerous because they are long on conversation and short on common sense. As a matter of fact, they are irresponsible. Other groups of radicals are comprised of those who become dupes of the money power and willing servants enslaved by gratuities, such as memberships in pretended humanitarian or charitable organizations, which are in reality fronts to shield the Communists and their activities in the invisible government. Many pawns of communism unfortunately do not understand and are incapable of analyzing the mind of an Asiatic. An understanding of it is necessary in order to deal intelligently with its peculiar oriental psychology.

These subservient pawns to the invisible government do not realize that they are used as stooges and, when no longer useful, will be left along the road of oriental intrigue, victims of their own follies. The truth of these statements is evident in the treatment accorded to those who fought for the "red" government in Spain. Many of them are now stranded in France, rejected and ignored by the Russian Government they fought for. While in the "red" army they killed and destroyed with Asiatic abandon, and now they are left, as I said before, unsung and unclaimed.

Returning again to discuss the dupes of the Communists, I cannot refrain from calling attention to those Members of Congress who are obsessed with the idea of making democracy work. For 10 years they have been willing tools of the invisible government; they have enacted Communist-prepared legislation, which has delegated more and more power to centralized control of the Government. I believe many were involved innocently, yet such ignorance is not an excuse for their actions, because they have sworn to preserve, protect, and defend the Constitution of the United States, an obligation which they have ignored. There is nothing wrong with our Government except that we have not adhered to its cardinal principles, and in such deviation we have brought about rapid deterioration.

No doubt many Members of the House will vote for further extension of the now chronic emergency and monetary power to the President and to the Secretary of the Treasury, a power absolutely unnecessary except as it may be used by the invisible government to destroy American liberties and rights. This, of course, should be voted down by all those who have the slightest spark of patriotism and interest of the people at heart.

Other dupes of the invisible government are those in the ranks of labor who are dominated by recognized and self-acclaimed Communists. This was clearly stated on the floor of the House on June 14 by the gentleman from Virginia [Mr. WOODRUM]. He showed clearly that all Federal unionized activities, such as the Workers Alliance, Federal Art Projects, and so forth, are practically exclusively communistic. This, of course, is generally known, yet no effort has been made by the Federal Government either to investigate or to check this deplorable state of affairs.

These are the same organizations that call the President Comrade Roosevelt, and here one may find a most unusual situation, in which attempts are made to destroy the Constitution instead of adhering to it. This is particularly true when we analyze those who are directing all subversive activities in the ranks of labor. Are they good Americans or are they better Communists? I am inclined to believe the latter, and I am firmly convinced that everyone will agree with me after close investigation of those who are now directing communistic activities in the United States.

When I was a union man, we worked in the interests of our employer because we considered ourselves a part of the industrial machine in which we were employed. Today, labor is in reality working under direction of the invisible government for destruction of industry and business, and for Federal ownership and control of the Nation's industries. This, of course, is diametrically opposed to the principles of our Government, in which all people reserve the rights to themselves to be free, not only in operation of business but in their private lives as well.

It occurs to me that the general run of workingmen is not aware of the fact that they are used as tools of the very people they belabor in their union halls, that is, the capitalists. It is most extraordinary that the laboring man is allowing himself to be used by the very group he criticizes, to bring about his own destruction. It is not my desire to discuss this further, but I shall instead proceed in the discussion of communism itself, its object, and what is expected of those now engaged in and plotting further communistic activities.

Let us now admit that nearly all the European governments are socialistic, and that they are autocratic or totalitarian in form. I am not concerned with those, but shall proceed to discuss communism as propounded by Heinrich Mordecai, alias Karl Marx. His slogan was, "Whatever is, is worth destroying." And he must be credited with being open and fearless in destruction. This techique has been refined today. The Communist now promises something

which seems perfectly obvious and right, but he does exactly the opposite, as was done with the promises made in the 1932 platform of Roosevelt. For example, I see in the papers, the group now meeting in Washington expresses itself firmly against communism, and yet they know, as well as we do, that there are Communists among them who hide their activities under such expression.

I shall name a few of those who have been leaders in communism so that the American people may visualize who their rulers will be when the zero hour arrives.

Heinrich Mordecai advocated class hatreds, riots, and strikes, and states in his Communist Manifesto:

> The Communists refrain from keeping their views and intentions secret. They openly declare that their goal can only be achieved by a forcible destruction of all existing orders of society. The ruling classes shall tremble before the Communist revolution.

This should be plain to all of us and compared with what has taken place for the past 10 years. For you see "it can happen here."

We have been treated with an appeal to the masses. For what purpose? To gain control, and after having acquired such control, to rule and destroy. We have been treated to propaganda of class hatreds between the have's and the have nots, hatreds in business, and hatreds and dissension in the ranks of labor. Business is gradually being destroyed by Federal invasion and industries are now dormant or idle. Greater power has been delegated by Congress to the President in accord with the communistic plan. What is required now? To shift and place in key positions those in sympathy with communism, who can be trusted to carry out the communistic plan when the time comes.

Heinrich Mordecai was not only a Communist, but he was also an anarchist. He lived and thrived upon all things contrary to Christian doctrines. Destruction of life meant nothing to him, as long as his own kind was not destroyed. He was the promoter of the First Internationale, in 1864. He laughed when his dupes became entangled with the law, and he jeered at suffering and poverty. Death and destruction meant nothing to him, for he lived on the suffering of others. Such is the record of the progenitor of communism.

Chaim Goldman, or "Vladimir Ulyanov," alias Lenin, was the next prominent disciple of Heinrich Mordecai-Marx, and it was he who embraced the communistic doctrines to be used for destruction of the Czarist government. He did this as thoroughly as his predecessor in communism, and drenched Russia with innocent and defenseless people's blood. He also used willing dupes to attain power, and after having reached the objective, he, like others, destroyed those who had befriended and helped him. He was a human being without humanity.

I cannot forego mentioning the name of Benjamin Cohen (Bela Kuhn) who was sent to Hungary by Chaim Goldman (Lenin). In 1919, he is accredited with the killing of 120,000 innocent Christian people, 30,000 of whom were murdered within 3 months. Later, after returning to Russia, 40,000 white Russians were killed in the vicinity of the Crimean Peninsula.

Records of this are authenticated by various investigating committees; but if anyone should be interested in refreshing his memory with additional information, he might procure the book The World Hoax, by Ernest F. Elmhurst, published in 1938.

There is, of course, voluminous evidence to be had dealing with mass murders in Russia and adjoining countries by the disciples of these same communistic philosophies under the control of the same leaders.

I have been informed that there are rumors that this same Bela Kuhn is in Chicago at the present time, no doubt preparing for an American communistic revolution.

One of the most famous disciples of communism, our neighbor now living in Mexico, is Laiber Davidovitch Bronstein, alias Leon Trotsky. I shall not discuss his history, because it is still in the making and no doubt will include leaves from communistic happenings in the United States. This gentleman visits New York at times, which is the headquarters of proletarian communism and those who are by choice disciples of this most un-Christian philosophy. It is people of this type who are now attempting to rule the United States, first, by money, and, secondly, by destruction of all those things we hold dear to us and which have built our country into a prosperous nation for the past 151 years. They are exactly the same kind and type who are now ruling in Russia; and if there is any difference, it is in refinement in the method of procedure. This refinement is evidenced in the manner in which avenues of communication are controlled by the invisible government. As to learning the actual truth, we are no better off than we were before we had the telephone, telegraph, radio, and high-speed presses, for today we are allowed to read and hear only those things which are prepared for us by the subsidized power now in control.

I want the people to know that the acquisition of all this property and power has been accomplished by the use of the people's money and not in any sense exclusively by the use of private capital. It is this power which is destroying us today, and it is dangerous in the hands in which it now rests.

In Russia the Communist comprises 1⅞ percent of 170,000,000 people, which they are able to rule by sheer force and ruthlessness. That can also happen in the United States if we go to sleep. In this communistic rise to power millions and millions of lives have been sacrificed, and despots have been seated on the ruins of human liberties and rights. Washington warned us of this danger, but here we are confronted with deliberate attempts to destroy the Government.

It will begin by strikes, local strife, gradually increasing under well-placed and well-directed leadership of known Communists now in command of proletarian communistic parties. The expense will be paid by those who financed revolutions in Europe and are now seeking power here. The money which is used is the people's credit, now lying idle in various banks, as it has been used in the past 7 years in destroying industry and business.

Do you want that? Or do you want to retain the republican form of government that you have always had and which guarantees freedom to all people, no matter what race, creed, or color?

Is there any necessity for the prevailing conditions within the United States? The answer is, emphatically, "No." The present condition has been brought about by those now in control of national and international gold and credit. This is a far-reaching attempt by them, a little hurried at the present time, but definitely an attempt to take charge of the United States. And history itself will complete the chapter.

National Youth Administration

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

ARTICLE FROM THE BALTIMORE EVENING SUN OF MAY 24, 1939

Mr. D'ALESANDRO. Mr. Speaker, in view of the enormous reduction made by the Appropriations Committee for the National Youth Administration, I desire to call your attention to certain facts that I feel you should know. The Budget recommended $123,000,000 for this agency and the Appropriations Committee reduced this estimate to $81,000,000. There are approximately 3,000,000 young people eligible for school-aid work and the funds submitted by the Budget estimate would have given work aid to nearly 1,000,000 of

these. I hope the amendment increasing this amount to the Budget recommendation passes.

[From the Baltimore Evening Sun of May 24, 1939]

N. Y. A. BUILDS PLAYGROUNDS FOR WESTERN MARYLAND—YOUTHS USE MATERIAL FROM ABANDONED STRUCTURES IN PLYING NEWLY LEARNED VOCATIONS AS STONE CUTTERS, MASONS, CARPENTERS, ELECTRICIANS

(By Lee McCardell)

Behind the swimming pool of a municipal park under construction in Hagerstown stands a new white shingle and gray-stone building. Cut in its foundation cornerstone are the words:

"City of Hagerstown Recreation Center, 1938. Constructed with the aid of National Youth Administration."

Stuck up on the brick front of an old factory in Lonaconing is one of those familiar red-white-and-blue U. S. A. Work Program posters of the N. Y. A. It says: "Handicrafts Training Center. Sponsored by the Board of County Commissioners."

THIRD A FEW BLOCKS AWAY

A few blocks away is another N. Y. A. poster, this one on the shell of an old stone stable. It reads: "Resident training center, sponsored by mayor and city council."

The rebuilt house across the street from the Oakland High School has neither a poster nor a cornerstone. Neither has the wooden shed housing a carpenter and paint shop behind the high school. But these, too, are work projects of the National administration in Maryland.

JUST BACK FROM TOUR

Ryland N. Dempster, State director of the N. Y. A., has just returned from an inspection of these projects, probably the most ambitious efforts in Maryland of the National Youth Administration to provide work and training for young people, both boys and girls, not in school or college.

During the past year the N. Y. A. has provided $208,900 for student aid in Maryland. This money was doled out to 3,862 boys and girls, white and colored, between the ages of 16 and 24, who could not meet school or college expenses without assistance. Applications for help had to be approved, of course, by their schools as well as by the N. Y. A.

In return for N. Y. A. allowances, limited to maximums of $6 a month for students in secondary schools and $20 a month for undergraduate college students, these benficiaries did part-time work around their schools as clerks, messengers, librarians, gardeners, janitors, and assistants in laboratories, cafeterias, and laundries.

ONE THOUSAND SIX HUNDRED GIVEN WORK

Another sum of $268,885 was laid out for N. Y. A. work projects employing about 1,600 young people, white and colored, between the ages of 16 and 24, who were out of school without jobs and whose family heads were eligible for public relief. Generally speaking, they earned from 25 to 48 cents an hour for 50 to 56 hours of work per week.

The girls sewed garments for welfare agencies, worked as nursery school assistants, maids, clerks, and office helpers. The boys were given jobs as carpenters, painters, cleaners, orderlies, helpers under trained supervision. All work was in connection with schools, libraries, hospitals, or other public institutions, and care was taken not to interfere with established jobs.

Most of these N. Y. A. proteges were without vocational training. Many had never held a job. They didn't know what they wanted to do or what they could do best; and in the counties, where there are no vocational schools as known in the city, and where opportunities for diversified work and training are limited, the N. Y. A. was up against a problem.

PROJECTS SOLVE PROBLEM

This has been solved, to some extent, by such work projects as construction of the Hagerstown recreation center, and by the Lonaconing training centers. The N. Y. A. also operates a camp at Avalon where facilities to provide training in carpentry, motor repair, and conservation are being expanded to include other shops.

Paul E. Welsh, an N. Y. A. assistant, went along with Mr. Dempster on the director's inspection trip through western Maryland. They drove directly to Hagerstown, where the N. Y. A. maintains a one-room regional office for a district designated "Area No. 2." No. 2 includes all western shore counties except Baltimore and Harford.

At Hagerstown they looked over the park recreational center, a good-sized one-story building now complete except for doors, plumbing, spouting, and a little interior trim. Plans for the building were prepared by a professional architect and construction was supervised by John Jones, a Hagerstown contractor.

HIGH STONE BASEMENT

The building's high stone basement practically makes it a two-story structure. It contains showers, two large assembly halls, meeting rooms, dressing rooms, and a kitchen. The lay-out, like the general design, is in accord with specifications fixed by the city, which provided some of the materials.

Stone for the building was quarried on city property, hauled to the building site in rough state, dressed by N. Y. A. boys trained on the job as stonecutters, and laid by other N. Y. A. boys trained on the job as stonemasons. They built the foundation, two chimneys, two big fireplaces, and a stone front porch.

Most of the wood used in building came from an abandoned C. C. C. camp at Fort Frederick. The buildings were taken down and the wood hauled to the park by the N. Y. A. All the woodwork on the new building—floors, walls, roof, interior paneling and trim—was done by N. Y. A. boys learning the carpenter's trade from one or two instructors as they put the building up. Other boys wired the building for electric light.

CONTRACTOR GIVEN CREDIT

It was a long-drawn-out operation. Mr. Dempster says its success is due, to a large extent, to the patience of Contractor Jones. All the workmanship is not perfect. But considering that reclaimed materials were used throughout the building and that none of the boys was a skilled workman, the job appears to have been unusually well done.

Supervised N. Y. A. workers are now installing heating and plumbing fixtures. N. Y. A. laborers are landscaping the grounds around the building. The boys have already fixed up the grounds nearest the swimming pool, building stone revetments along the bank of a small stream and ornamental stone foot-bridges across the stream.

Mr. Dempster called on Carlton Schuler, project supervisor for area No. 2, at his office on Hagerstown's public square. Mr. Schuler loaded a bundle of ax handles and 150 pounds of stone cutters' tools into the back of Mr. Dempster's car—tools needed at Lonaconing—and the State director and Mr. Welsh were off for Allegany County.

TYPICAL MINING TOWN

Lonaconing is a typical mining town of about 2,500 population in the Georges Creek Valley, 15 miles southwest of Cumberland. Steep hills, laced with railroad tracks and pitted with drift mine shafts, encroach upon the town which lies in the bottom of the valley along the shallow creek whose stones have been washed yellow with iron oxide.

The N. Y. A. handicraft training center in operation at Lonaconing is located in the cutting shop of what used to be a glass factory, a large brick building of warehouse proportions at the foot of a side street overlooking the creek. This project gives employment to 40 girls and 50 boys.

The boys work in a wood shop which occupies the greater part of the building making and repairing furniture for the Allegheny County public schools. Their shop is pretty well equipped with tools, carpenter benches, and several light pieces of power machinery, including a lathe, a planer, a drill, and a band saw.

WORKSHOP FOR GIRLS

Beyond a partition at one end of the building is another workshop for the girls. They paint, varnish, and rub down the furniture repaired by the boys. A few of the girls are learning to cane chairs. They all sew, making garments, rag rugs, and quilts which are turned over to the county welfare board for distribution among needy families.

When this training center was opened only a few of these boys and girls could have qualified even as semiskilled workers. The boys were taught woodwork by E. Price Steiding, the young project supervisor, and an assistant, Benjamin McDowell. Another assistant, a former schoolteacher, Mrs. Rella McNamara, taught the girls to sew, weave, and paint.

Eventually these shop activities will be transferred to a community house being built by the N. Y. A. This establishment, sponsored by town authorities, will contain workshops, a community recreation hall, a library, a health clinic, a nursery school, a model apartment and dormitories where girls from rural districts may live while being trained in child care and homemaking.

PRESENT FACILITIES ARE FEW

Lonaconing is greatly interested in this new building, which promises to be the finest public structure in town. The community has no permanent health clinic, no nursery school now. Its library, established 4 years ago by the W. P. A. and operated largely by N. Y. A. workers, is housed temporarily above a downtown grocery store. The only other public recreational facilities in Lonaconing are a moving-picture theater and a few taverns.

The new building will stand beside the elementary school on a hillside overlooking Lonaconing. Here the mayor and the city council have bought an old stone barn, once used as a stable for horses and mules that pulled the coal cars in a mine farther up the hill. The thick, substantial old stone walls of the barn will be incorporated in the new building.

Fifty N. Y. A. boys are building the new community house. Harvey Boward, a stone mason, is teaching some of them to dress and lay stone. Others, trained in carpentry at the handicraft shop, will do the woodwork. William Schramm, a professional contractor, is overseeing the whole job.

GARAGE BEING BUILT

The boys have already stripped the old stable to its walls, dug out part of a new basement, laid footings for new walls. They are building a wooden garage to house and repair N. Y. A. trucks being used to haul building materials—stone from old bridge piers, wood from the dismantled barracks of a C. C. C. camp on Backbone Mountain.

Other youths are being trained to service and repair the trucks. Down in the handicraft shop a few untrained metal workers, who have been learning to make tin waste baskets for the schools, have turned out a set of metal funnels for the garage crew. In a construction shanty by the old barn other boys are working at a forge, sharpening stone cutters' tools.

Mr. Dempster figures that it will take at least a year to build the community house. The surrounding property will be graded and terraced to conform with the adjoining school yard. Behind the barn is a mountain spring, famous for an inexhaustible water supply in Lonaconing, which suffers frequently from summer drought. This spring is to be cleaned out, walled up and included in the landscaping plan.

PLAYGROUNDS SCARCE

After looking over the Lonaconing projects Mr. Dempster and Mr. Welsh drove on to Oakland by way of Westernport, where the N. Y. A. recently completed a school playground, the only one in that town. Playgrounds are few and far between in the cramped, crowded mining towns of western Maryland.

Across the street from the Oakland High School stands a six- or eight-room dwelling that looks like new. High school girls use it as a home-economics practice house. This house was a ruin, partly destroyed by fire, when the school board bought it some months ago. N. Y. A. labor, supervised by two carpenters, rebuilt it.

Another group of N. Y. A. boys are at work in a big two-story wooden shed behind the school. They are making desks for teachers, repairing chairs, student desks, and other school furniture. These boys have built about 250 wooden bus shelters for the Garrett County school board. They have repainted almost every public-school building in the county.

SCHOOL HEAD IMPRESSED

Franklin Rathbun, Garrett County superintendent of schools, says he is so impressed by the training received and the work done by N. Y. A. boys that he intends to put all the Oakland High School boys through a similar course, substituting practical work for the instruction they now receive in manual training.

Cost of Sugar Protection

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

EDITORIAL FROM THE DES MOINES REGISTER

Mr. HARRINGTON. Mr. Speaker, under leave to revise and extend my remarks I include an editorial and chart from the Des Moines Register showing the net gain or loss sustained by States as a result of our present policy of sugar tariff protection:

[From the Des Moines Register, May 26, 1939]

WHOM PROTECTION DOES NOT PROTECT

The Register has repeatedly pointed out that in all the limitless talk about high tariff "protection" there is virtually complete silence about who pays the bill and what the real effect of the tariff subsidies is on our Nation as a whole.

Plenty is said and endless statistics are quoted to show what horrible effects any lessening of high tariffs would have on certain specific interests—the favored beneficiaries.

It is always the special interest that is put forward, never the general interest. This is true whether it is a purely industrial group that is getting the "pap," as for the most part is the case, or whether it is a certain segment of labor that happens to be employed in a "protected" industry, or whether it is a particular part of agriculture that looks strictly to its own short-term interest and not to the long-term interest of agriculture as a whole.

The powerful disinclination of any of the tariff subsidy-getters to permit discussion even to turn seriously toward the consumer side of the picture has been illustrated again and again.

A year or two ago the Register commented on the fact that when the issue of processing taxes in connection with a farm program was up, and when a clique in Congress was making a drive for "exposing" the hidden costs of such taxes to consumers, all that was necessary in order to stop the drive in its tracks was to couple with it a proposal to "expose" through a similar study the "hidden costs" of high tariffs.

The entrenched tariff beneficiaries wanted none of that.

The Canadian Government a few years ago, through an official commission, made a most interesting study of "price spreads" in that Dominion, and what the study showed as to the penalizing of consumers through the years by protective tariffs was enough to make eyebrows lift until they merged with the hair on the back of one's neck.

We desperately need a study like that in these United States.

Just to give a hint of what the total picture would be, let us note here a few facts that have come to our attention about sugar. We are not "picking on" sugar. It just happens to be an immediately available illustration. It also happens to be a timely one because of the new drive in Congress for still more protection in the form of quotas for our domestic sugar interests.

We consumed in the United States in 1938 12,500,000,000 pounds of sugar, or 96.11 pounds for every man, woman, and child. Concealed in our national sugar bill is more than $325,000,000 which as consumers we had to pay, above the world sugar price, as a subsidy to our domestic sugar producers.

Philadelphia is one of our great sugar-refining centers. At the very time, recently, when a Philadelphia refiner was quoting sugar at a net price of $4.214 per 100-pound bag for domestic use, the refiner was quoting, for sugar identically packaged but made from unsubsidized raw sugar, the net price of $1.60 for export. The difference between the domestic and export prices represents the total of the various protections given domestic sugar producers. Subtracting the world price at which sugar is sold for export (in the quoted case $1.60) from the "loaded" price that we pay as American consumers (in the same case $4.414), we arrive at the hidden cost of protection to consumers (in this case $2.614 per 100-pound bag).

"Protection," very obviously, is anything but protection for the American family that buys sugar.

Figuring out per capita sugar consumption at the 1938 rate of 96.11 pounds, which happens to be below the figure for normal years, not above it, and figuring our population at 130,000,000, the cost of sugar protection to all of us as consumers reaches $326,000,000 on last year's consumption of refined sugar. Actually, this should be translated into "raw value equivalent," which raises the figure to $346,000,000, or over $11 per family. Even after deducting from the above total the tariff revenue of about $40,000,000, which goes to the Federal Treasury, there is left plenty that comes out of consumer pockets as a tax, not for Government, but for our protected sugar interests.

The purpose, of course, is to permit a small percentage of our mainland producers to produce sugar beets and cane in competition with the natural cane-sugar production of the tropics. Last year this mainland production was the equivalent of 41,296,000 100-pound bags of refined sugar with a gross value of approximately $175,000,000. In spite of all the protection and hot-housing that has made even this production possible, it amounted to less than 30 percent of America's sugar consumption needs.

In other words, to protect a crop with a gross value of $175,000,000, the American people are required to pay in excess of world sugar prices, nearly $2 in cost to themselves for every $1 of subsidy to a small American segment.

This is merely an "Exhibit A" of what "protective" subsidies of this sort long have meant to American consumers.

Since the great bulk of effective "protection" has been on things that farmers buy and not on things they sell, the American farmer has been the chief "goat" of the whole long process.

It is the inevitable discrimination of this tariff-subsidy grabbing, more than any other single factor, that has forced American agriculture into complicated and difficult "defense programs"—programs that, ironically enough, the great majority of tariff pap-suckers get red in the neck about.

[From the Des Moines Register of May 26, 1939]

COST OF SUGAR PROTECTION BY STATES

The table below is a break-down by States of the hidden costs of one part of our high protective tariff policies. It amplifies the discussion in the editorial on the same subject that appears today at the left of this page.

It should be noted that totals in this table may vary somewhat from those used in the editorial, for the reason that the table is based on the 1930 census (the latest for which official population figures for the various States are available) and on the 1938–39 sugar crop reports. The population of the country in 1930 was only 122,775,046, whereas now it is 130,000,000.

It should also be noted that only the hidden or excess protective cost is given. The actual cost of the sugar consumed by the several States is of course very much higher.

State	What the farmers of the State got for the sugar they produced	What the people paid in hidden costs for the sugar they ate	Net gain or loss to the people through these hidden costs
Alabama		$6,642,082.48	−$6,642,082.48
Arizona		1,093,288.23	−1,093,288.23
Arkansas		4,654,749.82	−4,654,749.82
California	$23,975,759.49	14,249,909.01	+9,725,850.48
Colorado	25,519,613.17	2,599,835.41	+22,919,777.76
Connecticut		4,033,336.53	−4,033,336.53
Delaware		598,353.80	−598,353.80
District of Columbia		1,222,041.54	−1,222,041.54
Florida	4,487,910.00	3,685,209.61	+802,700.39
Georgia		7,300,350.06	−7,300,350.06
Idaho	8,430,355.63	1,117,030.32	+7,313,325.31
Illinois		19,152,941.54	−19,152,941.54
Indiana	791,229.07	8,128,642.53	−7,337,413.46
Iowa	1,071,413.71	6,202,056.89	−5,130,643.18
Kansas	643,802.28	4,721,307.49	−4,077,505.21
Kentucky		6,562,618.39	−6,562,618.39
Louisiana	33,720,428.00	5,274,998.43	+28,445,429.57
Maine		2,001,531.73	−2,001,531.73
Maryland		4,095,130.26	−4,095,130.26
Massachusetts		10,666,531.14	−10,666,531.14
Michigan	6,666,312.02	12,153,235.75	−5,466,923.73

State	What the farmers of the State got for the sugar they produced	What the people paid in hidden costs for the sugar they ate	Net gain or loss to the people through these hidden costs
Minnesota	$3,118,115.59	$6,435,522.03	$-3,317,406.44
Mississippi		5,044,650.71	-5,044,650.71
Missouri		9,109,711.17	-9,109,711.17
Montana	10,244,571.12	1,339,391.06	+8,905,180.06
Nebraska	9,516,838.60	3,458,687.13	+6,058,151.47
Nevada		228,535.50	-228,535.50
New Hampshire		1,167,885.43	-1,167,885.43
New Jersey		10,143,748.34	-10,143,748.34
New Mexico		1,062,525.67	-1,062,525.67
New York		31,596,045.66	-31,596,045.66
North Carolina		7,957,292.76	-7,957,292.76
North Dakota		1,708,920.95	-1,708,920.95
Ohio	1,150,662.20	16,683,209.47	-15,532,547.27
Oklahoma		6,014,060.40	-6,014,060.40
Oregon		2,394,002.86	-2,394,002.86
Pennsylvania		24,174,688.50	-34,174,688.50
Rhode Island		1,725,617.47	-1,725,617.47
South Carolina		4,364,300.15	-4,364,300.15
South Dakota	568,021.92	1,739,050.99	-1,171,029.07
Tennessee		6,587,555.56	-6,567,555.56
Texas		14,620,034.65	-14,620,034.65
Utah	6,839,107.09	1,274,695.97	+5,564,411.12
Vermont		902,623.61	-902,623.61
Virginia		6,078,846.01	-6,078,846.01
Washington	1,219,960.32	3,924,123.96	-2,713,163.64
West Virginia		4,340,304.55	-4,340,304.55
Wisconsin	648,509.32	7,376,905.06	-6,728,395.74
Wyoming	7,900,348.20	566,168.15	+7,354,180.05
Total	146,503,881.86	308,165,365.46	-161,661,483.60

Farm Groups Entitled to Open Hearings on New Philippine Legislation

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

LETTER FROM THE ASSOCIATION, SOUTHERN COMMISSIONERS OF AGRICULTURE

Mr. CRAWFORD. Mr. Speaker, as a member of the Insular Affairs Committee, I have received a communication from the Association, Southern Commissioners of Agriculture, containing some very excellent reasons why open hearings should be held on H. R. 6858, being a bill to amend the Philippine Island Independence Act.

The farm organizations of the United States are vitally interested in this legislation—and justly so. In view of that great interest they are entitled to the opportunity of expressing their views in open hearings. They are surely as much entitled to that right as the representatives of the Philippine Government are entitled to the right to express their views in a closed hearing. I do not see how we can deny them a hearing.

The Philippine people will soon leave our household. They are to have their independence. American farmers are a part of our flesh and blood. They are struggling for their independence too—economic independence.

With unanimous consent privilege having been granted me by the House, I submit the following letter setting forth the views of the southern commissioners of agriculture on the matter of open hearings. The letter follows:

ASSOCIATION, THE SOUTHERN
COMMISSIONERS OF AGRICULTURE,
Washington, D. C., June 17, 1939.

The Honorable FRED L. CRAWFORD,
House of Representatives, Washington, D. C.

MY DEAR MR. CRAWFORD: The Association, Southern Commissioners of Agriculture, are a part of the National Association of Agricultural Commissioners, Directors, and Secretaries. The national association is a nonprofit organization. It has no members except the duly elected or appointed commissioners or directors of the 48 States.

The economic principles and policies of the parent body and the Southern Association of Commissioners are identical as to the policy of opposing the importation of all foreign-produced substitutes for domestically produced agricultural oils and fats.

We are addressing you specifically in behalf of the American dairy industry, our peanut, corn, and cotton planters, as well as our livestock producers, to advise you of the interests which these agricultural groups have in H. R. 6858, a bill to amend the Philippine Island Independence Act.

We would have you believe, with our association, that it is highly important to American agriculture that the Committee on Insular Affairs hold a public hearing on H. R. 6858, particularly on that part of the bill which has to do with a change in our agricultural economy and, more particularly important, would be the holding of this hearing if the committee contemplates reporting this bill favorably from the Committee on Insular Affairs to the Committee of the Whole.

We would have you know, Mr. CRAWFORD, that expert, impartial and disinterested opinion of highly accredited agricultural authorities, after research studies, have made report that the passage of H. R. 6858, as drawn, would have a lasting adverse effect, not alone upon every cotton and peanut planter, but upon every cattle and hog raiser, as well as upon the income of every dairyman in the United States.

As a result of these studies, we submit that, as the opinion of the association of duly elected State officials charged by the electorate of their several States with the administration of agricultural affairs, that among the members of the national association is the Honorable Elmer Beamer, the commissioner of agriculture of Michigan. May we take this opportunity of saying that this association of agricultural commissioners neither holds nor carries any brief for any interest, nor does it advance any viewpoint whatever nor address itself to any questions except those of vital import to the actual producers and consumers of America's fats, foods, and fiber.

The association feels that the proposal made in H. R. 6858, to abate the 3-cent-per-pound excise tax on an annual quota of 448,000,000 pounds of coconut oil is absolutely nothing short of * * * indefensible, special-privilege legislation * * * conceived wholly in the interests of the American soap industry.

The Association, Southern Commissioners of Agriculture would direct your attention to the fact that an identical proposal for the abatement of this tax was argued in the Senate less than 2 weeks ago. The debate on that proposal, as recorded in the CONGRESSIONAL RECORD of May 31, 1939, constitutes a veritable arsenal or argument against the enactment of that proposal at this time.

It was established in that debate, and from every angle of economic soundness and justification, that the determination to fix the excise tax of 3 cents per pound on Philippine coconut oil was made at the very time of the enactment of the original Independence Act. It was enacted into law by the very same session of Congress and almost simultaneously with the passage of the original act.

Every economic justification which gave rise to the tax enactment at that time, is present today. In support of that argument in the recent Senate debate, Senator CONNALLY declared:

"Mr. President, the soap people are the ones who were making this argument. I have here a long printed argument, 'Petition of soap industry to the Committee on Territories and Insular Affairs in support of the amendment by Senator HAYDEN relating to coconut oil. John B. Gordon, Secretary.' I will not read it all. Nobody is interested, so far as I can discover, except the soap manufacturers.

"Have they reduced the price of soap? They have not. Will they reduce the price of soap? They will not. We hear statements about lauric acid, it being said that no other oil contains any lauric acid except coconut oil. Very well. This coconut oil is imported in the same volume with the tax or without the tax. If that be true, no one is hurt by the tax except the soap people, who want larger profits."

Let us now see whether or not the Procter & Gamble Co. actually are in need of governmental subsidy in order to support the earning of that tremendous corporate structure. In discussing the need of such subsidy, Senator CONNALLY declared:

"How much was it that Procter & Gamble paid their president last year? There was some testimony before the Committee on Finance as to what they paid the president of the company. I cannot recall the figure now, but I shall check up on it and insert it in the RECORD. I am sure that Procter & Gamble's representative, who is in the gallery, will be glad to tell me about it when the session is over."

Now let us hear further what was spoken in the Senate as to just who the sponsors are of this proposal to do away with a 3-cent excise tax on coconut oil. In discussing that, Senator CONNALLY declared:

"Mr. Procter and Mr. Gamble are the chief advocates of the repeal of this tax, because they have been before the Finance Committee, as will be testified by other members, repeatedly, not once but at many sessions of the Congress. They have made a regular groove in the marble floors in the Senate Office Building by walking back and forth to the Finance Committee."

Let us now look behind the words of Senator CONNALLY and see exactly who it was that that distinguished exponent of the rights of American agriculture disclosed as being opposed to the adoption of any reduction in the excise tax of 3 cents per pound, and why they are opposing it. In discussing that question, Senator CONNALLY declared:

"Mr. President, the tax has resulted in benefit to domestic vegetable and animal fats. At least it has convinced the representatives of every farm organization I know of, such as the Grange

and the American Farm Bureau Federation. The dairy representatives are here asking that the tax be retained; the representatives of the fishing industry of the United States, who manufacture fish oil, are here asking that the tax be retained.

"Mr. President, I shall insist on a vote on the point of order on the ground that this is an amendment affecting the revenue, and therefore is not to be considered in the Senate, but must originate in the House of Representatives."

And in response to that motion made by Senator CONNALLY, the Senate, on May 31, 1939, overwhelmingly, by a vote of 54 to 8, defeated the proposal to do away with the 3-cents-per-pound excise tax on the future import of 448,000,000 pounds of coconut oil from the Philippines duty free and tax free.

The Association, Southern Commissioners of Agriculture are not unmindful of the rights of the American soap industry to equitable treatment in the halls of our National Congress, but, likewise, the Southern Commissioners of Agriculture now ask a "day in court" for the American farmer.

In a letter recently made public asking that hearing be had on this proposal, America's oldest and most conservative farm organization, represented by Mr. Fred Brenckman, Washington representative of the National Grange, demanded to know:

"Are not the American farmers entitled to as much consideration in Congress as the soap industry?"

This association feels confident that the Committee on Insular Affairs should make affirmative answer to Mr. Brenckman's question.

Therefore it is for the above, among other reasons, that this association, Southern Commissioners of Agriculture, make request of your personal support in seeing that a full, free, and frank discussion be had at a public hearing before the Committee on Insular Affairs, and prior to the time which your committee report to the Committee of the Whole on this piece of legislation which is so threatening to American farm interests.

Thanking you for your every help and courtesy in this matter.

Respectfully yours,

ASSOCIATION, SOUTHERN COMMISSIONERS OF AGRICULTURE,
C. C. HANSON, *Secretary*.

T. V. A.

EXTENSION OF REMARKS
OF
HON. CHESTER H. GROSS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

ADDRESS BY HON. CHESTER H. GROSS, OF PENNSYLVANIA, APRIL 7, 1939

Mr. GROSS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by me on April 7, 1939, before the Kiwanis Club, York, Pa.:

The Tennessee River is perhaps the most remarkable river in the United States—flowing through an area that has 50 inches of rainfall; starting in the northeast part of Tennessee and flowing south into Alabama and north into Kentucky, and joining the Ohio at a point farther north even than its source. It is a much bigger river than most people realize, having a length of more than 1,000 miles and having a 1,000-foot fall in 800 miles. It furnishes probably more water power than any other river its size or volume in the world. It is the only river in the United States flowing through 3 States and draining 48.

There are more dams constructed and under construction in the Tennessee River Valley than in any other river valley in the world of similar area.

The Government's activity in the Tennessee River Valley began during the World War with the development of Muscle Shoals. The development has steadily gone forward until the Roosevelt administration came into power, when the T. V. A. was organized and a great system of dams for power and flood control was set up. Ofttimes we have been misled and confused in referring to dams, and claims have been made from time to time to sell the Authority that they could furnish vast amounts of power and still serve to control floods. It is now well established that a dam to control floods cannot yield a great deal of power, since a power dam has got to be kept full of water, while a dam to control floods must be empty when the floods come.

Beginning at the mouth of the river and naming the large dams on the river we can start in Kentucky. The first one is the Gilbertsville Dam, which is authorized; the Pickwick Dam, completed in 1938; the Guntersville Dam to be completed in 1940; the Wilson Dam completed; The Wheeler Dam completed; The Halls Bar Dam privately owned; the Chickamauga Dam to be completed in 1940; the Watts Bar Dam proposed; the Coulter Shoals Dam proposed; and the Norris Dam completed. There are many other small, privately owned dams on this river most of which have been purchased by the Federal Government. So that now practically everything on the river is Government owned.

The most justifiable criticism against the Tennessee Valley development is that it is a far departure from methods of development in other parts of the Nation.

The average man still believes that development of this type should be financed by private industry, and one can rightfully ask whether other sections of the Nation are being fairly treated when huge appropriations from the Federal Treasury are being used to develop sections such as this when there is nothing in sight that indicates that the money will ever be paid back or that the investment will ever be able to carry itself.

Right now some of these cities in the Tennessee Valley Authority, which received a great deal of their tax money from the privately owned utilities, now taken over by the Federal Government which pays no taxes, find themselves unable to balance their budgets, and are asking the Federal Government to pay their local taxes. One city has now presented a bill for $3,000,000 of local taxes to be made up or paid by the Federal Treasury. In other words, people all over the country are going to be asked to contribute to the local taxes under the T. V. A.

When we carefully study the map covered by the Tennessee Valley Authority we find that it covers practically the entire area known as the old South, and that it is claimed by many who are well acquainted with the Authority that it is literally creating an empire, with Government-owned utilities, within our empire.

The natural resources of this section of the country are immense, although in many cases undeveloped. This section is rich in coal, iron, lumber, and has in fact everything that Pennsylvania has except anthracite coal. In this area are the Federal Government's vaults with two-thirds of the world's gold supply buried in them, as well as the greatest suppressed minority in the United States, the colored folk—9,000,000 of them.

It would be a long story to go into any great detail to describe the Authority, so we will just touch on some of the more important items. The Authority has purchased the Commonwealth & Southern Utility Co. holdings at a cost of $78,600,000. In the present budget of the T. V. A. we find an appropriation of $30,748,000 for transmission and construction, $6,140,000 for fertilizer-manufacturing plant, $80,000 credited to national defense, for operation $2,000,000, or a total of $41,400,000. The claim that it will ever be self-sustaining so far seems foolish. Every project so far has been running in the red, and in order to discourage Government ownership of all major industries in the country it may be well if it continues to operate in the red.

The Tennessee Valley Authority is engaged in many enterprises other than power. I call your attention to an agricultural project, the products of which are put through a quick-freezing machine developed at the Tennessee Engineering Experiment Station and now operated on an increasingly large scale. During 1937 they have grown 53,000 pounds of strawberries, 54,000 pounds of young berries, and 8,300 pounds of peaches that were quick frozen. And in 1938 a much larger quantity of these berries were grown and quick frozen and transported to St. Louis on a Government-owned refrigerated barge equipped for zero storage of frozen fruits, with a capacity of 350,000 pounds. This fruit cost the Federal Government 27 cents per pound delivered to St. Louis, where it was sold for 7 cents a pound.

The complete development of the T. V. A. will mean the annihilation of the coal industry east of the Mississippi River and throw out of employment 1,500,000 wage earners with their families, who are now dependent on mining and transporting coal. The loss annually of 375,000,000 man-days of labor in the coal industry will have to be charged up to the T. V. A.

The Government is operating a number of villages under the Authority, and after collecting the rent in the Muscle Shoals village they still had to have $126,000 out of the Federal Treasury to balance the town budget. At the Norris Dam they needed $73,000 to balance the budget. One of the items of expenses for the Tennessee Valley Authority last year was $316,000 for making maps. Last year $40,000 was spent of the taxpayers' money to audit the account, and the legal department cost $240,000.

To get an idea of the immensity of the Tennessee Valley project let us just analyze one or two of the dams more in detail. The Gilbertsville Dam, for instance: The dam area will take in 400,000 acres of the finest and richest soil in America.

In addition, it will destroy 69 miles of standard-gage railroad with 3 large bridges. It will cover up 137 miles of hard-surfaced highway with three large bridges. It will cause the relocating of 35,000 people and 2,500 dead bodies now sleeping in their graves. Its estimated cost will be over $200,000,000. The dam will be 8,600 feet long and 150 feet high. The water surface at the top of the spillway will cover 256,000 acres.

The Dog Island Dam, estimated cost of $392,000,000, will submerge 1,000,000 acres of soil—650,000 acres valuable for cultivation; 33 towns with a population of 27,000 will have to be relocated, 13 additional towns will be partly submerged, and 18 others will require protection. The population of the submerged area is about 200,000 and the property cost estimated at $25,000,000; 275 miles of surfaced highway will be abandoned and 159 miles will be relocated, 194 miles of railroad will be submerged, and 81 miles relocated, and 49 miles will be raised at a total cost of $36,500,000. Unmined coal submerged, approximately 4,800,000,000 tons.

The Tennessee Valley Authority employs 4,500 people with salaries averaging $2,600 per year—total cost of $11,700,000 for the

white-collar workers. Labor is being paid 47½ cents per hour. It may be of interest to know that the Government is operating a dairy farm at the Norris Dam and that they have paid as much as $900 per head for cows and that the dairy farm is now in the red $29,939.29.

On July 1 the Secretary of the Treasury will close the books for the fiscal year of 1939. The national debt will stand somewhere in excess of $44,000,000,000. This means an equivalent of $100,000,000 for each one of the 435 Members of Congress. The deficit for the fiscal year of 1939 will be in excess of $4,000,000,000. Congress will have appropriated about $10,000,000 more than we have taken in for each of the 435 Members.

A Grand Old Man From the West

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, we have been told that today Congressman TAYLOR of Colorado, chairman of the House Appropriations Committee, is celebrating his eighty-first birthday. As we see him here this afternoon, seated beside his colleagues, or notice him hurrying here and there to attend meetings of his many subcommittees, it does not seem possible that our colleague from western Colorado has reach that advanced age. I have seen many men 20 years younger whom I would have taken to be older than this active westerner.

We younger men, who can scarcely keep up with our Congressional duties, are especially appreciative of the manner in which he turns out more work and shoulders far more responsibility than any of us have to bear, and he does it better than some of us who are only half his age.

As a western man I feel a special interest in Chairman TAYLOR and rejoice that he has served so long in such a strategic post as that which he occupies. Too often we feel that the far West is not sufficiently known here at Washington, and sometimes its needs are not sufficiently considered and taken care of. Many times of late I have told my constituents in Arizona, where mining is vital, reclamation is important, and the proper handling of the public domain needs to be done, that we are indeed fortunate in having in both branches of Congress men from the West who occupy key positions, and who understand the needs of the West so thoroughly. Chief among such leading men is Chairman EDWARD T. TAYLOR, of the House Appropriations Committee. May he continue long to serve his country with distinction and to increase the pride which his State and the whole great West have in him.

Future Farmers of America

EXTENSION OF REMARKS

OF

HON. JOHN E. MILLER

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

ADDRESS BY HON. JAMES A. FARLEY

Mr. MILLER. Mr. President, on June 3, 1939, the Postmaster General, Hon. James A. Farley, delivered an address to the Arkansas division of the Future Farmers of America, a State organization in Arkansas, at Camp Couchdale, Ark.

Mr. VANDENBERG. Mr. President, I did not catch the name of the orator.

Mr. MILLER. The oration was delivered by Hon. James A. Farley. I ask unanimous consent that the address be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am glad to be here at Camp Couchdale today to talk to you "future farmers" of Arkansas and to your parents and friends. I want to congratulate you on your fine camp, which I understand you own and operate yourselves. You are indeed fortunate in having such a fine place for recreation. I am told that this land was presented to you by my friend, Harvey Couch. I am sure he could have performed no finer service for the outstanding young men of the farms in this State.

There was a time not so far back in the history of this country when the services of the United States Post Office Department came no closer to the farm home than the nearest town post office. Getting the mail was just one of the errands a farmer had to remember when he went to town. Your fathers and mothers remember that historic event in 1896—the beginning of farm mail delivery. In Arkansas the first route was started at Clarksville, and it was one of the first in the country. Seventeen years later, in 1913, it became possible through the parcel-post system for people living on farms to send and receive packages without making a trip to town.

I am proud of the part the Post Office Department has been able to play in helping farm people to keep themselves as well informed as city people. I am proud of the part I have been able to play in this service. But my interest in farm people goes beyond the services of the Post Office Department. I am interested in agriculture in a broad sense and in the important part it plays in our national life. I welcome the opportunity to speak to a farm audience.

There is no audience to which I would rather talk than one made up of young men of today, who will be leaders of tomorrow. And if there is one quality above all other that characterizes the Future Farmers of America it is the quality of leadership.

Where in this country could we find so many young men so well qualified for leadership as among the 200,000 students of vocational agriculture who are members of the 6,000 local chapters of the Future Farmers? Where in this State could we find so many young men so well prepared for leadership as among the 7,000 Future Farmers in Arkansas?

I wish there were more organizations of young people in this country with the same major objectives as the Future Farmers—the development of leadership, cooperation, and citizenship. These are the attributes most needed for the prosperity and progress of the Nation.

In pioneer days individuals largely determined their own destiny. They had to rely almost entirely on their own energy and initiative and the cultivation of the land. As long as there was a frontier, they could move to new land when erosion and overcropping had taken too great toll of soil and fertility. Their needs were few. They asked little of society and in return contributed little to society.

Arkansas became a State more than 100 years ago, but Arkansas still had frontier land for many years after it was first settled. Now, however, the frontier is gone in Arkansas, as it is in the rest of the country. The disappearance of the land frontier has resulted in the necessity for a new kind of farm living. Your farm production will have to be continued largely on the land now under cultivation. Modern agricultural conditions demand that farmers work and plan together in a spirit of cooperation.

You are training yourselves for leadership in the fields of greatest significance today. Your group efforts have produced outstandingly successful cooperative projects. Not only your cooperative buying and selling, but cooperative school improvement and other community improvement projects have attracted wide attention. Just as cooperation in your own projects has opened up greater opportunities for you, cooperation among farmers generally is securing greater equality of opportunity for the agriculture of the entire Nation. This important objective of the "future farmers" has become a necessity for all farmers. Those of you who become farmers will find your present experience in cooperation of great benefit both to you and to your neighbors. The farmers of this country are going to continue to cooperate in their own enterprises locally and in their own programs nationally. Through the national farm program they have been proving that they can cooperate with each other, and with the Government, to deal with their problems effectively. They are proving it this year to a greater degree than ever before, with more than three-fourths of all the farmers in this country cooperating in the administration's farm program. There will be a continuing and increasing need for your leadership in the field of cooperation.

Through your experience in the art of working together for the common good, you are training yourselves in the most important attribute of good citizenship. Moreover, your interest and achievements in improving the communities in which you live provide an example and a challenge to others. There never was a period in the history of this country when the responsibilities of leaders or the opportunities for service were greater.

Through your experience in the art of conducting group discussion, you are training yourselves in the fundamentals of true democracy. Your training and experience in citizenship is guided

by the ideals that have preserved our democratic form of government and our freedom as individuals.

Those of you who make farming your life work will be particularly well fitted to serve the interests of agriculture. Leadership and cooperation are essential to agricultural welfare today as never before. Leadership of farmers themselves is fundamental to the success of the national programs for agriculture and will continue to be necessary to the success of any national farm program. One of the important reasons for the success of the farm program is that farmers have guided the application of its principles and have administered its provisions. Through Nation-wide cooperation farmers can deal with their national and international problems while, at the same time, through local administration, they can make their program apply most effectively on individual farms.

We can be sure that farmers will continue to work together to protect their incomes and conserve their soil. That fact will mean much to your opportunity for success in agriculture. In your individual farming programs you want to produce efficiently and economically, and you have achieved outstanding success in this respect. But you also want to market your products efficiently and profitably.

You realize that in order to produce efficiently you have to use the best farming methods that you have to protect your land against erosion and keep up its fertility. The income from your projects depends in part on production costs and in part on supplies and prices at the time you sell. Supplies and prices depend to an important degree upon the policies being followed by all producers of a commodity.

Whether you are producing livestock, or grain, or cotton, your most difficult problems in individual farming projects are directly related to national agricultural problems. They are much the same as the problems facing farmers throughout the country. Men who have made a study of farm problems have pointed out that since the World War farmers have suffered from chronic surpluses that have ruined prices and made farming unprofitable. They have been financially unable to take proper care of their soil. They have had increasing difficulty in selling export crops on the world markets. They have been overburdened with debt. Many thousands of them lost their land and were set adrift without means of supporting their families. It is important to you that farmers now have the power through national legislation to deal with these problems.

Production and marketing of farm products have been stabilized at more profitable levels and farm income has been protected and has nearly doubled in the last 6 years. Cash farm income in Arkansas has increased 80 percent. Soil-conservation practices are being followed on 80 percent of all the farm land and on 70 percent of all the privately owned range land in the United States. Measures have been taken to assure American farmers their fair share of the world market.

In the efforts to conserve soil resources Arkansas has been particularly outstanding. Thirteen soil-conservation districts, covering more than 5,000,000 acres of land, have been organized under State law by Arkansas farmers. For 12 of these 13 districts there are now working agreements with the United States Department of Agriculture. Among all the States of the Union, Arkansas stands second in the number of soil-conservation districts.

I am told that farmers in Arkansas are taking full advantage of the opportunity to improve their situation through the farm program. I recently saw a report quoting an estimate by J. B. Daniels, your State Triple A administrator, that approximately 219,000 of the 230,000 farms in Arkansas will participate in the Triple A program. Participation in the cotton program is expected to be 99 percent, and in the general crops program 90 percent. If all farmers in the United States show the same universal spirit of cooperation as farmers in Arkansas, the farm program cannot avoid being successful.

One of the first measures taken to assist farmers in 1933 was to expand and liberalize credit facilities through the Farm Credit Administration. Federal credit facilities have prevented foreclosure of farms by the thousands, have lightened debt and interest loads, and have made capital available for production and for cooperative organization of farmers.

The reciprocal trade agreement programs have helped to undo the damage done to agriculture by increased tariffs and other obstructions in the path of world trade. The Rural Electrification Administration has worked to extend the benefits of electricity to more and more farms. The Farm Security Administration program has provided opportunity for thousands of displaced farmers to get a new start and again become self-supporting. Many are being assisted in the purchase of land of their own. By the end of this fiscal year 437 loans will have been made to Arkansas tenants and farm laborers for the purchase of farms. The amount of these loans will total more than one and one-half million dollars.

Rehabilitation borrowers in Arkansas have been making outstanding progress. I am informed by the Department of Agriculture that the Farm Security Administration has made loans to more than 30,000 farmers in this State. These loans from emergency relief funds have totaled nearly $8,000,000, and more than a third of this money has been repaid, although much of it will not be due for 4 or 5 years. An even better indication of progress is the increase in net worth of these rehabilitation borrowers. A survey of 11,119 families showed that they had increased their net worth an average of $259 per family, adding a total of nearly $3,000,000 to the wealth of their communities.

In an effort to help both farmers overburdened with surpluses, and city people who are unable to buy enough food, the Department of Agriculture, through the Federal Surplus Commodities Corporation, has purchased and distributed billions of pounds of surplus farm products for needy families. At present, through the experimental food-stamp plan, the Department of Agriculture is seeking more effective methods of getting the abundance of the farms into the hands of the underfed in the cities. All America is in sympathy with this splendid effort.

During the last 6 years, farmers have made greater gains in obtaining the powers necessary to give them greater equality of opportunity than in any like period in the history of this Nation. City people, too, have gained from the efforts to improve conditions for the people on the land. Improved and stabilized income has made farmers better customers for the goods and services produced in the cities. The whole country benefits from the accomplishments in conserving soil resources.

The national recognition gained by agriculture and the methods farmers now have available to protect their incomes, their soil, and their homes makes the future more promising for farmers. It is encouraging to those who are now farming, and to those who are preparing to become farmers.

If I were a young man living on a farm, I would consider it a great privilege to be a member of your organization. You have opportunities not available to thousands of young men like yourselves who live in cities. You have greater opportunity to train yourselves in the qualities and abilities that are useful now and that will continue to be most useful in adult life. You are taking advantage of your opportunity to be self-reliant and self-supporting. You know how to stand on your own feet.

The Nation needs young men trained in leadership—men who can serve their fellow men not only as leaders in agriculture but in education, in business, and in political life. The Nation needs more of the type of leaders who are being developed in your organization to serve in adult organizations as legislative leaders, as business leaders, as leaders in their own communities, the State, and the Nation.

May I, in conclusion, wish you the best of luck and the blessing of heaven in your splendid patriotic enterprise.

The Third-Term Tradition

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

RADIO ADDRESS BY HON. EDWARD R. BURKE, OF NEBRASKA, JUNE 19, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the distinguished Senator from Nebraska [Mr. BURKE] during the national radio forum arranged by the Washington Star and broadcast over the National Broadcasting Co. network on June 19, 1939. The subject of the address is The Third-Term Tradition.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"I want President Roosevelt to run for a third time," declares the Honorable Harold Ickes, who for 6 years has sat at the Cabinet table by the President's choice. The tradition against a third term is "political humbug," says he. Neither the Secretary nor the President could have underestimated the significance that the country would attach to such statements considering how close the ties that bind the two in personal friendship and mutually sympathetic understanding.

Is adherence to the two-term limitation "political humbug" or is it a tradition the maintenance of which is vital if we are to escape entanglement in world currents which have swept democracies to destruction and in their place enthroned dictatorships? That is the question that now absorbs the attention of the country. For that reason I deeply appreciate the invitation to discuss the matter before the National Radio Forum. In seeking an answer I propose to turn back the pages of history in order that we may trace the development of this tradition which some would now brush lightly aside.

May I state first my own firm conviction formed as a result of such a study? I believe that the tradition should be maintained inviolate. First of all, because it typifies that fundamental of American democracy that ours is a government of laws and not of men; that our strength rests upon principles rather than upon individuals. Even better than a limitation by tradition to two terms would be a longer single term, say, 6 years. That would require a constitutional amendment. Such a change would unquestionably improve the administration of the laws generally and

would increase the nonpartisan and businesslike efficiency of the executive department. It would remove much of the inducement to the building up of a political machine, lessen the possibility of attempted "purges," increase the probability that appointments would be made for other than partisan or selfish political purposes. It would be a long step toward making the President the Chief Executive of the whole people and not the leader of a mere faction or the head of a political party. The example of totalitarian states should be sufficient to put on guard even the most unsuspecting. For the mortality table of democracies discloses not so many sudden deaths as the gradual sapping away of the liberties of the people until only the shell is left.

May I further say by way of introduction that as a lifelong adherent to the political philosophy of Jefferson and Jackson I am proud that the Democratic Party up to this day has given no countenance to the sporadic attempts to overthrow the tradition against any person serving more than two terms as Chief Executive? If now our party is to follow after false gods, it is fitting that it should be under the leadership of those not long imbued with Jeffersonian or Jacksonian ideals of democracy.

To appreciate the full significance of this tradition we must trace its development through the 150 years since our fathers rebelled against the tyrannies of autocracy and with remarkable foresight fashioned a republican form of government through which democratic principles might be forever applied. Of all the problems confronting the Constitutional Convention none was more troublesome than that with respect to the selection and powers of the Presito a monarchy or depositism, but the members of the Convention, to a monarchy or despotism, but the members of the convention, without precedent to guide them, were often sorely perplexed.

Although the first vote was for the election of a President by Congress for a single 7-year term, the members of the Convention, beset as they were by all sorts of uncertainties and difficulties, do not appear to have given much thought to the danger of not placing a limit upon the terms of office of a President elected otherwise than by Congress. Not so with Thomas Jefferson. Unable to be present because of his service in France, he at once realized that this defect might prove to be the Achilles heel of the Republic. In a letter to Washington from Paris, Jefferson said:

"However, I shall hope that before there is danger of this change taking place in the office of President, the good sense and free spirit of our countrymen will make the changes necessary to prevent it."

At that time Jefferson preferred a single term of 7 years. Later on he felt that it was better to have a shorter term with eligibility for a single reelection. He was content with the realization that through his efforts a definite tradition against a third Presidential term had been established. Credit is given to Washington for laying the foundation for that, although it is undoubtedly true that he was not impressed as was Jefferson with the danger resulting from the lack of a limitation as to the tenure of office of President. However, he did insist upon retiring at the end of two terms. Stress as you may his personal reasons for unwillingness to continue longer in office. His action, nevertheless, paved the way for the definite establishment by Jefferson of a tradition against a third term.

We turn to the letter of Jefferson to a State legislature written during his second term. He removed every shadow of doubt that he would consider a third term. His words in part were:

"That I should lay down my charge at a proper period is as much a duty as to have borne it faithfully. If some termination to the services of the Chief Magistrate be not fixed by the Constitution, or supplied by practice, his office, nominally 4 years, will in fact become for life, and history shows how easily that degenerates into an inheritance. Believing that a representative government, responsible at short periods of election, is that which produces the greatest sum of happiness to mankind, I feel it a duty to do no act which shall essentially impair that principle, and I should unwillingly be the person who, disregarding the sound precedent set by an illustrious predecessor, should furnish the first example of prolongation beyond a second term of office."

Before his death Jefferson believed that the third-term tradition was as definitely established as if it had been written into the Constitution. In his autobiography, written shortly before his death during the administration of John Quincy Adams, he said:

"My wish was that the President should be elected for 7 years and be ineligible afterward. But the practice adopted, I think, is better, allowing his continuance for 8 years, with a liability to be dropped at half-way of the term, making that a period of probation. Though this amendment has not been made in form, yet practice seems to have established it. The example of four Presidents voluntarily retiring at the end of their eighth year, and the progress of public opinion that the principle is salutary, have given it in practice the form of precedent and usage; insomuch that should a President consent to be a candidate for a third election, I trust he would be rejected on this demonstration of ambitious views."

So spoke the patron saint of the Democratic Party. Those who count themselves disciples of Jefferson will know what answer to make to the claim that what seemed so important to that great statesman is "political humbug." Let an attempt be made, now or ever, to violate this salutary principle and a vast host of followers of Jefferson will rise up to reject such "demonstration of ambitious views."

We proceed. In 1829, the year of Jackson's first inauguration, James Buchanan, a Member of the House from Pennsylvania and later elected on the Democratic ticket as President of the United States, spoke in opposition to a constitutional amendment limiting service as President to a single term. Explaining his views, he said:

"The example of Washington, which has been followed by Jefferson, Madison, and Monroe, has forever determined that no President shall be more than once reelected. This principle is now as sacred as if it were written in the Constitution. I would incline to leave it to the people of the United States, without incorporating it in the Constitution, to decide whether a President shall serve longer than one term."

Buchanan was willing to leave it to the good sense of the people to determine whether a President should be once reelected. He knew that there was no danger of going beyond that because the tradition against a third term had become "as sacred as if it were written in the Constitution." I hesitate to draw what seems the necessary conclusion that in the eyes of those who now would disregard this tradition it may be that the Constitution itself is "political humbug."

Andrew Jackson, who perpetuated Jeffersonian principles, had a conspicuous part in making the idea of a limitation of the service of the President a basic principle of the Democratic Party. In his first annual message to Congress he recommended a constitutional amendment limiting the tenure of office of President to a single term of either 4 or 6 years. He made a similar recommendation in each of his five succeeding annual messages. I quote from Jackson's second message:

"It was a leading object with the framers of the Constitution to keep as separate as possible the action of the legislative and executive branches of the Government. To secure this object nothing is more essential than to preserve the former from all temptations of private interest, and therefore so to direct the patronage of the latter as not to permit such temptations to be offered. Experience abundantly demonstrates that every precaution in this respect is a valuable safeguard of liberty, and one which my reflections upon the tendencies of the system incline me to think should be made still stronger. It was for this reason that, in connection with an amendment to the Constitution removing all intermediate agency in the choice of the President, I recommended some restrictions upon the reeligibility of that officer * * *. The reason still exists, and I renew the recommendation with an increased confidence that its adoption will strengthen those checks by which the Constitution designed to secure the independence of each department of the Government and promote the healthful and equitable administration of all the trusts which it has created. The agent most likely to contravene this design of the Constitution is the Chief Magistrate. In order, particularly, that his appointment may, as far as possible, be placed beyond the reach of any improper influences, in order that he may approach the solemn responsibilities of the highest office in the gift of a free people uncommitted to any other course than the strict line of constitutional duty, and that the securities for this independence may be rendered as strong as the nature of power and the weakness of its possessor will admit, I cannot too earnestly invite your attention to the propriety of promoting such an amendment of the Constitution as will render him ineligible after one term of service."

Jackson was unwilling that any person should be eligible for reelection as President at all. Those who now sanction not only one reelection but advocate a second cannot claim to do so under the banner of democracy raised by Andrew Jackson. Their course is a direct and positive repudiation of the firmly held convictions of Jefferson, of Buchanan, and of Jackson. Nor is that all.

William Henry Harrison announced that under no circumstances would he accept a second term. He advocated a constitutional amendment for a single Presidential term.

When the Republican State convention of Pennsylvania, during Grant's second administration, adopted a resolution expressing unalterable opposition to the election of any person to the Presidency for a third term, Grant disclaimed any desire to run but indicated that he would accept a nomination if "it should come under such circumstances as to make it an imperative duty—circumstances not likely to arise," he said. The issue was then raised in numerous Republican State conventions.

New York: "We declare our unalterable opposition to the election of any President for a third term."

Massachusetts: "Sound reason as well as the wise and unbroken usage of the Republic requires that the term of the Chief Magistrate of the United States shall not exceed the second term."

Ohio: "The observance of Washington's example in retiring at the close of the second Presidential term will be in the future, as it has been in the past, regarded as a fundamental rule in the unwritten law of the Republic."

The movement for Grant's renomination continued to be agitated by some of his friends and many officeholders. It was cut short when the House of Representatives on December 15, 1875, adopted by the overwhelming vote of 233 to 18 the following resolution offered by Representative Springer, of Illinois, a Democrat:

"*Resolved*, That, in the opinion of this House, the precedent established by Washington and other Presidents of the United States, in retiring from the Presidential office after their second term, has become, by universal concurrence, a part of our republican system of government, and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions."

Four years after Grant's retirement from the Presidency a new movement developed for his nomination for a third time. Since it was not a successive term the question was raised whether his

nomination and election would constitute a violation of the third-term tradition. Even under such circumstances the national convention was unwilling to attempt a violation of the settled principle that no man should serve more than two terms as President of this Republic. Grant was defeated for the nomination.

Since the time of Grant until the present day the third-term issue has been raised seriously in connection only with two Presidents, Theodore Roosevelt and Coolidge. Each of them succeeded a President who died in office and each, therefore, served a period less than two full terms. Roosevelt recognized the force of the third-term tradition when, after his reelection in 1904, he announced that under no circumstances would he be a candidate for or accept another nomination. He stated that he regarded the 3½ years of his first administration as his first term, and said "the wise custom which limits the President to two terms regards the substance and not the form." Following the Taft administration, Roosevelt saw fit to seek a third term. He was defeated in his party convention. He was again defeated by the Democratic candidate when he ran under a new party by label.

Toward the end of his second term, Coolidge issued his cryptic "I do not choose to run" statement. This failed to head off agitation for a third term. But the Senate put a quietus on the movement on February 10, 1928, by adopting the La Follette resolution similar to that of the House of Representatives during the Grant administration. The vote was 56 to 26. In the affirmative were 37 Democrats, 16 Republicans, 1 Progressive, 1 member of the Farmer-Labor Party, and 1 Independent. The negative consisted of 22 Republicans and 4 Democrats. Of those who voted for the resolution, 24 are still Members of the Senate, 16 of them being Democrats. Those Senators are thus on record as believing that the third-term tradition has become by universal concurrence a part of our system of government and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions. In any test of sentiment they would be joined by many Senators who have entered since that time and who do not hold the view that the third-term tradition is "political humbug."

The Democratic Party up to this time has been faithful to the tradition, although its members have not always been agreed as to the desirability of a constitutional limitation. The Democratic platform of 1896 declared it to be "the unwritten law of the Republic, established by custom and usage of 100 years, and sanctioned by the examples of the greatest and wisest of those who founded and have maintained our Government, that no man should be eligible for a third term of the Presidential office." The Democratic platform of 1912 favored a constitutional amendment for a single Presidential term. In keeping with that plank the Senate on February 1, 1913, adopted a constitutional amendment for a single term of 6 years. The amendment was not acted upon in the House, although favorably reported by the Committee on the Judiciary. A prophecy contained in that report is worth repeating—

"Doubtless it is true that even without any positive law on the subject—that is, without any amendment of the Constitution—no man will ever be called to be Chief Magistrate for the third time."

While the Democratic Party has a special responsibility for the maintenance of the third-term tradition, the issue cannot be considered a partisan one. The Republicans for the most part have cherished the tradition equally with the Democrats. President Taft in a lecture after his service in the White House said that he was "strongly inclined to the view that it would have been a wiser provision, as it was at one time voted in the convention, to make the term of the President 7 years and render him ineligible thereafter." Mr. Taft added, "Such a change would give to the Executive greater courage and independence in the discharge of his duties. The absorbing and diverting interest in the reelection of the incumbent taken by these Federal civil servants who regard their own tenure as dependent upon his would disappear and the efficiency of administration in the last year of a term would be maintained."

My personal preference is for a constitutional limitation upon the tenure of office of the President. There is pending before the Senate Committee on the Judiciary a joint resolution which I have introduced proposing an amendment to the Constitution to limit the service of a President to a single term of 6 years.

The reasons existing in the days of Jefferson and Jackson for a limitation upon the service of a President are now multiplied manyfold. Conditions are, of course, vastly different, but nevertheless there are similarities. Jefferson was fearful of a reversion to a monarchy. Today there is a world trend toward autocracy in the form of dictatorships. Because of our present highly developed industrial economy, as well as because of economic dislocations which have arisen since the World War, unemployment on a large scale has become a menace in all leading countries. In their frantic search for a solution of their individual problems, people everywhere have shown a willingness to sacrifice liberties for the promise, even though oftentimes false, of security. As a means of securing jobs, people have been content to forego the right to exercise their individual initiative in industry or agriculture. The trust of a distressed peoples in strong personalities who have assumed the role of dictators in European countries is quite understandable. The European dictatorships are frankly governments by men rather than by law.

In the United States we have seen during the present administration a rapid development toward a centralization of power not only in the Federal Government at the expense of the States and of individual liberties but in the executive branch at the expense of the legislative and the judicial branches.

The specter of unemployment in industry and of ruinous prices in agriculture has made our people more ready to accept schemes for regimentation and control of industry and agriculture than would have been true a generation ago. When these schemes have failed, it has not been easy to retrace our steps toward a properly supervised but uncontrolled system of free enterprise which is a fundamental feature of our constitutional system. Each failure has been followed by demands for greater powers for the Federal Government. In the effort to make the control effective, our system of separation of powers and checks and balances has been gradually broken down. The Executive has usurped legislative powers and has even sought to encroach upon the powers of the judiciary. The effect of the trend of recent years has been to move away from a government of laws toward one of men and to subordinate principles to the discretion and whims of individuals.

The temptation toward a perpetuation of the power of an existing administration never was so great as at present. Never has a comparable bureaucracy existed or its members had more reason to pull political wires to insure the security of their jobs. At no time in our history has an administration had such tremendous political powers through the distribution of public works, agricultural and other benefits, and jobs. No political organization likes to relinquish power.

In the light of prevailing trends, should the third-term tradition be broken in 1940, no man can safely predict the fate of our form of government.

My proposal for a single 6-year term would allow sufficient time for a President to work out his program, would eliminate to some extent the disturbing influence of more frequent elections upon business conditions, would enable an administration to maintain full efficiency throughout its term without being distracted by a campaign for reelection; would minimize the evils of a political bureaucracy, and would check the trend toward a centralization of power and a consequent weakening of our form of government.

Whether or not a constitutional limitation is considered desirable by Congress and by the States, I have faith that the people of our country will not jeopardize the preservation of our institutions by violation of the time-hallowed tradition against a third term.

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. JOSEPH E. CASEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

Mr. CASEY of Massachusetts. Mr. Speaker, I am prompted to extend my remarks because of the fact that it had been stated previously during the debate over the W. P. A. appropriation that my bill was endorsed by the C. I. O. and Workers Alliance. The implication was that these were the only people who had endorsed the Casey bill. This is not the case. I welcomed the endorsement of any group for the Casey bill, which I believe to be the real solution of our relief problem.

In the State of Massachusetts the Casey bill has been endorsed by:

Thirty-four mayors of Massachusetts cities, including Boston, Worcester, Salem, Somerville, Peabody, Fall River, New Bedford, Holyoke, Northampton, Lowell, Lawrence, Taunton, Brockton, and so forth, besides smaller places, such as Marlboro, Everett, and so forth.

Ninety-five labor unions and allied organizations, including such powerful groups as the Central Labor Union of Boston, Labor's Non-Partisan League of Massachusetts, Brotherhood of Shoe and Allied Crafts, regional councils and central bodies of both A. F. of L. and C. I. O., totaling in voting strength at least a quarter of a million persons.

A sponsoring body of 200 religious, civic, political, and social leaders, whose names have been transmitted to you in earlier letters, and who make up, with the mayors already mentioned, 28 city and regional subcommittees of the Massachusetts Committee for Defense of W. P. A. This organization will be permanent until the problem of unemployment has been finally solved.

Mr. Speaker, 15,000 individual citizens have signed petitions circulated by this committee throughout the Commonwealth during the past fortnight. Less than 10 percent of these are W. P. A. workers.

The Casey bill has also been endorsed by the Cambridge Union of University Teachers, Cambridge, Mass., whose letter follows:

Representative CASEY,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN CASEY: The executive council of this local at its meeting of June 2 unanimously adopted the following resolution:

"Whereas business conditions are still on a level with those of June 1933; and

"Whereas 20 percent of the State is now drawing some form of municipal relief; and

"Whereas some 50 of our municipalities are facing bankruptcy: Therefore be it

"*Resolved*, That the Massachusetts congressional delegation support H. R. 6470, Work and Security Act."

Yours very truly,

ARNOLD ISENBERG, *Secretary*.

I wish to thank the 76 Democrats and the 6 Republicans who voted for this bill, and I firmly believe that their judgment was correct.

Ghost Writing, Its Origin and Development

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

ARTICLE BY HON. HENRY F. ASHURST, OF ARIZONA

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article written by myself entitled "Ghost Writing, Its Origin and Development."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

(By HENRY FOUNTAIN ASHURST, United States Senator from Arizona)

Fortunately it is not always absolutely essential, although it is always desirable, to define words and terms with precision otherwise, notwithstanding the richness of the English language in synonyms, it would be difficult to define "ghost writing" although that term is now an accepted locution. Usage has given it a standing over any protest etymology may make.

"Ghost writing" may be said to be a speech, address, or article written by one person but delivered or signed by another.

When we say "the ghost talks today," we do not mean that some wraith, without a body, is squeaking and gibbering, but we do mean that some person is delivering a speech or is "by-lining" an article written by some person other than the one by whom authorship is impliedly asserted. In many, if not most, "ghost speeches" and "ghost articles" the ghost's style of expression betrays his anonymity.

When we say "the ghost walks today," we refer to a declaration that has come down to us by tradition from the times in London when Shakespeare, who often played the part of the ghost in his tragedy Hamlet, was also paymaster to the players. Thus the saying whereby early English actors linked salaries with ghosts came to mean "pay day," and this same saying is today frequently heard in the House of Thespis and in the House of Printing and means pay day.

Recently an article appeared in a current magazine which went on to say that ghost writing had its origin about the beginning of the twentieth century, but the fact is that ghost writing has been practiced for many centuries.

It was among the Greeks that public speaking as an art had its development. In its flower, it produced the models of eloquence for all succeeding orators.

In the days of remote antiquity the theory prevailed that every citizen should be his own advocate in settling his disputes. The theory seemed to be sound, but, like many theories, it was difficult of practical application inasmuch as many citizens who were drawn into litigation had justice on their side but lacked the knowledge, ability, or the voice to defend their causes.

For this reason one Corax, in the Greek city of Syracuse in the fifth century B. C., set up a school to instruct or coach private citizens how to urge their rights and claims before magistrates and juries and thus assist those persons lacking in forensic skill.

It is interesting to observe that the principles of oratory enunciated by this pioneer instructor Corax have prevailed in one form or another in all forensic oratory; that is to say, beginning, narrative, argument, subsidiary remarks, and peroration.

Through all the subsequent and troubled centuries, embracing the rise and decline of the Greek culture, the Athenian cities, the Roman and Byzantine empires, down to this day, the principles of oratory as taught by Corax have guided many, if not most, of the world's greatest orators.

After Corax there flourished in Athens a speech writer, one Lysias, who adapted his compositions to the character and station in life of the man or client who was to deliver them, and he wrote the speeches according to the terminology required by the particular nature of each case.

Then came Isocrates, who, unfitted by weakness of voice to speak in public, devoted his talent for eloquence to instructing pupils who came to his school at Athens. He did not to any great extent write speeches for others; his school trained his pupils to write their own speeches. Isocrates earned enormous sums of money; some authorities declare that his earnings were to the money value of about $50,000 a year from tuition paid to him by students.

It was from this group, or from this school, rather, sprang Demosthenes, born 384 B. C., died 322 B. C., in whom was combined all that was excellent in the grand art of public discourse.

Demosthenes' father, who was well-to-do, in fact opulent, was a manufacturer of cutlery and furniture and died when Demosthenes was 6 years old, leaving to his son what then was an enormous estate.

It would seem that young Demosthenes received shabby treatment from his guardians, for when he attained his majority, which was at the age of 16 years, he found that the greater part of his inheritance had been wasted or stolen by his guardians and he brought suit against them and obtained a verdict, but it is not known whether the money was ever paid to him. At least he secured more reputation than money out of his lawsuit.

He had, however, been carefully educated for the profession of rhetorician or, as we would say, advocate, and in not a few instances this literary training in preparing speeches for others was worth more to him than the inheritance he should have received. Demosthenes managed, notwithstanding a weak voice, delicate constitution, and a defective articulation, to build up a renown as the most famous orator of antiquity.

The important duty of the Athenian advocate was to prepare pleas for his client who would commit the plea to memory and deliver it to the jury.

The usual membership of an Athenian jury was 500 citizens, and some juries were composed of 1,500 citizens. A skillful rhetorician or advocate would prepare a plea so that it might be supposed to come from the client himself. There are extant about 30 pleas of this sort written by Demosthenes, and from them we may learn some of the lights and shadows of life in the Athens of that day.

Among the Greeks eloquence was an end in itself, but among the Romans eloquence took a more practical turn. Gaius Gracchus, whose eloquence was much praised by the ancients, was charged by his opponent as having employed a ghost writer to compose his speeches.

It seems to be definitely established that the speeches delivered by the Roman Emperor Nero were written by his Prime Minister, Seneca.

Dr. Samuel Johnson contributed nine lines to Oliver Goldsmith's poem The Traveller and contributed four lines to Goldsmith's poem The Deserted Village.

Senator Arthur H. Vandenberg, an authentic historian, is of opinion that Alexander Hamilton wrote all but four lines of General Washington's Farewell Address.

Daniel Webster prepared an inaugural address to be read by William Henry Harrison when General Harrison was inaugurated as President, but General Harrison disregarded the ghost speech and preferred his own composition.

One of the most tragic eposides flowing from ghost writing in the United States occurred when a ghost writer who was employed to write a farewell address for Hon. John White, Speaker of the House of Representatives in the Twenty-seventh Congress, in preparing the address for Speaker White, copied copiously from the language of the farewell address delivered by Vice President Aaron Burr to the United States Senate in 1805. Speaker White delivered the address as it was written for him and when it was discovered that much of the address was from that of Vice President Burr, Mr. White being unable to laugh at the comic position into which the ghost writer had placed him, was on the contrary so overcome with mortification and disgust that he committed suicide.

Abraham Lincoln, after composing alone and unaided at Springfield his inaugural address containing the closing passages of exquisite grace and tenderness, forwarded a copy to Senator William H. Seward, his intended Secretary of State, inviting Senator Seward's comments and Seward smoothed out a few quaint phrases.

President Andrew Johnson's first message to Congress was a masterpiece of statesmanship and literature and notwithstanding the fact that President Johnson possessed a lofty range of statesmanlike talents and was a skillful rhetorician, James G. Blaine refused to give Johnson credit for its authorship and declared that Seward had written it, but Blaine was wrong, for Johnson indeed wrote it, and George Bancroft's pen—not Seward's—gave the message its high-grade, literary polish.

Press dispatches have just announced the discovery of the tomb of great Caesar's ghost writer, one Aulus Hirtius, who was born 90 B. C. and died 43 B. C. and who throughout his entire lifetime was the personal and political friend of Julius Caesar. Hirtius, although politically opposed to Cicero, took lessons in oratory

from Cicero and in return Hirtius, who was a capable cook, imparted to the famous orator's household lessons in preparing delights of the table. Hirtius was a distinguished historian and, while it cannot be affirmed with absolute certainty, it is more than probable that Hirtius wrote some portion of Caesar's Commentaries, dividing with Oppius, another ghost writer of that day, the credit for authorship of the eighth book of the Gallic Wars.

Hirtius was killed at the Battle of Mutina while leading an assault against the enemy. The body of Hirtius, together with the bodies of some of his comrades slain in the same battle, was sent to Rome with a large escort, where with highest honor it was buried in the Field of Mars. Hirtius was held in such great esteem and was so generally respected for his valor, scholarship, and genius as a ghost writer that the mortician refused to accept compensation for the interment of Hirtius' body.

These recent press dispatches further announce that his tomb will be restored to its ancient grandeur, and it is the opinion of this writer that unless the beautiful flower of gratitude has withered and perished the American ghost writers of the present day, who are "thick as autumnal leaves that strow the brooks in Vallombrosa," will remember Hirtius' name with thankfulness for having modestly furnished so excellent a pattern of ghost writing. Moreover, it is reasonably certain that ghost writers in the days that are to come, with a friendly sentiment for his memory, will take care that the restored tomb shall not fall into obscurity and decay.

The Farmer and His Newspaper

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

ADDRESS BY HON. HENRY A. WALLACE, SECRETARY OF AGRICULTURE, JUNE 19, 1939

Mr. HILL. Mr. President, on last evening the Alabama Society of Washington entertained the Alabama Press Association at a banquet at the Willard Hotel. The Secretary of Agriculture, Mr. Wallace, delivered the principal address. It is a very thoughtful and able address. I ask unanimous consent to place it in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It gives me great pleasure to talk with the members of the Alabama Press Association and the Alabama Society of Washington this evening. I frequently have contact with Senator BANKHEAD, Speaker BANKHEAD, Senator HILL, and the other members of the Alabama delegation in Congress, but I would ordinarily have to make a trip to Alabama to meet so many distinguished citizens of your State. This evening I can greet all of you right here without leaving Washington.

I am especially happy to be present at this dinner given in honor of the publishers and editors of Alabama's newspapers. This dinner is in itself a recognition of the part you play in the life of Alabama.

I understand that some of the newspapers in Alabama were among the earliest in the United States and that the Huntsville Mercury and Community Builder, established in 1816, still is being published. The Tuscaloosa News, the Mobile Press, and the Selma Times Journal, I am told, all date back to that same period.

Whenever I find myself in the company of a group of editors I feel perfectly at home, because from 1910 to 1933 I spent most of my time—when I wasn't experimenting with the breeding of corn—in reading copy, picking up stories out in the field, and writing farm paper editorials.

The job of editing or publishing a newspaper or magazine is in some ways peculiarly satisfying. Newspapers have many opportunities to be of influence and to give service to the public. Along with these opportunities they have certain responsibilities.

The newspaper is not fully a public institution and not fully a private one. The part played by newspapers in contributing to the public welfare was recognized nearly 150 years ago when the Bill of Rights in our Constitution specifically sought to safeguard the freedom of the press.

Ever since that Bill of Rights was adopted we have cherished the freedom of the press, along with freedom of speech, as one of our most sacred liberties. We recognize, of course, that our newspapers have faults. But probably never since the birth of our Nation have we appreciated the freedom of our press so much as in the last few years, when we have seen the press in country after country lose its freedom and become the mouthpiece of a single all-powerful individual. Never since the birth of our Nation have we realized so keenly how much we would lose if the calamity that has befallen several countries in Europe should be duplicated in the United States. Publishers and editors and writers have a special urge to be vigilant, but every American ought to stand unceasingly on guard to see that such a calamity does not happen here.

Tonight I want to talk for a few minutes about newspapers in relation to the general public interest, and then I want to talk for a few minutes about newspapers in the rural areas in relation to the interests of agriculture.

The kind of newspaper which the founding fathers were so zealous to protect was a comparatively simple institution. But even in that day its important place in a democracy was clearly recognized. Thomas Jefferson insisted that freedom of the press should be included among the guaranties in the Bill of Rights. Alexander Hamilton had defended the omission of such a safeguard from the original Constitution, but Jefferson said:

"The basis of our Government being the opinion of the people, the very first object should be to keep that right, and were it left to me to decide whether we should have a Government without newspapers or newspapers without Government, I should not hesitate a moment to prefer the latter."

Few men in public life have been so bitterly attacked as Jefferson, and the newspapers joined in the attack in the violently personal manner which was the custom of that day. The upheaval of the American and French Revolutions had made battle flags out of class issues. As we know from our own experience of the present time, the response to such issues is deeply emotional, often unreasonable, and sometimes violent. And yet Jefferson was big enough to see that democracy could not continue without a medium for spreading information among the masses. Even though newspapers were sometimes the instruments of unfair and even vicious political attack, Jefferson thought of them as the school of the people.

The modern newspaper is a far more elaborate institution than the kind of newspaper Jefferson fought so hard to protect. In Jefferson's time a newspaper gave freeholding citizens the facts they needed and also guidance for their opinions in exercising their rights of citizenship. But the modern newspaper has added entirely new functions. It is in some ways a medium of entertainment and in its advertising pages it helps to make possible the mass distribution without which our modern mass production would be of no use.

The American newspaper of today is generally conceded to be the best as well as the freest in the world. And yet the American newspaper of today is often severely criticized. Why is this?

William Allen White, in a remarkable address in April of 1938 before the American Society of Newspaper Editors, of which he was then president, discussed the criticism of the press. He concluded that accusations against newspapers would bring a verdict of acquittal on every count save one.

"But our adversaries," Mr. White declared, "and the jury of public opinion might vote guilty on the count which charges us with a strong and poisonous bias in favor of the status quo as it affects the right of property."

Whether justly or not, many newspaper readers of today have the impression that some newspapers not only express their views in their editorial columns, but also color the news in the news columns so as to influence readers.

They also believe that some newspapers distort news, blacklist men or movements, or even suppress news. No one can deny that too many newspapers have been guilty of these offenses against the principles that the press must follow if it is to merit freedom. Editors and publishers have counted off the sins of their erring brothers at their business and professional meetings and urged the sinners to get the religion of a truly free and decent journalism.

In considering these widespread public reactions it may be worth while to look at the events of the last few years. That may help us to see why there is such a gulf between the point of view of some newspaper publishers and the point of view of a substantial part of the public. Some newspaper publishers, like plenty of other people, were taken aback by the sudden changes that seemed to be happening to our economy. They saw the changes without seeing the reasons for those changes. They did not take into account the crisis which prevailed and the necessity of adapting our system to changed economic circumstances if that system was to survive at all. Some of them did not see the resistless forces which brought an inevitable choice between change or chaos.

In agriculture, for example, there was a period of near hysteria when the farmers' efforts were subjected to misrepresentation and ridicule. Stories concerning the farm program which had no more basis in fact than many of the atrocity stories of the World War were circulated from mouth to mouth, and some of these found their way into print. There was the familiar hoax about the widow woman up in Maine, or perhaps in Pennsylvania, or in Alabama, who never had grown any hogs but who nevertheless received a Government check for reducing her hog production. These atrocity stories took many forms, and actually were believed by thousands of city people who did not have access to the facts.

Since I wrote the foregoing I happened to pass through Chicago and noticed in the Chicago Tribune an especially flagrant example of the kind of misrepresentation I have in mind. This paper contained an editorial entitled "America's Bread," which states: "This country isn't going to raise enough wheat this year to feed the American people," goes on to declare there is danger of a wheat shortage, and then says: "If war is threatened we ought to be harvesting at least an average crop this year instead of facing dependence upon foreign sources for our bread."

If the people of Chicago have no other way of finding out what is going on in the world than by reading the Chicago Tribune, they

are led to believe that a situation exists which is the direct opposite of the true situation. Instead of facing a wheat shortage, this country is gradually working out from under one of the greatest wheat surpluses it ever faced.

Yesterday in Chicago reputable grain men gave me as their estimate that the wheat crop will be seven hundred to seven hundred and ten million bushels this year. This is one hundred and fifty to two hundred million bushels in excess of human consumption in this country and more than sufficient to cover needs for human consumption, customary livestock use, and seed. Furthermore, in 1938 we harvested 930,000,000 bushels, or 250,000,000 bushels in excess of domestic consumption. In 1937 we harvested 882,000,000 bushels, or 200,000,000 bushels in excess of domestic consumption. In the 4 years 1933 to 1936, inclusive, if there had been normal yields on the planted acres, we would have harvested an average of 140,000,000 bushels annually in excess of domestic consumption.

On the basis of the 700,000,000-bushel estimate for 1939, this year's prospective crop, plus the carry-over, will make a total supply on July 1 this year of 965,000,000 bushels. This is 450,000,000 bushels more than will be needed for human consumption by the American people during the next 12 months; in other words, there will be nearly twice as much wheat on hand as the American people can eat in a whole year.

I realize that the Chicago Tribune has lost the respect of newspapers generally, but nevertheless when a formerly reputable newspaper engages in such notorious misrepresentation, it harms the profession as a whole.

I am glad to say that this sort of thing is becoming more and more rare. In common with a lot of us, newspapers are getting a better perspective on the whole world picture. Nevertheless, one general criticism of newspapers during the last few years surely has been justified. It is that their discussion of fundamentals has not been broad enough or deep enough. There are many exceptions to this rule. But too many newspapers have dealt with the programs attempted by this administration without regard to the economic background which made these programs absolutely necessary.

Some newspapers have consistently deplored the farmers' programs as being in violation of what they have called the "natural operation of economic law." But the "natural operation of economic law" was smashed to smithereens throughout the rest of our economy years ago by tariffs, monopolies, corporation and immigration laws, and many other kinds of artificial interferences with the free flow of trade. To many of us, therefore—and I have no doubt to many of you here tonight—it seems unrealistic in the highest degree to expect agriculture alone to live in a world of competition unrestrained. If competition really did prevail throughout our economy, agriculture could take its chances with the rest. But it is not fair to give places at the table of protection to everyone else and to expect the farmer to scramble on the floor for the crumbs.

A great deal of this type of criticism of the farmers' programs results from the fact that many newspapermen were born and raised in cities. And yet, in spite of this, I believe the newspapers have been doing an increasingly competent job in telling city readers about farm problems and the farmers' efforts to solve those problems. This is evidenced by the Gallup polls, which show an increasing degree of understanding of farm affairs by the 90,000,000 people who do not live on farms.

One big reason why the general public has a better understanding of what the farmers are doing is the high-caliber work of members of the Washington press gallery. It is generally acknowledged that the press gallery here includes some of the ablest journalists in the world, and not the least able among them are the men writing on agricultural subjects or for newspapers published in agricultural areas.

I know from personal observation that many newspapermen refuse to take a flippant or joking remark uttered by a public man in informal conversation and pass it along to the public as if it had been made seriously. In general, they treat public men with dignity and refrain from personal attacks. I am told that a British newspaperman who visited this country a few years ago expressed surprise at the informality with which members of the press were received by men in public office, and the freedom from personal attacks on such men in the press. In some countries of Europe, he pointed out, it is just the reverse. Newspapermen there are almost obsequious in the presence of public officials, but they often subject these officials to extreme abuse in their articles.

Just as newspapers have the right to criticize public officials, so public officials have the right to criticize newspapers. But we in the Government ought always to remember that it is the failures and the controversies that naturally make news. We ought to realize also that unfortunate or inaccurate news stories are sometimes due to lack of frankness on the part of officialdom. We in official life cannot always be frank but the press is not to blame for that.

Newspapers discharge an important responsibility when they keep a watchful eye on government and call attention to any instances of loose or lax administration. They not only perform an important public service but also a valuable service to those men in office who are conscientious in carrying out their responsibility for the administration of public affairs. Often a newspaper story calls the attention of a public administrator to a bad situation and enables him to clean it up. You may remember a case of that sort in Alabama just recently.

In sizing up the work of the press as a medium for informing the public, we must not forget that a newspaper cannot keep its readers if it bores them. There is tremendous competition among newspapers and other publications for reader interest. Sometimes newspapermen seem to give bias to their stories, not because they want to hurt somebody but simply in the competition to be interesting.

While competition among writers and editors occasionally brings inaccuracies and unfortunate interpretations, nevertheless it is that very competition which is so much worth preserving. In fields like agriculture the harsh effects of competition need to be softened. But there is one field in which competition is more precious than it is in any other field, and that is the field of ideas. We don't want people's intellects to be chained or their imaginations to be enslaved or halters placed on their thoughts. To Americans, one of the most horrible things about Nazi-ism is that people are not free to express themselves. And so we ought to welcome competition in the newspaper field, in the magazines, the movies, and the radio—competition in the field of ideas. There is an eternal value in that kind of competition. It is a bulark of democracy.

All of us who have been writers and editors know that we all make mistakes. But we know also that critics of the press expect newspapers to reach a higher standard than that attained by almost any other business or professional group. The shortcomings of newspapers, unlike the shortcomings of doctors or lawyers or businessmen or officeholders, are displayed for all to see. Newspaper people may not like to have such exacting standards applied to them, and yet it is true that the public welfare depends upon our newspapers more than upon any other one group. Since that is true, a close watch on the newspapers by the public is a fine thing.

So accustomed has the American public become to the good job of reporting done by American newspapers that their generally high standard is taken for granted. The public, of course, does not stop to consider what a marvelous mechanism is required for the gathering and dissemination of news and how much chaff must be thrown away for the comparatively few grains of wheat that are gathered.

Just the same, the fact that we have the world's best newspapers does not mean that they should not be expected to maintain still higher standards. Granting that the vitality of democracy depends heavily upon the excellence of its press, we must seek continually for more objective reporting and responsible leadership from the press.

The very fact that the American public still believes in its newspapers puts a special responsibility on the newspapers to justify continuance of that faith. When any newspaper is inaccurate or unfair it hurts the standing of all newspapers. The best protection against careless or unscrupulous journalistic methods would be a protection which the newspapers themselves might establish.

For example, it might be a splendid thing if the newspaper publishers and the editorial workers would carry out a suggestion which I have heard discussed. This would be the establishment of a board or agency of their own to pass judgment on the accuracy or ethical handling of news accounts or editorial comments.

Such a board or agency need not have and probably should not have the sweeping power now exercised by the "czar of the movies" or the "czar of baseball." The volume of work handled by any practicing newspaperman is so great that under any kind of outside supervision, except that imposed by the newspaper itself and its executives, with its own standards, he would feel uncomfortable if he thought anyone was going to censor the material that went into his paper. Therefore any kind of board or agency set up by the newspapers might well confine itself to those few cases which were the subject of great controversy, with charges of unfairness, inaccuracy, injury to the public interest, or injury to innocent persons.

For such glaring cases, especially since it is these cases which have so much effect on the public's trust in the press, the suggestion is that newspapermen might establish—of themselves, for themselves, and by themselves—a board or agency to pass judgment. What has been suggested is at the opposite extreme from Government supervision of the press. What has been suggested is simply that the press itself take steps to strengthen public confidence in the press and increase the service that the press can render.

In a more positive way it might be possible to stimulate progress toward ever-higher standards by some kind of system of awards of distinction for newspaper service, notably honest, objective, and devoted to the public interest. It would be well, it seems to me, somehow to organize the competitive rivalry for recognition of superior newspaper virtue.

Occasions arise when any publication has to choose, in mapping its editorial policy, whether to take a position that is most popular with its readers, or most popular with its advertisers, or that disregards both of these points of view and simply reflects the personal attitude of the publisher. There have been some outstanding examples of newspaper enterprises which have gone on the rocks because the publisher disregarded both his readers and his advertisers and followed his own whims.

Newspapers have a duty to the people that is greater than their duty to any existing group in power, and they have a duty to the people that is greater than their duty to any class. They have admitted this responsibility to the public interest in accepting second-class mailing privileges.

In the long run it is good business for a newspaper to take its stand in behalf of the interests of its readers. Temporarily, when

the interest of readers appears to the advertisers to run counter to their own, the newspaper may lose favor with a few of its advertisers. But a paper which fails to serve its readers' interests first will eventually lose circulation and finally will lose advertising. In the long run the advertisers are going to advertise in the paper that has the strongest hold on its readers. Fidelity to the readers and to the public welfare is bound to pay in the end.

Publications in general find their prosperity goes up or down with national prosperity.

Consumer incomes in the urban areas appear to govern the volume of general advertising. Between the first quarter of 1933 and the middle of 1937 nonagricultural income increased about 60 percent and general advertising also increased about 60 percent. At present both nonagricultural income and general advertising are approximately 40 percent above that of the first quarter of 1933.

Newspapers published in rural areas—and this applies to both dailies and weeklies—derive their prosperity largely from the farms. It is a striking fact that more than 64,000,000 people, or half of the population of the United States, live on farms or in towns of less than 10,000. Towns of this size are usually trading centers and service stations for the open country. When the farmers are broke these towns are broke. When the farmers have money to spend that money soon finds its way to these towns.

When farm cash income had reached a point during the middle of 1937 approximately 120 percent greater than at the beginning of 1933, advertising in farm papers had increased in practically the same proportion. At present both farm income and advertising in farm papers are approximately 90 percent greater than in the first quarter of 1933. This close correlation shows the vital importance of farm buying power to all publications numbering farmers among their readers.

As you see, the gain in farm-paper advertising since 1933 is even more striking than the gain in general advertising; one reason, of course, being the fact that farm income and the advertising revenue of farm papers had fallen much further from the 1929 level than had nonfarm income and general advertising. Even with the gains agricultural income and agricultural advertising have made, they are still in an unfavorable position compared with nonfarm income and general advertising.

A moment ago I cited the fact that half of our people live on farms or in towns of less than 10,000. In contrast to this is the fact that only 17 percent live in cities of 500,000 and over. Because of the preponderance of population in the small towns and on the farms, the small dailies and country weeklies may be said to be more representative of the general public than the big metropolitan papers published in the large centers. I do not mean to cast any reflection on these larger papers, but simply want to point out that even though they are published in the largest centers of the country they are not the whole country.

This point is especially significant for agriculture, because necessarily most of the papers published in the larger centers have not had an opportunity to come into contact with agricultural problems.

But the farmer does expect the newspaper published in the rural area—which derives its living from the prosperity of that area—to show some understanding of rural problems. Surprisingly, sometimes, the business office realizes the paper's dependence on farm prosperity more keenly than the editorial office.

This fact was brought out somewhat comically by Editor and Publisher last fall. At the very time when many papers were telling their readers in their news and editorial columns that the farm program had failed some of these same papers, in articles contributed to a special agricultural supplement issued by Editor and Publisher, painted a glowing picture of the farm prosperity in their trading areas. I think you and I can agree that in publishing at least it is well for the right hand to know what the left hand doeth.

Hundreds of papers published in rural areas have made a splendid record in the last few years, not only in taking an intelligent position in support of the farmers' welfare but also in publishing informative material of interest to farmers. This has been particularly true in the South. Some daily papers are serving farmers' interests by running a weekly farm page. Many weeklies are better edited and contain more material of real value to farmers than ever before.

Where the local papers take an intelligent and friendly attitude toward the farmers, the same is very likely to be true of the local businessmen. More and more, I believe, both the newspapers and the businessmen in the agricultural centers are coming to look to the farmers for guidance in the stand they take on farm questions, and less and less are they taking their cue from the metropolitan journals or the big city financial magnates. Both the newspapers and the businessmen, if they want the farmers trade, will have to treat the farmers as their friends.

That does not mean, of course, that they should try to help agriculture get more than its fair share of the national income. But there is a difference between pressure groups asking for powers or subsidies that will give an unfair advantage and in asking for powers or subsidies that will help give equality. As long as agriculture does not have its historic share of the national income, and as long as other groups are using tariffs, the corporate form of organization, and various kinds of subsidies to bolster their economic position, no one can justly blame the farmers, through their legitimate farm organizations, for doing what they can to attain equality.

Pressure groups in themselves are not necessarily bad. They are natural in a democracy. We need to make sure that the net result of all the pressures is the good of the whole. But the general welfare means nothing at all if it does not include the welfare of the particular groups that make up that whole.

Part of the service that can be performed by a free press in a democracy is to encourage those policies which give equal rights and equal advantages to the various groups and at the same time aid the welfare of all groups.

Our country, with its wealth of natural resources, with its ingenuity and mechanical skill, ought to have and can have a national income of $100,000,000,000. But such an income cannot be attained without teamwork among all our great groups, without mutual understanding among agriculture, labor, and industry. Such an income cannot be attained if any two of these groups gang up on the third. If agriculture and labor gang up on business, or labor and business gang up on agriculture, or agriculture and business gang up on labor, the whole country will suffer.

Newspapers can do a great deal to build up among their readers a concept of the general welfare which transcends the welfare of any individual or any group. As I have shown, the pressures on a newspaper are mostly in the direction of favoring the interests of business. Corresponding pressures on behalf of labor and agriculture do not always make themselves felt in the editorial room of the average newspaper. For that reason it is especially important for those who determine the arrangement and content of the editorial and news pages of our newspapers to strive to hold the scales level between these three great groups. Newspapers might well strive to reach the ideal carved in stone above the doorway of our Supreme Court Building—"Equal justice under law."

Progress toward such an ideal ought to be the aim of a free press in exercising its responsibility toward the public.

Enlightened self-interest as well as service of the public welfare ought to give the press a deep interest in the preservation of democracy. If our system should some day break down and be replaced by a dictatorship of either the right or the left, the press would be the first to lose its freedom.

There is no question that a free press does play a vital role in a democracy. The success of democracy depends on the people having the facts, and their ability to formulate wise policies in the light of those facts. Newspapers are in position to get the facts to the people, and to help the people interpret those facts so that they can map out a practical course.

That is the responsibility which rests on your shoulders and the shoulders of your fellow editors and publishers. That is the duty which, by entering the publishing field, you have undertaken to fulfill.

I do not exaggerate when I say that democracy hangs in the balance in the world today. We in the Government have a duty to perform. The farmers have their duty, and the rank and file of other citizens have theirs. I am sure you will be faithful in doing the duty that is yours.

Significance of the Word "Cash" in Cash-and-Carry Neutrality

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

ANALYSIS BY WILLIAM F. HAUHART

Mr. REYNOLDS. Mr. President, I ask unanimous consent to insert into the RECORD a very able analysis of the meaning of the word "cash" as it relates to the cash-and-carry principle of neutrality, prepared by William F. Hauhart, director of the School of Commerce of that great Texas educational institution, Southern Methodist University, at Dallas, Tex.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Considerable pressure is being brought to bear on Congress to alter the neutrality law which, as it stands at present, provides for an arms embargo in case of a foreign war. Those in favor of eliminating this embargo clause are willing to admit that our munitions sales helped to involve us in the World War but argue that the same results would not necessarily follow in the future, provided our sales of munitions and sinews of war were kept on a strictly cash-and-carry basis.

It is here proposed to analyze the question of the effectiveness of this cash-and-carry clause so far as the significance of the word "cash" is concerned. The aim of this clause is to lessen the danger of getting the United States entangled in European affairs. It is my purpose to examine the economic implications of the word

"cash" in international trade. My general conclusion is that over an extended period of time involving a lengthy war, the provision for payment in cash would break down. Even over a shorter period it is not clear that payments in cash would be economically advantageous to us, if these cash payments were made with gold or out of the proceeds of the liquidation of foreign investments in American businesses.

International trade is carried on mostly on the basis of bills of exchange. Under normal conditions the exports from a country will tend to equal the imports. In other words, the bills of exchange which have been created by the exports tend approximately to cancel the bills of exchange which have been created by the imports. In the last analysis, accordingly, the payments are made in terms of goods and services. A cash payment could be made on this basis only whenever a country was producing a sufficient amount of goods to reimburse the other country, let us say, the United States, immediately for the goods and services which had been received.

There are two other ways in which the requirement of cash payments could be satisfied. One is by the shipment of gold to the United States and the other would follow as the result of the liquidation of investment securities in American business which are held by nationals of those foreign countries which might wish to buy munitions and foodstuffs from the United States. If Great Britain, for example, would be involved in a war, she would be compelled to use her productive ability largely for the creation of sinews of war at home. As a consequence, she would have little productive energy left for the making of goods that might be desired by the United States. Therefore, she would soon turn to the shipment of gold, as long as that would last and we were willing to receive it. Finally there would remain the liquidation of the securities in American business enterprises which are held by her own people.

The question arises whether the rather rapid liquidation of these securities would have an adverse effect upon our exchanges in the United States. If this were the case, her attempt to pay us "cash" in that way might be economically disadvantageous to us. This question was uppermost in the recent conference held by Government officials (when war appeared to be threatening) concerning the possible absorption in the United States of foreign-owned American securities.

Apparently it was suggested at this conference that the Reconstruction Finance Corporation or some other agency should step in when this liquidation of securities would begin, in order to prevent the exchanges from recording a precipitate fall in the price of the securities. The intervention of the Reconstruction Finance Corporation would in such a case probably have to take the form of a purchase of a portion of the incoming securities at a fixed price. It is clear that this group of officials was, at that time at least, thinking more particularly of the natural flow of securities to the United States which would follow the outbreak of a European war. However, the same principle would prevail in case European countries were liquidating American securities in order to meet the letter of the law which called for "cash" whenever they imported American goods.

It was claimed by some, when this group of Government officials suggested intervention of the Reconstruction Finance Corporation, that this would mean simply a circumvention of the law to pay "cash," since the Reconstruction Finance Corporation in that case would be supplying the credit which was involved in the value of the securities that could not be liquidated without a break in the market. It may be argued, to be sure, that this would be only a temporary intervention of the Reconstruction Finance Corporation and that later on when these securities could be liquidated in an orderly manner the Reconstruction Finance Corporation could be fully reimbursed for its outlay of cash when it assisted in the liquidation of the securities.

We have gone far enough with the analysis to show that the concept of payment in "cash" is not as simple as would appear at first blush. There is no such thing as payment to us in "cash," excepting to the extent that we would get immediate possession of goods or gold from European countries. To this must be added the limited amount of European investments in the United States which could be liquidated and paid for by shipment of munitions or other goods which were desired by the European countries. This, to be sure, disregards the adverse effects upon our exchanges and general economic conditions in the United States which might be brought about by the liquidation of these securities. It also leaves out of consideration the undesirability of larger gold accumulations in the United States.

It is estimated that European nationals hold about $8,000,000,000 of investments in the United States. These are composed of common and preferred stocks, bonds, direct investments in industrial enterprises, short-term bank balances, and earmarked gold. This figure, however, applies to all European countries and a conservative estimate would allocate about one-half of this amount to England and France.

Summarizing, we may say that the term "cash" in its ultimate significance could be applied to those purchases from the United States which would be covered immediately by the production of goods which we were willing to import for our use from belligerent countries. Then would follow the small amounts of gold which these countries could muster, together with the earmarked gold which they already have in the United States. And finally there would be the credit which could be made available in the United States from the liquidation of approximately $4,000,000,000 worth of securities. This figure is used on the supposition that France and England would be involved.

It is important to consider at the present time the limited significance of the precautionary clause, which is referred to as the "cash and carry" provision of the proposed amended Neutrality Act. For, once we begin to send munitions and other sinews of war to European belligerents, the chances are that it will be extremely difficult to stop, even though we have stated all along that the materials must be sold only on a "cash" basis. When the limit of these "cash" payments would be reached, considerable pressure might be brought to bear on us again to grant credits to the belligerent nations with the same result which followed our loans during the last European war. This pressure would come not only from the belligerents but also from our own munition manufacturers.

I am not arguing the question whether we should take this chance and responsibility or not. I merely wish to emphasize that we should be fully aware of this possible outcome before entering upon the venture.

Works Progress Administration

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

ARTICLES FROM WEST VIRGINIA NEWSPAPERS

Mr. HOLT. Mr. President, as an evidence of the great interest of the people of West Virginia in the move to clean up W. P. A., I ask to have inserted in the Appendix of the RECORD certain articles from West Virginia newspapers—Democratic, Republican, and independent—about a meeting held Saturday, June 17, 1939, in Ripley, W. Va., a community of less than 700 population. Ripley is the county seat of Jackson County, a county of 17,000 residents.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Martinsburg (W. Va.) Journal of June 19, 1939]

THREE THOUSAND APPLAUD HOLT WHEN HE BACKS UP HIS ATTACKS ON W. P. A.—JUNIOR SENATOR, PRESUMABLY OPENING CAMPAIGN FOR REELECTION, OFFERS STATISTICS—NEWSPAPER EDITOR WHO QUESTIONED HOLT'S CHARGES ABSENT FROM MEETING SATURDAY

(By Calvert L. Estill)

RIPLEY, June 19.—Interrupted by the plaudits of 3,000 perspiring people who sweltered in the courtroom and on the lawn here Saturday afternoon, Senator RUSH D. HOLT burned the tar on the backs of W. P. A. bosses and administrators, sending the political temperature well above the readings on local thermometers, high though they were.

Blood pressure was high, too, as he read photoprint copies of the W. P. A. pay rolls secured from the Federal authorities, showing the high pay the "white collar" workers have received and the increases in pay they have gotten in the last year or two.

Naming names and listing salaries, particularly of many resident political favorites of Jackson County, HOLT brought forth round after round of applause from his audience, said to be the largest political gathering ever staged here.

ACCUSER NOT PRESENT

Among those absent was Fred Wolfe, editor of the local weekly Democratic paper. It was reported and verified that he had left town early in the morning, and was said to have been headed for Charleston. While there were hundreds of Republicans in the crowd that filled the courtroom and packed the lawn, where a public address system had been installed, it was estimated by informed residents that fully 50 percent of the county's leading Democrats were there.

Faces well known in higher administration circles at the statehouse were noted in the throng, chiefly officeholders who are known to be not overfond of Senator NEELY. State senators, of the Democratic persuasion, at least one of whom was a recent statehouse candidate in a municipal election (but was defeated), came to hear about the evils that pervade the W. P. A.

W. P. A. workers themselves had either been ordered to work or had been warned not to attend the meeting. For the first time, too, in many moons, the State road commission crews were at work on Saturday. But the crowd, large enough to satisfy any political speaker, gathered just the same. Prevalent all over the place was the sight of men in C. C. C. uniforms. And there was a sprinkling of Federal workers, present apparently to make first-hand reports of all that happened.

JESSE JAMES VERSUS W. P. A.

HOLT was introduced by O. V. Powell, of Ravenswood, who said that "either Jesse James was born too soon or the W. P. A. was born too late," and that the speaker would enlarge on this subject. He did.

The junior Senator stated that he did not come to Jackson County as a member of any political party but as a citizen interested in the State and the welfare of its people, ready to help clean up corruption wherever it exists. For an hour he gave details of what is wrong with the W. P. A., citing official facts and figures to support every statement he made.

Although the ostensible purpose in coming here to make the address was to answer an attack made upon him by Editor Wolfe, which the Senator characterized as libelous, HOLT used the occasion to carry on the fight he began in 1936 when he alone, of all those in high public office, demanded that corrupt conditions in W. P. A. be corrected.

SARCASM PERVADES ADDRESS

From start to finish, sarcasm furnished an undertone for his address. Harping on the "humanitarian" attitude of the national administration, he pointed out that in West Virginia the workers have been dropped by the thousands, while the bosses have gotten huge pay increases. And after each such statement of facts and figures, revealing what the pay rolls show, he repeated his theme: "And they tell you how much they love the W. P. A. worker."

Thirty times in the course of his hour's address the speaker was interrupted by wholehearted applause and cheering. No attempts were made to heckle him. There was only one interruption of an unpleasant nature. One anti-Holt enthusiast tried to fasten down the button of his automobile horn; but the determined disapproval of the scores who gathered quickly around his car convinced him he had come to the wrong place to stage a counterdemonstration.

Time after time he sent his audience into a dither of whispering and shaking of heads as he read out from the official records salaries being paid to residents of the county. He had stated that when he asked the W. P. A. officials for the pay rolls, his request had been refused on the ground that if they were made public "the neighbors would gossip about them." Well, they have plenty to gossip about here tonight, and from the way chins wagged and heads nodded during the address, the gossip has already gotten a good start.

IT PAYS TO BE A BOSS

Again and again, HOLT sang his refrain, "It pays to be a boss." He did not confine his remarks to Jackson County, but told of those who ride the "gravy train" in Roane and Wood and Putnam and Mason. He paid special attention to Kanawha, and he had a special introduction for that county.

"If there's corruption anywhere in West Virginia," he declared, "You'll find it in Kanawha County." He then repeated his charge that more than 160 bosses there who drew salaries above $1,000. He said he had discovered 107 persons whose salaries had been raised by amounts from $60 to $240; 70 whose pay had increased by from $300 to $600; 20 by from $600 to $900; and 10 by from $1,000 up. "Those are increases," he emphasized, "which were granted the bosses while W. P. A. workers, those actually in need, were fired and told there were no funds with which to pay them."

Senator HOLT dwelt heavily on the increase of pay of the State administrator, Joseph N. Alderson. He showed that Mr. Alderson, who has denied having received a pay increase, used to work for the W. P. A. for $3,200 a year which, HOLT said, "is plenty for him, far more than he received or is worth from a private concern." Alderson now gets $6,000, which is an increase of $2,800.

PRESENTS INCONTROVERTIBLE FACTS

HOLT's entire address was filled with facts and figures taken from the official records and from committee investigation hearings at Washington. Much of the information has already been widely published in the State, but the exhibit of photoprints of the actual pay rolls was a new feature, and one which attracted much attention.

That this was the opening gun in HOLT's campaign for reelection was evident when he told his hearers that he would be back with them from time to time to discuss W. P. A. and other matters of national interest. The crowd was interested, enthusiastic, and friendly; and was drawn from every county surrounding Jackson.

[Nancy Wamsley in her column in the Parkersburg Sentinel]

There can be no doubt about the attitude in Jackson County anyway. Not many people are going to stand in the sun on as hot a day as it was Saturday to hear sentiments with which they are not in agreement. And if the presence of some 3,000 men and women on the courthouse lawn was not in itself sufficient proof, there was plenty of vocal expression from them. They didn't wait for HOLT to pause in order to cheer. They interrupted him time and again.

From the balcony I looked down upon the hot throng. Tanned and sunburned, they appeared to be mostly farmers and laborers to me. The men smoked pipes, chewed cigars, or rolled their own cigarettes. A number of mustached old grandfathers leaned on canes, and at least one stood on crutches throughout the speech. Among them darted barefoot kids in knickers and shirt sleeves, detained and silenced from time to time by their young fathers who mopped hot brows with bandanna handkerchiefs. Lots of people sat in old cars with roofs almost worn out, eating ice cream cones. But despite extraneous activity, they were all intent upon the words which issued from the loudspeaker. Inside the courtroom which seats only a few hundred there were dozens of men and women standing. They ranged themselves all the way up the center aisle to the speaker's platform. Some had their backs turned with apparent indifference and were gazing out the door. But the minute one of the Senator's many witticisms issued forth, these indifferent ones slapped their legs and roared along with the rest.

[Bill Blake, in his column "West Virginia in Passing"]

W. P. A. projects put on extra steam and worked a full day, a point which brought the comment from HOLT that W. P. A. workers always work when he comes around to make a speech. The State road commission put in their first full day of work in some time and nowhere in evidence was the uniform of a State trooper, although the spacious courthouse lawn was dotted with C. C. C. uniforms, undoubtedly from the veterans' camp near the Jackson countyseat.

* * * * * * *

The crowd that jammed the courthouse to the rafters and sweltered in the hottest day of the season on the streets and lawn around the Jackson County courthouse may not have reached the record set in Ripley at the last public hanging in West Virginia, but oldtimers that fanned themselves and sought the shade, the storekeepers and businessmen all agreed that the young Senator had addressed the largest political gathering ever assembled there and cast their civic pride aside to say that the crowd rivaled those in attendance at the local county fair.

[From the Charleston (W. Va.) Daily Mail of June 18, 1939]

HOLT HITS W. P. A. SLASHES, PAY HOISTS FOR BOSSES—CROWD OF 3,000 AT RIPLEY HEARS SENATOR'S DATA ON PAY AND JOBS

RIPLEY, June 17.—United States Senator RUSH D. HOLT personally brought to Ripley his fight against what he termed "corruption in the W. P. A." in a speech this afternoon in which he presented what he described as proof of earlier allegations that 18 individuals on Jackson County W. P. A. pay rolls were receiving salaries in excess of $1,000 per year.

More than 500 residents of this agricultural region jammed the county courthouse to hear the Senator, while outside in the shaded courthouse yard loudspeakers carried his voice to at least 2,500 others.

One Prosperous City

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

ADDRESS BY HON. CLYDE M. REED, OF KANSAS, JUNE 18, 1939

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on June 18 by the junior Senator from Kansas [Mr. REED] on the subject of One Prosperous City. I wish to say that I am in hearty accord with the statements and conclusions of the address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The stock market crashed in 1929, almost 10 years ago. That was a speculator's panic, the end of a frenzied era in which a lot of people thought they were making money by selling each other pieces of paper. It was the beginning of the period that we have come to call the depression, although probably the severity of industrial unemployment did not become acute until 1931. Using the latter year as the beginning of the depression period, we have been going through the longest period of bad business, diminished production, low farm prices, and great unemployment that this country has ever known.

Look at your own town, or any other town with which you are familiar, as an example. There are fewer men working, fewer stores doing business, because many have failed or have closed up because of lack of trade; wages, generally speaking, are lower; fewer houses have been built, and, again speaking generally, more houses are empty; foreclosures of mortgages have increased; rental values are down to a point where it is not profitable to own rental property; farm prices have been lower; and more farms have been taken over by insurance companies and loan companies than ever before.

This picture is not confined to any one section of the country. It is general and spreads from the Atlantic to the Pacific and from Canada to the Gulf of Mexico, with one exception.

In this period of unemployment and depressed business, there is one outstanding exception to the general picture—that is the city

of Washington, home of the Government of the United States. In this 6-year period, Washington has grown.

There are more people here now than ever before. More new building. Where other towns have universally reported a lack of either home or factory construction, Washington has expanded in every direction. It used to be that practically all those credited with working in Washington lived in the District of Columbia, which is only about 8 miles square. There were a few suburbs in Maryland and Virginia, but they were not important. It is different now. Drive out of Washington in any direction—and I have driven in all directions on main and secondary highways—and one will see new buildings, new houses, and new real-estate developments, not equaled relatively even by Los Angeles in its prime. This growth and development extends far beyond the limits of the District of Columbia. Washington has increased in population. Where other cities have been shrinking, employment decreasing, and pay rolls contracting, Washington has had exactly the opposite experience.

There is a reason. It is the New Deal. Whatever the New Deal may have done to the country as a whole—and there is much argument on this point—it has been "God's gift" to Washington and the surrounding territory. This city and this territory has experienced the greatest boom, the greatest prosperity, it has ever known. More money has been spent, including being wasted; unbelievable extravagance is visible, even though the country is experiencing misery and want. Let us examine some of the ascertainable facts, as well as observe the visible manifestations.

The New Deal came into power in 1933. In that year there were 65,437 people employed in Washington by the Government. The country is familiar with the tremendous expansion of bureaus, boards, commissions. I have discussed that expansion in previous radio talks. The effect of these expansions, or this expansion, is that on April 30, this year, there were 121,933 people employed in Washington by the Government. That is an increase of 56,496, or 85 percent. In 6 years the number of Government employees in Washington has almost doubled. No wonder the city has spilled over the boundary of the District of Columbia into the adjoining States of Maryland and Virginia.

Let me state the situation in another way.

On December 31, 1933, the monthly pay roll of the Government in Washington was $11,103,449. On April 30, 1939, it was $21,458,816. In less than 6 years the Government pay roll here had increased $10,355,367, or an increase of more than 93 percent (93.26 percent).

Not only had the number of employees vastly increased, but the average salaries paid per employee had increased while the average salary and wage in the country was decreasing.

No wonder Washington is exceptional—most exceptional if you please—among the cities of the United States during this period. Whatever disaster the New Deal has brought upon the country as a whole it has been a Santa Claus to Washington.

To those of us who live among and belong to the average people of the country and fix our ideas upon the depressing and dispiriting average conditions Washington is a fairyland or a nightmare as one may view it of extravagance and waste. The credit or the discredit as one may chose to term it goes to the New Deal.

The New Deal has wholly lost its sense of proportion in the spending of money. It used to be the rule of the individual, the ordinary business concern, the city, the county, and the State to get as much value for the money spent as possible. It may be granted that there was some waste and extravagance here and there in government but, generally speaking, what I have said was the aim of private individuals and business institutions. Political candidates always promised economy even if they broke the promise after election. The New Deal has reversed this rule. Its principal aim is to spend all the money it can possibly spend, on any project of any kind or sort, and the New Deal official who can spend the most money and obtain the least results is the "fair-haired child" of this national administration.

I could not possibly list the number of new buildings constructed in Washington to house the newly created alphabetical agencies, as well as the older established bureaus and departments of the Government. To do so would require more time than is available in the limit of a talk of this kind. I have called them buildings. As a matter of fact, they are palaces, not only in outside appearance, but in inside furnishings. The splendor of the Roman Empire in the palmy days before its fall, is not to be compared with the extravagant spending in providing palatial quarters for New Deal officials. The splendor which surrounds them appalls, as well as depresses a simple citizen of Kansas, even though he has been Governor of his State and has occupied the beautiful, but plain, suite of offices provided for the chief executive. The Arabian Nights stories have nothing on New Deal ideas. I can make an even better comparison. The Senate Office Building, in which I occupy quarters, was erected before New Deal days. It was regarded as a fine example of building in that period, and possibly, was regarded as a bit extravagant. The quarters which I, as well as every other Senator, occupy in this building are spacious and comfortable and compare about equally with business offices, we will say in Kansas City and Chicago. Perhaps they are a little better than the average business office in Kansas City, and not quite so good as the average in Chicago.

But when I or any other Senator go to call on a New Deal official housed in one of the palaces built in the last 6 years, we feel like a poor relation calling upon the rich family of our clan. The plain, practical furniture in our quarters looks like articles rescued from the junk pile when contrasted with the elegance that surrounds bureau chiefs, not to mention department heads, in any New Deal institution. No wonder the New Deal officials are happy and satisfied with themselves and want to hold their positions. Why wouldn't they?

I told you early in this talk that the average salary had increased more than average employment in Washington. The New Deal has lost its sense of proportion in payment of salaries to its specially selected appointees, as well as in every other way involving the spending of money. The result is that the average income per individual in the District of Columbia is the highest of any political unit in the United States. In 1937 the per capita income for the entire United States was $547. For Kansas it was $435. For the District of Columbia it was $1,259. But these averages did not tell the whole story. The New Deal heads of divisions and bureaus would feel insulted if they were paid less than $5,000 a year, and most of them are paid $7,000 to $9,000 per year or more.

Kansas is not an unimportant political unit of the United States, but, if my memory serves me, there is but one person employed by the State of Kansas who receives $10,000 a year. In the statehouse in Topeka, the supreme court judges get $6,000 per annum. The Governor gets $5,000, and most of the important subordinates get from $3,000 to $4,000. Those salaries would look beggarly in Washington. The average clerical help employed by the State of Kansas receives from $75 to $150 per month, and there are more in the lower brackets than in the higher. The lowest paid clerks in Government service in Washington receive $1,400 per year, and this amount grades up to from $3,000 to $5,000 per annum for those important clerks and heads of divisions in bureaus and departments. That is why the average income in the District of Columbia is more than double the average income in the United States and nearly three times as much as the average income of all the people in Kansas. That is why Washington is the most extravagant city in the United States, why the cost of living is high. Rents in this city are out of sight. No wonder real-estate men in Washington are numerous and prosperous. No wonder the Washington Board of Trade boasts of the increase of retail sales while other cities are way below normal. No wonder the number of telephones in use, the number of radios in homes, consumption of electricity, and all of the indices used by research agencies show the scale of living of Washington to be in a class by itself.

The end is not yet. On every side in Washington one observes the spending of money in every possible way.

In the making of business improvements as well as in private building the New Deal seeks ways and means of spending money and more money because its present entire philosophy is based upon spending, and more spending, regardless of the results obtained. No wonder people who live here lose their sense of proportion when it comes to matters of this kind. They live in the most beautiful and most extravagant city in the world, and, so far as they are concerned, money grows on trees instead of coming out of the pockets of taxpayers whose annual income is only a fraction of the annual income in Washington.

I have been familiar with Washington for 40 years. It has always been a beautiful city, even if it does have a rotten climate, but the old Washington I knew was a simple village as compared with the oriental splendor with which the New Deal has invested the Washington of today, and the end is not yet! Notwithstanding the fact that the New Deal has occupied every foot of available space in town, including the scores of palaces erected for New Deal officials, the other day they let the contract for two new buildings. One was for the Social Security Administration, and the other to house the Railroad Retirement Board.

One contract was made for these two buildings, and was in the amount of $14,250,000. A new building for the War Department has been authorized at the cost of $10,815,000. To print all the New Deal propaganda, an annex is necessary for the Government Printing Office. An annex, I said, not the main building. This annex, which we might call a "lean-to," is estimated to cost $6,200,000. I could cite such examples indefinitely. To house the horde of new employees being taken on by the New Deal, permits for new family houses, including apartment buildings, were issued during the first 5 months of this year aggregating $11,400,000.

Unless the people of the United States come to their senses and turn the New Deal out in 1940, this country is headed straight into bankruptcy. We are the strongest nation the world has ever known, but no nation, however strong, can go on, even a few years more, at the rate of wasteful and extravagant expenditure which the New Deal has followed during the last 6 years. This waste and extravagance is not confined to Washington, but it is more evident here than any other place because it is centralized and easily visible.

A Senator of the United States, as important as you and he may think he is, gets a chance only occasionally to vote directly on these expenditures. I use my vote on these rare occasions on the side of the least expenditure. That vote is usually on the losing side, but I am going to continue to cast my vote that way and hope it suits the people of Kansas for me to do so. I am going to do it anyway, so there is no use criticizing me for voting to hold down expenses of the Government. We will either reduce these expenses to a normal sum or this Nation will go into a "tail spin" of bankruptcy from which it will emerge with a dictator and a Fascist or Communist form of government.

Having lived with the plain and simple average of the people of Kansas for a lifetime, my opinions on this subject are all "screwy" from a New Deal standpoint. But after all, they are

my opinions; I do resent the extravagance; I do abhor the waste; I do think the New Deal is pursuing an impossible fiscal policy, and in the years of my service as a Representative of the people of Kansas I am going to use the vote they have given me to change this waste back to something like the simple life we used to know, if that be possible.

Monetary Use of Silver

EXTENSION OF REMARKS

OF

HON. WILLIAM E. BORAH

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Tuesday, June 20 (legislative day of Thursday, June 15), 1939

STATEMENT BY CHARLES W. BEALE

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a discussion on silver by Hon. Charles W. Beale, of Wallace, Idaho.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

I desire to submit for your consideration three resolutions that occur to me:

First. We favor an act of the Congress authorizing the free and unlimited coinage of silver and gold at a fixed ratio without awaiting similar action by any foreign government.

Second. We favor the issuance and circulation of non-interest-bearing, legal-tender silver certificates and gold certificates, backed by the silver and gold stocks in the Treasury of the United States.

Third. Should such silver and gold coins and certificates be insufficient to meet the requirements of the people and the necessities of their business, trade, and commerce, we favor the issuance and circulation of non-interest-bearing, legal-tender United States notes to satisfy such requirements and necessities.

In my judgment, those resolutions provide a monetary system for this country that would give greater prosperity to the people of this Nation than they have heretofore enjoyed.

Money is the creature of law.

That substance which by act of Congress exists as money today, tomorrow by act of Congress may be demonetized.

The term "legal tender" represents the quality given by law to a material thing that changes it into a medium of exchange for the payment of all debts and dues, both public and private.

By joint resolution of the Senate and the House of Representatives, approved June 5, 1933, all the different kinds of money in this country were made legal tender.

Governments cannot function, business cannot be transacted, and man cannot exist in a civilized state without money.

Business, industry, trade, and commerce are based on money.

The volume of money fixes the prices of commodities and the wages of workers.

Increasing the volume of money increases the prices of commodities and the wages of workers.

Decreasing the volume of money decreases the prices of commodities and the wages of workers.

Increased prices and wages result in increased production and employment.

Decreased prices and wages result in decreased production and unemployment.

The employed consume the produce of the farm and the products of the factory and create prosperity.

Unemployment causes business depression, poverty, and suffering.

Decreased prices force the debtor to pay his debt in dollars of increased purchasing power over the dollars borrowed—to the gain of the creditor and the loss of the debtor.

For example: A farmer, having contracted a debt when his wheat sold for $1 a bushel, must expend three times as much effort and market three times as much produce to obtain the dollars with which to pay his debt when his wheat sells for only one-third of a dollar a bushel.

Much has been said and published about the banks in the United States bulging with money available for investments, while the fact is those banks are swollen with debts. The attention of those who claim the existence of vast unemployed money reserves is invited to the Abstract of Reports of Condition of National Banks of the date of November 21, 1938, issued by the Treasury Department, in which it will be found that on September 28, 1938, the 5,245 national banks reporting to the Comptroller had deposits of $27,103,881,000, and that the cash in their vaults amounted to $571,644,000, which being translated into plain language means that those banks had in cash money only 2 cents and 1 mill with which to pay each dollar of their deposits. True those banks had other reserves in the nature of bonds, stocks, and securities, but which one of you upon making a demand for cash on your deposit would be willing to accept a State or Federal bond or the promissory note of an individual or corporation? It is no disparagement of bankers to state that they constitute a class of businessmen who do business almost entirely on the credits of their depositors; in other words, on their own debts.

Legislation for the expansion of credit, which is not available to the unemployed, to bankrupt farmers and failing merchants, who have no collateral upon which to secure loans, should be supplemented by an act of Congress authorizing free and unlimited coinage of Nature's silver deposits into a circulating medium for use in payment for services, farm produce, and factory products, thereby changing the status of many in this country from idle, dependent, unfortunate recipients of charity into active, self-respecting, independent American citizens. Credit is not money. Credit creates debts. The people of this Nation need more silver dollars—not more debts.

Refined silver and gold are known as pure silver and pure gold, but when mixed with alloys they are called standard silver and standard gold.

For more than a century prior to the organization and establishment of our Government the average annual commercial value of silver compared to that of gold did not exceed the ratio of 15 to 1. That historic fact furnished the Congress with a guide for fixing the proportional monetary value of silver to gold at the ratio of 15 parts of pure silver to 1 part of pure gold, and, upon that ratio, for making all silver and gold coins of equal value in all payments.

The monetary system enacted by Congress in 1792 authorized the free and unlimited coinage of silver and gold at the ratio of 15 to 1, and also made the silver dollar, containing 371¼ grains of pure silver and 416 grains of standard silver, the unit of value upon which all values, including the value of the gold dollar, were computed and fixed.

The silver dollar containing 371¼ grains of pure silver continued to be the unit of value until 1873, when Congress demonetized silver.

During the time between 1792 and 1873 the number of grains of pure silver in the silver dollar was not changed; and the number of grains of standard silver therein remained unchanged until 1837, when the 416 grains of standard silver were reduced to 412½ grains; and they still constitute the standard silver dollar.

Based upon the provisions of the Coinage Act of 1792, the gold dollar contained 24.75 grains of pure gold and 27 grains of standard gold; and that dollar so remained until 1834, when the grains therein were reduced, respectively, to 23.2 and 25.8. In 1837 the 23.2 grains of pure gold were changed to 23.22. Thereafter the weight of the gold dollar continued to be 25.8 grains of gold nine-tenths fine until the 31st day of January 1934, at which time by Presidential proclamation it was reduced to 15$\frac{5}{21}$ grains nine-tenths fine.

The ratio of silver to gold in their free and unlimited coinage, originally established in 1792, was changed by the Congress in 1834 from 15 to 1 to 15.998 to 1, usually referred to as 16 to 1.

The history of the use of silver and gold as money in other countries as well as our own, while there existed therein the free and unlimited coinage of those metals, discloses only a slight and insignificant variation between their monetary and commodity values. Nor were those values affected by any difference in the ratio of production of silver and gold during those years of free and unlimited coinage.

From a long time antedating the Christian era silver has been used as money.

More than 1,800 years before Christ, Abraham purchased from Ephron the burying place of his dead wife, Sarah, for which he paid 400 shekels of silver, "current money with the merchant." (Genesis 23:16.)

From 1792 to 1873, a period of 81 years, there existed in this country the free and unlimited coinage of silver and gold. Today standard silver dollars and subsidiary silver coins constitute the only money of intrinsic value now coined or issued under the laws of the United States.

Supported by that monetary record extending from antiquity to the present time, it is thought that the members of this committee are justified in urging the Congress to authorize the free and unlimited coinage of silver at a fixed ratio with gold.

The absorbing problem of the restoration of silver and gold as money will never be solved in the United States until it has been solved rightly; and it never will be rightly solved until there has been a return to bimetallism—to the unrestricted and uncontrolled use of silver and gold, such as existed in this country for a period of 81 years—from 1792, when bimetallism was established, to 1873, when silver was demonetized.

Prolonged and intensive investigation will not disclose any criticism of or objection to the coinage of silver and gold during that period by leading statesmen or by any of the Presidents from the administration of Washington down to the administration of Grant.

Senator LODGE, in his biography of Daniel Webster, the great supporter and expounder of the Constitution, in referring to the opposition of Mr. Webster, when in Congress, to the enactment of a statute for the creation of paper-money banks, used this language: "He showed that the currency of the United States was sound because it was gold and silver."

Furthermore, silver and gold coins were accepted by the people as authorized by the founders of our Government and provided for in the National Constitution. Neither silver dollars nor gold dollars were regarded by them as unsound, cheap, or bad dollars. They circulated on a parity and had equal purchasing power. During that period there was practically no difference between the monetary value and the commercial value of the silver in the silver

dollar and the monetary value and the commercial value of the gold in the gold dollar.

The suggestion that Congress should defer action until foreign parliaments are willing to take similar action is unworthy of consideration. Why should those in authority here in Washington accept instruction or take dictation from those in authority in any foreign country as to what should constitute the monetary policy or system of the United States? Our Government is sufficiently rich, powerful, and resourceful to act independently.

For decades the enemies of American remonetization have proposed in its stead international bimetallism, which they believed would never be secured. The records of past monetary conferences do not inspire any hope for action or relief in any future international monetary agreement.

While the delegates to the Republican National Convention who nominated William McKinley declared in the party platform adopted by them for bimetallism to be secured by international agreement, such agreement was never made; and although President McKinley, in April 1897, appointed a commission known as the Wolcott Commission to negotiate for an international conference on bimetallism, that commission spent 6 months in Europe without accomplishing anything.

These are historic facts which it may be well to keep in mind and which support the belief that any proposal for an international conference on the subject of bimetallism is a subterfuge and is made for the purpose of postponing the day of free and unlimited coinage of silver and gold at a fixed ratio.

The restoration of silver and gold as money by our Congress would force similar action by foreign nations. It is action upon the part of our Government rather than proposal to foreign governments which compels them to act.

Remonetization in our country would not deluge our mints with foreign silver and gold, or jeopardize the silver and gold stocks in the National Treasury, nor would it disrupt business or industry, or incite dangerous inflation.

The amount of our national debt is about double the amount of all the money in the United States. All the silver in the world outside of the United States together with all the money in the United States would not pay our national debt. All the gold in the world outside of the United States together with all the money in the United States would not pay our national debt. All the silver and gold in the world outside the United States would not pay our national debt.

With free and unlimited coinage in this country, the foreigner could take his silver and gold to our mints, and there have them coined into silver and gold dollars, which would circulate here on a parity and have an equal purchasing power. He would have his money in the United States where he could spend it in the purchase of our surplus farm produce and factory products, and would not be inclined to spend it in his own or any foreign country where it would not have such equal purchasing power.

Remonetization by Congress would not only stimulate business and industry in the United States, but would enable the American people to capture the markets of the world.

At the present time the coinage of gold is prohibited by the provisions of the Gold Reserve Act of 1934; and the coinage of silver is neither free nor unlimited. Its purchase by the Government is under Presidential proclamation and, by the terms of the Silver Purchase Act of 1934, at such rates, times, and upon such terms and conditions as the Secretary of the Treasury deems reasonable and most advantageous to the public interest.

In the place of our present monetary system, the following is submitted as a monetary system for the United States:

(1) The free and unlimited coinage of silver and gold at a fixed ratio.

(2) The issuance and circulation of non-interest-bearing legal-tender silver certificates and gold certificates backed by the silver and gold stocks in the Treasury of the United States.

(3) Should such silver and gold coins and certificates be insufficient to meet the requirements of the people and the necessities of their business, trade, and commerce, the issuance and circulation of non-interest-bearing legal-tender United States notes to satisfy such requirements and necessities.

Such silver and gold coins and silver and gold certificates would constitute money, than which there never existed during the entire history of civilized man any better, safer, or sounder money.

Such non-interest bearing legal tender United States notes would be backed by the credit of our Government and the wealth of our Nation, and would not be a burden upon the people already bending under the load of taxation; while interest bearing Government bonds sold to Federal Reserve banks and used as a deposit for the issuance of Federal Reserve notes now constitute a most grievous burden upon the people, who are taxed to pay the principal and interest of such Government bonds, which are no safer or sounder, or better secured than the noninterest bearing legal tender United States notes. On such Government bonds the Federal Reserve banks collect interest, also on the loans of Federal Reserve notes backed by such Government bonds.

In the event there is issued and exchanged for Federal Reserve notes by the Treasury Department Government bonds of the principal value of a billion dollars, having a 3-percent interest rate and due in 40 years, the American taxpayers of this and succeeding generations will be called upon to pay annually $30,000,000 in interest thereon and in the course of time $1,000,000,000 in principal and a billion, two hundred million dollars in interest, aggregating $2,200,000,000.

Whether backed by interest-bearing Government bonds or the promissory notes of individuals and corporations, or by both, Federal Reserve notes are not and cannot be better, safer, or sounder than non-interest-bearing legal-tender United States notes.

It is inconceivable that the people of this Nation, when fully advised of the operations under, and the consequences of, their present monetary system, will continue to submit to it, and they will demand from their national legislators a monetary system that will meet their requirements and necessities and promote their welfare, happiness, and prosperity.

That will not be communism, socialism, fascism, nazi-ism, or bolshevism—just simple, honest, natural Americanism.

Furthermore, it is not believed that the people would have adopted the Constitution in its original form if they had understood that the power granted therein to the Congress in respect to the creation and issuance of money would be delegated in so great a measure to seven men composing the Board of Governors of the Federal Reserve System, who control the issuance of Federal Reserve notes.

The extent of the domination of the Federal Reserve System will be found in the Circulation Statement of United States Money of the date of March 31, 1939, published by the Treasury Department, in which it appears that of the $12,626,768,983 of gold certificates issued against the $15,258,246,947 of gold in the Treasury, $9,737,877,564 thereof are held therein for Federal Reserve banks and agents, $2,815,444,500 thereof are held by Federal Reserve banks and agents, and only $73,446,919 thereof are in circulation, and that of the $6,817,124,386 in circulation $4,350,242,168 are Federal Reserve notes and $26,595,425 are Federal Reserve bank notes.

When it is remembered that the estimated indebtedness in the United States is hundreds of billions of dollars, about $45,000,000,000 thereof being natıcnal debt, it is an insult to human intelligence to contend that the $6,817,124,386 in circulation is a sufficient supply of money to carry that indebtedness, provide for the needs of business and industry, reduce the ranks of unemployed, lessen the legions of dependents, and to restore prosperity.

Since under the law Federal Reserve banks are not required to maintain a reserve in gold certificates of more than 40 percent of the Federal Reserve notes in actual circulation, to wit, $1,740,096,867 (being 40 percent of the circulation of Federal Reserve notes on March 31, 1939), what possible excuse can be offered for permitting such banks to control $12,553,322,064 of the $12,626,768,983 of the gold certificates issued against the gold stock in the Treasury?

Keeping in mind at this time national-bank associations are no longer issuing national-bank notes, and those heretofore issued are being withdrawn from circulation, the people are confronted with a situation where, under the law, seven men composing the Board of Governors of the Federal Reserve System, who on February 1, 1936, supplanted eight original members of the Federal Reserve Board, have and possess the absolute power over the issuance of Federal Reserve notes, it is thought by those who have given that matter consideration that such grant of power is altogether too great and exclusive, especially in view of the fact that at the present time, outside of silver certificates, Federal Reserve notes constitute the only paper currency now being issued and circulated under the laws of the United States.

It would surely be to the advantage, benefit and relief of the overburdened taxpayers of this country to have legal-tender silver certificates and gold certificates, backed by the silver and gold stocks hoarded in the Treasury, placed in circulation rather than money borrowed on Government bonds which they would ultimately have to pay. Such silver and gold certificates, issued on those silver and gold stocks, would be as sound money as silver and gold coins coined from those silver and gold stocks.

Approached from every angle silver dollars will stand the test of a comparison with Federal Reserve notes. By virtue of an act of Congress and a joint congressional resolution a $100 Federal Reserve note has a monetary value and a debt-paying quality of $100. But without such act and resolution that note would be a worthless piece of paper, not having any intrinsic or commercial value.

One hundred silver dollars under the same act and resolution have a monetary value and debt-paying quality of $100; but upon the elimination of that act and resolution the silver dollars would not be worthless but would have an intrinsic, commercial value of $34.71, estimated upon a world market price of silver of 44½ cents an ounce.

There is no economic principle, basic fact, or valid reason to justify or support editorial writers, economists, financiers, bank officials, or college professors in characterizing and denouncing silver dollars as unsound, dishonest, debased, 50-cent, bad dollars. The only thing bad about silver dollars is that it is just too bad the people do not have more of them.

The people should not be denied the advantage of the remonetization of silver simply because the use of that metal as a circulating medium will tend to increase the price which the silver mine owners will receive for it, since the prosperity that would come to the producers of silver by its free coinage into money would be accompanied by the greater prosperity that such free coinage would bring to the workers, the producers, and the owners of property not connected with the silver-mining industry.

If I thought the remonetization of silver would result solely in profit to the owners of mines, I would not advocate it. On the 13th day of April 1892 I first stepped on the soil of the County of Shoshone, in northern Idaho, a mineralized region known as the Coeur d'Alenes, at that time in its pioneer stage. During the 47 years between then and now I have watched that territory

develop into one of the most important and productive mining districts in the United States; yes, in the world.

Nor is that exaggerated or extravagant language when it is remembered that heretofore there have been mined and milled in the Coeur d'Alenes metals of a value in excess of $1,000,000,000, which were launched in the channels of trade and commerce for the use, benefit, and enrichment of humanity. Surely that industry, of such far-reaching and universal beneficence, is entitled to recognition, aid, and support of local, State, and Federal Governments and should not be harassed, crippled, or ruined by governmental activities nor ignored by governmental neglect.

It is doubtless known to some, and it should be known to all, that the Government in its purchase of silver under Presidential proclamations, the President's nationalization order, and the Silver Purchase Act of 1934, has made an enormous profit of more than $800,000,000, the difference between the purchase price and the monetary value of the silver purchase. There is no other industry in this country that contributes so liberally to the enrichment of the National Treasury for the privilege of having a market for its product as the mining industry.

Communism in Our Merchant Marine

REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

LETTER FROM RALPH EMERSON

Mr. O'BRIEN. Mr. Speaker, ladies and gentlemen of the House, as a member of the Merchant Marine and Fisheries Committee my attention has been called to the startling fact that certain subversive activities are now being perpetrated by well-known communistic leaders conspicuously identified with the National Maritime Union and our water transportation industry.

We who abhor the word purge have been brought to the full realization that the Communists in these organizations are now purging our American-born seamen and our American-born officials of the maritime unions.

If this continues, and un-American purge is not checked, it will assume such gigantic proportions it will be imperative for the Congress of these United States to enact drastic legislation so we might, and in fact we will, preserve our merchant marine and our American institutions in such a manner they will not be literally scuttled.

WASHINGTON, D. C., *June 17, 1939.*

AN OPEN LETTER TO THE MEMBERSHIP OF THE NATIONAL MARITIME UNION

DEAR BROTHERS: As you all know by now, I have recently become the object of a vicious slandering campaign instigated by those officials of our union who are either outright Communists or who are pro-Communist. This campaign has culminated in my being accused openly of conspiring with persons within the union to sabotage and wreck the administration of the union's affairs on behalf of the shipping interests. Finally, I was suspended from office about 4 weeks ago by those members of our national council who are in control at New York headquarters. It is peculiar to note in this instance that the two members of the national council from the Gulf district were unaware of my suspension until after I had been out of office for over 2 weeks. As I write this I have before me a notice from some purported trial committee at N. M. U. headquarters in New York advising me to the effect that my trial will begin on Monday, June 19. No copy of any charges accompanied this letter. When suspended by the national council I was accused of "alleged activities detrimental to union." That is all I have been given to prepare my defense on, although all kinds of unofficial rumors have been circulated at all ports along the Atlantic and Gulf coasts intimating that I am a "shipowner's stooge," "labor spy," "reactionary," etc. These rumors have even been circulated here in Washington but I am happy to state that due to my past record here on behalf of maritime labor I have found no one to date who considers them to be more than just what they are—vicious attempts at slander from persons who disagree with me regarding my political views.

Now, I have absolutely no intention of capitulating to the whims and desires of the Communist group within the N. M. U. any more than I would capitulate to any other minority group within our ranks. Therefore, they can go ahead and hold all the trials and investigations of me that they wish. The only sensible thing for me to do when I am summoned to appear before a trial committee selected from any minority faction is to ignore any such mock procedure and stay home here in Washington or spend the day peacefully fishing in Chesapeake Bay. For it is a well-known fact that, regardless of what the personal opinion of any ordinary member of the Communist Party who might be on my trial committee may be, that personal opinion has to be subjugated in favor of decisions handed down from the leaders of the party—so no doubt my fate has already been decided. Therefore, why waste a day going to New York and why waste the union's funds for the trip?

Insofar as my case is concerned, there is not one shred of evidence of any nature to substantiate the so-called charges that have been brought against me. It is very noticeable that no reflection has for the past 2½ years on behalf of the maritime workers. In this respect I would like to leave one thought for the consideration of the seamen. Is it not peculiar that I should be charged with having been connected with any group on the water front who were supposed to have received a few paltry dollars from the shipping interests, when at the same time I have successfully defended the seamen against major attacks on the legislative front here in Washington?

If I were in the pay of the shipping interests, then why did I carry on a successful fight in Washington against compulsory arbitration laws for maritime workers? Why did I lead and win the fight here against the continuous discharge book for seamen? Why did I fight and succeed in having the rules for the Government training schools for merchant seamen changed so that organized maritime labor would not suffer as a result? Why have I spent months in attempting to have social security extended to seamen? The amendment to include seamen just recently passed the House and is now before the Senate Finance Committee. Here are items that are vital and will cost the shipping interests plenty of money. I do not want to give the impression that I alone was responsible for the success we have obtained in Washington, as at all times the membership of the union have given me every bit of support possible; but it is the Washington representative that has to shoulder the responsibility of the success or failure of the legislative program in the final analysis, and it is upon his shoulders that the major portion of the detailed work rests, and he could certainly do plenty of damage to any Washington program if he were a traitor to those who have put their trust in him. Therefore I would urge that the membership of the N. M. U. think this over carefully and see for yourselves if all is as Joe Curran and others at N. M. U. headquarters would have you believe. As for Curran himself, I have only one thing to say—in my opinion he has sunk below the level of the cheapest labor fakir.

In regard to the recent "trial" of Jerome King, national secretary-treasurer, I was in New York during the period in which the so-called trial committee was summing up the case and I wish to state here that I have never seen such an outright farce in all my life. Regardless of whether there was any foundation for the charges or not King never had a chance to get a fair and impartial hearing and the "cards were stacked" against him. History will bear this out. The report made by the members of his trial committee from the Gulf district on their return to New Orleans shows clearly the unfairness of the whole procedure from the start.

Now, I have never had any trouble before with the Communist Party, although I have always known that quite a number of our union officials were members of that political party, but if the tactics which have recently been employed by their water-front section in conducting this "mass purge" of non-Communist officials reflects the general policy of the Communist Party as a whole, then I say it is high time that the Communist Party was completely divorced from the American labor movement. For this purging policy which they are now following in the maritime industry is one of destruction and the majority of the seamen on the ships are not going to submit to it as chaos will surely result in our maritime unions. The final result will be that the employer interests will take complete advantage of this confusion and collective-bargaining rights of employees will suffer and the seamen will return to the days of starvation wages and foul living conditions. Therefore if this present policy of the Communist Party in the maritime industry is not the general policy of that party on a national scale it would be well for the leaders in that party to do a little "purging" within their own ranks before they bring on their own self-destruction.

I have always been and will continue to be an ardent believer in the Roosevelt administration and the C. I. O., but the time has now come when the administration and the C. I. O. will have to curb the "screwballs" who attempt to hang on to the outer fringe of the New Deal with the one hand, whilst with the other hand they try to tear down every constructive attempt to better the conditions of the working-class people in order to further their own political aims.

Finally I wish it understood that, in view of the disruptive and filthy, slanderous policy now being followed out by the present officials in power in the N. M. U., it would be impossible for me to represent this policy. I therefore cheerfully accept the dismissal of my services as legislative representative as made by Joseph Curran at the recent conference of port agents, where he stated before witnesses that "Emerson is suspended and is going to stay suspended."

I now close with the sincere hope that the near future will find us attaining those objectives for which we have so long fought, and that out of our present difficulties will emerge a stronger and more united National Maritime Union.

Fraternally yours,

RALPH EMERSON,
Book No. 614, Stewards Division, N. M. U.

The Relief Bill

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a speech I had prepared for delivery in this House on the day we were considering the relief bill. As the rules limiting debate, adopted by the House that day, did not allow its presentation, I am using this opportunity of expressing my views on the subject. It will be noted that it was my purpose to give this while the body was considering the amendment to do away with the 60-day furlough without pay.

Mr. Speaker, if this committee had deliberately tried to bring out a bill whose purpose was to insult the unfortunate people of the country, slap labor in the face, wreck both the W. P. A. and P. W. A., retard recovery, and tend to discredit the policies of our great President, it could not have produced a more appropriate measure.

One might think that this "hymn of hate" had been composed by the brain of a Republican leadership, aided and abetted by the desire for revenge of a few tweedledums in the Democratic ranks, who have been invited to conform with party principles or take a walk—this without regard for the welfare of its innocent victims. Let us hope this is not the case. I prefer to believe that the committee is really trying to solve this problem without any partisan or other ulterior motives.

Let us look at this thing in a practical common-sense way.

It always becomes a great body like this one, to first examine itself and see whether or not we might have a beam in our own eye before we begin looking for a "mote" of "crimson" hue in the other fellow's eye.

This crisis, and I use the word advisedly, has been with this Congress ever since 1929, and its rumblings were even audible before that time, had this body cared to listen. What have we done to solve the problem? Reluctantly adopted a series of hand-to-mouth measures while we wistfully hoped for some kind Providence to bring about a cure to this sick economic system of ours.

Now, because of our own blunders of 10 years standing we kick the man in the face that is already down. Of all the vicious provisions in this measure, outside of its inadequate money supply, the worst is that which provides for eating and starving by shifts. First we pauperize our unfortunate citizens, making them use up any little saving they may have been able to accumulate, even to the "hocking" of bits of jewelry, then we pay them merely a subsistence wage. After keeping their families alive on this for a time we throw them out to starve for 60 days, who, because industry and business have had no jobs to offer during that period.

In the face of this, the proponents of this have the audacity to draw the red herring across the relief trail.

What a fertile seedbed we are preparing for un-American weed seed. What man of us who had seen his children grow thinner for 18 months while he was desperately trying to make both ends meet during that time, who suddenly seeing even that meager pittance taken from him, would not be tempted to turn an attentive ear to the siren song of a promised Utopia? After all, you know, the drowning man will grasp at straws, and the sailor on the tempest-tossed ship will seek any old port in a storm.

The excuse for this 30-day furlough is that these people refuse to accept private employment; that they are lazy and shiftless. This I emphatically deny. I know many of these people in my district, and there are none of these who have boycotted industry. They knock and they continue to knock at its door only to be turned away onto a cruel, pitiless charity. My needy people are red-blooded Americans asking but an opportunity to make a living in an American way and to rear their families into decent, law-abiding citizens. I resent these charges and those of un-Americanism. They are set up merely as an excuse to whittle away the already miserable pittance received by these fine people. All this in order that the exploiting few may escape their just burden of taxation.

Let us build real Americans by amending this measure into an act of which we may be proud. As a further step toward this let us remove this dastardly provision whereby we ask our people to eat and starve by shifts.

Nonpartisanship and Neutrality

EXTENSION OF REMARKS
OF
HON. SOL BLOOM
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 19, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the New York Herald Tribune of June 18, 1939:

[From the New York Herald Tribune of June 18, 1939]

NONPARTISANSHIP AND NEUTRALITY

It would be highly unfortunate if the fight over the neutrality legislation in Congress should be determined by votes cast upon a purely party basis. Neutrality is not in any sense a partisan question. The problem is not one of upholding Secretary Hull and President Roosevelt as members of the Democratic Party, but rather of deciding whether the measure which these gentlemen urge is soundly based. Such opposition as has been voiced to date has come almost exclusively from Republican sources. The minority report of the House committee is signed by 9 out of the 10 Republicans on the House Foreign Affairs Committee. The tenth abstained from voting and has failed to sign any report, thus suggesting that he is sitting on the highest fence available.

What most disturbs the signatories of the minority report is that the Bloom resolution "omits any provisions for an arms embargo." Yet this elimination is one of the chief reasons why the resolution is held by most persons familiar with neutrality problems to be better than the rules now in existence. The other chief objection which the minority members make to the new bill is that it gives the President "additional powers to be unneutral." Their obvious fear is that an evil-minded President would be able to drag us into war, against the wishes of the people as a whole.

As has been repeatedly pointed out in these columns, and as every student of the Constitution has recognized, a President with evil intent can almost always force this Nation into a war whatever the wording of a congressional joint resolution. The power to do so is inherent in his executive post. But to assume that because any President can do so, Mr. Roosevelt or his successors will do so is to take an unrealistic view of political forces in this country and to ignore the teachings of history. In our two major foreign wars since the Revolution, the War of 1812 and the World War, American Presidents had for years prior to our participation done everything possible to keep us out. They took decisive action only when the clamor of public opinion in response to foreign insults proved irresistible.

We do not question the intellectual integrity of these isolationists. We share their eagerness to see the United States kept out of another war. Where we differ with them is in believing that the flexibility of action which the President possesses by virtue of his office, and which the isolationists so deplore, can be so confined and restrained as to keep us out of war. Such a course is a dangerous one. If skillfully pursued it can, indeed, be a factor for peace; but a neutrality policy based on a rigid embargo may not only entangle us in war but may well make it hard for the American Government to preserve the interests of the United States in so doing.

The Bloom resolution is by no means 100 percent perfect. It deserves the most thorough consideration and discussion. But the discussion should center not on how President Roosevelt might misuse the powers to be granted but on whether the Bloom method is likely to make it easier for the United States to keep the peace. So long as the division is on purely party lines it will get nowhere—other than to strengthen the hands of the New Deal and to give the President political arguments to use in the coming campaign. This is an unworthy basis on which to discuss such an all-important subject as the exact status of the United States Government in the event of another war.

An Army Officer Speaks His Mind

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

ADDRESS BY COL. F. C. HARRINGTON, WORKS PROGRESS ADMINISTRATOR

Mr. COFFEE of Washington. Mr. Speaker, one of the public officials of the United States Government who is entitled to the respect and admiration of citizens generally is Col. F. C. Harrington, National Administrator of the W. P. A. Mr. Harrington, despite tremendous odds and notwithstanding obstacles in the form of "red" baiting, ridicule, and downright bias, has demonstrated his aptitude for a tremendous job, beyond peradventure. I admire Colonel Harrington for his courage. He is an example of traditional American virility. He expresses his opinion aggressively regardless of those upon whose toes his statements may trod. Whoever occupies the difficult portfolio of administering the public employment of millions of needy fellow citizens has an almost insuperable task cut out for him. We should give this agency cooperation and friendly assistance. The following address is an interesting discussion of the problems of public employment with particular reference to the W. P. A.:

It is a pleasure as well as an honor to appear before the United States Conference of Mayors. And it is for me a pleasure as well as a duty to talk about the Works Progress Administration.

In discussing our work program, I shall bear in mind that you gentlemen know more than I do about the specific situation in your respective cities, and I shall confine myself to the general or total situation throughout the Nation. The city governments which you represent, and the Federal agency which I represent have now been working together for almost 4 years, and I think that by this time we understand one another pretty well. The work which we have been doing together is to my mind a remarkable example of cooperation. I think it can truthfully be described as not only the largest and most successful achievement in peacetime cooperation in the history of our Nation, but one of the greatest in the history of the world

I am very proud of my connection, past and present, with this great collaboration between the Federal Government and local governments in providing work for the needy unemployed and in providing municipalities with needed improvements and services. And I am in a position to know that it is because of the administrative diligence and skill of the officials of local governments that this gigantic and complex collaboration has been so successful.

It is inevitable that in carrying out such a program there should be differences of emphasis. I am aware that we in Washington and you in your various localities do not always see eye to eye in regard to particular details of W. P. A. and policy. But I shall not attempt to anticipate any criticisms that you may wish to make. If you have questions to ask me at the end of these remarks, I shall answer them frankly to the best of my ability. What I propose to do now is to take up several aspects of the W. P. A. program that seem to me most important at the present juncture, and comment on them briefly.

The first thing I feel obliged to mention is one that concerns the degree of adequacy of our employment program. W. P. A. national employment stands for the moment—as of May 8—at 2,600,000. This figure does not represent the extent of the current need. It is simply the number of jobs that the W. P. A. can provide with the funds appropriated to us by Congress. We know that there are additional large numbers of men and women certified by local governments as able to work and in need—who are not being provided with W. P. A. employment. The cooperation of the W. P. A. with communities in dealing with such needs is necessarily limited by the funds available for wages.

All of us have had to make up our minds as citizens upon what to do about unemployment. And once it was decided that Government had an obligation in that direction, there has been little doubt that it should take two distinct forms—one toward needy unemployable people, and another toward needy employable people. The first large group is now being given Federal and State assistance, where the proper cooperation is forthcoming, through Social Security benefits, or through local direct relief. Most of the other group is being provided with work on public projects. This is being done by our States and localities with the help of the Federal Government. I think you will agree with me in saying that our public-work program is now under the effective control of the States and localities in the respects in which such control is desirable and practicable.

It is the broad general policy that your local government relief agencies shall determine what workers are in need of W. P. A. work, and that your local governments shall plan and initiate projects. Since you help pay for them, it is to be presumed that you are getting what you want.

The President's message to Congress on April 27 supported our present arrangement as to sharing the costs of projects between the Federal and local governments. The rightful amount of the sponsor's contribution has, naturally, been a subject of frequent dispute between us in Washington and you in your localities. We have often thought that you should contribute somewhat more, while you have often thought that you should contribute less. But we have usually been able to come to a satisfactory understanding. That was possible because we on our part had no arbitrarily fixed requirements, except the very reasonable one set by Congress in 1938, which limits the expenditure of Federal funds for other-than-labor costs to a maximum of $7 per month per worker in any State.

It is my opinion that this type of control—namely the limitation of Federal nonlabor funds in terms of dollars—is far more advantageous than any limitation in percentage of total cost. We have thus been able to meet, far better than would otherwise have been possible, the varying needs and capacities of local sponsors. I think you will agree that to set up arbitrary, unalterable percentage requirements for sponsors' contributions at the present time would not only make it quite impossible for many of your communities to continue various projects of undoubted value, but would go far to cripple the work program as a whole.

Fundamentally we have to choose between continuing our work program along its present lines, and abandoning it in favor of the dole. The latter, in my opinion, would be a mistake of the most unfortunate kind. The President's message of April 27 contained these words: "I firmly believe that the advantages which accrue from the maintenance of the morale and self-respect of the worker and the creation of permanent public assets fully justify this increased cost, and that the adoption of the dole as the solution of this problem would be disastrous."

The vague phrase, "return relief to the States," is often heard these days. This ambiguous slogan covers the proposal to turn Federal work-relief funds over to the States and let them decide whether to use those funds in conducting a work program, or, if they prefer, to stop providing work and merely distribute Federal funds as a dole to the able-bodied unemployed. The significance of the whole proposal seems to lie in the latter alternative—the prospective abandonment and destruction of the work program within the various States.

The present method of Federal, State, and local collaboration on a public-work program, though doubtless capable of improvement, seems to me worth preserving and defending.

And this brings me to another matter, the question of how to increase W. P. A. efficiency. In comparing the efficiency of W. P. A. workers with those in private industry, it is customary for many of our critics to overlook several important aspects of the situations they are comparing. We are sometimes criticized for making less use of labor-saving machinery and equipment than does private industry. This criticism ignores the fact that the purchase or rental of machinery and equipment costs money, and that Federal work-relief funds have to be expended chiefly in the payment of wages to the project workers. I know that we in Washington have no objection to you in your localities providing all the labor-saving machinery you may wish on W. P. A. projects—the more the better. And if anyone should propose that special and separate Federal funds should be appropriated to provide W. P. A. workers with the most modern machine equipment on every project, I am sure that neither you in your localities nor we in Washington will have any objection to that.

In the meantime it is difficult to compare the efficiency of W. P. A. workers with those in private industry. In some instances that are directly comparable, W. P. A. projects have cost less money than contract work would have cost, with equally good results. But we all know that these projects are exceptional. We know the reasons why W. P. A. workers do not, by and large, produce as much results per man-hour as those in private industry. The weather is one of those reasons. Unemployment tends to be greatest in winter, the most unfavorable season for nearly every kind of outdoor work. Private construction can pick and choose its weather for working, and the W. P. A. cannot.

Another reason is the fact that we cannot hold on to our best workers by offering them higher wages. We have to let them go—in fact, we make them go—when they have a chance to get a private job. And, contrary to what some people think, our workers do leave W. P A. projects for private jobs, sometimes at the rate of several hundred thousand a month. Their places are taken by other needy unemployed workers, who have been waiting on your local relief rolls for a W. P. A. vacancy. No work organization can attain a maximum efficiency with a high labor turn-over. And our high turn-over is one of the things that we must put up with and welcome, as an essential part of the whole scheme of emergency work relief.

A third reason is the different number of hours of work put in by various W. P. A. workers as the result of our combining a limited security wage per month with prevailing rates of pay per hour. This compromise between two different types of wage system, which in some instances results in unskilled and semi-

skilled workers putting in more than twice as many hours as skilled workers on the same project, does not make for efficiency.

There are other difficulties, and I am not going to discuss them all. The point is that some of these matters can be improved, while others are part and parcel of emergency work relief. You on your part, in your localities, have been very patient and have learned how to get valuable results out of W. P. A. projects in spite of all these difficulties. And we on our part owe it to you to minimize these difficulties as far as possible.

The W P. A is often judged by isolated projects and often these criticisms turn out to be ill-founded. Sometimes they are based on complete misrepresentation of the project. The famous "marble dog pound" at Memphis is a good example of what might be called mythological criticism. A more recent example is the so-called "$100,000 beauty parlor project" in Cleveland.

Let me say a few words about this particular project. It was initiated by the Cleveland Hospital for the Insane. It involved the employment of 130 persons, all but two of whom were on the relief rolls. The opinion of the sponsor of this project was expressed in the following telegram which appears in the CONGRESSIONAL RECORD of March 31, 1939. I quote: "Recent allegations referring to unwise use of Federal funds in Cleveland State Hospital project absolutely false. Actual expenditure for beauty operators less than $2,000 a year. Newspaper reports erroneous. The therapeutic projects in welfare institutions are much needed and show a wise and careful expenditure of money. J. Fremont Bateman, commissioner of mental diseases, department of public welfare, State of Ohio." The whole story, as it is now going the rounds of unfriendly newspapers, is a $100,000 fairy story.

Another W. P. A. project recently criticized is the North Beach Airport project in New York City. This project is being attacked on two grounds: First, that the Federal Government is spending too much money; and, second, that W. P. A. workers are receiving too much of the money spent.

It is true that the W. P. A. is spending a great deal of money on this project. It is, in fact, the largest project the W. P. A. has so far undertaken. Some $14,000,000 of Federal funds already have been spent by the W. P. A. on this project. But—and this is a fact seldom included—the city of New York has spent almost as much of its own money to date.

This is not a new type of W. P. A. project. The W. P. A., as you know, has been working on airport projects for years. Hundreds of airports and landing fields were completed before the North Beach airport was begun. North Beach is simply the latest, the largest, and the most costly. It is a necessary addition to our network of airports and airways, not only commercially but also as a part of our system of national defense.

We are accused of paying high rates to skilled workers on this project. The fact is, we pay merely the prevailing rates in New York City, as required by Congress. We also are accused of working W. P. A. workers full time, 5 days a week, every week.

Gentlemen, I wish it were possible for me to admit the truth of this charge not only for the North Beach airport but for every other W. P. A. project in the whole country. But the truth is that those regular 5-day-a-week workers at North Beach are not W. P. A. workers, but contract workers whose wages are paid entirely by the city of New York.

And, finally, as to the number of W. P. A. workers on this project, if they were not working here they would be working on some other project. They have been certified to the W. P. A. by the relief agency of the city of New York as in need and capable of work. The W. P. A. puts them on one project or another project. Why not on this airport project? The quota for New York remains the same.

In short, what is the point of these criticisms? In part they are not true, and as a whole they are irrelevant. The North Beach airport project is one of about 35,000 W. P. A. projects scattered all over the United States. It should be judged in the light of the purpose of the whole program. This purpose, I repeat, is to set the needy unemployed at suitable public work for the benefit of the communities in which they live. Undoubtedly these projects are of varying degrees of social value, and certainly they are conducted with varying degrees of efficiency. Criticism along these lines would be useful. But our current critics do not seem concerned with whether we do our job well or badly. Their grievance appears to be that we are doing our job at all—that we actually are providing public work for the unemployed, and actually are helping to create civic improvements and services. If that is a crime, we are certainly guilty of it.

I have been frankly disappointed at the apparent motivation of the investigators who have been sent out by the congressional committee now investigating the W. P. A. These investigators seem entirely absorbed in hunting things to criticize. So far as I can learn, not one of them has yet told the committee anything about the accomplishments of this program, or the good it has done the unemployed. Small faults have been magnified and great virtues entirely omitted.

The true and the fair story of the W. P. A. is to be had from thousands of sources, merely for the asking. Several of your own membership gave very effective parts of it to the congressional committee on May 8 and 9—testimony in strange contrast to that the investigators are bringing in.

Your conference, also, is one of 11 national organizations which have just completed a Nation-wide survey of the W. P. A., gathering independent testimony from 8,000 local officials in 42 States. Your president was chairman of a committee which took this report to the White House about a week ago.

This survey contains knocks as well as boosts, and plenty of frank talk. I do not wish to go into great detail about it, but the overwhelming endorsement of the W. P. A. which came from these thousands of mayors and county officials and educators and engineers ought, somehow, to be made known to the American people.

More than 90 percent of these reports stated that their W. P. A. projects were badly needed, of benefit to the communities, and of permanent value. Over 80 percent of them said W. P. A. workmanship has been good, and that the work has maintained the skill and the employability of the workers.

I want to express our gratitude to your conference and the other agencies which helped carry out this appraisal. You have erected an enduring monument upon which the actual public opinion of the Nation's communities is inscribed, to inform those who are uninformed, and to confute those who misrepresent.

I should like to say a word about the white-collar projects of the W. P. A. Here are the four questions and answers concerning them in the appraisal:

"Have the educational activities of the W. P. A. been worth while?" Over 95 percent of the answers were "Yes."

"Have the public-health activities of the W. P. A. been worth while?" Over 95 percent of the answers were "Yes."

"Have the public recreation activities of the W. P. A. been worth while?" Over 91 percent of the answers were "Yes."

"Have the other nonconstruction activities of the W. P. A. been worth while?" Over 95 percent of the answers were "Yes."

It is hardly necessary to say that all these white collar, the nonconstruction projects of the W. P. A., stand upon the same footing as our construction projects. Unemployment is not confined to manual workers, nor is it confined to men. Employment on public works should include work for white-collar workers and women workers. These account for at least 20 percent of the Nation's total unemployment, and it is only just that they should receive about 20 percent of the jobs in our work program.

This has been the policy of the work program from the beginning, and nothing has occurred to change our view as to the justice and practical necessity of providing work for needy unemployed white-collar workers and women.

In this matter we have the reassurance given by the President in his recent message, when he said:

"I wish to state with emphasis, since the opposite view is frequently expressed, that the Works Progress Administration should, as at present, include some projects of the nonconstruction type to meet the needs of those unemployed workers whose training is such that they are not adapted to employment on construction projects. This provision of work for those people at occupations that will conserve their skills is of prime importance, and the emphasis placed on construction projects should not obscure the necessity for this portion of the program."

Many "white-collar" projects are concerned with the preservation of important cultural values of our civilization—whether they are education projects, music projects, art projects, or historical record survey projects. If we really respect civilization and really believe in it, we will welcome and encourage the projects which use the special training and preserve the special values that represent the flowering of long ages of cultural effort in the past.

If we care nothing for either the past or the future, we will set our artists to digging ditches and think nothing of it. But I am deeply convinced that we do care culturally for the world's past and for our American future.

If there were time, I should like to discuss the problems of community planning. We in America, with our vast resources, have done too little planning in the past. We are only just beginning as a Nation to realize the necessity for planning. You have made a beginning in the communities that you represent. I am glad to know that the W. P. A. has been of assistance to you in carrying out your plans. I know, however, that we have not been of as much help as we might have been, because of the emergency character of our own work, and the impossibility of counting upon us for longer than the end of any current fiscal year. Both your special interest in providing community improvements, and our special interest in meeting the unemployment situation in a constructive way, have been severely hampered by the lack of any long-term basis for our joint efforts. As to the future, that will depend on a fuller recognition by the American people of the fact that unemployment is a long-term problem. I know of no better brief statement of the need for facing the facts than that made by the President in his recent message.

I wish to quote that passage from his message, and with it I will conclude my remarks, except for answers to any questions which those here may wish to ask me.

Said the President: "In any consideration of the problem of unemployment relief, it must be borne in mind that the program adopted to meet it must be envisioned to extend over a considerable period of time. The reason for this is that this Nation, in common with the entire world, is undergoing a process of readjustment, particularly in connection with the production and distribution of goods. Until our American machinery can be realined to meet present-day conditions, the problem of unemployment will persist, and the measures adopted to deal with it must, therefore, be carefully thought out and their operation planned to extend well into the future."

I thank you for your attention.

The Railroad Lobby

REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

Mr. RANKIN. Mr. Speaker, in line with the statement made a few minutes ago by the gentleman from North Carolina [Mr. WARREN] I wish to say that I know something of the superrrailroad lobby that has been going on around Washington for a long time.

If any of you Members do not know that there is a railroad lobby here trying to put over this legislation to strangle and destroy water transportation in this country and to paralyze motor transportation, it is time you wake up and find out what is going on around this Capitol.

As an expression of the feelings of the farmers of this country, I have here a statement by Mr. Fred Brenckman, representative of the Farmers' National Grange here in Washington, outlining and pointing out the destructive effect that this legislation would have upon the agricultural people, the farmers of the Nation, the producers of this land, if this proposed measure were to become law in its present form.

Mr. Speaker, I ask unanimous consent that I may insert Mr. Brenckman's statement as a part of my remarks and print both my remarks and Mr. Brenckman's statement in the Appendix of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. RANKIN]?

There was no objection.

The statement referred to follows:

There is genuine dissatisfaction throughout the country with various phases of the Wheeler-Truman bill, S. 2009, recodifying and amending various acts with reference to the regulation of interstate commerce.

This bill, which is intended primarily to help the railroads, has already passed the Senate and is now in the hands of the House Committee on Interstate and Foreign Commerce, headed by Congressman CLARENCE F. LEA, of California.

Among other things, the Wheeler-Truman bill places the carriers upon our inland waterways and in the coastal service under the Interstate Commerce Commission.

There are only two legitimate grounds upon which the Government could justify itself in attempting to regulate water transportation. One of these grounds would be in the interest of safety, and the other, to protect the public against monopolistic rates and practices.

So far as safety is concerned, the Bureau of Marine Inspection and Navigation, coming under the Department of Commerce, already looks after that. And when it comes to protecting the public against monopolistic rates and practices, the truth is that no monopoly exists among the carriers on our inland waterways or in the coastwise trade. The rivers, the lakes, and the oceans are open to all. These are highways that were created by nature herself.

So far from breaking up any monopoly among water carriers, which in reality does not exist, the Senate bill takes a long step toward creating monopoly.

Carriers that are now operating would be permitted to continue, subject to rules and regulations laid down by the Interstate Commerce Commission, but before it would be possible to establish any new service it would be necessary to secure from the Interstate Commerce Commission a certificate of public convenience and necessity.

During the course of the debate on this bill in the Senate it was argued that the United States was committed to a policy calling for the regulation of transportation. Starting from this premise, it was, therefore, argued that water carriers should be subject to regulation just as well as the railroads.

But who would go so far as to say that everything should be regulated, whether it was necessary or not?

In many quarters there is a feeling that the sole purpose in regulating water carriers is to bring water rates up to the same level as rail rates, and to establish a monopoly of transportation.

The provisions contained in S. 2009 authorizing the Interstate Commerce Commission to regulate private motortrucks engaged in interstate commerce in the interest of safety appears to be entirely superfluous. The Federal Motor Carriers Act of 1935 contained a clause directing the Interstate Commerce Commission to investigate and report to Congress regarding the necessity of Federal regulation of private motor carriers.

While regional hearings in this connection have been held throughout the country during recent months, the Interstate Commerce Commission has not made any report to Congress regarding the matter. Nevertheless, if S. 2009 should be enacted in its present form, the Commission could proceed to regulate private motor carriers engaged in interstate commerce without asking any further permission from Congress.

According to the findings of a recent survey, not 1 private truck in 10 ever crosses a State line, and these trucks are now subject to the rules and regulations that are in effect in the several States. In view of all this, the National Grange and the National Council of Private Motor Truck Owners on June 7 addressed a letter to Congressman LEA, chairman of the House Committee, suggesting the propriety of eliminating from the bill all reference to the Federal regulation of private motor trucks. The concluding paragraphs of this letter, which was signed by Fred Brenckman, Washington representative of the Grange, and by Arthur Butler, managing director of the National Council of Private Motor Truck Owners, were as follows:

"There is no legitimate excuse whatsoever for making private motor carriers subject to Federal regulation. No good purpose would be served by taking such a step. Private carriers are now subject to State regulation and control, and the States are footing the bill. Why should Federal control and regulations be superimposed upon State control and regulations? With the Federal Government collecting $6,000,000,000 a year in taxes and spending about ten billion, why should this expense be duplicated?

"When hearings were held on S. 2009 April 11–13, representatives of agriculture and industry having membership in the National Council of Private Motor Truck Owners were in Washington, and through the council requested a hearing before the Senate committee. They did not get it, but were allowed to file a statement before the committee.

"There are about 2,600,000 motor trucks owned and operated by industry in the distribution of its products, and there are some 1,000,000 trucks in operation on 900,000 farms. These vehicles are not common or contract carriers but are used in the distribution of products of the owner.

"At least until they have had a hearing we forcefully urge that they be not subjected to such regulation as is proposed in S. 2009.

"The wording of the bill makes it clear that there is no intent to impose regulations upon the working hours of the owner-driver. Our surveys indicate that over 2,000,000 of the private trucks are individually owned, and largely individually operated. Who could reasonably and fairly fix the hours of labor of the farmer gathering and transporting to market his perishable products? But the bill does propose to fix the hours of service of the farmer's employees if he has any.

"It is estimated that of the 1,000,000 trucks used on farms, about half are operated by the hired man or son or other member of the family standing in a legal relationship of employee driver rather than owner-driver.

"Both the present law and the proposed legislation show a clear intent by Congress to preserve intact the police power of the States in many situations and in broad terms. Their police power with respect to safety on the highway should, with equal clearness, be preserved.

"The House knows that the Interstate Commerce Commission has no force with which to enforce any regulation it may attempt to impose; that if there be regulation, to be at all effective it must be enforced and that to enforce it will require further appropriations probably approximating the more than $25,000,000 that the 48 States are appropriating and spending to enforce their own safety rules, regulations, and statutes. Of necessity, the Federal Government will have to rely upon the State enforcement agencies for the enforcement of the Federal laws and regulations. But these are not and will not be the same as the State laws. So there will be conflict and confusion.

"That is not the only consideration involved. For many years the Federal Government has been steadily encroaching upon the rights and prerogatives of the States. Unless a halt be called upon this un-American tendency, the result inevitably will be the destruction of our dual system of government."

National Youth Administration

EXTENSION OF REMARKS
OF
HON. WILLIAM W. BLACKNEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

Mr. BLACKNEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include herein the following telegrams which I received from distinguished citizens of

Michigan who advocates the National Youth Administration in my district:

EAST LANSING, MICH., *June 15.*

Congressman WILLIAM W. BLACKNEY,
House of Representatives, Washington, D. C.:

We have received valuable benefits from N. Y. A. for various State police posts and State police headquarters at East Lansing.

OSCAR G. OLANDER,
Commissioner, Michigan State Police.

LANSING, MICH., *June 15.*

Hon. WILLIAM W. BLACKNEY,
House of Representatives, Washington, D. C.:

If we are to expect results from the youth of this country they must be guided by adults. N. Y. A. has been doing this splendid job. Without it may be the beginning of unfavorable outburst. Let's keep up the appropriation at least until we are out of the woods.

J. K. COSGROVE,
Superintendent, Everett Public Schools.

LANSING, MICH., *June 15.*

Congressman WILLIAM BLACKNEY,
House of Representatives, Washington, D. C.:

Please support and vote for amount, $123,000,000, requested in H. R. 326 for N. Y. A.

JOHN REID,
Secretary-Treasurer, Michigan Federation of Labor.

LANSING, MICH., *June 15.*

The Honorable WILLIAM BLACKNEY,
Michigan Sixth District, House of Representatives,
Washington, D. C.:

Problems of youth not political. N. Y. A. has done splendid work in Michigan. Suggest you hold for original figure.

JAY H. FRENCH.

I also received many letters from distinguished educators in the Sixth District of Michigan, including a letter from President R. S. Shaw, of the Michigan State College at East Lansing, all strongly advocating the continuance of the National Youth Administration. In President Shaw's letter he makes the following pertinent statement:

> At this college alone no less than 500 young men and young women are employed for a few hours per week for which they are paid from N. Y. A. funds. The amount received by each is, of course, very small, but it means that the students are enabled to continue their college education which would be impossible without this aid. They all render a suitable and satisfactory service and are young people of promise.

When House Joint Resolution 326, a joint resolution making appropriation for work relief, relief, and to increase employment by providing loans and grants for public projects for the fiscal year ending June 30, 1940, was being considered by the House last week, I was particularly interested in the National Youth Administration appropriation as passed by that bill.

The amount recommended in the joint resolution was $81,000,000, but the bill, as passed, increased this amount to $100,000,000. According to the Budget estimate, it contemplated aid to 460,000 students and the employment of 350,000 youths on projects, making a total of 810,000.

Certainly the greatest single resource of this country today is its youth, and no progressive government can afford to ignore the need of its future citizens for adequate schooling and for that useful work which establishes them as a part of its economy. Since the establishment of the National Youth Administration on June 26, 1935, estimates indicate that 950,000 school and college students have been assisted in continuing their studies in schools and colleges; 750,000 out-of-school unemployed young people have received work experience and training under the work program. This makes a total of 1,700,000 young persons.

I certainly favor any reasonable appropriation for the protection of the youth of the land. Anything that can be done to further the educational advantages of youth or to give them opportunities for work will not only protect them, but will be added insurance for the Nation, as the young people of today are the citizens of tomorrow.

Explanation of Proposed Appropriation for the Department of Agriculture for Work in Latin America

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EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

Mr. LEAVY. Mr. Speaker, when we were considering the agricultural appropriation bill, I offered an amendment proposing a restoration to the bill of the $250,000 item for foreign agricultural service. This amendment had the approval of the majority of the committee in charge of the bill, but due to the limited time we had for consideration and debate, thus resulting in a misunderstanding of the objective and purposes of this appropriation, the amendment was defeated.

It is my understanding that the agricultural appropriation bill, as it has gone to conference from the Senate, recognizes the significance of this item and that provision was made for it; but not being one of the conferees, I do not know what has taken place there; however, I am hopeful that the item will be provided for in the conference report, and if it is I want the membership of the House to be better informed as to the results we might hope to obtain by making this appropriation. It is for that reason that I am making the statement that I do today.

The proposed increase of $250,000 for the foreign agricultural service is an integral part of a general program of the United States Government looking toward the strengthening of relations between this country and Latin America. The program is based on the belief that through cooperative action it will be possible greatly to improve economic and political relations in the Western Hemisphere and at the same time to check the penetration of European and Asiatic dictatorships in this part of the world.

FUNDAMENTAL BASIS OF THE PROGRAM

This Latin American program is being developed in the light of the following facts: (1) the extremely unsettled political conditions in Europe and Asia and the building up of closed economies in those parts of the world with a resultant serious decline in our trade with them, and (2) the economic and political penetration of Latin America by the dictatorship countries which is seriously jeopardizing, from the long-time point of view, the political security of these countries and even of the United States.

Germany's share in the imports of all of Latin America rose from 11 percent in 1929 to over 15 percent in 1937. In the same period the share of the United States declined from 39 percent to less than 35 percent.

PART TO BE PLAYED BY THE DEPARTMENT OF AGRICULTURE

The economies of all Latin American countries are based on agriculture. Any practical program of cooperation with Latin America must take this fundamental fact into account.

It is also true that the greater part of Latin American agriculture is, or should be, of a tropical character of a kind designed to complement the agricultural resources of the United States.

In the last few years, however, there has been an increasing tendency in tropical Latin America in the direction of stimulating the production of crops, such as wheat, rice, and cotton, which are of a competitive nature and of which the world is already producing excess supplies.

The fundamental purpose, therefore, of the agricultural part of the Government's program in Latin America is to do everything possible to divert agricultural production in Latin America away from competitive crops and toward

such noncompetitive products as rubber, quinine, tropical hardwoods, and various tropical medicinal and insecticidal plants, which the United States now has to import from distant parts of the world.

LARGER MARKET FOR AMERICAN AGRICULTURAL AND INDUSTRIAL PRODUCTS

In view of our declining markets in Europe and Asia it is essential that new foreign markets be developed elsewhere. The most logical region for such development is Latin America.

So far as agricultural products are concerned, the United States has in the past shipped large quantities of such products as wheat flour, lard, apples, dairy products, and canned goods to Latin America. These exports declined in the face of the world depression and the tendency toward increased self-sufficiency in Latin American countries. It is important that this trend be reversed. It can be reversed, it is believed, if these countries can be shown how to produce greater quantities of the kinds of products not produced in but greatly needed by the United States.

An excellent example of complementary trade that could be developed to great advantage by all concerned: Wheat flour from the Pacific Northwest to Central America and western South America in exchange for rubber, coffee, cacao, quinine, and so forth. These countries cannot produce wheat economically but they are stimulating domestic production through high tariffs, experiment stations, and so forth, because of the lack of alternative crops.

Latin American countries offer great possibilities also as markets for our industrial exports, which, if developed, would expand industrial activity in this country and thus improve the domestic demand for our agricultural products.

Facing Neutrality Facts

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 19, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial, which appeared in the Washington Evening Star of June 19, 1939:

[From the Washington Star of June 19, 1939]

FACING NEUTRALITY FACTS

More than a score of Senators have signed a round robin and a minority of Republican members of the House Foreign Affairs Committee have signed a report opposing repeal of the existing ban on sale of arms to nations engaged in warfare. This embargo provision, with several less important provisions, is all that remains of the controversial 1937 Neutrality Act. The part of that act which held the greatest promise as a bulwark against entanglements that make for war—the "cash and carry" section—was allowed to expire on May 1 last. That section authorized the President to prohibit shipment of supplies of any kind to belligerents unless divested of American ownership and shipped in foreign bottoms. Demise of that section lifted all restrictions on American trade in war zones, except with respect to arms and other actual implements of war.

Chairman PITTMAN, of the Senate Foreign Relations Committee, has propounded to the signers of the round robin a very proper, though perhaps embarrassing, question. Referring to a statement criticizing "talk about detesting war while at the same time scheming to get profit from the wars of other nations," Senator PITTMAN wants to know if the signers of the round robin are sincere enough to carry their philosophy to the logical conclusion—extension of the embargo to such other necessities of war as cotton, oil, copper, steel, scrap iron, and the sundry other materials without which a warring nation cannot carry on its fight. Are the Senators and Representatives who demand retention and tightening of the automatic arms embargo ready to face the economic disturbances which would result from logical inclusion in the ban of cotton, oil, steel, and the other war essentials?

They will have opportunity to ponder upon all aspects of inflexible, mandatory embargoes during consideration of the administration's sensible compromise proposals, embodied in the Bloom bill. Without questioning the lofty ideals of the isolationists, they should recognize the fact that America cannot escape every conceivable type of international storm by hiding its head in the sand. In lieu of such a policy Secretary Hull proposes that America should face the problem of our foreign relations squarely, free to adapt ourselves to every changing condition and unhampered in meeting the particular exigencies of each new crisis.

The clamping of a mandatory embargo on arms to Great Britain and Germany, if they went to war this summer, would have the effect of alining us on Germany's side, as she is better prepared for war than England, who would need to buy materials from us. The Hull bill would open our arms and other trade to both sides—but only England, through her control of the seas, would be in a position to avail herself of the opportunity. This trade, through operation of provisions similar to "cash and carry" of the 1937 act, could be carried on with a minimum risk of commercial or financial involvement of the type that helped to draw us into the World War. There is no absolute guaranty against war in law or diplomacy, but the Hull program comes closer to the goal than any proposal so far advanced by the so-called mandatory neutrality bloc.

Sale of Electric Energy

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

LETTER AND RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

Mr. WELCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and resolution adopted by the Board of Supervisors of the city and county of San Francisco:

CITY AND COUNTY OF SAN FRANCISCO, *June 15, 1939.*

Senator HIRAM W. JOHNSON.
Senator SHERIDAN DOWNEY.
Representative RICHARD J. WELCH.
Representative FRANCK HAVENNER.
CHIEF CLERK, UNITED STATES CONGRESS.

HONORABLE SIRS: Enclosed herewith please find copy of Resolution No. 351, adopted by the Board of Supervisors of the city and county of San Francisco on June 5, 1939, in which the Congress of the United States is memorialized to amend section 6 of the Raker Act to the end that electric energy generated on the Hetch Hetchy project may be disposed of as determined by the local officers of the city and county of San Francisco.

Respectfully,

DAVID A. BARRY,
Clerk, Board of Supervisors.

PROPOSED AMENDMENT OF RAKER ACT RE SALE OF ELECTRIC ENERGY

Resolution No. 351:

Whereas the United States Government has brought suit in the United States district court against the city and county of San Francisco to enjoin it from disposing of electric energy developed on the Hetch Hetchy project through an agency contract with the Pacific Gas & Electric Co., on the ground that such distribution is in violation of section 6 of the act of Congress approved December 19, 1913, known as the Raker Act; and

Whereas the city and county of San Francisco, through the operation of said agency contract, has received the total sum of $28,570,015.46 up to December 31, 1938, from said distribution of Hetch Hetchy power, or an average of $2,116,000 per year since July 1,

1925, and the latter sum represents a saving to the taxpayers of San Francisco of 26 cents annually in the tax rate; and

Whereas as shown by the report of the public utilities commission upon its plan 8, the city would be required to make an initial expenditure of $55,000,000 to provide even a partial and incomplete electrical system with the certainty that many more millions would later have to be voted by the people of San Francisco for completion and extensions; and

Whereas the voters of San Francisco having on six previous occasions defeated similar proposals, at a special election held on May 19, 1939, voted 123,118 "no" to 50,283 "yes" against the authorization of $55,000,000 revenue bonds to embark the city upon a plan of municipal distribution of Hetch Hetchy power, and at said election every voting district of the city returned a large majority against said measure, as shown by the tabulation of the returns of said election attached hereto and marked "Exhibit A"; and

Whereas San Francisco is faced with the urgent necessity of finding a solution of its transportation and traffic-control problems at a cost of many millions of dollars that can be financed only by increased bonded indebtedness, and it is well recognized that our citizens in the recent election indicated their determination not to authorize further indebtedness or municipal budget increases except for imperative city needs; and

Whereas in recognition of sound economic practice which under many conditions requires governmental agencies producing power as incidental to or a byproduct of water development to dispose of such power through existing agencies or facilities, acts of Congress of the United States have in recent years authorized the disposition of such power by sale to individuals, industrial corporations, and the public utilities where it is to the greater economic advantage of the particular project, as at the Bonneville Dam on the Columbia River in Oregon, at Boulder Dam, and on the Tennessee Valley projects, on the Grand Coulee project in Washington, and on the Fort Peck project on the Missouri River in Montana; and furthermore, the East Bay Municipal Utility District, which provides water to Oakland, Berkeley, and other cities and towns in Alameda County across the bay from San Francisco, sells to the Pacific Gas & Electric Co. hydroelectric power developed upon lands on the Mokelumne River granted to it by act of Congress dated April 27, 1934, and furthermore, the Department of the Interior for several years has been disposing of surplus power from its Yosemite Valley generating plant to the San Joaquin Light & Power Co., which was formerly a subsidiary of and is now a part of the Pacific Gas & Electric Co., and the Turlock and Modesto irrigation districts now sell to the Pacific Gas & Electric Co., or its subsidiaries, power generated by the very same Tuolumne River water that is stored and used for the generation of Hetch Hetchy power; and

Whereas about 76 civic and improvement clubs and organizations representing every section of the city have filed with this board of supervisors resolutions endorsing the proposal to memorialize Congress for an amendment of the Raker Act, a list of which organizations so endorsing this proposal is attached hereto as exhibit "B"; and

Whereas the mayor and the board of supervisors of the city and county of San Francisco and our citizenship are confident that the Congress of the United States will deal fairly with San Francisco and will not arbitrarily refuse its reasonable request for economic freedom of action in the matter of the distribution of Hetch Hetchy power, but will recognize the practical economic problems involved by granting to San Francisco the right, enjoyed by the Federal projects and municipal agencies as above set forth, to decide as a matter of sound financial and governmental policy how Hetch Hetchy power should be disposed of to the best advantage of the city: Now, therefore, be it

Resolved, That it is the sense of the board of supervisors of the city and county of San Francisco that the act of Congress, approved on December 19, 1913, and commonly known as the Raker Act, should be amended by amending section 6 thereof so that any ambiguity contained in said section 6 restricting the city and county of San Francisco from selling its electric energy generated on the Hetch Hetchy project should be amended to the end that the city and county of San Francisco may sell and dispose of its electric energy as may be determined by its local officers; provided that all other conditions of the act remain unchanged; and be it further

Resolved, That this board of supervisors memorialize the Congress of the United States to so amend said Raker Act.

Adopted: Board of supervisors, San Francisco, June 5, 1939.

Ayes: Supervisors Brown, McGowan, McSheehy, Meyer, Roncovieri, Schmidt, Uhl.

No: Supervisor Mead.

Absent: Supervisors Colman, Ratto, Shannon.

I hereby certify that the foregoing resolution was adopted by the board of supervisors of the city and county of San Francisco.

DAVID A. BERRY, *Clerk.*

Approved.

SAN FRANCISCO, *June 13, 1939.*

ANGELO J. ROSSI, *Mayor.*

Water Transportation Should Not Be Under Interstate Commerce Commission

EXTENSION OF REMARKS

OF

HON. LINDSAY C. WARREN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

LETTER FROM THE SECRETARY OF WAR

Mr. WARREN. Mr. Speaker, some 2 months ago Chairman LEA, of the Committee on Interstate and Foreign Commerce of this House, called upon the Secretary of War to present the views of his Department on legislation which proposes to place the regulation and control of all water carriers into the hands of the Interstate Commerce Commission. On the 7th of this month the Secretary made reply to Mr. LEA and his committee. It is a frank, forceful, merciless analysis of the transportation bill H. R. 4862. The Department's letter literally blasts the fallacies of the arguments of those who would raise freight rates and deprive the people of this country of the savings and economies of low-cost water services.

Mr. Speaker, I regard this letter as such a valuable contribution to the public interest that I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

Pursuant to the permission of the House, the letter follows:

WAR DEPARTMENT,
Washington, June 7, 1939.

Hon. CLARENCE F. LEA,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D. C.

MY DEAR MR. LEA: Your letter of April 8, 1939, requesting the views of this Department on the provisions of the transportation bill (H. R. 4862) has been received.

The opportunity thus afforded to comment on proposed legislation to relieve the railroad situation is appreciated. The War Department, in the exercise of its principal functions, is vitally concerned not only with the section regarding bridges to which special attention was called, but with all measures designed to promote adequate and efficient transportation for the country and its industries. I am glad to assure you that the genuinely constructive purposes of the committee, as given public expression by yourself from time to time, and as declared to be your policy in the preamble to this bill, have the unqualified support of every branch and bureau of this Department.

In addition to its general interest, as you know, the Department is charged with a particular responsibility in the protection and preservation of the value of the country's investment in its system of seacoast harbors and inland waterways. It has been impossible, in the few days available, to prepare a report embodying our mature consideration of the effect on that investment of the changes and omissions proposed in this bill. In fact, while some progress was made in analyzing the original bill, H. R. 2531, prepared under your guidance, the Department has been not a little confused by the introduction, at a very late stage in the hearings, of H. R. 4862, a measure undertaking to codify and completely supersede the entire Interstate Commerce Act. In view of your initial declaration of policy it is hoped that your committee does not intend to report the objectionable features favorably, and that the results of experience and investigation of transportation problems by this Department will be found useful in your study of the proposed legislation.

These investigations unmistakably reveal a present surplus of transportation facilities and a scarcity of freight tonnage throughout the country, and a consequently unhealthy condition of the less wisely located and overobligated carriers. Approximately one-third of the rail mileage of the country seems to be in bankruptcy; there are probably improved highways whose maintenance is no longer warranted, just as there are some unprofitable water projects whose abandonment has been recommended to the Congress by this Department. In the present situation it is believed that the value of the various transportation units—their right to live and function—must properly be measured by the service they are able to render, rather than by the amount of money they may have attracted and absorbed in their creation. Some properties never have paid and never will pay operating expenses and their maxi-

mum value may be found in their salvage value as junk. On the other hand, the majority of carriers by rail, highway, and water are in remarkably sound condition when contrasted to business in general, and it may be that the abandonment of the unnecessary surplus will prove the wisest, if not the only practical solution, in the end, for the transportation problem. Certainly it would not seem the part of wisdom to sacrifice the usefulness of soundly conceived public improvements and leave them unproductive in order to prop up the weak financial structure of unsound private transportation ventures, as appears to be contemplated in sections 30, 49, and 301 of the bill.

Inherent divergencies in the character and functions of the several modes of transport require altogether different treatment. Inland water service, for instance, is slow, limited of access, unadapted to high-class commodity movements, and subject to occasional interruptions from fog, ice, and flood conditions. To offset these disadvantages, it enjoys flexibility of routes and schedules to meet the varying demands of consumers without infringing the rights of others, and the cost of operation is extremely low. It plays an essential part in certain basic industries of the country. In particular, it neither occupies nor needs exclusive right-of-way in order to function and therefore is not liable to taxation on that score. H. R. 4862, however, threatens to nullify these inherent advantages by imposing taxes and restrictions which will, in the opinion of this Department, unwarrantably sacrifice the public stake in low-cost transportation without any compensating benefits whatever.

On the face of it there could be no valid grounds for objection to the regulation of waterways and water carriers "so administered" (in the words of the "Declaration of Policy") "as to recognize and preserve their inherent advantages."

If these objectives were faithfully carried out by an agency of the Federal Government familiar with their special limitations and potentialities, a far greater volume of water-borne tonnage would develop than has been permitted to seek the waterways under the present competitive system. The question which causes this Department deep concern is whether "equal" regulation as proposed in the bill will recognize and allow for these inherent differences. Under the guise of equality, it is quite possible that rules and restrictions applicable to railroads could be given literal application to waterways with completely destructive effect. This Department labors under no delusion as to what would happen to inland waterways under a system of tolls gaged to make them self-liquidating as proposed in title III. It can readily surmise what would happen with rail competition freed altogether from the restraints of the long-and-short-haul clause, as likewise proposed.

The large preponderance of rail freight, by reason of its character or location is not open to water competition, and this noncompetitive traffic can be and is taxed by the railroads under the existing system by means of high rail rates in order to maintain low rail rates between river ports. These water-competitive rates do not bear a full share of the cost of rail service, nor in many instances, of even the operating costs. They are defended and sanctioned on the much abused out-of-pocket-cost theory, though this practice has become the rule and will work only as the exception. This business is of no profit to the rail carriers, except insofar as it deprives competing waterways of tonnage which they could profitably handle. The water carriers have no back-log of noncompetitive tonnage upon which to shift the burden, all of their traffic being equally adapted to rail transport except in the ability to bear the high rate. Their only salvation lies in their genuinely low operating costs. Even so, if the campaign could be continued long enough by the rail carriers, without bankrupting themselves or their shippers, the water lines could eventually be starved out of business, and the rail monopoly restored. Apparently the intent of the Congress to protect legitimate water traffic from raids of this character was expressed in the long-and-short-haul clause of the existing law, but relief from its restrictions is now freely granted by existing regulatory agencies, wherever waterways enter the picture. The shipping public is thus led to forego the real economic savings provided by the waterways at public expense, and to accept as a substitute a commensurate sacrifice of railroad earnings which are sorely needed to keep these lines solvent. The very questionable advantage which the rail carriers derive from the practice is a depletion of waterway tonnage, a consequently misleading rise in waterways costs per ton-mile, and the discrediting of the really sound policy of river improvement by the Federal Government.

The War Department is convinced that the above-described practices, and not the comparatively small volume of tonnage actually moved by water, are largely responsible for the plight of most of these railroads. Commissioner Eastman summed up the situation last year in his concurring opinion in the Fifteen Percent Rate case as follows:

"Since 1922, however, there have been no general changes in rates, except for the emergency charges. We have made many readjustments of particular kinds or classes of rates, some upward and some downward. Possibly the latter have somewhat predominated, but certainly nothing that we have done has accounted for the drop in average ton-mile revenue from 1.116 cents in 1923 to 0.974 cent in 1936. Without doubt that has been caused in very large part by reductions in rates made voluntarily by the railroads to meet motortruck or water-carrier competition, and to a lesser degree by an increase in average length of haul and changes in the relative amounts of the various kinds of traffic, likewise the result of competition."

The Interstate Commerce Commission also very aptly described the situation thus in Ex parte 115—some 2 years ago:

"In their need for increased revenues, applicants [the railroads] have been careful to avoid proposing any increases in rates which have been published to meet the competition of other forms of transportation, although these are the depressed rates which are so largely responsible for their financial troubles."

With the foregoing evidence that existing regulatory agencies are aware of both the objectives and the consequences of the practices thus sanctioned, this Department is justified in entertaining the gravest apprehension for the future of inland waterways if placed still further under the control of these outside agencies.

As far as this Department is aware, there is no dissatisfaction on the part of the public with the transportation service afforded on the inland waterways; charges are fully compensatory and there is no distructive rate warfare as between carriers. It seems to be generally accepted that the need for rehabilitation of the insolvent railroads has been brought about in large part by certain well known fiscal and operating practices and conditions within that industry, itself, and it would naturally be expected that remedial legislation would direct itself in the main toward the correction of those unwholesome conditions. Much undoubtedly could be done in the way of reducing unnecessary and wasteful duplication of rail terminal and interchange facilities and operations which the Federal Coordinator of Transportation found to be "one of the greatest item of railroad expense and probably accounting for more than 50 percent of the total expense." (See Commissioner Eastman's testimony on this bill.)

Excessive fixed charges could be readjusted, and expenses involved in traffic solicitation and in endless legal controversies carried on for the purpose of harassing and exhausting the resources of competitors, could be reduced. Yet it has not been possible to find in the 243 pages of this bill a single proposal that the railroads do anything whatever toward the amelioration or improvement of their own situation. All the provisions seem designed to free them from restraints and obligations while imposing prohibitive tolls and restrictions on their water competitors, and making it more expensive for the public to move freight. Under these provisions inland water carriers can easily be regulated and taxed out of existence, without the recapture of enough tonnage to affect railroad earnings appreciably. In fact, surveys by this Department indicate that the consequent rise in the cost of service would be calculated to discourage the movement of freight which requires cheap transportation.

Contrary to the impression created by witnesses before your committee, investigations conducted by the Army engineers are not limited to the structural feasibility of proposed improvements. For many years the Chief of Engineers has built up and maintained a technical staff of transportation and traffic specialists familiar with all types of carriers, whose function includes not only the thorough study of the economic phases of each proposed river and harbor improvement and the effect on existing transportation agencies, but also the conduct of economic analyses of going waterway projects and their effect on the movement of traffic. They have gathered representative data and have developed satisfactorily consistent unit costs covering the movement of freight by rail and water under a wide variety of conditions. It would otherwise be impossible for this Department to render the detailed and comprehensive reports on river and harbor improvements required by the Congress.

It has also been found impossible to render sound and balanced reports as to the merits of proposed improvements without coordinating these economic studies with field surveys showing the physical limitations as to size, type, capacity, and cost of navigation facilities in their relation to the comprehensive plan of development. No difficulty is encountered in cooperating with other Government departments in the public interest wherever responsibilities or jurisdiction overlap, but this Department is at a loss to account for the theory that the grouping of all transportation investigations exclusively under one agency or board would guarantee more complete impartiality or efficiency, or would compensate for divorcing cost estimates from the corresponding appraisals of benefits. The attention of your committee is thus invited to the very real difficulties which would confront this Department in meeting the responsibilities placed upon it by Congress and attempting to conform to the provisions of section 50, prescribing conflicting duties of the Secretary of War with relation to an independent transportation board. An illuminating sidelight on the attitude of the authors of this bill is the provision that while the proposed transportation board may "serve" a copy of its adverse report on the Secretary of War to any favorable recommendation before he is allowed to submit it to the Congress, the board is neither required nor permitted to review or report on any recommendation unfavorable to a proposed improvement.

The overwhelming preponderance of testimony on these questions is partisan in character, and while there is nothing unnatural in the antagonism of rail and water operators or rail and water shippers toward each other, their interests being primarily involved in their own profitable operations, it is recognized that these interests cannot be expected to coincide with each other nor with the interest of the country at large. For that reason it is particularly difficult to sift the testimony for facts bearing on the distribution of savings in transportation charges. This Department has made extended investigations in an attempt to trace the benefits of low cost water transportation to determine whether it would be possible to assess these savings to the ultimate beneficiary and whether it would be possible to collect a tax commensurate with the benefit received. These studies have convinced the Department of the utter futility of trying to trace the benefits or to show where they stop, and the conclusion is that savings on inland-water transportation are satisfactorily general and widely enough distributed to be counted as a public benefit more than commensurate with the carrying charges of the improvements. The Department's interest has rather been concentrated on determining in each case whether there is an actual net economic benefit to be distributed, before making recommendations.

This conclusion is at variance with certain popular conceptions with particular respect to shipments of petroleum products, steel, and grain by water in large volume. It is contended by many that the consumer pays the same price (and in the case of grain, that the farmer receives the same price) whether the commodity moves cheaply by waterway or expensively by rail. Investigation by this Department tends to confirm the literal truth of that claim, but disproves the further claim that the difference is "pocketed" by the middleman and not passed on. With the sharp competitive conditions and narrow margins of profit under which business is conducted today, it is absolutely impossible to "pocket" any savings permanently. It requires only the most elementary economics to show that they are either reflected directly in the base price of the commodity, or at the worst are "put back into the business" to increase production, to extend the market, or to reduce the cost of manufacture. The aggregate freight bill paid in the distribution of steel both by rail and by water, is one of the elements of production, and in the measure that it is made less costly by water transportation, its base price all over the country is reduced. This basic fact results in the uniform distribution of the benefits of water transportation throughout the land instead of permitting only the consumer who is located at a river port to benefit. Additional light was inadvertently thrown on this question by the witness for the Association of American Railroads when he testified in behalf of limiting the period of reparations for over and under charges on freight bills, as follows:

"Here is a man who is a merchant and he is a jobber and he sells his product to a retail merchant, and he ships to him a carload of any commodity, and he pays, of course, the current rate, and the whole transaction is on the basis of the current rate, whatever it may be.

"Now, the man who is the wholesaler in the jobbing center has paid the rate, and he has passed it on to the retailer, the man at the point of destination. The retailer has taken that rate into consideration in pricing his product. The real chap who has suffered is the consumer. He is the man who had to bear the burden. The wholesale merchant has not lost a nickel. He has just added the freight to his price."

The fact that this witness was referring to high rates rather than the low rates applicable to water movement, merely confirms the principle found by this Department to hold good in general, i. e., that the consumer pays the transportation bill and that he suffers when it is high and benefits when it is low. In view of the overwhelming evidence to that effect, this Department opposes, both in theory and in practice, the proposal to recover from the users of waterways the value of the benefits received by attempting to exact tolls.

The establishment of a tolls system would be a reversal of a long-established national policy regarding navigable waters as highways open to all without restrictions in the form of charges for use. The great preponderance of freight transported on inland waterways is composed of bulky, low-grade commodities that would not move in volume if low-cost transportation were not available. Any influence, therefore, that resulted in an increased transportation cost would be reflected in a decreased movement of freight. Without entering into a discussion of the serious disturbances to centers of production and consumption and the threat of economic stagnation of inland regions, it is believed that the imposition of a tolls system would, at this stage of waterway development, almost certainly defeat its primary purpose. Faced with ever lessening traffic requiring ever increasing tolls per ton to meet the requirements of this bill, the situation would progress toward a total absence of tonnage, an impossible tolls charge, and a complete break-down of the waterway transportation system.

In the hearings before your committee there have been repeated assurances, both official and otherwise, that regulation of all forms of transportation by the same agency would insure "equal" treatment and that the natural advantages of each form would not be nullified. It is felt that the committee is entitled to the experience of this Department with respect to such regulation as applies under existing statutes. Although the Department has recommended unfavorably on the majority of proposed improvements, the district officers and the Board of Engineers, after thorough study of the engineering and economic aspects of a waterway project, have frequently found and so reported that the prospective savings to the public in cost of transportation so far outweighed the cost of improvement that the improvement was justified.

In many such cases it has happened that after the completion of the project, the prospective water-borne tonnage has not developed or its development has been unduly retarded, because the competing rail carriers have been granted relief from the long-and-short-haul clause, and have thus been permitted to establish rates on the competitive traffic below the cost of transporting it by rail, while maintaining disproportionately high rates on the rail traffic not affected. Also, where the anticipated traffic has been of the combined rail-water character, thus putting the joint rates directly under rail regulation, the water portion of the rates has been set by the regulatory commission, not on a basis related to the economies of the water service, but on a fixed differential of from 10 to 20 percent below the rail rate between ports. This manner and basis of regulation has apparently prevented the formation of common-carrier barge lines; has prevented the interior shippers from realizing the full economies for which the waterways were provided. It has also undoubtedly prevented a large volume of tonnage from seeking the waterways, which could use them to the real profit and advantage of both shipper and carrier. This experience with regulation by agencies not directly concerned with waterway problems causes apprehension on the part of the Department that the further extension of regulatory powers in this bill will prove disastrous to the public's investment.

BRIDGES

Title VI, that portion of the bill relating to bridges over navigable waters, provides for apportionment of the cost of changes or alterations to such bridges between the United States and the owner or owners thereof, authorizes the appropriation of funds for such purposes and repeals existing laws inconsistent therewith.

Under the provisions of section 18 of the River and Harbor Act of March 3, 1899, the Secretary of War, after first giving interested parties a reasonable opportunity to be heard, is empowered to give notices to persons or corporations owning or controlling any bridge which is an unreasonable obstruction to the free navigation of the navigable waters of the United States, to alter the same in such manner as to render navigation through or under it reasonably free, easy, and unobstructed. The provisions of section 603 of title VI of the bill in which it is stated that the Secretary of War in his determination of the need for alteration or changes shall have due regard also for the necessities of rail or highway traffic would establish no new policy or principle. Under existing law the alteration of a bridge cannot be required unless there is an unreasonable obstruction to navigation and such unreasonableness cannot be established except by a sensible weighing of the needs of land transportation against those of water-borne commerce.

Under the provisions of title VI of this bill the United States would bear the cost of all alterations of all bridges over the navigable waters of the United States insofar as the cost of such alterations or changes could be attributed to the necessities of navigation. The assumption of such responsibility by the United States would be far-reaching. The Supreme Court has repeatedly held that where a bridge is an unreasonable obstruction to navigation the removal of such obstruction may be required without compensation from the United States, and such removal cannot be regarded as a taking of private property within the meaning of the Constitution. It is the view of the Department that when Congress has authorized the improvement of a navigable stream and any existing bridge interferes with the use of the project, the United States may require its alteration to conform to new conditions without liability for the cost of alteration.

After due consideration the Department can perceive no grounds to warrant the assumption by the Federal Government of the expenditures proposed, and is not aware of any circumstances which would justify the favorable consideration by Congress of those sections under title VI of H. R. 4862.

It is fully realized that the need for improving the transportation situation is acute, and that there is no simple solution for the problem ready to hand. Any progress that is made will require on the part of the Congress, a high order of statesmanship, and on the part of the several conflicting interests, the genuine will to cooperate, to surrender special advantages, to accept compromises and to give any promising solution a fair trial. This Department is eager to cooperate and to contribute the benefit of its special experience, knowledge, and technique in dealing with waterway transportation acquired over a period of 100 years.

It is essential to realize that water transportation is unlike all other forms of carriage. It is the aggregate of thousands of small, independent operators on the inland waterways which gives the character, furnishes the natural regulation, and automatically enforces the fair practices required in this type of transport. But it cannot sustain for long the concerted attack of powerful competitors, not because it is not basically sound, but because every resource of a powerful adversary has been brought to bear to prevent its becoming established on a normal basis. The remarkable fact is not that there is so little water-borne tonnage, but that so large a volume actually seeks the waterways in the face of the most determined efforts to prevent it.

There is nothing particularly new in the present attack. The fact seems to be that maintenance of competitive rates below cost by the railroads has proven more disastrous for them than for their competitors, and now they seek to have such unsound business judgment transformed into wisdom by legislation. However sincerely the Committee of Six may have tried to be fair, this bill as drafted directs the Federal regulatory bodies to take control of of the supply of water transportation and to administer this control in the interests of the railroads, both the strong and the weak. It demands that the interests of the labor employed in waterway transportation be sacrificed to the interests of the railroad organizations. The regulation provided in sections 8, 30, 43, 44, and 45, or in any one of them, could be employed so as to paralyze inland waterways and the industries dependent upon them. The only disinterested testimony before your committee stressed the unsoundness of relating water rates to the present illogical and inconsistent rail-rate structure and thus depriving the public of such economies as are made possible through the use of waterways.

It insisted on the soundness of regulating water rates to the needs and the potentialities of water transportation, altogether independent of other forms. The advantage of making water transportation still further dependent upon the arbitrary regulation of an outside agency is not apparent. This Department recommends that the revenues scales of the rail carriers be restored to normal levels, with the large bulk of the country's traffic continuing to travel by rail, but at profitable rates, and that the free flow of specially adapted tonnage be permitted to reach and use the waterways unhampered to the end that commerce may be stimulated to move in increased volume at the lowest possible cost. It is believed that such steps would be in the interests of the taxpayers, the shippers, and the carriers themselves.

A supplemental report on those features of the bill other than those pertaining to rivers and harbors and affecting the War Department will be submitted in a separate communication.

This proposed report was submitted to the Bureau of the Budget which advises that there would be no objection to its submission to the committee.

Sincerely yours,

HARRY H. WOODRING,
Secretary of War.

Neutrality in Congress

EXTENSION OF REMARKS
OF
HON. JOHN KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

EDITORIAL FROM THE NORTHERN VIRGINIA DAILY OF JUNE 19, 1939

Mr. KEE. Mr. Speaker, under leave to extend my remarks, I am including herewith an editorial upon the subject of neutrality appearing in the Northern Virginia Daily of June 19, 1939:

[From the Northern Virginia Daily of June 19, 1939]

NEUTRALITY IN CONGRESS

Among the controversial measures scheduled to enliven the House sessions perhaps late this week is the administration bill to repeal the arms embargo of the present neutrality law. The repeal measure was offered by Representative SOL BLOOM, of New York, and is designed to untie the hands of the administration with respect to the shipment of war materials to belligerents in the event of hostilities abroad. It specifies that all such shipments shall be on a cash-and-carry basis.

The neutrality law was passed at the behest of a group of hysterical peace advocates, who set up a clamor throughout the Nation for legislation which would serve to isolate this country from the strife and war-scare of Europe and Asia. Experience has demonstrated that instead of operating to insure our neutrality, it really served to make us the allies of nations who were fighting to destroy the world's democracy, including the democracy we enjoy in this country.

By the simple expedient of fighting an undeclared war, a nation can have free access to our war supplies without running afoul of this foolish law. Thus we have supplied a large part of the munitions with which Japan has been conducting its cruel war in China. We helped Franco to defeat government Spain. And in spite of our horror over Italy's seizures of Ethiopia and Germany's rape of Czechoslovakia, we helped them to destroy these friendly little nations.

Our present neutrality law renders us impotent in world affairs without serving to make us neutral. We are not neutral. We are not neutral in our minds (thank God) and we are not very apt to be neutral in our dealings. What is more, we can be a far more powerful factor for peace in the world if left unhampered than we can possibly be when bound by a foolish restricting law. It is a good policy not to meddle in other people's fighting, but it is also vitally important to leave one's hands unbound.

There can be scarcely any doubt that Hitler, Mussolini, and the Japanese military authorities have been led to pursue their reckless conquests to amazing lengths because they felt that we were indubitably and unqualifiedly neutral. Perhaps we are in a national sense. Perhaps we ought to be. But why give them the free rein and the comfort they derive from knowing that we couldn't fight if we wanted to? That seems unnecessary and unwise.

The framers of our Constitution placed the conduct of the Nation's foreign affairs in the hands of the Executive because it was the only safe place to put it. And it is the only safe place to put it today. Congress is a deliberative body influenced by politics. The electorate can be inflamed by propaganda or be stirred by demagogues. In time of world stress or national peril, it is important to have a Chief Executive clothed with full power to act for the Nation.

We are far from being disposed to advocate broader powers for the present administration. We would much prefer to see its present powers drastically curtailed. But we are convinced that the Nation would derive no benefit, and perhaps would sustain serious harm, by seeking to deprive the President of powers which by all means should remain vested in the Executive. And much as we disagree with Mr. Roosevelt's domestic policies, his foreign policies in general have impressed us as being sound.

Alien Ownership of American Securities

EXTENSION OF REMARKS
OF
HON. LYLE H. BOREN
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

EDITORIAL FROM THE BALTIMORE SUN OF JUNE 20, 1939

Mr. BOREN. Mr. Speaker, I present here an editorial from the Baltimore Sun of June 20 for the thoughtful consideration of the Congress.

I respectfully call this editorial to the attention of the very able and learned chairman of the securities subcommittee of the Interstate and Foreign Commerce Committee, Mr. COLE of Maryland. And in connection with this informative editorial I call attention to my bill requiring the disclosure of beneficial ownership of American securities held by nonresident aliens and request active consideration of that measure.

[From the Baltimore Sun of June 20, 1939]

FOREIGN INVESTMENTS

The Department of Commerce has just made public its report on foreign investments in the United States during 1938. The year showed another considerable increase in the value of these investments, which now strike a total of $7,883,000,000. The record for the past 5 years, which probably reflects in large part the growing disturbance in European economic and political conditions, is a striking one. In 1934 foreign long- and short-term investments stood at $4,971,000,000. In 1935 they rose to $6,329,000,000, and in 1936 to $7,633,000,000. There was a slight decline in 1937, when the total dropped to $7,036,000,000, but the increase of $847,000,000 last year jumped 1938 up above even the 1936 figure. A part of the recent increase is explicable in terms of the 24-percent rise in the market values of common stocks held by foreign investors.

Of the full sum, long-term investments represented $5,690,000,000. It is especially interesting to note that while the long-term investments have increased since 1935 by $587,000,000, the short-term funds have increased by $973,000,000. In 1935 these short-term holdings comprised about 19 percent of the total, while in 1938 they rose to about 25 percent of the total.

During the twenties this country was a net exporter of investment capital, but since 1931 it has become an importer, with the inflow of repatriated American funds and of foreign investments becoming substantially greater with every year since Hitler's rise to power in Germany produced a state of chronic political crisis on the Continent. Naturally this condition has given rise to many questions, and the one most frequently asked is what would happen if there was some sudden withdrawal of foreign funds. Obviously, if any large part of alien capital, now amounting to nearly eight billions, were withdrawn the credit structure and business

activity of the country would experience a shock of major proportions. But this sharp withdrawal would be likely to occur only in the event of a sudden and complete restoration of confidence all over Europe—a contingency which at this moment does not seem probable in any degree; or in the event of a war. And while memories of the rush of European investors in 1914 to liquidate their American holdings are still fresh, there is no reason to suppose that another general war in a world so different politically, economically, and technically from the world of 1914 would exactly repeat that experience any more than it would exactly repeat the diplomatic and military experiences of a quarter of a century ago. There is no doubt that the increasing flight of foreign capital to America, either out of fear of European insecurity or out of hope of profiting by industrial expansion here, creates problems which will become more pressing as—and if—the process continues. But these problems seem at present to relate more to the effects of the influx than results of a hypothetical full-scale liquidation.

The Proposed John Muir-Kings Canyon National Park—Its Critics Answered!

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

Mr. GEARHART. Mr. Speaker, in the high Sierras which rim on the east the great San Joaquin Valley of California lies one of the greatest scenic regions. Its majestic grandeur is not exceeded in magnificence anywhere else on earth. On every side are to be observed towering snow-capped mountains, precipitous granite cliffs, peaceful meadows, mirror-like pools, gigantic trees of great antiquity, some of them over 2,000 years old when the Christ was born 20 centuries ago. One stands appalled when he contemplates the wonder of it all.

In order that the beauties of the high mountains might be made accessible to the restless, wandering, pleasure-seeking people of the world under the most attractive and alluring circumstances; in order that this wondrous region of scenic marvels may be preserved in its natural wilderness state by those most skilled in mountain recreational management, I have introduced a bill to create in honor of the father of all national parks a new national park, to be known as the John Muir-Kings Canyon National Park—a park that will include the wondrous mountain area that I have just described.

There is not one who has been so fortunate as to have visited this incomparable wilderness but who is free to admit that the region is of national-park caliber. No one has arisen among us to question the beauties of its meadows and the awe-inspiring character of its towering granite cliffs. But, strange as it may seem, a few, for reasons which surpass understanding, are constrained to oppose the conference of national-park status upon this admittedly marvelous scenic area. In their zeal to prevent this progressive step from being taken, arguments have been advanced by these unreasoning recalcitrants which are quite unworthy of serious consideration, arguments which fool none but the uninformed.

Because there may be some that are not fully informed in respect to the provisions of the bill for the creation of the John Muir-Kings Canyon National Park, or in respect to the facts surrounding this legislative proposal, some who might have become confused by the fallacies that have been uttered, by the absurdities that have been paraded, I will, with the indulgence of the Chair, address myself for the next few moments to a few of them in order that the petty character of the fight against the passage of this most beneficent legislation may be made manifest.

PARK CREATION WILL NOT LOCK UP ANYTHING

The argument that is most frequently used against the creation of the John Muir-Kings Canyon National Park is that the legislation "will lock up for all time to come" natural resources of great value to the people. In the light of demonstrable facts, nothing could be further from the truth.

A complete answer to this ridiculous and oft-repeated ground of objection can be found in two examples to the contrary effect.

The Yosemite National Park was created by law many, many years ago. Just a few years ago the people of the city of San Francisco began to feel the need of new sources of water and power. Investigation developed that the best place in the State of California where water could be stored and power developed to supply the municipal needs of that great metropolis was at Hetch Hetchy, a dam site entirely within the boundaries of the Yosemite National Park.

So the Congress, at the behest of the people of San Francisco, promptly enacted legislation authorizing the construction of the Hetch Hetchy Dam, the creation of Hetch Hetchy Lake, the installation of power-generating machinery, and the building of aqueducts and transmission lines, all within the boundaries of Yosemite National Park.

Hetch Hetchy had not been locked up by the creation of Yosemite National Park.

As an indication that the policy of the Congress has not changed in years more recent, only last year legislation was enacted which authorized the construction within the Rocky Mountain National Park of a great irrigation and reclamation project.

The reclamation and irrigation resources of the State of Colorado were not "locked up" by the previous legislation authorizing the creation of the Rocky Mountain National Park.

These two instances will be sufficient to satisfy the minds of everybody save those blinded by prejudice that the creation of national parks does not permanently "lock up" any natural resources or prevent the same or any succeeding Congress from directing their development in subsequent legislation.

The argument is simply absurd.

FINANCIAL LOSS TO COUNTIES INSIGNIFICANT

Because existing laws of the United States require the National Forest Service, the governmental agency now in charge of the area embraced within the proposed park boundaries, to remit 25 percent of all of the moneys collected from persons allowed to exploit public lands administered by the Forest Service, the air is filled with the alarming news that Fresno and Tulare Counties, the counties in this instance entitled to share therein, will lose a tidy sum if the administration of the proposed park area is transferred to the National Park Service.

The already overburdened taxpayer naturally lends an attentive ear to charges of this kind. So the charge has been iterated and reiterated until it palls on the ear. Even the nights have been made hideous by this play on our fears.

But Chief Forester F. A. Silcox, while appearing as a witness in support of the bill to create the John Muir-Kings Canyon National Park, debunked the whole idea with one fell swoop.

According to the testimony of the Chief Forester, the total collections from the area included in the proposed John Muir-Kings Canyon National Park boundaries is less than $1,100 per year.

It follows as the night the day that if the proportion due the counties entitled to participate therein is divided equally, Fresno and Tulare Counties, two of the richest agricultural counties in the United States, will each stand to lose about $125 per year if national-park status is conferred upon the area under discussion.

If we tighten our belts, Mr. Speaker, we ought to be able to stand that. Especially so, if we will but bear in mind that the loss will be offset by hundreds of thousands of dollars in tourist money, money that will be attracted to the area by reason of the added prestige which national-park status confers.

Well, another mighty argument is exploded.

LIVESTOCK GRAZERS PROTECTED

Everyone recognizes the importance of the livestock industry. No one would knowingly do anything which would

unnecessarily harm or even restrict the opportunities of anyone who might be interested in following this important calling.

As will be hereafter pointed out, the grazers who have been in the habit of grazing their cattle and sheep within the proposed park area are what may be termed, relatively speaking, small operators. The number of heads that they have grazed in the area has been very few in recent years.

But the Government is just as interested in protecting the investments of small operators as it is the great operators. A provision has been inserted in the proposed park bill which will authorize the grazing permittees to continue to graze within the new park as long as they desire to renew their permits—for life, if that is their wish.

So no livestock grazer, be he cattleman or sheepman, will lose anything which he now enjoys by reason of the creation of the proposed park "for the enjoyment of all of the people."

On the contrary, they will become vested with life permits, a special privilege that is enjoyed by few, if by any others at all. Instead of being hurt, the grazers are tremendously benefited.

Another terrifying argument is blasted. The grazers will not lose anything.

NOT AN IMPORTANT GRAZING AREA

This area to be embraced within the proposed John Muir-Kings Canyon National Park is not regarded as a commercially usable livestock-grazing region. But a hasty consideration of the topography of this rugged, mountainous area reveals but a succession of narrow valleys and precipitous mountain cliffs. These circumstances, coupled with the difficulties incident to ingression and egression, has discouraged the periodic attempts of the distant yesteryears to exploit this highly inaccessible region, to the end that today the use of the area for grazing purposes has dwindled into insignificance.

Yet the objectors to the creation of the park scream to the heavens that a great grazing area will be forever locked up. Let us turn the searchlight of truth upon this absurd pretension.

In order that the utter unimportance of the proposed park area may be emphasized consideration should be given to the facts and figures which the grazing history of the region reveals. These facts and figures disclose that the average number of sheep that have been grazed in the proposed park area during the last 3 years is 300. Three million sheep were slaughtered in California in 1938.

The average number of cattle that were grazed in the proposed park area during the last 3 years is 987. Over 1,250,000 head of cattle were slaughtered in California last year.

The importance of the John Muir-Kings Canyon proposed park area as a sheep-grazing area is to be measured in the relation of 300 sheep grazed in the proposed park area to 3,000,000 sheep slaughtered in the State during the same period of time.

The importance of the John Muir-Kings Canyon proposed park area as a grazing ground for cattle is to be measured in the relation of 987 head grazed in the proposed park area to 1,250,000 head slaughtered in the State last year.

With the rights of the grazers of the 300 sheep and the 987 cattle to continue to graze their cattle and sheep in the area for the period of their natural lives protected and preserved, how unpersuasive seems the frantic cry that valuable grazing rights are about to be locked up. How absurd the fear.

Another untenable argument is shattered.

FISHING OPPORTUNITIES WILL BE PROMOTED

In order to gain support for their unreasoning campaign of obstruction, the opponents of the proposal to create a national park in the Kings Canyon area have conducted an insideous and sustained campaign to instill fear in the stout hearts of the knights of the rod and reel. Into the ears of the fishermen they constantly whisper that someway, somehow something will be taken from them if the bill creating the new park becomes a law though what that something is is never quite fully explained.

So absurd is the suggestion that the fishermen stand to lose something by the creation of the John Muir-Kings Canyon National Park that little time need be expended upon this phase of the instant legislative controversy.

Bluntly the answer to this shameless canard can be stated.

Instead of restricting the privileges and opportunities of fishermen, the National Park Service lends its every effort to the promotion and improvement of the conditions under which the followers of old Izaak Walton pursue their piscatorial endeavors.

Fishing is not only permitted in national parks but it is encouraged in every possible way.

So absurdly untrue is the whispered suggestion that the privileges of the fishermen will be in some way, somehow restricted that concerning it nothing further need be said.

Such arguments blast themselves.

HUNTING CONDITIONS WILL BE IMPROVED

In their frantic efforts to arouse further opposition to the creation of the John Muir-Kings Canyon National Park opponents of this legislative program whisper excitedly into our ears that a most enticing and very promising deer-shooting area will be forever closed to the sportsmen.

Well, Mr. Speaker, just how enticing a shooting area is this Kings Canyon country?

The average kill of deer for the last 3 years has been less than 160 deer per year—159, to be exact.

During the same years an average of 2,800 have been killed in the region immediately surrounding the proposed park area.

During the same period of time an average of 55,000 deer have been killed in the State at large.

The importance of the area as a deer-hunting region is to be measured in the relation of 159 killed in the proposed park area to 2,800 killed in the adjacent Sequoia and Sierra National Forests.

The importance of the new park area as a deer-hunting region is to be measured in the relation of 159 killed in the proposed park area to 55,000 killed in the State at large.

The reason for the light kill in the proposed park area ought to be apparent on first consideration. The reason is the same one which prevents the region from being used for grazing. The topography of this rugged, mountainous area simply does not lend itself to the hunting of the deer. To shoot a deer on the floor of a valley and recover the carcass three or five thousand feet up on the side of a mountainous cliff is just a little too strenuous an activity for the man who journeys from his city desk in search of sport. There are too many other much more enticing happy hunting grounds within almost a stone's throw of the difficult Kings Canyon region.

And those that would shoot in this most rugged and inaccessible area must be able to pay well for their sport. It has been estimated that deer cannot be taken out of this area for less than $200 per deer. Yes; it might be termed a shooting area, Mr. Speaker, but only for the very well-to-do. For the silk-stockinged hunter, with his entourage of packers, cooks, camp builders, valets, and errand boys, it is indeed a hunter's paradise.

But for the ordinary fellow who loves the chase it is no go.

But notwithstanding the small kill, the area is nevertheless of great value to the deer hunter. If national-park status is conferred upon the region, it will become of still greater value to those who find happiness in this particular sport. As a breeding sanctuary, the John Muir-Kings Canyon National Park will provide for the areas just beyond its boundaries, where shooting is practical, many more deer than can now be hunted there.

If the sportsmen were thinking of promoting their hunting opportunities, they would be for the creating of the proposed park. It is on that side of the issue where their real interests lie.

But, Mr. Speaker, the irony of it all is to be found in the very definite fact that, whether the area becomes a national park or whether it remains in the national forest, shooting must necessarily be curtailed in this region in the very near future. The conservation of human life will compel the

promulgation of regulations against shooting in a region to which thousands upon thousands of men, women, and children are bound to make resort in the days shortly to come.

With the opening to the public of the new State prisoner-built road into and upon the floor of the Kings Canyon, whether we will it or not, millions of sightseers will be lured into this marvelous scenic area its wonderous attractions to behold. Not all of them will be mighty hunters or famed mountain climbers. Most of them will be just ordinary folks like ourselves, not even sturdy athletes. Many of them will be invalids, sick people seeking a return of the health they have lost or the health that they have never known.

It is not a park for just the few who find their happiness alone in the kill that we would create, but a public park, as the bill specifically provides, for the benefit and enjoyment of all of the people. Would the deer hunters withhold from them this small area?

In the light of the millions upon millions of surrounding acres upon which hunting with rifles will neither be curtailed or interfered with even in the slightest degree the asserting of this objection to the creation of the John Muir-Kings Canyon National Park by those who pride themselves in their sportsmanship seems to the casual observer just a wee bit unsportsmanlike.

At the most, it is unworthy of protracted consideration.

PLENTY OF NATIONAL-FOREST LANDS LEFT

The gross area of the national forests in California amounts to 25,042,762 acres, a tremendous area, indeed.

The John Muir-Kings Canyon National Park, if created, will take from this colossal national-forest empire the comparatively inconsequential area of 454,600 acres, no more.

But a hastily penciled calculation discloses that the entire area of the proposed John Muir-Kings Canyon National Park, including the present-day General Grant National Park, represents no more than 1⅔ percent of the gross national-forest area of California.

In the face of these undeniable figures, it brings, sad as it is to relate, to the eyes of even those of stony hearts, tears when one hears some of the objectors to the national-park program passionately bewail the impending loss of the privilege to camp, fish, hunt, and gambol on the green with their gun and dog under the conditions to be found only, so they weepingly proclaim, within the confines of the national forests of this great Western State.

With 24,588,162 acres of national-forest lands remaining to their use if the national park is created upon which to satiate in the fullest their hankering for the open air, it would seem to the prosaic and dispassionately practical that these apprehensive protestors will not be compelled to give up vacationing in the wilderness of our California mountains, even if the worst come to the worst.

With so many, many acres of national-forest land unaffected by the bill to create the John Muir-Kings Canyon National Park, why all these wails, why all these tears?

THE ARGUMENTS ARE SHEER BUNCOMBE

So, Mr. Speaker, we find that the wilderness will be protected, no natural resources will be locked up, the financial loss to the two richest agricultural counties in California is insignificant, the livestock grazers are protected, the opportunities of fishermen are promoted, hunting conditions are improved, and that only 1⅔ percent of the national-forest acreage in California will be transferred to the National Park Service for administrative care and mountain management.

Fine arguments, indeed, are these. They are so inconsequential, so devoid of merit, Mr. Speaker, that I am hopeful that in the face of them we may look forward to the passage of the bill for the creation of the John Muir-Kings Canyon National Park with the practically unanimous vote of the membership of this honorable body.

The bill should pass.

The Federal Theater Projects

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

Tuesday, June 20, 1939

ARTICLE BY HEYWOOD BROUN

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include herewith Heywood Broun's column from the Philadelphia Record for June 20, 1939:

IT SEEMS TO ME

(By Heywood Broun)

By a large vote the House of Representatives of the United States has voted to end all the Federal theater projects immediately and to apply the same harsh treatment to the other art projects within a few weeks.

When the British burned part of the Capitol in 1812 it was called by us an act of vandalism, and if some foreigner in the future rained bombs upon our museums and libraries we would again cry out that this was a war on culture. But, seemingly, men elected and supposedly responsible to the people of the United States are willing to go on record as being cruelly contemptuous of the aspirations of unrecognized talent in this country.

Any Congressman can move his colleagues to tears by talking of the slaughter of little pigs under the New Deal, but all eyes were dry as the vote rolled through to let the undiscovered writers, actors, playwrights, and painters starve quietly and make no fuss about it.

ATTENTIVE TO SUCCESS

Seemingly, the fat cats of the House regard the artist as somebody deserving no consideration here unless he is in the dough. Politicians will fawn on successful authors and players and encumber them with compliments, but not until they have swum the rapids and clambered safely on the shore. That point of view may be the product of nothing more than the traditional stupidity of the peanut vendors who get themselves sent to Washington.

But it is sheer prevarication for Representative WOODRUM of Virginia, the same State which sired Jefferson, to maintain that professional people themselves have looked upon the Government's experiments with coolness and suspicion.

Practically all the book publishers have gone on record as expressing their admiration of the results achieved by the writers' projects. The newspaper dramatic critics are almost a unit in their praise for both the intentions and the achievements of the Federal theater. And allied with the reviewers are many managers, such as Lee Shubert, Sam H. Harris, and George Abbott. Equity protests against this cut. Famous names of radio, screen, and stage, like those of Helen Hayes and Eddie Cantor, join in. Now is the time for the men and women of the amusement world to come to the aid of their cause.

ARISE AND PROTEST

In every crisis of America they are called upon to contribute their services. They should be heard now. The venom and envy of short-weight politicians ought to be smothered by the volume of protest of those who have come up the ranks and know the hardships as well as the fair rewards of the theater. Before the Senate comes to vote on this death-sentence bill for American culture, the allied spokesmen of the arts ought to gather in Washington and make themselves heard.

No more vicious and deceptive and underhand campaign of destruction has been staged in our National Legislature. It has been camouflaged as a drive on communism in spite of the fact that possibly the most successful of all the Federal projects was Prologue to Glory, an excellent chronicle about the life of young Lincoln. And there was as well the superb Negro cast in the "swing" Mikado.

"EDUCATING" CONGRESS

It is not impossible that some of the gentlemen in Washington have been so busy mending fences that they may actually go along with CLIFTON A. WOODRUM. It is not beyond conception that a few are under the impression that Gilbert and Sullivan were induced to kid the divinity of the Japanese Emperor through the Soviet suggestion that it might be well to make a flank attack upon the Fascist axis. The task of educating Congressmen is not to be

done in a day or a week. But at least a committee of such outstanding names could be mustered that even the most blatant of the men with dirks could be made to listen.

It is time for another Marc Antony to show just where the envious daggers were thrust. The United States is just as strong as its strongest links. When people like Cantor and Helen Hayes and George Abbott and Ethel Waters demand a right to be heard, it is time for Members of the House of Representatives to listen to their betters. Who do these men of brief authority think they are? It is true they were elected, but only as representatives of the people and not as owners and landlords of this country.

Taxing Uncle Sam

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

EDITORIAL FROM THE DULUTH NEWS-TRIBUNE OF JUNE 5, 1939

Mr. COLMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Duluth News-Tribune of June 5, 1939, on the subject of taxing Uncle Sam:

[From the Duluth News-Tribune of June 5, 1939]

TAXING UNCLE SAM

Uncle Sam is a big landowner, but he is not a big taxpayer. Government-owned lands are not subject to taxation. When the Federal Government acquires, say, a third of the land in a county, the owners of the other two-thirds of the land must bear the cost of local and county government and their share of State government. This has caused a serious situation in many parts of the country.

All residents of northern Minnesota, northern Wisconsin, and upper Michigan, taxpayers especially, should be interested in the Colmer-Harrison bills now before Congress. These are designed to cope with this problem by providing for payment of Federal money to counties to compensate, in part at least, for their loss of tax revenues through Federal ownership of lands. Representative PITTENGER has given these bills persistent support.

Under the present laws counties get 25 percent of the gross receipts from timber and other assets sold by the Forest Service from these lands. In another generation this will be ample compensation, but just now it is a small sum in most counties.

The Colmer-Harrison bills would guarantee to the counties payment by the Federal Government each year of 3 percent of the purchase price of Federal lands within the counties. In time the sale of timber and other things will supply a big part of this, but for the present this help is needed to compensate the counties for their loss of taxes.

In this country there are 100 congressional districts which would be affected by this. More than a third of the gross acres in those districts are now owned by the Federal Government. The counties in which this land is located would be guaranteed about $1,870,000 a year, Federal money making up the balance between timber sales and other receipts and this figure.

Under this plan four counties in the Eighth District of Minnesota would get about $84,000 a year where the four—Cook, Lake, St. Louis, and Itasca—now get about $7,000 a year. The Twelfth Congressional District in Michigan, six counties participating, would divide about $63,500 a year. The Tenth Wisconsin District would split about $43,500 and the Eighth Wisconsin District about $35,445 a year.

Federal forests are naturally in sections where the land is not very valuable. As a result, under the present conditions, the taxpayers in the poorest counties in many States are expected to pay an important part of the bill for a Federal-forest program which will benefit the whole country. The Colmer-Harrison bills would correct that bit of injustice. These bills would also be a protection for those who live in thinly settled sections of the country, or depend upon property there for their living. People who live in great cities are likely to favor all sorts of restrictions upon the development of land and the acquisition of vast areas by the Government but to be less enthusiastic about paying their share of the cost of maintaining local government in such localities. These bills are designed to spread the burden fairly.

Canal from Beaver, Pa., to Lake Erie

EXTENSION OF REMARKS

OF

HON. JOHN McDOWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

RESOLUTION OF THE PITCAIRN (PA.) BOARD OF TRADE

Mr. McDOWELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

THE PITCAIRN BOARD OF TRADE,
Pitcairn, Pa., June 13, 1939.

RESOLUTION OF THE PITCAIRN BOARD OF TRADE

Whereas the proposed construction of a canal from Beaver, Pa., to Lake Erie is an unsound business proposition because there is not a definite need for it;

Whereas the tax-constructed and tax-maintained canal would be unfair competition with the present tax-paying private enterprise;

Whereas $240,000,000 of an expenditure of the people's money is excessive because the canal would serve only a few industries;

Whereas the canal would be inoperative during the winter months;

Whereas the construction of the canal would eliminate some 8,000 to 10,000 railroad employees in Allegheny County: Therefore be it

Resolved by the Pitcairn Board of Trade through its board of directors and officers, That they go on record as unanimously opposing the construction of the proposed canal from Beaver, Pa., to Lake Erie, in whole or in part, and that copies of this resolution be sent to Hon. JAMES J. DAVIS, Senator from Pennsylvania in United States Congress, and Hon JOHN McDOWELL, Representative in United States Congress.

Respectfully submitted.

E. K. LANG,
Chairman of Committee.
WM. SKILES.
CHARLES R. DECKER.

The American Market

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

RADIO ADDRESS BY HON. CHARLES HAWKS, JR., OF WISCONSIN

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio at Madison, Wis.:

Wisconsin farmers, workers, businessmen, and manufacturers are today deeply concerned over the foreign-trade policy of our country. During this session of Congress much has been said, pro and con, regarding the reciprocal-trade agreements of the Roosevelt administration, and much emphasis has been placed on the effect of these trade agreements on the American standard of living.

It isn't very difficult to recall the days when the policy of the United States in regard to foreign trade was one of protection. I believe it is a perfectly honest statement to say that our country became wealthy and powerful under a system of protection which dates back to the days of Alexander Hamilton. As compared to the few periods of free trade, the days when our markets were protected, when our labor standards were reaching new heights, and we had a steady industrial growth, the days of protection stand out as a shining example of the course we should follow in the future.

However, in the few minutes I have today I would like to point out that tied up with the success of a policy of protection during those years of prograss was the fact that we had the largest

free-trade area in the world in which to develop industrial and economic efficiency right within our own borders.

To quote Governor Cochran:

"As a result of the removal of the barriers to the free flow of commerce among the States by virtue of adoption of the Federal Constitution, the United States became the greatest free-trade area in the world. It was this advantage which permitted the rapid settlement and development of the country. * * * As a matter of fact, the absence of internal-trade restrictions has been one of the greatest factors in making America great."

During those days we did not have barriers between States; and the absence in the past of restrictive laws between States enabled the great industries of our country to develop mass-production technique, which has builded a tremendous market within our own boundaries. The existence of this market has justified the huge expenditures for capital and plant necessary to bring about economies in production such as to give many common laborers an automobile in which to drive to work. The existence of these free markets within our own country has made possible the employment of labor at wages unparalleled in the world.

It has been pointed out that in recent years over 1,000 State laws have been passed that deny complete freedom of trade between the States. These laws are trade barriers. They fall under various classifications, such as licenses, taxes, quarantine regulations, ports of entry, restrictions on movements of people, restrictions on the practice of certain trades and professions, and restrictions on purchase, sale, transportation, and use of commodities and services. No State can enact restrictive laws and regulations, whether direct or indirect, aimed at its sister States without incurring almost certain reprisals.

In order to obtain the benefit of a full and free exchange of commodities between States these State laws must be repealed. It isn't difficult to see how contradictory we have been during these later years. The Federal Government, particularly the present administration, has developed the principle of free trade under reciprocal agreements to a point never before dreamed of in this country. During the period that this free trade between nations has been developing, our own States have gone into a program of restricted trade between themselves that is destroying our home market.

I believe that this interstate restrictive policy has been developed as a blind defense against the much broader free-trade policy of the administration. We have adopted a good-neighbor policy between nations, but have at the same time become anything but good neighbors among ourselves. As I have previously pointed out, a good-neighbor policy should work both ways. If we neglect to be good neighbors to our own people we cannot be successful as good neighbors to the rest of the world.

I am not going to bore you with a lot of figures, because those of you who wish to study more closely the import and export position of our country today can obtain this information by writing to me in Washington.

I merely want to point out that since January 1 of this year imports of foreign agricultural products have increased by leaps and bounds over the same period 1 year ago.

The sad story of reciprocity as administered by the New Deal is too deeply impressed upon the minds and hearts of every Wisconsin citizen for me to find it necessary to go into further detail. The farm program of this administration is not a program at all, but a terrible experiment with human and property values. Those agricultural activities which have received the greatest benefits of Federal patronage and Federal subsidy during the past 6 years are in a most deplorable condition. In order that the administration may completely pauperize agriculture they are constantly making attempts to subsidize other fields of agricultural activity. If our farmers know anything, they know that the Triple A cannot succeed and that they can't ever again be prosperous until this huge experiment has been junked and we have returned to sound agriculture and sound economic policies.

If I were to develop a farm program for the United States, I would start out, first, by canceling the so-called good-neighbor reciprocal-trade agreements. I would next break up the Triple A and return farm administration to the farm, instead of having it here in Washington under a bunch of crackpot theorists.

Through the full force of farm and business organizations I would make the politicians in the various States repeal the laws that are restricting free trade between our States. I would immediately set up foreign trade barriers to protect the farmer, the worker, and the businessman, and give each and every one of them a chance to make a living on the American standard, the greatest standard of living in the world.

By initiating a program of this kind we would almost immediately increase the purchasing power within our own boundaries, thereby tremendously increasing the demand for cheese, butter, corn, and wheat, and other American products. We would again put into the hands of the greatest purchasing power in this country, the American farmer, his buying power, from whence all prosperity in this country must begin.

It seems to me that we have had about all of the experimental programs that we can stand for at least another generation, and I am sure you will agree with me that the protection of the American market for the American people is a pretty sound policy on which to begin our road back to recovery and prosperity.

To follow the pattern of the New Deal during the last 6 years is to watch the development of one experiment after another. And today the Congress of the United States, in which I am your elected representative, is being presented with even more ridiculous schemes and experiments than we have ever had in the past.

Because of the failure of their ill-thought-out legislation of the past 6 years, and because conditions in this country today are almost at an all-time low, New Deal spokesmen are now talking about changing the monetary policy of our country. They want to start printing money; they want to repudiate debts; and they are trying to kid the great American public into believing that they can spend themselves out of debt and into prosperity. Can a drunken man drink himself sober?

For 6 long years their only program has been one of spending, hoping against hope that huge appropriations of Federal funds would start the wheels of industry and business turning. They know from experience that this won't work; but for lack of a sound program and because they haven't got what it takes to live within their income, the New Dealers in 1939, prodded on by a determined administration, continue to spend and spend and spend.

The President and his spokesmen have intimated that the debt of this country is nothing for us to worry about. They have the unmitigated gall to imply in their fireside chats and through other publicity mediums that we will never be forced to pay our debts. What a fine commentary upon the moral standards they have sunk to!

I do not believe that the American public is going to permit such a rotten philosophy of government to continue much longer. The countries that have repudiated their debts in the past have not only lost their credit standing in the world but have lost the respect of other nations.

We cannot continue these experiments of the New Deal and maintain our self-respect. We are a nation of free people and have reached these heights because we have been free.

We should start in immediately on a good-neighbor program that is an honest program. We must stop playing politics with our economics as well as with our citizens. We should have less government in business and more business in government. We should all assume our normal responsibilities toward our Government and make the principles of the Golden Rule work toward the development of our physical, moral, and spiritual values.

Proposed Expansion of Military Air Force

EXTENSION OF REMARKS

OF

HON. CHESTER C. BOLTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

Mr. BOLTON. Mr. Speaker, I desire to comment rather briefly upon the supplemental military appropriation bill for 1940, which measure has been reported to the House and which primarily is for the purpose of carrying out the recommendation of the Chief Executive sent to Congress some months ago calling for an augmentation or expansion of our Air Corps.

While there is included in the measure appropriations for increase of our garrison and seacoast defenses in Panama, as well as funds for educational orders with industry, the bulk of the appropriations carry out the authorization made by Congress during this session for an increase in the aviation forces of our Army. The measure appropriates funds not only for the purchase of an increased number of planes, bringing up our strength of military planes to 5,500, but also calls for an increase in personnel, matériel, and equipment, air bases, and quarters necessary for this increased program. The total cost of this expansion of the Air Corps is estimated at $300,000,000, of which $50,000,000 has already been appropriated in the Regular Army appropriation bill for 1940. The program as submitted, as stated by the Chief of Staff and others in authority, would be a well-balanced program covering this activity, but as might be expected, such increase will amount to an increased annual maintenance charge in the future for the Air Corps alone of from $250,000,000 to $300,000,000, and further will bring our total appropriations during the present session of Congress for national defense, including both the Army and Navy, up to the appalling figure of nearly $2,000,000,000.

The reasons given for this expansion program are primarily because of the political unrest existing throughout the world today and the avowed policy of our administration of protecting the Western Hemisphere; or, in other words, a reiteration of our time-honored Monroe Doctrine and the increased development and use of aircraft in military activities.

Undoubtedly these reasons are fundamentally and basically correct, but there are certain objections to the program as submitted, which I think should be carefully considered before the plan is adopted.

We all realize that the production of aircraft cannot be accomplished in a short time, but, according to experience and testimony given our committee, takes from 18 to 24 months, depending somewhat on the type and size of orders given industry. Today industry is suffering from lack of orders, and consequently the production which might be desired or is essential in time of emergency is dependent in part upon the condition in industry and its ability through its trained personnel and understanding of requirements to promptly meet specifications and plans submitted.

Testimony submitted by both industrial and military experts to the subcommittee studying this program leaves no doubt that the United States has lost its proud position as leader in aircraft development which it held up to a few years ago. These experts agree that we are from 3 to 5 years behind foreign powers in the field of aircraft development and production. In other words, what we term up-to-date planes today are much inferior to those of foreign make from a military standpoint. Throughout the hearings before our committee great emphasis was placed on the fact that our efforts should be in the direction of development of quality instead of quantity production. Only through increased research and development activities can we hope to regain the position we formerly held in the air and to successfully cope with the planes of foreign nations.

To meet this situation we have during the current session of Congress appropriated, and with action on this present measure will have appropriated, a sum total of $10,000,000 for research and development by the Air Corps. In addition, through the educational orders, there has been provided an item for aircraft manufacturers. In other words, your committee is taking steps toward stimulating research not only by governmental agencies but among industry itself.

Keeping in mind the fact that foreign nations are far ahead of us in the development of military planes and that we are endeavoring through research and development to match their pace, the question arises as to whether we ought to plunge into wholesale purchase of planes based on our present inferior designs in order to bring the number of planes up to our full quota of 5,500 or whether it is not more logical and more practical, as well as less expensive, to produce a certain number of planes per year. The latter plan would give us the benefit of improvements each year, would allow manufacturers to proceed on a fairly even keel, and without necessity of expansion one year and no contracts the following year. Anyone who has had experience in industry knows that with a wide fluctuation of production it means carrying facilities required in heavy years over the lean years and is expensive to the manufacturer, who must write some of this increased cost into his prices to the Government.

Apparently influenced by a desire to spend immediately, and in keeping with the present "spending for recovery" program, recommendations have been made to Congress by the Chief Executive and the Budget Director for immediate expansion through purchase of a sufficient number of military planes to bring our full quota up to 5,500 during the next 2 years. This means placing orders in the near future for approximately 3,000 planes to be delivered during the next 2 years. Upon delivery we will find ourselves equipped with numbers of planes, but very inferior in performance and design. If we are building on solid ground, we will not overlook quality for quantity. Merely the mention that we have our full complement of planes will not awe those nations already in possession of the knowledge that their planes can outmaneuver our best planes and that their equipment is fast enough to strike and get away. Performance is the key to successful combat.

I wish to go on record as strenuously opposed to the wholesale ordering of inferior planes merely for the purpose of reaching our quota. We must become practical if we are to keep peace with the rest of the world. We ought above all things to stagger our purchases of planes over the next 3 or 4 years, during which time we will be able to take advantage of such developments as will result from an expanded research program. By this method we will in a year or two additional time have reached our full complement of planes, and they should be equal, if not superior, to the aircraft of other nations. The benefit of such a program is apparent, not only from a development and efficiency standpoint, but because, through staggering procurement, we will have a more balanced production program on which the aircraft industry will be continually working due to necessary replacements.

One of the reasons for our present economic situation is that the requirements upon industry are such that for self-preservation it must operate on a day-to-day basis with wide fluctuation of production and improvements dependent entirely upon current orders. The plan for wholesale purchase of inferior planes during the next 2 years is the result of the same reasoning which today is holding back industry in general. It will lessen the efficiency of the aircraft industry and the Government will be paying more for planes than would be the case if we proceeded along practical lines and purchased approximately 1,000 to 1,500 planes per year, through which method we could continually reestablish the superiority of our air force by taking advantage of the latest developments.

I want to call your attention particularly to the fact that this bill appropriates sufficient funds to bring the number of planes up to the full quota of 5,500. At the same time the bill provides that a sufficient number of planes shall be purchased to bring the total up to approximately 4,300, and that decision as to contracting for the additional 1,200 planes to complete the authorized quota be entirely in the hands of the President, dependent upon his judgment as to military necessity. This provision can only be accepted as a subterfuge. It is absolutely meaningless inasmuch as the President has already recommended that we immediately enter contracts to complete the full quota of 5,500 planes.

It is estimated that by the end of the fiscal year of 1940 we will have the full complement of 2,320 military planes, as called for by the Baker Board. It would certainly be preferable under existing conditions to authorize the purchase of from 1,000 to 1,500 planes per year during the next 4 years, gradually building to our full quota and taking care of replacements. The proposed program of the Air Corps calls for 3,300 planes of military value with a rotating reserve of 40 percent. Heretofore the Air Corps has operated on a 12½-percent reserve.

At the time Congress enacted the legislation authorizing this increased program, the suggestion of spreading purchases over 3 or 4 years was made but rejected. I believe it would be wise for Congress to reconsider its action and substitute an expansion and procurement program through which we will attain greater efficiency at considerable saving to the Nation. Why should we go ahead and purchase a full complement of planes immediately, when we know that from the moment they are delivered, so far as efficiency and performance are concerned, they will be inferior by several years to the planes of other nations and in a short time considered as obsolete?

Tax-Exempt Securities

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

ARTICLE FROM FORTUNE

Mr. O'CONNOR. Mr. Speaker, in connection with my bill, H. R. 5632, providing for the taxation of tax-exempt securities, I ask unanimous consent to extend my own remarks in

the RECORD and include therein a brief statement based on the area of agreement at the second Fortune magazine round table dealing with taxation and recovery. The article is a reprint from the May issue of Fortune magazine:

When large incomes are encouraged to take refuge in tax-exempt securities another blow to venture capital is given. Today it is more profitable for a wealthy man liable to heavy surtaxes to accept a small rate of interest from a tax-exempt security, involving virtually no risk, than to invest in taxable enterprises holding out the hope of a far greater return. This advantage, however, does not extend to people of small means. For example, to a married man with a net income of $5,000 a 3-percent tax-exempt security will yield the equivalent of only a 3.12-percent taxed security. But to a man with an income of $500,000 a year a 3-percent municipal bond upon which he pays no taxes is equal in value to a taxable security yielding 10.7 percent. Why should a wealthy man take a risk on investments holding out the dubious hope of an 11-percent yield when he can find an equivalent net return in tax-exempt securities that involve no risk at all?

At present there are more than $19,000,000,000 worth of State and local tax-exempt securities outstanding. A large part of these securities is still held by institutions that do not profit from tax exemption but that do insist on safety, but nearly half of such securities are also held by individuals. Following the reduction of surtaxes in 1925, the ratio of tax-exempt interest to the total of millionaire incomes dropped from 8.41 percent to 2.98 percent, but following the reimposition of high surtaxes in 1932 the percentage of income from this source rose to 6.4 percent in 1933 and 18.43 percent in 1934. That these figures are not conclusive is indicated by the fact that in 1935 the percentage of income from tax-exempts fell to 6.5 percent. This may have been due to the fact that with recovery income from stocks increased, while tax-exempt income remained constant. Nevertheless, we are of the opinion that when the higher surtaxes are raised there is an inevitable tendency on the part of those subject to such surtaxes to increase their holdings of tax-exempt securities.

We all believe that these tax exemptions should be discontinued. Coupled with high surtaxes the present policy of tax exemption is a positive discouragement to risk taking on the part of those most able to afford it. The States and municipalities complain that termination of tax exemption would increase their cost of borrowing. But in the last analysis the same taxpayer foots the bills for the Federal, State, and municipal Governments. He should look with favor upon a tax system that promotes rather than hinders the development of new enterprise and employment.

Although the round table is unanimous as to the desirability of ending tax-exempt securities for the future, differences arise as to the best means of bringing this about. We cannot enter upon a discussion of whether Congress has the constitutional authority to tax State securities. Nevertheless, a majority of us believe that Congress should pass a law ending the exemption of all such securities issued in the future, leaving to the Supreme Court the task of deciding whether such a statute would be valid. We favor this course because it is doubtful whether three-fourths of the State legislatures in any foreseeable period would approve an amendment authorizing Congress to tax their securities unless Congress gave something to the States in return.

Certain of our colleagues do not go along with us here. They express the view that should the Supreme Court decide that Congress by ordinary statute could tax future State securities, it would follow that Congress had the power to tax existing securities. Investors, whether individual or institutional, have bought tax-exempt securities to the amount of more than $19,000,000,000 in reliance upon tax immunity. It would be unwise for Congress to give the Court an opportunity to reverse a long-settled doctrine, affecting the value of such a vast quantity of outstanding securities. They believe that a constitutional amendment should limit the termination of tax exemption to securities issued in future.

The majority of us do not fear that simply because Congress may have the power to tax tax-exempt securities, whether outstanding or to be issued, it follows that Congress would exercise this power retroactively. Congress and the President could make it clear that they have no such intention; and even though any commitment on their part would not bind future administrations, it would have great moral weight.

Airplanes and National Defense

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

EXCERPTS FROM HEARINGS ON H. R. 6791

Mr. SNYDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting excerpts of the hearings on the supplemental military appropriation bill for 1940, H. R. 6791.

We had before our committee many of the military experts, and it has been suggested to me by some of my colleagues that I insert certain statements from these experts that I think are essential in interpreting our national-defense needs.

On page 273 of the hearings you will find the statement of Hon. Harry H. Woodring, Secretary of War. I am inserting some of the questions asked Mr. Woodring and his answers to same:

Mr. SNYDER. Mr. Secretary, we have asked you to come down to close our hearings on the last increment of the President's national-defense program, presented in his message of January 12, 1939. We had hearings on the first increment in connection with the regular 1940 appropriation bill, which included $50,000,000 for 565 airplanes, and later on the second increment—the $110,000,000 "critical items" phase—and now we have this last increment dealing with Air Corps expansion, expansion of the garrison in Panama, and educational orders.

It seemed to us that it was only fitting and proper that you should come up and give us the benefit of your views before we proceeded to draft the bill which we shall present to the House. We should be glad to have you proceed, Mr. Secretary.

Secretary WOODRING. Most of the members of this committee know that for the past several months the world has trembled in fear and apprehension of the approach of another harrowing major conflict. Kaleidoscopic changes in the status of peoples and nations have been almost continuous. The schoolboy finds his geography book of yesterday out of date today. These international circumstances, or, you might say, world conditions, of course, have directed consideration to the defensive requirements of the United States. * * * An antiquated Army can serve only as a millstone upon the back of the taxpaying public. All of the millions of dollars that this committee has appropriated since I have known it would be worth very little unless augmented by increased appropriations to modernize and to keep that investment that we have already made, to keep it in the position where military experts tell me that it is necessary to keep it, to extend, to expand, and to modernize, so that we can give you military assurance that our defense is equal to the modernization and the improvements that have gone forward in other countries of the world.

I am firm in my belief that final enactment of President Roosevelt's program for vitalization and further strengthening of our defenses will go far toward complete assurance of peace and security—assurance that the sons of the veterans of the 1917–18 world conflict will not be called upon to assume the wartime responsibilities and burdens which devolved upon their fathers.

AIR CORPS EXPANSION PROGRAM

The Chief of Staff, General Craig, and other War Department officials have already appeared before this committee and afforded its members a rather detailed explanation of the items under consideration, particularly of those pertaining to the expansion of the Air Corps. I wish to emphasize that the Air Corps expansion program is not designed to meet any definitely foreseen emergency, nor is any item in the whole defense program. The program is a measure of preparedness against any eventuality, a well-rounded defense program that permits America to speak with authority for peace and should be authorized and started immediately.

Please let me discuss the genesis of the proposed airplane program, which has been discussed in many circles. Studies are continuously in progress in the War Department on the varied requirements for national defense and on the means for meeting the different requirements occasioned by the changing factors upon which they depend. Not only the state of political tension throughout the world which has obtained in recent months but the extremely rapid development in aviation and the consequent emphasis being placed upon aerial warfare demanded reorientation of aviation requirements. Studies under way last fall concerned not only the possible M day requirements but subsequent requirements. As a basis for computation of costs and for an examination of the capacity of the airplane industry, various programs were set up. Some extravagant statements were made by some extravagant public speakers, but finally close appraisal of all tentative studies led the way to a modest, balanced program based alone on the defense of this Nation. My assumption is that out of that came a well-balanced, modest program. The balanced program finally adopted called for 5,500 planes. All experience indicates that a balanced program demands excess planes over your initial defense program. An excess over initial requirements of combat planes will be necessary in the early stages of an emergency to replace the wastages of war until industry can absorb the production load; an excess over initial requirements of training planes will be required because of the increased training requirements in an emergency. Provision for excess training planes now will permit industry to concentrate on production of combat airplanes should a major emergency arise.

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EXPANSION OF PANAMA GARRISON

Let me turn to the requirements for the defense of the Panama Canal. Assurance of the impregnability of that interoceanic

waterway is absolutely vital to the military security of the United States, a nation which places its initial defense reliance upon its naval forces. The Navy must at all times be assured of rapid and safe transit of the Canal from one ocean to another. The defense of that waterway is a responsibility of the Army. It is essential, therefore, that the personnel of the now undermanned coast-artillery installations, particularly those of the antiaircraft-artillery units, be augmented at the earliest practicable moment. It is essential, too, that the aviation elements in the Canal Zone be increased. The day has passed when the seacoast-defense guns on the Atlantic and Pacific sides of the Canal provide the primary defense of that waterway. It is with the defense of the Canal in mind that we recently have ordered the creation of the Puerto Rican Department with its projected air base. The defense of the Canal likewise enters into the considerations governing the establishment of air bases in the southern part of the continental United States. Augmentation of the aviation elements in the Hawaiian Islands will also give added security to the Canal against attack from the Pacific. As a matter of fact, assurance of the impregnability of the Panama Canal alone justifies practically all of the Air Corps expansion program. * * * I consider the President's program exceedingly conservative and modest. Did not a single war cloud hover in the skies, scientific technical developments in the means of warfare still would demand reorientation of our defensive requirements.

Excerpts from Col. Charles A. Lindbergh's testimony before the committee:

Mr. SNYDER. Colonel, you have laid particular emphasis upon the matter of quality. Would you care to express yourself upon the quantity phase. The estimates pending before us call for 2,467 additional airplanes, of which a considerable number will be in a rotating reserve. Would that seem to you to be an unreasonable measure of air-defense preparation?

Colonel LINDBERGH. I do not believe it is either practicable or advisable for this country to attempt to compete with Europe in the quantity production of military aircraft under present conditions. On the other hand we should certainly increase the strength of our Air Corps and I believe the present plans are very conservative in this respect. It would, in my opinion, be an error to reduce the number of planes called for in the expansion program of the Army Air Corps, unless it is necessary to make a slight reduction in quantity in order to obtain an improvement in quality.

Mr. SNYDER (following discussion off the record). Speaking for the committee, Colonel Lindbergh, we appreciate more than we can say in words your coming up here and talking to us so frankly and informatively.

Colonel LINDBERGH. I wish I could have given you more information on the subject.

Excerpts from testimony of Hon. Louis Johnson, Assistant Secretary of War:

Mr. SNYDER. The authorization act contemplated the expenditure of some of this money during the fiscal year 1941. Why are you asking for the entire amount now?

Colonel RUTHERFORD. The program is so important that we want to get it out just as rapidly as possible. It is a very difficult matter to say how much will actually be withdrawn from the Treasury in the first year or in the second year, and we would like to get as much as possible accomplished in the first year. Certainly the program will run into the second year, but to be entirely safe and to leave our hands completely free we felt that the total amount in cash would be the best thing that we could ask for.

Mr. SNYDER. You have some reason, economic or otherwise, for making the statement that you would like to get most of it the first year?

Colonel RUTHERFORD. It is such an important element of preparedness that we want to get the program completed just as quickly as possible.

Mr. SNYDER. Would there be any financial advantage in having it available for expenditure the first year?

Mr. JOHNSON. I propose to let the whole business the first year or as soon as possible, after they have shown satisfactory qualifications as bidders.

Mr. COLLINS. Why as soon as possible? You folks are alarming me with all of this "as soon as possible" stuff.

Mr. JOHNSON. No; not in that sense, Mr. COLLINS, but in the sense of getting it started.

Mr. BOLTON. Is it not better, Mr. COLLINS, to be prepared industrially than it is to spend all of these millions of dollars for troops and, so forth, as we are doing today, and not have the material to fight with?

Excerpt from testimony of Gen. Malin Craig, Chief of Staff:

Mr. COLLINS. Did you initially recommend 5,500 or 6,000 planes or any such program as that?

General CRAIG. This 5,500-airplane program, as I have stated before, has now and always has had my unqualified approval.

Neutrality

EXTENSION OF REMARKS
OF
HON. W. O. BURGIN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

EDITORIAL FROM THE GREENSBORO (N. C.) DAILY NEWS

Mr. BURGIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which was published in the Greensboro Daily News of June 15:

[From the Greensboro (N. C.) Daily News of June 15, 1939]

NEUTRALITY ARGUMENT

One of the strongest arguments that the Daily News has encountered for passage of the administration sponsored Neutrality Act, insofar as our own reaction is concerned, inheres in the oppositional statement of Representative HAMILTON FISH to the legislation in question.

The New York Republican has declared that lifting of the arms embargo, as proposed in the discretionary power given the President under the pending measure, would be helping Great Britain. While Mr. FISH did not say so, the inference, in clear apposition to his statement, is that failure to lift it would mean helping Germany. Between these alternatives the overwhelming majority of the American people will have no difficulty whatever in arriving at a quick and abiding decision.

There is between these two extremes, moreover, a middle ground which presses for consideration. Under a rigid bill, where this or that step is mandatory if any foreign nation takes certain action, determination of American foreign policy, regardless of our own interests and necessities, is left to outside forces, the very nations whose policies may be inimical to our own programs and ideals.

Instead of accepting or rejecting a measure because it may help Germany or even Great Britain, to whom our sympathies and manifold ties naturally bind us, "it might occur to the American people," as the Lynchburg News summarizes, "that the best plan would be to leave ourselves free to help whom we please at the time it pleases us." That, according to the Daily News' understanding, is precisely what the pending measure, embodying the view recently expressed by Secretary of State Hull after prolonged study and deliberation, would do. Nothing, it seems to us, could be more dangerous, amidst prevailing uncertainties and the obvious ascendance of balance-of-power international politics, than to tie our Government's hands or commit it in advance to a rigid course which some other power, by deliberate action, would call into force.

The Public Interest Demands a System of Transportation Which Insures to the Producer and the Consumer the Inherent Economies of Each Form of Transport Service

EXTENSION OF REMARKS
OF
HON. LINDSAY C. WARREN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

STATEMENT BY SEVERAL REPRESENTATIVES

Mr. WARREN. Mr. Speaker, a bill placing all water carriers in this country under the control and regulation of the Interstate Commerce Commission will soon be up for consideration on the floor of the House. A number of Members of the House feel this legislation is of deep concern to the country. These House Members feel that this proposed legislation should not pass. They have selected a steering committee and in a statement addressed to the House Members they have pointed out a number of the objectionable and dangerous features in the legislation.

Mr. Speaker, I ask unanimous consent to have this statement printed in the CONGRESSIONAL RECORD.

The statement is as follows:

DEAR COLLEAGUE: The Wheeler-Lea regulation bills present a problem of vital concern to the Members of the House and to the country. This proposed legislation will soon be up for consideration upon the floor of the House. We are presenting you some facts which we believe of the highest importance and sincerely hope that you will read and consider them.

All the important agencies of the Government charged with dealing with the transportation problem have been called upon to give their views regarding this legislation. These agencies consist of the War Department, which includes the Corps of Army Engineers, the Maritime Commission, and Mr. Eastman, the chairman of the legislative committee of the Interstate Commerce Commission. The facts they present are pertinent and important. We present them to you and urge that you study and weigh them.

WAR DEPARTMENT

The Secretary of War is especially fortunate in having under his direction and control the Corps of Engineers of the United States Army. There is no force of Government officials who are more competent or more devoted to the public interest than the Army engineers. Under the direction of Congress, they have expended hundreds of millions of dollars in the development of facilities for low-cost water service. Every dollar has been honestly and economically expended. Their duties require them to be familiar with the economies and public benefits of these services before undertaking the improvements.

Chairman LEA, of the Interstate and Foreign Commerce Committee of the House, on April 8, acting in the public interest, called upon the Secretary of War for the views of his Department regarding the provisions of House bill 4862, known as the Lea bill. In due course the Secretary replied to Chairman LEA, giving the views of that Department regarding the proposed legislation. These views are most instructive and should be very helpful to Members of Congress. In discussing the waterway features of the regulation bill, the Secretary said:

"As far as this Department is aware, there is no dissatisfaction on the part of the public with the transportation service afforded on the inland waterways; charges are fully compensatory and there is no destructive rate warfare as between carriers."

Dealing further with the dangers of regulation to low-cost water services, the Secretary states:

"It has not been possible to find in the 243 pages of this bill a single proposal that the railroads do anything whatever toward the amelioration or improvement of their own situation. All the provisions seem designed to free them from restraints and obligations, while imposing prohibitive tolls and restrictions on their water competitors and making it more expensive for the public to move freight. Under these provisions inland water carriers can easily be regulated and taxed out of existence without the recapture of enough tonnage to effect railroad earnings appreciably."

The Secretary, in his letter to Chairman LEA, also makes the following instructive and helpful statement:

"It is essential to realize that water transportation is unlike all other forms of carriage. It is the aggregate of thousands of small, independent operators on the inland waterways which gives the character, furnishes the natural regulation, and automatically enforces the fair practices required in this type of transport. But it cannot sustain for long the concerted attack of powerful competitors, not because it is not basically sound but because every resource of a powerful adversary has been brought to bear to prevent its becoming established on a normal basis. The remarkable fact is, not that there is so little water-borne tonnage, but that so large a volume actually seeks the waterways in the face of the most determined efforts to prevent it."

We do not believe there is any agency of the Government which enjoys more completely the confidence of the Members of Congress than the Corps of Engineers of the Army, and the services of this corps are at the command of the Secretary of War. We quite agree with the statement of the War Department that there is no dissatisfaction on the part of the public with the transportation services afforded on our waterways, and insofar as we have been able to learn, freight charges on these waterways are fully compensatory and there is no destructive warfare between the carriers.

We are impressed with the statement that while vast abuses are possible under the bill, it is not possible to find in the 243 pages of the bill a single proposal that the railroads do anything whatever toward the amelioration or improvement of their own situation. We are also impressed with the conclusion of the Department that the very nature of the services upon the waterways gives character, furnishes natural regulation, and automatically enforces the fair practices required in this type of transport. We fully recognize the unselfish public interest of the War Department.

MARITIME COMMISSION

The views of the Maritime Commission, as expressed by Chairman Land, are clearly opposed to the regulation of water services by the Interstate Commerce Commission. (See p. 6078, CONGRESSIONAL RECORD of May 24, 1939.) Congress has placed under the charge of the Maritime Commission all the water-carrier regulation which it has thus far seen fit to authorize. With reference to the provisions of the Wheeler bill, Admiral Land said:

"It proposes to expand and change the method of regulation of water transportation, not on the theory that the public using the water carriers demands or would be benefited by such regulation but on the theory that the present economic situation of the railroads require the form of regulation of water carriers provided for in this bill. I think that from your own experience in Congress you will arrive at the conclusion that there is no demand for the enactment of the present bill on the part of shippers or the general public.

"As a matter of fact, farm organizations, shippers, and their trade associations are alarmed at the proposals which the bill contains and sincerely believe that its passage would be detrimental to their interests. The farmers and other shippers in particular are convinced that the effect of the present bill would be to force water transportation rates to levels closely approximating those of rail rates and higher than necessary to reflect the reasonable cost of water transportation, and that they, the users of water transportation, would be footing the bill for the sole benefit of the railroads."

In discussing the interest of the railroads in this proposed legislation, Admiral Land had the following to say:

"The seven principal western railroads carried 208,000,000 short tons of revenue freight in 1936 whereas both the common and the contract intercoastal carriers by water together carried 7,500,000 short tons. If this water traffic had moved by these western railroads, it would have increased their revenue tonnage by only 3.6 percent, and by reason of the low rates applicable to most of the commodities their revenues would be increased by an even smaller percentage."

The attitude of the Maritime Commission toward the transportation problem and toward the general public, as well, is clearly indicated in the following language used by Admiral Land:

"It is to be kept in mind that the primary purpose of the Congress in fostering our domestic commerce is to provide transportation at reasonable costs, to be fair to the carriers in the trade but not at the expense of the shipping public. It is particularly important that this congressional purpose be adhered to at the present time in the interest of our national economy in order to promote the use of these facilities in the solution of one of our major economic problems, that is, the greater distribution of farm products and other basic commodities. As an illustration, water rates on the principal commodities moving in the intercoastal trade, range from about 30 to 80 percent of rail rates and on the average are about one-half of the comparable rail rates."

We are profoundly impressed by the statement of Admiral Land regarding the savings to the public, in the intercoastal use of water transportation. Our information convinces us that water-carrier services are being rendered upon the lakes and upon our inland rivers at much greater differentials under the rail rates than the savings shown by Admiral Land in the intercoastal trade. How long do you think these economies will continue, if Congress permits these water-carrier rates to be fixed by the Interstate Commerce Commission?

Joint rail and water rates on our inland rivers have been under the control of the Interstate Commerce Commission for approximately 20 years, and those rates, fixed by the Commission, range from 80 to 95 percent of all the rail rates, while the unregulated port-to-port rates on our inland rivers range from one-fifth to one-half of all rail rates. Under the regulation of the Interstate Commerce Commission, truck and bus rates are now approaching rail rates throughout the country.

It is perfectly apparent that regulation such as this is not in the public interest. Referring to the proposal of the Wheeler bill that Congress place water services under the Interstate Commerce Commission, Admiral Land makes the following pertinent observation:

"Congress has previously rejected all requests of the railroads or the Interstate Commerce Commission to place the regulation of water carriers under that Federal agency. It has very recently reaffirmed its position that regulation of rail carriers and water carriers should be kept distinct.

"The Merchant Marine Act, 1936, contained a provision authorizing the President, after 2 years, to transfer the regulatory powers of the Maritime Commission over water carriers to the Interstate Commerce Commission. On the basis of a careful study of this problem, the Congress saw fit in the last session to withdraw this authority for transfer by Executive action."

Like the Corps of Army Engineers, Admiral Land was schooled in patriotism. He has rendered valuable services in the defense of his country. He is rendering a useful service in his efforts to build an American-flag merchant marine. His experience and judgment in dealing with water-transport services is well worthy of the sympathetic consideration of Congress.

INTERSTATE COMMERCE COMMISSION

Commissioner Joseph B. Eastman, chairman of the legislative committee of the Interstate Commerce Commission, appeared before the Wheeler committee on April 13 and 14 last to voice opposition to the Wheeler bill. He pointed out many serious objections. He especially objected to the provision to virtually codify the entire Interstate Commerce Act. He conceives no need for such a codification and feels that the time is too short to determine all the dangers in such far-reaching legislation. The following is an extract from Commissioner Eastman's testimony:

"In the first place, it seems to me that every major objective of the bill can be accomplished, and readily, without such a codification.

"In the second place, it seems to me that there is no real demand for it.

"In the third place, I think that it would be a better plan to continue to have a separate part for motor carriers and a separate part for water carriers. * * *

"As a matter of fact, I do not personally anticipate that the regulation of water carriers will be of any great benefit to the railroads. * * *

"Fourth, if there were need for such codification, a public body should do the work and make a report of what it has done before the matter comes up for consideration (1). * * *

"I mean a public body as distinguished from a committee of railroad executives and railroad employees, a body that looks at this matter from the standpoint of the public interest, and then makes a report in which it shows just what it has done, what it proposes to do, and what the reasons are. * * *

"If you are going to undertake such an important job as the codification of the Interstate Commerce Act, I think, as a matter of procedure, the initial work should be done by a body representing the public and that body should make a report which will disclose what it has done and the reasons for it, so that those who are directly interested and concerned can have full notice of what is being proposed, instead of being asked in the middle of a session to consider, without any such report, a bill of 183 pages, or two-hundred-odd pages, and be asked to look that through and to find out, at their peril, in what way it may affect them. I do not believe that is proper procedure."

There is no mistaking the views of Mr. Eastman as to the dangers incident to rushing this far-reaching and little understood legislation through Congress. We may not always agree with Mr. Eastman's views, he is, however, the best recognized authority on transportation in America and no man can question his ability, his integrity, or his patriotism. When Mr. Eastman sounds a warning, such as we have heard, it is time that Congress should heed it.

AGRICULTURE

No industry is so much concerned about low-cost transportation as agriculture. Farms are located far in the interior and nothing will do more to solve the agricultural problem than low-cost transportation in the agricultural area. Industry in the midst of agriculture is a great benefit to the farmer. Industry cannot thrive where freight rates are high. You can move your factory to the seashore where freight rates are lower but you cannot move your farm.

Factories have been developing and population has been increasing around the seashore until now 57 percent of our population live within 50 miles of the deep-water rim of the country. Agricultural States are suffering, their populations are not keeping pace, and their representation in Congress is declining. The agricultural belt in the upper Mississippi Valley lost 17 seats in Congress during the 20 years preceding the last census. Missouri lost 3 seats, Kansas lost 2 seats, Nebraska lost 2 seats, and Iowa lost 2 seats.

Agricultural groups have repeatedly appeared before committees in Congress favoring low-cost water services upon our inland rivers as an aid to agriculture. In recent years every farm organization, including the National Grange, the American Farm Bureau, and the Farmers' Union, have appeared to support these low-cost water services, and no farm representative has ever appeared to oppose them.

The hope of the farmer has been growing brighter. Waterway projects penetrating the great agricultural area are nearing completion. Low-cost water services shortening the distance between the farm and the market and between factory and the farm are soon to be available. And now, with this bright prospect ahead, this threat of I. C. C. regulation came to endanger the economical water services for which the farmer has waited so long. Every true friend of the farmer should do his utmost to defeat those Wheeler-Lea bills.

LABOR

As we have already stated, there is no public demand for this legislation. No one who pays the freight has appeared before either committee in Congress supporting it. No one has appeared in the name of the producing and consuming public. The shippers are not for it, numerous representatives of agriculture have recently appeared to oppose it, and none have favored it.

We are advised that large groups of water-carrier workers, realizing that their jobs are being jeopardized, are exerting themselves to defeat this legislation.

A large portion of the railway workers do not favor the Wheeler-Lea bills. To illustrate, Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, in an address in Cleveland on May 11, 1939 (see the Railroad Trainman, June 1939) had the following to say:

"Today another serious fight is in progress in Congress, having to do with the railroad problem. This struggle revolves about the Lea bill, which was introduced early in the present session. That bill was drafted by Wall Street bankers and by members of the Committee of Six, and favors, of course, the banking interests, which eternally have come in for first consideration as against the rights of labor. We are not being fooled by some of the stuff which is being proposed. It looks innocent enough on the face, but when you dig into it you will find that it carries "teeth" for the purpose of biting into organized labor.

This Lea bill would like to leave the door open for reorganizations and consolidations of railroads, which, if carried into effect, would make great inroads into the ranks of labor. But I have taken the position, and expect to maintain it, that if there is to be a liquidation of any sort, it shall be a liquidation of the false capital structures which our bankers have fixed on the railroads rather than a liquidation of labor. Our jobs are vastly more important than the job of the "coupon clipper."

Thus we have the opposition of the War Department, the opposition of the Maritime Department, of Mr. Eastman, our best informed and greatest expert on transportation, the opposition of agriculture, of maritime labor, and a large block of railway labor. We have the opposition of industry, which must bear the burden and pay the freight.

In the face of such fears, anxiety, and warnings, does not sound public policy demand that action on this proposed legislation be delayed until the Congress and the country can find out what the Wheeler-Lea bills really mean and what their effect would be upon agriculture, commerce, and industry, as well as their effect upon the general welfare of the Nation as a whole? We sincerely hope that you will give this matter your serious and sympathetic consideration.

Respectfully submitted.

Lindsay C. Warren, North Carolina; Francis D. Culkin, New York; J. J. Mansfield, Texas; S. O. Bland, Virginia; Wesley E. Disney, Oklahoma; R. M. Kleberg, Texas; Vincent F. Harrington, Iowa; James C. Oliver, Maine; W. A. Pittenger, Minnesota; William M. Whittington, Mississippi, steering committee.

Wildlife Conservation

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. ROBERTSON. Mr. Speaker, the House leaders had planned tentatively to take up the conference report on the Department of Agriculture appropriation bill tomorrow, but the morning papers indicate that perhaps the report will not be ready.

One item in dispute is the grant-in-aid to the States for wildlife conservation under the so-called Pittman-Robertson Act. The House appropriated $1,500,000 for this purpose, and the Senate increased the item to $2,000,000, and the matter is still in dispute.

Last year the 10-percent excise tax on sporting arms and ammunition amounted to two million eight hundred-and-some thousand dollars, and we appropriated $1,000,000.

In the Senate hearings, at pages 460 and 461, is a letter from the Treasury Department stating that for the first 8 months of this year the collection under that excise tax amounts to $2,211,980.90. I will insert a table showing what the respective States will get under an appropriation of $1,500,000 and what they will get under a $2,000,000 appropriation.

I hope the conferees on the part of the House will agree to the Senate item of $2,000,000; but if that should be brought back in the report as an item still in disagreement between the two Houses, I hope the House will recede and concur in the Senate amendment. We are dealing with an earmarked fund which can be used for no other purpose, and the amount of which will far exceed—as shown by the excerpt from the Treasury Department letter I am inserting—the proposed $2,000,000 appropriation for the next fiscal year. On last Monday the House voted not only to continue the excise tax on sporting arms and ammunition but to make that tax permanent. And as to making that tax permanent there was complete agreement, because the money to be thus collected from the sportsmen of the country was to be used for their benefit.

The Treasury letter and tables of State allotments are as follows:

TREASURY DEPARTMENT,
Washington, March 27, 1939.

During the fiscal year 1938, there was collected, under the foregoing section, $2,826,973.06, which was credited to the general fund as internal-revenue collections, and is included in the general-fund balance. As indicated above, beginning July 1, 1938, the receipts have been credited to a separate general fund receipt account, "Tax on firearms, shells, and cartridges, section 610, Revenue Act of 1932," but such receipts are not specifically earmarked for "Federal aid to wildlife restoration" until further action is taken by the Congress.

Firearms, shells, cartridges, etc.—Collections under sec. 610, title IV, Revenue Act of 1932 (1933 to Feb. 28, 1939, inclusive)

Fiscal year:	
1933	$896,833.02
1934	2,410,989.81
1935	2,143,007.67
1936	2,494,574.54
1937	3,234,357.22
1938	2,826,973.06
Total	14,006,735.32
1939 (8 months)	2,211,988.90
Grand total	16,218,724.22

TABLE 1.—*Apportionment of funds to States for use in Federal aid in wildlife restoration projects for the fiscal year ending June 30, 1940, pursuant to sec. 5 of act approved Sept. 2, 1937 (50 Stat. 917), based on an appropriation of $1,500,000*

State	Area in acres	Apportionment on basis of area	Paid license holders, fiscal year 1938	Apportionment on basis of license holders	Total Federal apportionment	State contribution	Grand total for projects
Alabama	33,278,720	$11,853.97	88,786	$8,943.27	$20,797.24	$6,932.41	$27,729.65
Arizona	72,931,840	25,978.51	28,592	2,880.03	28,858.54	9,619.51	38,478.05
Arkansas	24,134,400	12,158.76	36,419	3,668.43	15,827.19	5,275.73	21,102.92
California	101,310,080	36,086.91	215,435	21,700.42	57,787.33	19,262.44	77,049.77
Colorado	66,526,720	23,696.99	110,151	11,095.33	34,792.32	11,597.44	46,389.76
Connecticut	3,177,600	1,131.87	27,235	2,743.34	3,875.21	1,291.74	5,166.95
Delaware	1,516,800	540.29	15,656	1,577.00	2,117.29	705.76	2,823.05
Florida	37,546,240	13,374.06	55,635	5,604.02	18,978.08	6,326.03	25,304.11
Georgia	37,929,600	13,510.62	66,220	6,670.23	20,180.85	6,726.95	26,907.80
Idaho	53,688,320	19,123.92	84,775	8,539.25	27,663.17	9,221.06	36,884.23
Illinois	36,265,600	12,917.90	274,139	27,613.58	40,531.48	13,510.49	54,041.97
Indiana	23,266,560	8,287.61	428,937	43,206.14	51,493.75	17,164.58	68,658.33
Iowa	35,934,080	12,799.81	132,447	13,341.17	26,140.98	8,713.66	34,854.64
Kansas	52,581,120	18,729.53	74,358	7,489.96	26,219.49	8,739.83	34,959.32
Kentucky	25,982,720	9,255.11	95,239	9,593.27	18,848.38	6,282.79	25,131.17
Louisiana	31,043,840	11,057.89	73,487	7,402.23	18,460.12	6,153.37	24,613.49
Maine	21,145,600	7,532.12	95,029	9,572.12	17,104.24	5,701.41	22,805.65
Maryland	7,889,280	2,810.18	63,247	6,370.77	9,180.95	3,060.32	12,241.27
Massachusetts	5,290,240	1,884.40	71,102	7,161.99	9,046.39	3,015.46	12,061.85
Michigan	37,107,200	13,217.68	648,966	65,369.31	78,586.99	26,195.66	104,782.65
Minnesota	54,196,480	19,304.92	213,997	21,555.57	40,860.49	13,620.16	54,480.65
Mississippi	29,993,600	10,683.79	105,974	10,674.59	21,358.38	7,119.46	28,477.84
Missouri	44,428,800	15,825.65	154,583	15,570.90	31,396.55	10,465.52	41,862.07
Montana	94,078,080	33,510.85	77,896	7,846.34	41,357.19	13,785.73	55,142.92
Nebraska	49,612,800	17,672.20	139,022	14,003.46	31,675.66	10,558.55	42,234.21
Nevada	70,841,600	25,233.96	8,448	850.95	26,084.91	8,694.97	34,779.88
New Hampshire	5,978,240	2,129.46	50,210	5,057.57	7,187.03	2,395.68	9,582.71
New Jersey	5,263,360	1,874.82	126,388	12,730.86	14,605.68	4,868.56	19,474.24
New Mexico	78,485,760	27,956.83	24,313	2,449.01	30,405.84	10,135.28	40,541.12
New York	31,490,560	11,217.02	649,973	65,470.74	76,687.76	25,562.59	102,250.35
North Carolina	33,552,640	11,951.54	149,468	15,055.67	27,007.21	9,002.40	36,009.61
North Dakota	45,335,680	16,148.08	16,570	1,669.07	17,817.75	5,939.25	23,757.00
Ohio	26,265,600	9,355.88	507,732	51,143.03	60,498.91	20,166.30	80,665.21
Oklahoma	44,807,680	15,960.61	85,578	8,620.13	24,580.74	8,193.58	32,774.32
Oregon	61,887,360	22,044.44	77,478	7,804.23	29,848.67	9,949.56	39,798.23
Pennsylvania	28,880,640	10,287.35	606,371	61,078.78	71,366.13	23,788.71	95,154.84
Rhode Island	798,720	284.51	8,398	845.92	1,130.43	376.81	1,507.24
South Carolina	19,832,960	7,064.55	86,416	8,704.55	15,769.10	5,256.37	21,025.47
South Dakota	49,673,600	17,693.86	31,269	3,149.68	20,843.54	6,947.85	27,791.39
Tennessee	26,894,080	9,579.74	69,381	6,988.64	16,568.38	5,522.79	22,091.17
Texas	170,202,240	60,626.47	109,895	11,069.55	71,696.02	23,898.67	95,594.69
Utah	54,393,600	19,375.14	51,888	5,226.60	24,601.74	8,200.58	32,802.32
Vermont	6,120,960	2,180.30	44,919	4,524.62	6,704.92	2,234.97	8,939.89
Virginia	27,281,280	9,717.66	130,238	13,118.67	22,836.33	7,612.11	30,448.44
Washington	44,241,280	15,758.85	204,368	20,585.66	36,344.51	12,114.84	48,459.35
West Virginia	15,468,800	5,510.02	174,857	17,613.07	23,123.09	7,707.70	30,830.79
Wisconsin	35,882,240	12,781.35	238,538	24,027.55	36,808.90	12,269.63	49,078.53
Wyoming	62,664,960	22,321.42	20,081	2,022.73	24,344.15	8,114.72	32,458.87
United States	1,937,100,160	690,000.00	6,850,104	690,000.00	1,380,000.00	459,999.98	1,839,999.98
Deduction for the administration of this act					120,000.00		
Total					1,500,000.00		

TABLE 2.—*Apportionment of funds to States for use in Federal aid in wildlife restoration projects for the fiscal year ending June 30, 1940, pursuant to sec. 5 of act approved Sept. 2, 1937 (50 Stat. 917), based on an appropriation of $2,000,000*

States	Area in acres	Apportionment on basis of area	Paid license holders, fiscal year 1938	Apportionment on basis of license holders	Total Federal apportionment	State contribution	Grand total for projects
Alabama	33,278,720	$15,805.29	$88,786	$11,924.36	$27,729.65	$9,243.22	$36,972.87
Arizona	72,931,840	34,638.01	28,592	3,840.03	38,478.04	12,826.01	51,304.05
Arkansas	34,134,400	16,211.68	36,419	4,891.24	21,102.92	7,034.31	28,137.23
California	101,310,080	48,115.88	215,435	28,933.90	77,049.78	25,683.26	102,733.04
Colorado	66,526,720	31,595.98	110,151	14,793.78	46,389.76	15,463.25	61,853.01
Connecticut	3,177,600	1,509.16	27,235	3,657.78	5,166.94	1,722.31	6,889.25
Delaware	1,516,800	720.39	15,656	2,102.67	2,823.06	941.02	3,764.08
Florida	37,546,240	17,832.09	55,635	7,472.03	25,304.12	8,434.71	33,738.83
Georgia	37,929,600	18,014.16	66,220	8,893.65	26,907.81	8,969.27	35,877.08
Idaho	53,688,320	25,496.55	84,775	11,385.67	36,884.22	12,294.74	49,178.96
Illinois	36,265,600	17,223.86	274,139	36,818.11	54,041.97	18,013.99	72,055.96
Indiana	23,266,560	11,050.15	428,937	57,608.18	68,658.33	22,886.11	91,544.44
Iowa	35,934,080	17,066.41	132,447	17,788.23	34,854.64	11,618.21	46,472.85
Kansas	52,581,120	24,972.70	74,358	9,986.62	34,959.32	11,653.11	46,612.43
Kentucky	25,982,720	12,340.15	95,239	12,791.03	25,131.18	8,377.06	33,508.24
Louisiana	31,043,840	14,743.86	73,487	9,869.64	24,613.50	8,204.50	32,818.00
Maine	21,145,600	10,042.82	95,029	12,762.82	22,805.64	7,601.88	30,407.52
Maryland	7,889,280	3,746.91	63,247	8,494.36	12,241.27	4,080.42	16,321.69
Massachusetts	5,290,240	2,512.53	71,102	9,549.32	12,061.85	4,020.62	16,082.47
Michigan	37,107,200	17,623.57	648,966	87,159.07	104,782.64	34,927.55	139,710.19
Minnesota	54,196,480	25,739.90	213,997	28,740.77	54,480.67	18,160.22	72,640.89
Mississippi	29,993,600	14,245.06	105,974	14,232.79	28,477.85	9,492.62	37,970.47
Missouri	44,428,800	21,100.87	154,583	20,761.20	41,862.07	13,954.02	55,816.09
Montana	94,078,080	44,681.13	77,896	10,461.79	55,142.92	18,380.97	73,523.89

TABLE 2.—*Apportionment of funds to States for use in Federal aid in wildlife restoration projects for the fiscal year ending June 30, 1940, pursuant to sec. 5 of act approved Sept. 2, 1937 (50 Stat. 917), based on an appropriation of $2,000,000—Continued*

States	Area in acres	Apportionment on basis of area	Paid license holders, fiscal year 1938	Apportionment on basis of license holders	Total Federal apportionment	State contribution	Grand total for projects
Nebraska	49,612,800	$23,562.94	$139,022	$18,671.28	$42,234.22	$14,078.07	$56,312.29
Nevada	70,841,600	33,645.28	8,448	1,134.60	34,779.88	11,593.29	46,373.17
New Hampshire	5,978,240	2,839.29	50,210	6,743.43	9,582.72	3,194.24	12,776.96
New Jersey	5,263,360	2,499.76	126,388	16,974.48	19,474.24	6,491.41	25,965.65
New Mexico	78,485,760	37,275.77	24,313	3,265.35	40,541.12	13,513.71	54,054.83
New York	31,490,560	14,956.02	649,973	87,294.32	102,250.34	34,083.45	136,333.79
North Carolina	33,552,640	15,935.38	149,468	20,074.23	36,009.61	12,003.20	48,012.81
North Dakota	45,335,680	21,531.58	16,570	2,225.43	23,757.01	7,919.00	31,676.01
Ohio	26,265,600	12,474.50	507,732	68,190.71	80,665.21	26,888.40	107,553.61
Oklahoma	44,807,680	21,280.81	85,578	11,493.51	32,774.32	10,924.77	43,699.09
Oregon	61,887,360	29,392.58	77,478	10,405.65	39,798.23	13,266.08	53,064.31
Pennsylvania	28,880,640	13,716.48	606,371	81,438.37	95,154.85	31,718.28	126,873.13
Rhode Island	798,720	379.34	8,398	1,127.89	1,507.23	502.41	2,009.64
South Carolina	19,832,960	9,419.40	86,416	11,606.06	21,025.46	7,008.49	28,033.95
South Dakota	49,673,600	23,591.82	31,269	4,199.57	27,791.39	9,263.80	37,055.19
Tennessee	26,894,080	12,772.99	69,381	9,318.18	22,091.17	7,363.72	29,454.89
Texas	170,202,240	80,835.29	109,895	14,759.40	95,594.69	31,864.90	127,459.59
Utah	54,393,600	25,833.52	51,888	6,968.79	32,802.31	10,934.10	43,736.41
Vermont	6,120,960	2,907.07	44,919	6,032.82	8,939.89	2,979.96	11,919.85
Virginia	27,281,280	12,956.88	130,238	17,491.55	30,448.43	10,149.48	40,597.91
Washington	44,241,280	21,011.81	204,368	27,447.55	48,459.36	16,153.12	64,612.48
West Virginia	15,468,800	7,346.70	174,857	23,484.09	30,830.79	10,276.93	41,107.72
Wisconsin	35,882,240	17,041.79	238,538	32,036.73	49,078.52	16,359.51	65,438.03
Wyoming	62,664,960	29,761.89	20,081	2,696.97	32,458.86	10,819.62	43,278.48
United States	1,937,100,160	920,000.00	6,850,104	920,000.00	1,840,000.00	613,333.32	2,453,333.32
Deduction for the administration of this act					160,000.00		
Total					2,000,000.00		

The Revenue Bill

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. ANGELL. Mr. Speaker, revamping the tax structure is one of the most important problems that confronts us at this session of Congress. I supported H. R. 6851, the revenue bill which we considered this week. It has defects and needs amendments which I hope the Senate will make. It is the first forward step taken by this Congress for the purpose of modifying existing taxes, which have been strong business deterrents. It is a real victory for those of us on the Republican side who have been advocating such a step not only throughout this session but long before the Congress convened. Briefly, the bill yields $1,644,000,000 total, an estimated $15,000,000 less than current revenue.

Eliminates the 2½-percent remnant of the old undivided-profits tax, effective next year.

Substitutes 18-percent flat corporate tax on firms earning more than $25,000 and continues present 12½ to 16-percent graduated rates on companies earning less than $25,000.

Extends for 2 years $544,300,000 in temporary "nuisance" taxes and continues the $100,000,000 emergency 3-cent rate on nonlocal first-class mail. Both otherwise would expire June 30.

Permits corporations to carry over net operating losses for 2 years, deducting losses of a bad year from profits in a good one in computing taxes.

Allows corporations to increase their capital stock valuations for each of the 2 years, 1939 and 1940, providing a buffer against steep excess-profits taxes. Present law barred revaluation up or down until 1941.

It is unfortunate that the majority party could not be brought to the Republican viewpoint that these concessions to business be repealed and modifying tax rates be made effective at once so as to cover the year 1939 instead of postponing the effective date until 1940. If these amendments are good in 1940 they are good in 1939. If American industry needs encouragement in 1940 it certainly needs it now. The repeal of the undistributed-profits tax should have taken place a long time ago; in fact, it should never have been enacted, and the provisions effecting its repeal should be made effective at once. The same is true with reference to the provisions for carrying over of net business losses. Under the bill as it passed the House the present undistributed-profits tax will continue in effect through the calendar year 1939, when it expires automatically under the existing law.

The substitution of a flat corporate income tax on corporations now subject to the undistributed-profits levy will not take place until 1940. It is my belief that this substitution should be made effective as of January of this year so as to have eliminated the havoc of the undistributed-profits tax which should never have been enacted. This bill will now permit the privilege of carrying forward net business losses of 1 year to be applied against gains in the 2 succeeding taxable years, which is a commendable provision. As it passed the House it does not permit losses incurred last year to be set over against 1939 income, the tax on which becomes due next March. It does permit the 1939 corporate losses to be carried forward and applied to 1940 incomes. It is apparent this will afford no relief to distressed business concerns which are now in such great need of relief until their 1940 taxes are paid in March of 1941. Business is in dire distress and needs a tonic immediately. The good of the country and the impetus to restoration of employment depends on business recovery. If this program of tax appeasement is justified at all, it should be made effective at once and not postponed for another year. This same argument applies to the 18-percent flat rate for corporations with net incomes of over $25,000. I trust the Senate in its wisdom will make these amendments to this bill.

For 7 years now the present administration has been wrestling with the problem of unemployment and industrial stagnation. In considering this tax bill, which is the first ray of hope that there may be a modification of the program which has wrought havoc in our country, it is well to recall just what has been done by our Government in the last 7 years. At the end of this session of Congress we will have appropriated for the 7 fiscal years of this administration over sixty-five and one-half billion dollars, which equals 48.5 percent of the assessed value of all real and personal property on the assessment rolls of the 48 States of the Union. These appropriations, by years, are as follows:

72d Cong., 2d sess., and 73d Cong., 1st sess.; fiscal year 1934 and prior years	$7,692,447,339.17
73d Cong., 2d sess., fiscal year 1935 and prior years	7,527,559,327.66
74th Cong., 1st sess., fiscal year 1936 and prior years	9,579,757,330.31
74th Cong., 2d sess., fiscal year 1937 and prior years	10,336,399,272.65
75th Cong., 1st sess., fiscal year 1938 and prior years	9,356,174,982.92

75th Cong., 3d sess., fiscal year 1939 and prior years	$10,928,609,972.02
76th Cong., 1st sess., fiscal year 1940 and prior years (estimated)	10,190,311,483.23
Total appropriated for last 7 fiscal years, including 1940	65,611,259,707.96

The United States Treasury reported on February 28, 1933, the last report prior to the beginning of the present administration, that the national debt was $20,934,729,209.68. The gross debt of the United States on June 15, 1939, was $40,349,773,482, or an increase during that period of $19,415,440,273. In addition, there are contingent liabilities guaranteed by the United States which will bring the national debt to the staggering sum of $44,457,845,210 by June 30, 1940. It is interesting to compare the receipts or taxes and fees received by the United States Government, the balance or deficit, and the national debt from 1931 to and including the estimated amounts for the year 1940. These are as follows:

Receipts, deficit, and national debt for 1931–40, inclusive

Year ended June 30—	Receipts or taxes and fees paid to Government	Deficit	National debt
1931	$3,189,638,632	$901,959,080	$16,801,485,143
1932	2,005,725,437	2,942,051,451	19,487,009,766
1933	2,079,696,742	2,245,452,980	22,533,672,164
1934	3,115,554,050	3,255,393,297	27,053,085,988
1935	3,800,467,202	3,782,966,360	28,701,167,092
1936	4,115,956,615	4,952,928,957	33,545,384,622
1937	5,293,840,237	3,252,539,719	36,427,091,021
1938	6,241,631,227	4,702,165,600	37,167,487,461
1939[1]	5,520,100,000	4,072,229,000	41,131,502,010
1940[1]	5,669,300,000	3,426,363,200	44,457,845,210

[1] Estimated.

A comparison of the receipts and disbursements discloses that these enormous and abnormal deficits are due not to the impoverished condition of the country by reason of the depression through which we have been passing and therefore a dearth of tax revenues, but to an inordinate orgy of spending. Thus in 1932 and 1933 our tax receipts were little in excess of $2,000,000,000, whereas for 1937, 1938, 1939, and 1940 they will average approximately five and one-half billion dollars per year, between two and three times the amount collected during earlier years. In 1938 the total tax bill of America, national, State and local, amounted to nearly 25 percent of the income produced during the year, and the American people will have paid during the period from February 28, 1933, to June 30, 1940, approximately $34,000,000,000 in Federal taxes alone. Our President when a candidate for the high office he now holds, in October 1932, said:

> Taxes are paid in the sweat of every man who labors because they are a burden on production and can be paid only by production. If excessive, they are reflected in idle factories, tax-sold farms, and hence in hordes of the hungry tramping the streets and seeking jobs in vain. Our workers may never see a tax bill, but they pay in deductions from wages, in increased cost of what they buy, or (as now) in broad cessation of employment. There is not an unemployed man—there is not a struggling farmer—whose interest in this subject is not direct and vital.

Mr. Roosevelt also said in Sioux City, September 29, 1932:

> And on my part, I ask you very simply, to assign to me the task of reducing the annual operating expenses of your National Government.

The March American Federationist's preliminary figures show that in January 1939 there were 11,523,031 unemployed. After taxing, borrowing, and appropriating more than $65,000,000,000 and going in debt over $24,000,000,000 since March 4, 1933, we have approximately the same number of unemployed and a great many more people on relief than we had when we started this program. In considering these startling statistics, is there any reason why industry is discouraged and has lost faith in this program, and that fear dominates the businessman and the investor today? Sensible folks can only see one answer to this whole social, political, and economic muddle which threatens to wipe out the American system of private enterprise. If the incomes of all who receive $150,000 or more were divided equally among the American citizens, each would get only 15 cents, and the incomes above $5,000 if equally divided would only furnish $2.32 per capita. Million-dollar incomes are now taxed 84 percent, and hundred-thousand-dollar incomes 40 percent. No; the answer is not a socialistic division of wealth but the restoration of American industry to a normal basis, permitting a fair profit to industrial enterprise and thus restoring to private pay rolls the great army of unemployed. The old folks of America, 60 years of age or over, who have been cast off by industry must be cared for. Industry which has put them aside must assume the responsibility for their keep, and in so doing contribute materially toward industrial recovery.

For over 7 years now we in America have been laboring in the throes of this crushing depression. As shown by the report of the League of Nations, of the 17 leading nations of the world, we are at the bottom in recovery. We are the only one of the great family of nations of the world that has not been able to throw off the depression, and we are the only one that has piled up an immense public debt in an endeavor to beat the depression. We are the only one that has attempted to borrow and spend ourselves into prosperity. We are the only one that has attempted, by the doctrine of scarcity, to supply the needs of a hungry Nation. As I have heretofore pointed out, during the last 7 years the revenue of the Federal Government has increased from $2,079,696,742 to approximately $5,669,300,000 in the current year. During that time the public debt has doubled, and the Federal appropriations have increased from $7,692,447,339 in 1934 to approximately $10,928,399,272 in 1939. The deficit during this period amounted to $20,889,000,000, which added to the public debt has reached the grand total of over $41,000,000,000. In addition, too, the Federal Government is liable on contingent liabilities guaranteed as to principal and interest in the sum of approximately $5,500,000,000. The per capita public debt has increased from $131 in 1931 to $305 in 1939. The interest on this public debt is over $1,000,000,000 a year, more than the total cost of government a few years ago. In 1913 only 6.4 percent of the total national income was required for Federal, State, and local taxes. In 1930, 14.2 percent was required for such taxes, and in 1938, 23.6 percent of the total income of the American people was handed over to the tax collectors. Approximately one-fourth of the time of everyone who labors in the United States is spent in working for the tax collectors. In 1913, 1.9 percent of the national income went for Federal taxes. In 1930, 4.8 percent was required, but in 1938 it had increased to 10.9 percent. State and local taxes in 1938 had increased to 12.7 percent.

It is obvious that the policy we have been pursuing for 7 years of attempting to borrow and spend ourselves into prosperity has failed miserably. It has only succeeded in piling up an immense Federal debt and in trebling the tax burden and keeping out of employment some 12,000,000 of our people. Is it not time that those in charge of the Government put into operation some plan which will solve these problems and save our country? Are we American citizens speaking out of turn when we suggest that the plan which has brought us to such a predicament be abandoned? Well may we ask, Why is it that America, with the greatest resources of any nation, with two-thirds of the world's gold, and one-half of the world's wealth, is on its knees and starving with 12,000,000 of its workers unemployed, apparently permanently resigned to idleness, poverty, misery, and a Government pittance for bare existence? Must America continue to live on relief and charity? Must the millions of young Americans released from our colleges and schools face idleness and uncertainty, with only the hope of a W. P. A. job?

Surveys recently made disclose that the underprivileged group numbering 12,500,000 families, which include nearly 50,000,000 people, or almost half the population, exists on incomes of less than $605 per year. The next group of 10,938,000 families, of about 40,000,000 souls, receive an average of $1,411.

Our President has said that one-third of our people are underfed, poorly clad, and poorly housed. It is true that a million new homes are needed in America every year, and only 300,000 were built last year. This building program alone should absorb 2,000,000 men. Over 30 percent of our railroads are insolvent, and the whole railroad system needs rehabilitation. A million men could be profitably employed in restoring our railroad system to full efficiency. Public utilities are in need of modernization and expansion. One billion dollars could be expended profitably in this endeavor alone, giving employment to another million men. The durable-goods industry has been allowed to deteriorate with practically no plant betterments, extensions, or repairs. A million men could profitably be employed in this industrial activity. The National Bureau of Economic Research shows that expenditures for durable goods and for private construction dropped from $14,500,000,000 in 1929 to $3,500,000,000 in 1933, and had increased to only $6,000,000,000 in 1935 with 2 years of heavy Government spending. To provide the necessities of life, clothing, food, and shelter for the lower one-third of which the President spoke would require the services of several millions of laborers in the factories, the fields, the shops, the mines, the forests, and the transportation systems.

The industrial machine of America, the finest and best on earth, manned with the most efficient and intelligent workmen, is idle. It is ready to start production; it only needs the green light to go ahead. Our whole economic and social structure is bogged down and is not functioning. Our national house is out of order. Our emergency measures, adopted to meet the situation, have apparently become permanent and the crisis chronic. Spending has depleted the Treasury and has frozen unemployment into our industrial structure. All we are given in answer to our cries of distress is more borrowing and spending. The only result of the whole miserable vicious circle is the ever-increasing tax burden, greater public debts, mounting deficits, increased unemployment, stagnation of business, and loss of confidence in our Government and its ability to bring order and normal industrial activity out of the whole sordid mess in which we are wallowing.

In the campaign, on July 30, 1932, Mr. Roosevelt gave this ominous warning:

> Any government, like any family, can, for a year, spend a little more than it earns, but you and I know that a continuation of that habit means the poorhouse.

We have continued in this wild, uncontrolled spree of spending now for 7 years, throughout the entire present administration, and have accumulated the largest debt in our history; and if we are to avoid the poorhouse, as suggested by Mr. Roosevelt, we must mend our ways. Mr. Roosevelt again said, on March 10, 1933:

> Most liberal governments are wrecked on the rocks of loose fiscal policy; and we must avoid this danger.

I most heartily agree that we are heading direct for the poorhouse and if we are to avoid the danger of being wrecked on the rocks of loose fiscal policy we must immediately change our existing policy of reckless spending and take steps to put our house in order.

In the same address Mr. Roosevelt said:

> For 3 years the Federal Government has been on the road toward bankruptcy.

And on July 30, 1932, he said:

> Let us have the courage to stop borrowing to meet continuing deficits. Stop the deficits.

If these admonitions were true when they were pronounced by Mr. Roosevelt in 1932 and 1933, how much more omnious are they today, with the huge public debt and deficits piled up in the meantime, the total public debt now aggregating approximately forty-five billions.

Uncle Sam should rightabout-face in this whole crackpot effort to bring recovery by regimented scarcity and to borrow and spend himself into prosperity. He should return to a pay-as-you-go program, reduce the back-breaking tax burden now killing industry, and substitute in its place a good-neighbor policy of friendly cooperation with industrial enterprise. Our 12,000,000 unemployed can only be restored to pay rolls by private industry. Private industry under proper supervision and regulation by Government has made America what it was at the beginning of this depression, and private industry alone can restore it. The Brookings Institution in a recent study said:

> The vital problem is to secure a great increase in national production and income. The central issue, with respect to public finance, is whether such an expansion of production can best be stimulated by extravagant Federal expenditures, increasing deficits, and heavier taxes or by some modifications of taxes and a reduction of Federal expenditures—within the limits set by essential requirements. * * *
>
> Unless we can promptly secure a substantial increase in the national income it will be necessary to conclude that the United States has already reached the danger point in the growth of public indebtedness.

Some have contended that our economic collapse is due to the lack of capital. It is significant to note in considering this condition that in 1929, before the depression, the excess reserve in the member banks of the Federal Reserve averaged about $43,000,000. On April 26 of this year these excess reserves reached the staggering total of $4,120,000,000. In other words, there was lying idle in the banks of our Nation more than $4,000,000,000 available as the basis for credit expansion, which was almost 100 times above the average of idle funds lying in the banks in 1929. We may well ask, Why is this? As I have shown, it is not because the funds are not needed in industrial enterprise. The utilities, the railroads, the durable-goods industry, manufacturer of consumer goods, the housing and building industry—all are in need of immense sums of capital; but all of these great fundamental American enterprises are stagnant, and yet these immense sums of idle funds are lying without call in the coffers of American banks.

The Brookings Institution estimated that in 1936 between $25,000,000,000 and $30,000,000,000 would be needed for the durable-goods industry alone to make up the deficiency that had accumulated during the depression. Idle money means idle factories and unemployment. Lack of faith in our Government, mistrust of the policies it has been following, fear of the borrowing and spending program, and the mounting Federal debt and the unbalanced Budget and the inordinate taxes placed upon business have dried up at its sources the call of private enterprise upon bank funds. A normal condition, it is believed, will not return until this fear is removed and an assurance given to the investing public that the profit motive in private enterprise is to be acknowledged and protected, that Government itself will extend a helping hand and encouragement to industry to put back to work the unemployed.

As pointed out by John W. Hanes, Under Secretary of the Treasury, before the House Ways and Means Committee, the removal of irritants and deterrents to business recovery is essential, and social security and other reforms approved by the American people can only be maintained through the recovery of private enterprise, which always has been and must continue to be the backbone of Federal revenue. The Government must give recognition to the psychological blockade it has raised by the program it has been following for the last 7 years. A note of encouragement was sounded by the pronouncements of Secretary Morgenthau and Under Secretary Hanes that the administration at last recognizes that the path of recovery lies in the field of a definite assurance by our Government that private initiative will have encouragement from the Government rather than deterrents heaped upon it.

There must be also some assurance to business that the Government will gradually relinquish the functions of private enterprise which it has taken on in the last 7 years. Restoration of business confidence and faith in our Government cannot be accomplished until industry is assured that the Government itself will not enter into private competition with the great industrial enterprises of our country which have always been carried on by private investors.

I agree with what our colleague said in the other branch sometime ago, the Honorable JOSIAH W. BAILEY:

But what I want and what the country demands is a united Congress, not a group of Republicans seeking advantage, not a group of new dealers defending and apologizing, not a group of Socialists scheming to gain power, not a group of Democrats trying to see how they will win the next election, but a group of American Senators and Members of the House of Representatives who have a sense of responsibility to their circumstances and who are willing to unite in the common task of putting employment and business and industry in this country upon a firm foundation.

Mr. Speaker, during my campaign in the Third Congressional District of Oregon for the office I now occupy, I presented to my constituents a short program which I believe, if put into effect, would at least start us back on the road to recovery. The program is as follows:

Restore American democracy with constitutional checks and balances. Protect labor and industry from foreign cutthroat competition. Remove the shackles from industry. Assure the businessman and farmer a definite governmental program with good will and cooperation instead of antagonism and governmental dictation, so that confidence and prosperity will return, giving real jobs with decent wages to the unemployed. Replace friction with cooperation between labor and capital for good of both. Maintain law and order, no compromise with racketeers. Old-age assistance equal to American standards. Unemployed relief pending restoration of industry. Adequate aid for needy children, the blind, the handicapped. Armaments for defense only, no foreign wars or alliances. No Federal tax on gasoline or fuel oil. Curb unbearable Government expenses and tax-eating bureaus so Government may live within its income. Promote Oregon industries—lumber, wool, agriculture—providing pay rolls for Oregon labor. Extend and preserve civil service and promote the merit system. Square deal for veterans. Protect our youth and safeguard their interests that they may become stalwart, dependable, and clean-minded citizens. Provide adequate facilities for our schools and their teaching staff. Less cross-word puzzles, more horse sense in government.

Mr. Speaker, I commend the action of this House in passing this tax bill. I realize that it is not an answer to the problems that confront us. It will not put back on private pay rolls the 12,000,000 unemployed. It will not place aid in the hands of the many millions who are on relief or those in dire distress without any relief whatsoever. It is, however, some assurance that the Federal Government is at last ready to recognize that it must cooperate with business and industry if private enterprise is to be restored to a normal basis, and if the unemployed are to be put back on private pay rolls. It removes some of the deterrent tax burdens which have been shackles on business and have contributed to the fear which has gripped the heart of private enterprise. We of this Congress have an opportunity if we will only embrace it. We should by definite enactment make clear to the country that our Government stands ready to give a helping hand and an assurance of friendly cooperation with industrial enterprise. I believe we should, before this Congress adjourns, lay down a clear, well-defined program which will restore confidence to the Nation and to employers and employees alike. It should include a comprehensive and adequate legislative enactment for the care of our old people, the underprivileged, handicapped, and the youth of our country. I believe the objectives set forth by my colleague, the Honorable JOSEPH W. MARTIN, JR., are worthy of careful consideration, namely:

(1) Keep the United States out of war.
(2) Move immediately to curb unnecessary, wasteful, and reckless spending.
(3) Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.
(4) Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.
(5) Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.
(6) Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end present paralyzing discord.
(7) Define specifically the area of Government competition with private enterprise so that business may be able to create jobs with some certainty as to the future.
(8) Restore American markets to the American farmer and wage earner and develop new markets for agricultural products.
(9) Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.
(10) Create a special committee of Congress to inquire into the effect of the reciprocal trade agreement policy on American industry and agriculture.
(11) Clarify Federal rules and regulations so industry and business may know what to expect.
(12) Reject all experimental legislation not clearly helpful in promoting recovery, or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.

Relief Appropriations

EXTENSION OF REMARKS
OF
HON. WILLIAM J. MILLER
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. MILLER. Mr. Speaker, under permission to extend my remarks on the relief bill I desire to direct my remarks to section 16 of this bill. That section provides, as reported by the Appropriations Committee, for veterans' preference on W. P. A. where the relative needs are the same. In substance, the bill provides that preference shall be given to war veterans providing all else is equal.

The amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT] provides for an absolute preference for veterans on W. P. A. Under the proposed Van Zandt amendment a veteran could own $1,500 in adjusted-service bonds, have a monthly pension of say, $40 or $50—in fact, any amount, so long as the pension was less per month than the amount to which he would be entitled per month if he were assigned to a W. P. A. project, and although he had no children to support, he would be given preference over a nonveteran with five or six children.

If I may be pardoned a personal reference, I have had the honor of serving as department commander of the American Legion in the State of Connecticut; I have served on the national executive committee of that organization. Through serving in those two positions I have come to know many World War veterans, and I do not hesitate to say that the overwhelming majority of veterans do not want that kind of a preference on a work-relief project. The veteran would be the first to admit that there should be only one qualification for relief and that is need.

As was pointed out during the recent debate on social-security legislation, the American Legion spent last year over $2,000,000 of its own money on child welfare. These same men would not now demand preference ahead of a nonveteran who had children to feed and support.

To give preference to the veteran, where all the conditions are equal, as the committee has recommended, is fair and just, but beyond that I could not go. I have recently talked with the proper national representative of the American Legion and he assures me that the committee's bill carries out the requests of the American Legion in respect to W. P. A.

If the law as written by the House committee is carried out, the World War veteran will be satisfied, I am sure. Therefore, as much as I regret to find myself in disagreement with my colleague from Pennsylvania, I hope that section 6, as written by the Appropriations Committee, will be accepted by the House.

Under permission to extend my remarks on the relief bill, I desire to lend my support to the amendment offered by the lady from New Jersey. In doing so may I state that I regret it is necessary to disagree with the members of our Appropriations Committee, who have worked so hard to bring in a relief bill to give every possible dollar to the needy unemployed.

I cannot support a recommendation that would remove from the W. P. A. rolls more than 9,000 unemployed actors, actresses, and stage hands, men and women who in normal times have made their livelihood on the stage.

Why discriminate against this group? Admitting that the Federal theater project has been disgracefully administered in some cities; admitting that some of the shows put on have been suggestive and in poor taste; some have been staged to spread un-American and subversive propaganda; admitting that in some places the theater project has been controlled by Communists; even if all these charges are true, why should those who have been employed on theater projects be barred from working at their profession under the W. P. A.? They could not control these projects. In most cases they were doing as they were told by their superiors.

No one has suggested that carpenters, bricklayers, plasterers, and so forth, should be eliminated just because some W. P. A. building projects cost two and three times what they were worth.

I will not admit that the Federal Government cannot clean up any mess that may exist in connection with the W. P. A. theater projects. Under the bill theater projects are but even if local sponsorship is available. It is a cruel, unfair, un-American, and unjust act.

I hope the amendment of the gentlewoman from New Jersey [Mrs. NORTON] will be adopted and the section eliminating theater projects will be stricken from this bill.

Savings in Operation of National Labor Relations Act in 1938

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, June 21 (legislative day of Thursday, June 15), 1939

ARTICLE BY MORRIS WEISZ, ASSISTANT ECONOMIST OF THE NATIONAL LABOR RELATIONS BOARD

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a study made by Mr. Morris Weisz, assistant economist of the National Labor Relations Board, on the subject of savings resulting from the operations of the National Labor Relations Act of 1938, compared with cost of its operation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAVINGS RESULTING FROM THE EFFECTIVE OPERATION OF THE NATIONAL LABOR RELATIONS ACT IN 1938, COMPARED WITH COSTS OF ITS OPERATION—MINIMUM OF $33,400,000 IS ESTIMATE OF SAVINGS TO AMERICAN PUBLIC

(Prepared under supervision of David J. Saposs, chief economist, by Morris Weisz, assistant economist)

Some critics have charged that the National Labor Relations Board is a heavy financial burden upon the American public. A statistical analysis of savings resulting from the effective operation of the National Labor Relations Act in 1938 reveals the fallacy of such charges, for even a conservative estimate indicates a saving of over $33,000,000 as compared with a cost of only $2,700,000 during last year. The operation of the act thus cost less than one-twelfth of the estimated savings resulting therefrom, and amounted to but 2 cents per person in the United States.

The cost of operation expressed in terms of service to workers involved in Board cases in 1938 was about $1 per person.[1] Of course, this does not take into account the indirect service of the Board to the millions of workers, never involved in any Board case, who benefited from the rights guaranteed them under the act.

The study of savings due to the effective operation of the act was conducted by comparing the trend of strikes in industries over which the Board has taken jurisdiction with the trend in other industries. From these data it was possible to estimate the strikes averted by Board operation, and their possible cost to workers, employers, and the general public.

THE GREATER DECREASE OF STRIKES IN INDUSTRIES OVER WHICH THE BOARD HAS TAKEN JURISDICTION

Strike data are broken down into industry groups, thus enabling us to compare the trends in industries over which the Board has taken jurisdiction with those over which the Board has not taken, or has only partially taken jurisdiction. Table A gives strike data by industry classifications for 1937 and 1938, grouping the industries according to the status of the Board's jurisdiction. The percentages of decrease in 1938, from the previous year, are also shown in this table.

The total number of strikes decreased from 4,740 in 1937 to 2,772 in 1938, or 42 percent. Of the 4,740 strikes in 1937, 3,184 were in industries over which the Board has taken jurisdiction and 1,556 in industries over which the Board has taken partial or no jurisdiction. Strikes in the former category decreased 48 percent to 1,673 in 1938, while strikes in industries over which the Board has taken partial or no jurisdiction decreased only 29 percent.

For workers involved in strikes, this tendency is also apparent, showing a decrease of 66 percent in industries over which the Board has taken jurisdiction as compared with a decrease of only 52 percent in all other industries.

Man-days of idleness due to strikes in industries over which the Board has taken jurisdiction decreased 71 percent during this period, whereas man-days of idleness due to strikes in other industries were only 51 percent less.

The general trend of strikes during the last year can therefore be described as one of greater decrease in industries in which the Board has applied the act, as against those industries over which the Board has taken only partial or no jurisdiction at all.

It should be noted that this tendency would be even more marked if it were possible to eliminate the effect upon all strikes of the activities of the various State boards. For instance, State labor boards in three of the most important industrial States, Massachusetts, Pennsylvania, and New York, would exert their powers over all industries, local and interstate, so that the existence of the National Wagner Act, as well as the "little" Wagner acts did more than merely help in the decrease of strikes in the first group of industries listed in table A.

STRIKES AVERTED

The considerations just mentioned make it clear that it is certainly a conservative procedure to credit the Board for the fact that there was a greater decrease in industrial disputes in those industries in which it took jurisdiction than in all other industries.

Let us assume, therefore, that strikes in all industries, in 1938, would have decreased only as much as they did in those industries in which the Board did not take jurisdiction or only took partial jurisdiction. If this had been so, the total number of strikes in 1938 would have been 3,365, which is 593, or 21 percent more than the actual number of strikes.

Applying similar reasoning to the data for workers involved in strikes, we discover that this figure would have been 893,098 for the year 1938, which is 204,722, or 30 percent more than the actual figure of 688,376.

For man-days of idleness due to strikes the results are even more interesting. In 1938 actual number of man-days of idleness amounted to 9,148,273. If the general decrease had been only as great as that in industries in which the Board had assumed partial or no jurisdiction, this figure would have been 13,928,180, which is 4,779,907, or 52 percent more than the actual number.

The Board can claim fairly, therefore, that had the principles of the act not been recognized because of its effective operation, the impetus to the will to organize would have resulted in the usual increase in labor assertiveness, and the number of strikes in 1938 would have been at least 21 percent more than they were actually, the number of workers involved would have been 30 percent more, and man-days of idleness would have been 52 percent more.

SAVINGS DUE TO AVERTED STRIKES

Using the figure of 4,779,907 as the number of man-days of strike idleness averted by effective Board operation, and assuming an average daily rate of pay of $3.50,[2] we find that workers saved $16,700,000 in wages through the effective operation of the act.

It is estimated conservatively to say that these strikes would have cost employers and the communities involved at least an additional amount equal to the cost to workers.[3]

[1] There were 11,488 cases involving about 2,620,000 workers in 1938. The appropriation for the calendar year of 1938 was approximately $2,700,000, which is one-half of the appropriation for the fiscal year ending June 30, 1938, plus one-half of the appropriation for the year ending June 30, 1939.

[2] According to the Social Security Board, average wages for workers covered by it in 1937 were $890. (Social Security Bulletin, March 1939, p. 3.) Even if we assume the generous estimate of 250 full working days per employee, this averages over $3.50 per day.

[3] According to the U. S. Bureau of the Census, value added by manufacture in 1937 was $25,173,933,310 for 9,786,571 salaried employees and wage earners. (Census of Manufactures: 1937, January 31, 1939.) This averages to more than $8.50 per employee per day, but since this entire amount is not lost to an employer each day a worker is on strike, we have used the conservative estimate of $3.50, an amount equal to his daily wage, as the combined value to the employer and the community as a whole of an employee's work for 1 day.

It should be made clear that the foregoing analysis represents merely an estimate of probable savings due to operation of the Board. It is, however, a minimum estimate of such savings. The results of the analysis may be summarized as follows:

Savings to workers from strikes averted by recognition of principles of the act	$16,700,000
Savings to employers and communities from strikes averted by recognition of principles of the act	16,700,000
Total, minimum estimate of savings in 1938	33,400,000
Cost of Board operation for calendar year of 1938	2,700,000

At a cost of less than $3,000,000, then, the Board has saved workers, employers, and the general public over 12 times as much. This is a conservative monetary evaluation of the work of the Board, which should be weighed along with other considerations of its tangible and intangible contributions to economic justice and industrial democracy in any description of the results of its operations.

TABLE A.—*Decrease in strikes in industries in which the National Labor Relations Board has taken jurisdiction compared with decrease in other industries, 1937–38* [1] *(for disputes beginning in the year)*

Disputes	Total, all industries	Industries in which the National Labor Relations Board has taken jurisdiction	Industries in which the National Labor Relations Board has taken partial or no jurisdiction
1937:			
Number of strikes	4,740	3,184	1,556
Number of workers involved	1,860,621	1,449,720	410,901
Man-days of idleness	28,424,857	23,970,757	4,454,100
1938:			
Number of strikes	2,772	1,673	1,099
Number of workers involved	688,376	490,557	197,819
Man-days of idleness	9,148,273	6,971,408	2,176,865
Percent decreased, 1937–38:			
Number of strikes	42	48	29
Number of workers involved	63	66	52
Man-days of idleness	68	71	51

[1] Industries included in these categories are as follows:

Industries over which the National Labor Relations Board has taken jurisdiction (according to Bureau of Labor Statistics industry classifications): Iron and steel; machinery; transportation equipment; nonferrous metals; lumber; stone, clay, and glass; textiles; leather; food; tobacco; paper and printing; chemicals; rubber products; miscellaneous manufacturing; mineral extraction; water transportation; telephone and telegraph; radio transmission; wholesale trade; fishing.

Industries over which the National Labor Relations Board has taken partial or no jurisdiction (according to Bureau of Labor Statistics industry classifications): Motor-truck transportation; motorbus transportation; taxicabs and miscellaneous; electric railroad; steam railroad; other transportation; retail trade; domestic and personal service; professional service; building and construction; agriculture; other agriculture, fishing, etc.; Works Progress Administration, relief, etc.; other nonmanufacturing; general strikes.

Compiled and computed as follows: 1937: U. S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, May 1938, pp. 1190–1192. 1938: U. S. Department of Labor, Bureau of Labor Statistics, Division of Industrial Relations.

The Townsend Plan and the G. O. P.

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, June 21 (legislative day of Thursday, June 15), 1939

RADIO ADDRESS BY HON. JAMES A. FARLEY

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered on June 7 over the National Broadcasting Co. hook-up by the Honorable James A. Farley on the subject The Townsend Plan and the G. O. P.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Recently the Republican National Committee decreed a week of public warning over the state of Uncle Sam's finances. They had all their orators singing their hymns of sorrow in the observance of National Debt Week. It so happens that the United States Treasury is in sounder condition than any treasury on earth. Every issue of bonds is oversubscribed several times, although the interest rate is less than that on the bonds of any other great nation. Everybody, at home or abroad, is garnering as many dollars as possible, for the dollar is the most stable currency on earth.

Tearfully the G. O. P. spokesmen moaned over the fate of the children of the future who would have to pay this debt. The grown people of today are not bowed down because of the World War debt, so it is safe to say that posterity, about which the G. O. P. spokesmen are so deeply concerned, will probably worry no more than did the children of yesterday over the twenty-odd billions that the World War cost us. Now right on the heels of the pitiful tale of Democratic extravagance, 55 Republican Members of the House of Representatives voted for the passage of the Townsend bill, the annual cost of which the fiscal authorities tell us would amount to $24,000,000,000 a year, allowing nothing for the cost of administration. It would triple the taxes now being collected and, according to an analysis printed in a financial magazine, would require the equivalent of an invested capital of double the total wealth of the United States.

These are, of course, fantastic figures, but they are no more fantastic than the project itself. Most of the people of the United States assume that the very magnitude of these calculations makes the passage of such a bill impossible. But what matters the impossible if advocating it produces votes on election day?

And yet our political opponents inveigh about the alleged extravagance of our Democratic administration. They call ours the party of radicalism; and still these Congressmen would saddle us with an annual expenditure six times as great as that of the worst deficit year. In the face of such figures ours is the conservative party and the other fellows are, or would like to be, the big spenders.

The only excuse suggested for the 55 Republican potential squanderers is that they knew the Democrats would defeat the bill and only voted for it to make good their preelection promises to the Townsendites. There is some evidence that they were ashamed of what they were doing in the fight they made against having a record vote. They hoped that the bill would be choked in committee or would be beaten without any of them having to be scored as voting for it. Rock-ribbed Republican Maine, which prides itself on its canny thrift, was represented in the final vote by all three of the Congressmen from that State. Does anybody suppose that Mr. OLIVER, or Mr. CLYDE SMITH, or ex-Governor RALPH BREWSTER did not know what he was about when he pledged himself to vote for the Townsend bill?

Does anybody think that those Members of Congress in Massachusetts were unaware of its significance when the Republican State convention pledged the Republican Congressmen to give the Townsend-plan legislation an early and complete hearing, or when the Townsend-plan candidate for Governor announced that he would support Republican nominee Saltonstall and promised him the vote of the 48,000 enrolled Republicans who had voted for McMasters in the primary?

Even that solemn grandson of Henry Cabot Lodge, one of the standpatters of all time, flirted with the Townsend plan and publicly voiced his appreciation of the soundness of the Townsend principle. This was, of course, when he was campaigning for the Senate under the time-honored Republican principle of promising anything for a vote. The tie between Henry Cabot Lodge, Jr., and Dr. Townsend was very close in those campaigning days. It was then the Doctor wrote to one of his associates: "Tell him (Senator Lodge) that we, too, are willing to start the pensions at $60 if that is all the 2-percent tax we propose will produce. But if the tax will produce more than that, we want it to be distributed clear up to the $200 limit."

I wonder if any of my hearers remember the closing days of the campaign of 1936, when the employers of labor were told to put in their workmen's pay envelopes a pamphlet declaring that the Federal old-age insurance was a fraud on the workingman; that it meant that he would be registered, cataloged, numbered, and no doubt fingerprinted, and that one of two ways in which the beneficiary could get his money back was by having his estate after his death make a claim. Among other things, the workmen were told that (I quote): "You have no guaranty that you will ever get your money back because you have no contract, no policy, no binding agreement with the Government."

This sort of literature was distributed in many forms in an eleventh-hour effort to defeat Franklin D. Roosevelt's reelection. Of course, it got nowhere. The social-security law has been on the books now for several years and is working extremely well, just as it has worked in other progressive countries for a generation or more. Nor have I heard since the law came into operation any complaint either by employers or employees of the functioning of this insurance principle.

Compared with the Townsend plan which the Republican Representatives would have voted onto the statute books, the social-security measure is like a penny whistle compared to a steam siren. The one has dislocated no part of our fiscal system, has added little or nothing to the cost of living; whereas the Townsend plan would have hoisted the costs of everything to a paralyzing level and bankrupted the country. To enforce its provisions it would have required an army of snoopers, in comparison with which the inspection and prosecution agencies of the prohibition era would have been as a squad to a regiment.

Some Members of the House welshed on their promise to Dr. Townsend and sought to have the bill returned to committee and thus escape a vote. The motion to recommit was made by Allen Treadway of Massachusetts, ranking minority member of the Ways and Means Committee, but when Dr. Townsend, waiting in

the gallery, sent word that a vote to recommit would be considered a vote against the bill, that devious method of avoiding a roll call evaporated and Mr. Treadway voted against the bill.

In view of the voting and the squirming that marked the proceedings, I insist that ours is the conservative party and the Republicans are the radicals. As to whether the greater departure from the ethics of the situation lies in promising a group of voters support of their views and defaulting on that pledge, or sticking by the promise and attempting to enact into law a measure that every recognized economist in either party denounces as calculated to bankrupt the Nation, I will leave to my hearers.

We know that some candidates will promise anything in order to gain votes. To win their election is more important than the fate of their country. It's a question whether the honesty of either of the courses I have mentioned is helped any because the Congressman does his voting with the expectation that the bill he advocates will be defeated, or if, by any unhappy combination it should pass the Congress, that it would be vetoed by the President? Fortunately for the reputation of the House of Representatives, a big majority cast their ballots for the burying of the measure which President Roosevelt described as "this cruel hoax" on elderly people.

People are naturally puzzled by the spectacle of the Republican Party, which is urging them to vote the Democratic administration out and themselves in in order to end the era of what they call reckless spending. They do this while exerting all the power of the lungs of their orators and the pens of their writers. Then they leave it to a Democratic majority to save the country from a career of spending that dwarfs anything ever before suggested.

Nor can the Republican Party escape responsibility for this thing. It is notable that the Republican National Committee, neither while the bill was pending nor after it was knocked out, disowned or repudiated the Townsend plan. Leading candidates for the Presidency on the prospective 1940 Republican ticket flirted with the crackpot project and have carefully abstained from expressing any alarm or interest in the conduct of the hapless 55 Representatives.

The solution of the puzzle lies in the circumstance that it was only a vote-catching device, the giving of a pledge that the pledgers never expected to see respected. In nearly every State where candidates had assured Townsend audiences that they were with them heart and soul the majority of the Congressmen defaulted when it came to voting. This was true in Ohio, Massachusetts, and other Commonwealths. An Indiana newspaper, after the bill had been defeated, published the fact that where five Republicans had recorded themselves in favor of the Townsend bill, only one sincerely believed in its provisions. The others depended on the votes of their colleagues to rescue them.

While observers may be amused at the wriggling and writhing of the men who set a vote trap only to be caught in it themselves finally, there is one serious element in the episode. The old people, eager for anything that would give them a measure of security and independence in their closing years, have been betrayed in the most callous fashion. They were not students of political economy. They were only eager listeners to glib talkers who capitalized their pathetic desires with no intention or expectation that the thing could be put through. It will be a long time before this country forgets the men who either voted to inflict an unworkable economic pipe dream on our country or who, after promising to do so, abandoned the unfortunate victims of their calculated deceit.

Land of the Free

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, June 21 (legislative day of Thursday, June 15), 1939

ADDRESS BY HON. HUGH L. WHITE, GOVERNOR OF MISSISSIPPI, BEFORE THE KANSAS STATE CHAMBER OF COMMERCE

Mr. HARRISON. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a very able address delivered before the Kansas State Chamber of Commerce, at Wichita, June 16, 1939, by the distinguished Governor of Mississippi, Hon. Hugh L. White, entitled "Land of the Free." Governor White's address is most interesting and informative, and I commend it to my colleagues as being the sincere expression of an outstanding southern leader.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My happiness at meeting with you here tonight far exceeds any pardonable pride I might feel in the compliment you have paid my State in inviting me to discuss with you the story of its recent program and progress.

For we of Mississippi and you of Kansas have more in common than either of us perhaps has realized. Both of us have been the victims of a colonial economy imposed upon us by a regional imperialism whose major difference from other tyrannies has been in the complexity of its application and subtleness of its control.

Full recognition of Mississippi's plight as an unprotected province of growing industrial despotism did not come home to us until such tribute had been extracted that no amount of subtleness could prevent us from feeling the knife as Shylock cut away his pound of flesh.

It is the function of a colony to draw raw materials from its wealth of field and forest, export them to the source of its control and then buy them back. Gradually the colony sinks progressively lower as it seeks to maintain its extractive economy by continuous excursions into the storehouses of nature. Ultimately and inevitably comes overexploitation of ever-dwindling natural reservoirs, as fertility of soil and resourcefulness of manpower are expended in ever more desperate efforts to maintain the balance of trade with industrial areas from which goods must be secured.

It is the economy of minimum returns, the economy of the peasant and the forester, at whose bottom rung are the Chinese coolie and the Hindu—an economy which utilizes the muscle of men and of animals rather than the wealth-creating resources of capital and machines.

If on some magic carpet I could whisk you to my State, turn back the calendar, and reveal before your eyes the scenes of a few years ago, I would show you an example of this economic blood letting at the peak of its flow.

I would show you hundreds of square miles where the only view within your horizon would consist of blackened stubble and fire-charred stumps. And I would tell you of the proud virgin pines which once had stood upon those lands with such uniform magnificence that they could be likened to a luxuriant green carpet laid by an Almighty hand across millions of clean and fragrant acres.

And I would show you desolate ghost towns where stone foundations, concrete flooring, piles of molded sawdust, and perhaps a windowless bank building would cause you to anticipate my explanation that here once was a village which thought itself to be prosperous, a village with its school and stores and sawmill and blissful unconsciousness of the fate which crept closer to it with every falling tree.

And I would admit to you that I was responsible in part for what you saw about you. I would tell you how my own axes had flashed through those forests and my own saws had helped whine the dirge of the pinelands.

In other sections of my State I would show you deep-gullied fields where farmers once tilled their crops, fields exhausted by relentless planting and helplessly abandoned when they could yield no longer the tribute which must be paid in exchange for the manufactured requirements of modern living. And I would explain to you that many of those once prosperous farms would never be used again, for erosion took up where defeated man left off, carrying on with unstayed hand the work of final destruction.

In other sections I would show you rolling prairies and broad alluvial plains were men were hard at work in rich and responsive fields. And you would note the perfection of the soil and the strength of the men who tilled it, and you would marvel at the poverty you would see reflected in the homes those fields surrounded.

And then I would summarize for you the condition of my State at that hapless time, a State of tremendous basic wealth, a State of tremendous human resources, yet a State of increasing poverty and want.

Here was a State blessed in abundance with a host of nature's greatest benefactions. Here were soils which held world records in the production of a dozen important food and feed crops, soils free from frost through 275 days of the year, soils showered with ample and even rainfall, soils warmed by so kind a sun that three food crops could be produced successively on the same land in the same season

Here were 17,000,000 acres of forest lands capable of producing pulpwood three times as fast as the woodlands of less hospitable climes. Here were hills covered with the Nation's finest hardwoods, and lowlands thick with cypress.

Yet here was a State feverishly felling its timber and selling its logs for the cash with which to buy its furniture from factories a thousand miles away. Ranking among the top three States of the Union in lumber production, my State was without one single factory to convert that lumber into manufactured products.

Here was a State boasting the world's largest shipping point for tomatoes, yet buying its catsup and its canned tomatoes from eastern corporations.

Here was a State producing a majority of all the premium long-staple cotton grown in the Nation, yet buying its automobile tires from Akron and its shirts from Massachusetts.

Here was a State producing a third of a billion pounds of cottonseed oil per year, yet without one industrial establishment even to refine that oil, much less to convert it into oleomargarine or soap or shortening or washing powder or phonograph records.

Here was a State shipping out its pulp and buying back its paper, shipping out its wool and buying back its blankets, shipping even its pecans and buying back its candy.

I could go on and on with similar illustrations, all pointing toward the one conclusive fact that here was a colonial economy struggling to bring forth ever greater volumes of raw materials in a hopeless and exhausting effort to balance a trade which could not be balanced, and to support a social and cultural structure which could not be supported, so long as it was dependent upon the practices of unrelenting extraction.

Hundreds of thousands of acres thrown back upon the State as worth less than the tax levy against them, a public treasury so deeply in debt that its bonds commanded neither price nor respect—such were the governmental manifestations of the multiplied problems of my people.

It is to the solution of those problems that Mississippi has been devoting its intelligence, its money, and its manpower during the past few years.

The plan under which Mississippi today is making progress toward economic parity is no half-baked product of political experimentation. Neither untried nor unproved, it is the State-wide application of a fundamental program which met the test of practical business experience as the economic savior of a Mississippi community facing the usual sawmill routine of stagnation and ultimate death.

I referred a moment ago to the fact that I was responsible in part for the wasted acres left in the wake of Mississippi sawmills. I am proud, therefore, to have a part in making of my own community the model which Mississippi has followed in her industrial advance. During the very period when the effects of a vanishing sawmill industry were at their worst, this small community increased its population from 4,833 to more than 6,000, boosted its industrial pay rolls to more than $1,600,000 a year, and replaced 1 lost sawmill with 8 new factories.

To make possible the participation of all of our people in a comprehensive and coordinated State-wide effort of similar goals and purpose, Mississippi has declared by law that industrial plants for the processing of its raw materials are "a public convenience and necessity." That law, already upheld by State and Federal Supreme Courts, provides for an industrial commission whose job it is to bring into the State those plants and factories to which Mississippi raw materials are adapted. Indicative of the sincerity of the act in this regard is the detail with which it lists those actual materials included within the scope of the program.

Under Mississippi's plan, upon approval of its industrial commission, any municipality may issue its bond for the construction of plants and industrial establishments. Before approval can be obtained, the community must show that there is a sufficient supply of raw material to guarantee operation of the industry for at least 10 years; that there is sufficient labor not already employed in industry to furnish one and one-half workers between the ages of 18 and 40 for each job in the plant; and that the community has sufficient property values and suitable financial conditions so that its bonded indebtedness for industry will not exceed 10 percent of its assessed valuation. So great has been public enthusiasm that in elections thus far held the average vote has been 11 to 1 in favor of the plan.

Recognizing the need for making its advantages known to the Nation, Mississippi launched simultaneously with its industrial program an advertising campaign addressed to those whose aid it needed in attaining objectives profitable alike to the investor and to the State. Appealing not alone, however, to those immediately interested in promises of local industrial profit, Mississippi has invited visitors from over the Nation to come and see its possibilities, to visit its vacation areas, and to feel the inspiration of a people setting forth on a road of logical and determined progress.

Funds for that important work, placed by the legislature in the hands of the Governor, are administered by an advertising commission of 15 businessmen, five of them elected by the State Press Association, five elected by the State Association of Chamber of Commerce Secretaries, and five appointed by the Governor, with the lieutenant-governor as chairman.

I could paint for you glowing verbal pictures of the results that have come from those two basic programs. Yet I think perhaps that a simple recitation of figures will give you the story more vividly than any other description could express it.

During the first 2 years of Mississippi's industrial program, the number of its people earning their livelihood through industrial employment increased 26.6 percent, and the average wage for those workmen was 11 times as great as the average earnings of their brothers on the farm.

The rising level of skilled employment offered in Mississippi's new plants is effectively illustrated by the fact that while the number of employees increased 26.6 percent, the total amount of wages paid rose 43 percent. Equally illustrative of such an upward trend is the fact that while the number of employees increased 26.6 percent and pay rolls 43 percent, value of manufactured products went up 58.6 percent.

These figures of course refer only to plants completed and in operation. Other plants are taking form and still others are projected, as Mississippi moves onward and upward through 1939.

Today in a Mississippi community best known to all of you for its ancient mansions and relics of ante bellum splendor, scores of Mississippi workmen are learning to manipulate new machinery such as never before has been seen in my State. And when Kansans again seek out our foremost pilgrimage city, they will find as of old the classic columns and high foreheads of the South's finest group of ante bellum homes, but there will be a new hum in the air and a new happiness in the hearts of Mississippi workmen as they fashion thousands of automobile tires each day from Mississippi cotton. The plant in which they work, consuming more electric power than the entire city of Natchez heretofore, speaks eloquently of the new Mississippi.

And farther south on a coast best known to you for its beaches and vacation facilities, a fleet of ocean-going ships is taking shape on the ways of new yards bordered by the moss-draped oaks of Pascagoula. Long famed for the craftsmanship of its boatbuilders on the Gulf, and for the quality of the native woods from which those workmen fashioned their shrimp and oyster trawls, Mississippi thus again gives modern expression to an ancient heritage.

In the midst of once blackened stump lands where now grow millions of newly planted seedlings, a factory boasting the State's largest industrial pay roll continues to astound the practical business world with announcements of new uses for Mississippi pine. Already established as a national institution through its achievements in the fields of wallboard and acoustical insulation, it adds this year the Nation's newest ligno-cellulose plastic.

Within a stone's throw stands a new plant which this year will expand its operations to care for added tens of thousands of bushels of Mississippi sweetpotatoes destined to become laundry starch, gumdrops, and glue.

Each morning in other communities, former agricultural workers board school busses for trips from their farm homes to their new daily tasks of converting Mississippi raw materials into Mississippi industrial products. Together those workers already have created for their State and mine the nearest approach to a balanced economy which Mississippi has ever known.

Results of Mississippi's invitation to visitors are best reflected in gasoline taxes which during the peak tourist month of the past winter were 62.9 percent greater than for the same month of the year immediately preceding introduction of the program.

Significant among barometers by which Mississippi may judge its business trends are comparative figures with reference to its sales tax. From a total of $3,066,000 for 1934, receipts from this 2-percent levy have advanced steadily to the $6,136,000 record they set in 1938. Thus is reflected an increase in annual retail business from $153,000,000 to $307,000,000.

More important, however, than preliminary financial profit has been the change which Mississippi's new determination has brought in the spirit of its people. Theirs no longer is the sad submissiveness of a citizenship bowed beneath burdens of hopelessness and despair. Theirs, rather, is the eager joy of participation in a common cause which holds promise of increasing individual returns. Theirs once more is the spirit of the pioneer, hewing out his own destiny and facing the future with confidence in his own strength and intelligence.

Yet I realize, as do you, that the problems of my State cannot be isolated and permanently solved, separate and apart from the greater mutual problems of the South as a whole; nor can problems of the South be segregated from the still greater mutual problems of all those States which have suffered the suction of colonial tribute.

My State is but one of a group in its area which have been designated as the Nation's No. 1 economic problem. Theirs is an area which since the turn of the century has sustained a net loss in population of three and a half million men, a loss occasioned by economic retrogression devoid of new opportunities for its sons and daughters.

The States which constitute that area are somewhat different from yours in geography, in history, in type of predominant agriculture, and to some extent in soil and climate. Yet we are bound to you by a tie which springs from man's first and most elemental instinct. Ours and yours is a common battle, mutually founded on Nature's foremost and fiercest of laws—the law of self-preservation.

It is therefore with particular gratification that we of Mississippi extend the hand of friendship as you set forth toward industrial emancipation. It is with true sincerity that we wish for you early and ever-increasing success; that we offer you whatever there may be in our own records and recent experience which may be of assistance to your effort; and that we pledge you our sympathetic cooperation. Indeed, we are proud to offer you our partnership in a fundamental movement designed to make true in practice the claim that all Americans are created free and equal.

As we study the source of our industrial privation we find towering above us a regional imperialism which has concentrated 25 percent of this Nation's manufactured wealth in seven geographically small communities. We find that 34 counties all but one of them located in one relatively small area, annually gather unto themselves one-half of America's manufactured wealth. We find that 217 other counties, most of them concentrated in that same area, gather in another one-third, while the remaining 2,600 counties of the land are left to divide as best they can the remaining one-sixth.

And we find that States like yours and mine, excluded from the Nation's economic feast except for the occasional sop of an agricultural appropriation, are expected nonetheless to contribute the best of our resources and a portion of the best of our manpower to the support of a financial absolutism with which our States individually are unable to cope.

Already gorged and bloated with $80 out of every $100 on deposit in the banks of America today, our regional ravagers continue their insatiable extractions. The South and West together, left

today with one-fifth of the Nation's monetary resources, are learning anew that each loss of blood money but inspires industrial vampires to still more vigorous sucking.

Not alone through manipulation of economic control but through manipulation of national politics is the pressure applied to keep us as financial provinces.

Freight rates, set by a political agency and embedded in the complexity and confusion of the Nation's transport system, foster continued concentration of industry and make difficult the logical location of factories close to raw materials and regional markets. So complete is control that even those railroads which serve the provinces are forced to join the fight against them.

And now in a new and still more intolerable effort to freeze forever their domination of the Nation's economic system and put to scorn the hope of industrial progress in States like yours and mine, our economic dictators have forged a new political chain with which to bind us. Under the disgustingly obvious false pretense of national uniformity, they have erected an internal tariff of wage standards which refuse us the privilege of normal and gradual education of our farm workmen to become competent industrial employees—which refuse us the right to nurture our necessarily infant industries through their early development period—compulsory standards for you and me which the Government itself does not recognize in its own operations.

Thus has corporate American feudalism repeated on a mammoth scale the gains made by medieval feudal lords of centuries ago: Immunity from interference, recognition of their status as free and privileged persons, and such freedom from regulation by the separate States that under the concealing cloak of Federal enactments and interpretations they escape the efforts of local governments to exercise either control or self-protection.

Fortunately for you and me, greed becomes more blind as it becomes more aggressive and intense. Our imperialists have forgotten that even animals still retain the instinct of herding together for common protection. With every new invasion they bring closer to final effectiveness a coalition of the South and West with strength sufficient to tear them from their top-heavy embattlements.

Ears attuned only to the clink of our cash cannot hear some of the questions we are beginning to ask of ourselves and each other.

Why, we ask, should the South and West have surrendered five and one-third billion dollars to one tiny area in exchange for the automobiles they have in active use today, when they themselves have raw materials abundant for the building of every automobile they need?

Why, when our people lack the funds with which to pay cash for those cars, should they pay interest approximating 12 percent to finance companies controlled by those same manufacturers?

Why should the profit on the fuel which operates those cars go to one of three Eastern States, when the fuel itself comes from wells dug into our own soil? Why should their tires come almost exclusively from one city in that same area, when the southern provinces grow the cotton which goes into them and have the advantage of a thousand miles in proximity to rubber?

And how does it happen that we see in the press on one day the governmental recommendation that beef for our Navy be imported from the Argentine, and that on the next we see that arrangements have been made for the Argentine to take twice as many American automobiles this year as last?

Why should our very insurance premiums build skyscrapers in eastern cities and help finance the system which oppresses us?

Why should 24 percent of the industrial wage earners of the Nation be concentrated in two States in the privileged area, while your State and mine are left with five-tenths and six-tenths of 1 percent, respectively?

By what natural advantages or through the operation of what normal economy should those two States enjoy industrial pay rolls exceeding $3,000,000,000 in the same year that the total for our two States was little more than one-thirtieth of that figure.

What would happen to us and the remainder of America should an enemy concentrate its power on that tiny area and succeed in cutting it off? How much more chance would we have than Haile Selassia's nomadic warriors against the mechanized Army of Italy?

What more perfect State than Kansas, for example, could America find as the place in which to carry out its huge new program for airplane construction? What less should Kansas expect from the Nation than recognition of the resources and advantages which are hers, and encouragement in their further development.

May God speed the day when your State and mine, and your section and mine, will forget to snap at each other over the bones that are cast to us in the guise of agricultural hand-outs, and combine our energies to demand our rightful place at the Nation's economic table.

The political interests of your section and mine are practically identical. Both of us are largely rural and agrarian. Both of us suffer the same pressure from forces which have come to dominate the daily life of every individual among us.

On the racks of bitter experience we should already have found that as long as we remain divided we will remain as beggars on the financial back steps of the Nation.

Our institutions and our agriculture will remain alive by sufferance alone, and that sufferance will extend only so far as our imperialists deem necessary to keep down open revolt against our exploitation.

It is therefore a vital part of your fight and ours that we combine our strength in a common cause, to the end that our people may enjoy in more just and reasonable measure the fruits of their own toil and the prosperity to which their natural resources entitle them.

Greater familiarity with our respective areas, closer understanding of our common problems, and development of clear delineation as to our common objectives are essential if our cooperation is to become effective in restoring to all States and regions of America a semblance of equal economic opportunity.

As the next step toward that mutual goal may I tonight invite the Governor of Kansas to address the people of my State in its capital city at Jackson, that Mississippians may meet and know him as the chief executive of a State which is setting out on the path with them toward economic justice. I want the leadership of my State to hear him speak to them on their own soil. I want his message of good will spread through print and over the air to every city and hamlet within our borders.

And may I call on him, and on you of Kansas, to assume leadership in the closer union of your section and my own? I see in that leadership a vision of mutual progress. I see the ultimate assembly of a council of midwestern Governors. And I see those Governors in joint session with the Governors of the South, discussing our common problems and our common objectives, lending the combined strength of all of their States to reestablishment of our Nation as an economic as well as political democracy. Ours is the power to achieve that goal. Should we do less we shall convict ourselves of intellectual feebleness as we sit idly by to await the day of more violent solution.

Our Nation is one, and it is obvious and apparent that no section of it can long prosper, or even endure, while other sections shrivel into dependencies subjugated by corporate greed and blind self-interest.

And thus may we take leadership in the creation of a more noble America, a Nation of which every section can be proud, for which we will feel again the patriotism which takes joy in sacrifice, a nation which will preserve our democracy from trends now leading toward results unthinkable.

And may I pledge you the loyalty of my State in so noble a cause. May I pledge you the cooperation of 2,000,000 people awake to the future which threatens them and their Nation, and determined to contribute their part toward making the home of the brave once more a land of the free.

Employees of Civil Aeronautics Authority

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 21 (legislative day of Thursday, June 15), 1939

LETTER FROM HON. HARLLEE BRANCH, VICE CHAIRMAN OF THE CIVIL AERONAUTICS AUTHORITY

Mr. BAILEY. Mr. President, I ask leave to have printed in the Appendix of the RECORD a letter written by Hon. Harllee Branch, Vice Chairman of the Civil Aeronautics Authority, to the editor of the Huntington (W. Va.) Advertiser on the subject of the number of employees under the Civil Aeronautics Authority, the Administrator, and the Air Safety Board.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 7, 1939.

EDITOR, HUNTINGTON ADVERTISER,
Huntington, W. Va.

MY DEAR MR. EDITOR: On May 25 the Advertiser carried an editorial headed "Brass Hats," in which it is stated that "the Civil Aeronautics Authority has more employees than all the air lines it regulates." This is an error which I am sure you will desire to correct.

The employees of the Civil Aeronautics Authority, the Administrator, and the Air Safety Board total 3,601. Of this number, 2,662 are engaged in the performance of duties in connection with the construction, operation, and maintenance of the airways of the continental United States, its Territories, and possessions, including the installation and operation of such facilities as airway traffic control towers, intermediate landing fields, radio range and communication stations, airway beacons, etc.

The scheduled air lines regulated by the Authority have between 14,000 and 15,000 employees, and one of the air lines alone has between 4,000 and 5,000 employees. The Authority not only must regulate and provide inspection for the scheduled air lines but must also provide regulation and inspection of 10,828 civil aircraft, 25,376 pilots, 36,894 student pilots, 114 glider pilots, 161 student glider pilots, and 11,073 mechanics, dispatchers, air traffic control

operators, ground instructors, and other ground personnel. The regulatory powers of the Authority also extend to the manufacture, design, and export of aircraft and the rating of pilot and mechanic training schools.

The act, passed by Congress last year, which created the Civil Aeronautics Authority, the Administrator, and the Air Safety Board provided for the transfer to those three units of all of the functions and employees of the former Bureau of Air Commerce of the Department of Commerce and of the Bureau of Air Mail of the Interstate Commerce Commission. The employees of the Civil Aeronautics Authority, the Administrator, and the Air Safety Board, therefore, are made up for the most part of the two bureaus which the statute itself shifted to the new agency. Not only did the Authority, for example, not establish the large majority of its staff but the Authority was expressly prohibited by the act itself from reducing in classification or compensation any of the personnel so transferred to it until after July 1, 1939. The statute authorized the Authority, the Administrator, and the Air Safety Board to add such personnel as would be needed to take care of new functions and to take care of work formerly performed by personnel of the Interstate Commerce Commission and of the Department of Commerce which were not transferred by the new act.

The Authority, Administrator, and the Air Safety Board have added the additional personnel which were found necessary in order to perform the new functions and duties provided by the act. The total number of the employees taken on by the Authority, Administrator, and the Air Safety Board represents a net increase of only 254 employees over the total which had been authorized by Congress for the two old bureaus which existed prior to the passage of the Civil Aeronautics Act of 1938.

Sincerely yours,

HARLLEE BRANCH, *Vice Chairman.*

Facts About Trade Agreements

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, June 21 (legislative day of Thursday, June 15), 1939

ARTICLE BY C. E. BROUGHTON

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Facts About Trade Agreements," written by Mr. C. E. Broughton, editor of the Sheboygan (Wis.) Press.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sheboygan Press of June 1, 1939]

(By C. E. Broughton, Editor)

THE FACTS ABOUT TRADE AGREEMENTS

Sharply increased exports, accompanied by drastic decreases in imports, characterized the foreign trade of the United States in grains and grain products during 1938, according to C. Roy Mundee, Chief, Foodstuffs Division, Department of Commerce.

A comprehensive survey of this trade, prepared by Ruch Spicer, grain specialist, Foodstuffs Division, will be available for distribution this week, he said.

The survey shows that aggregate exports from the United States of grain and grain products reached a value of $233,554,000 in the calendar year 1938, compared with $91,095,000 in 1937. The grain and grain products export trade amounted to only $29,556,000 in 1936 and $28,922,000 in 1935. The 1938 valuation, it is pointed out, was the highest recorded for any year since 1929.

The largest single item in the grain export trade was corn, of which foreign shipments in 1938 amounted to 147,505,104 bushels, valued at $94,496,039, or more than the combined value of all grains exported in any one of the 3 preceding years. Approximately half of the corn shipments were destined to the United Kingdom and Canada, the survey shows.

Wheat ranked as the second most important item in the 1938 grain export trade, shipments abroad totaling 86,980,843 bushels, valued at $78,141,208. This total was more than twice as large as that of 1937 and many times in excess of the 1936 and 1935 figures. The United Kingdom was the leading export outlet, followed by the Netherlands and Belgium.

Exports of milled rice in 1938 amounted to 297,724,882 pounds, valued at $7,830,359, an increase of 101,723,000 pounds and $1,697,000, as compared with 1937. Smaller gains were registered in shipments of other grains, the only exception being rye, which showed a slight decline.

Exports of wheat flour milled wholly from United States grain increased from 2,270,097 barrels, valued at $11,927,112 in 1937, to 3,701,193 barrels, valued at $15,927,112 in 1938. On the other hand, exports of flour milled from wheat imported in bond for milling and export decreased from 2,182,611 barrels, valued at $13,339,314 in 1937, to 1,511,597 barrels, valued at $7,419,277 in 1938.

Exports of biscuits and crackers were higher in 1938, than in any of the 3 preceding years, as were shipments of macaroni, spaghetti, and noodles. All items of prepared cereals registered increases in the 1938 export trade over the preceding year with the exception of corn-cereal foods ready to eat.

Imports of grains and grain preparations in 1938, were valued at $7,976,000, which was only 7.8 percent of the value of $102,392,000 reached by these imports in 1937 and compared with $84,468,000 in 1936 and $73,314,000 in 1935. Last year, it is pointed out, was the first year since 1934, in which the value of imports of these products was less than that of exports.

Practically all items in the United States grain import trade showed decreases in 1938 compared with 1937 and the years immediately preceding. The greatest decrease was in imports of corn which amounted to only 403,371 bushels valued at $257,702, against imports of 86,337,248 bushels valued at $56,184,246 in 1937.

No reduction in duty on entry into the United States has been made for flaxseed in the trade-agreements program.

Of the 31,485,000 pounds of edible vegetable oils imported in January-February 1939, only 773,000 pounds of palm-kernel oil were subject to any reduced duty under the trade-agreements program.

The tabulation in the CONGRESSIONAL RECORD fails to state that the two classifications of cottonseed oil and olive, corn, and other oils are included under the vegetable-oils total shown, and, therefore, represent a 100 percent duplication. Cottonseed oils and other edible vegetable oils, except palm-kernel oil, have not been the subject of any trade agreements.

Oil cakes and oil-cake meal have not been given reduced duties in the trade-agreements program. The United States is on an export basis with respect to these products, shipments and exports in January-February 1939 totaling 109,730,000 pounds, as compared with imports during the same period of 33,868,000 pounds.

No concessions on butter have been granted under the trade-agreements program.

Imports of grains during January–February 1939 were at negligible levels. The United States is on an export basis in grains. As contrasted with the import figures shown, exports during the first 2 months of 1939 were: Oats, 366,000 bushels; corn, 9,693,000 bushels; wheat, 18,999,000 bushels; and barley, 1,080,000 bushels.

Of the January-February 1939 wheat imports, only 11,000 bushels consisted of wheat for human consumption actually entering the United States. Of the total imports for those 2 months of 1,874,000 bushels, 1,807,000 bushels entered bonded warehouses for grinding in bond and export, and 57,000 bushels were of wheat unfit for human consumption.

However, several concessions have been granted by the United States on grains. Among these were a reduction from 20 cents to 10 cents per bushel in the duty on corn from Cuba (effective September 3, 1934) alone (this concession was not extended to other countries); a reduction from 16 cents to 8 cents per bushel in the duty on hulled oats unfit for human consumption in the first trade agreement with Canada and the extension of the reduced rate to the classification oats, hulled or unhulled, in the second Canadian trade agreement; and the reduction in the duty on wheat when unfit for human consumption from 10 percent to 5 percent ad valorem in the second Canadian trade agreement, effective January 1, 1939. Pearl barley was reduced in duty from 2 cents to 1 cent per pound in the trade agreement with the Netherlands effective February 1, 1936. Barley, hulled or unhulled, was reduced in duty from 20 cents to 15 cents per bushel in the second Canadian trade agreement. There were other duty reductions in grains, but these are the important ones pertinent to the commodities included in the tabulation.

More than one-third of the January-February 1939, imports of vegetables and preparations were of items on which no concessions have been granted in trade agreements. These included various starches on the free list in the amount of $895,000 and canned tomatoes and tomato paste not the subject of any trade agreements in the amount of $518,000.

Unmanufactured cotton is on the free list and therefore has not been the subject of any duty concessions in the trade-agreements program.

Inedible molasses has not been the subject of any duty concessions in the trade-agreements program.

The large increase in January-February 1939 imports of maple sugar and sirup was due nearly entirely to the destruction of sugar maple trees in Vermont during the hurricane of last fall.

The duty on maple sugar on entry into the United States was reduced from 8 cents to 6 cents per pound by Presidential proclamation March 7, 1931, based on investigation by the Tariff Commission under section 336, 1930 Tariff Act, was further reduced to 4 cents per pound in the first Canadian trade agreement, effective January 1, 1936, and further reduced to 3 cents per pound in the second Canadian trade agreement effective January 1, 1939. The United States import duty on maple sirup was reduced from 5½ cents to 4 cents per pound under section 336 effective March 7, 1931, and was further reduced to 2 cents per pound in the second Canadian trade agreement effective January 31, 1939.

Treaty Obligations

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, June 21 (legislative day of Thursday, June 15), 1939

RADIO ADDRESS BY H. V. KALTENBORN

Mr. SCHWELLENBACH. Mr. President, last Sunday night, during the course of his regular weekly comments on current events over the Columbia Broadcasting System, H. V. Kaltenborn, distinguished commentator, discussed a resolution which I introduced 2 weeks ago in the Senate. This resolution involves the responsibility of our Government in regard to treaty obligations assumed by us. I ask unanimous consent that this portion of Mr. Kaltenborn's broadcast be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

And now, Mr. Kaltenborn.

H. V. KALTENBORN. Good evening, everybody, well, these are certainly days when maps are needed, with repercussions of difficulties of one kind and another echoing from the far corners of the world and jumping from one point to another with tremendous speed. And that reminds me that an American clipper with 50 passengers on board left Long Island on Saturday afternoon and reached the soil of Europe this evening. A total distance of some 3,500 miles accomplished in less than 24 hours. This means that passenger service between the Old World and the New with heavier-than-air ships across the North Atlantic is now an accomplished fact. That means something. That indicates a very definite change in the world in which we live. It means, whether we like it or not, the closer integration of America with Europe. It means that the world is growing smaller. It means that everything that happens in one part of it affects more definitely, more immediately, every other part.

I like to see the Pan American Co. develop this service ahead of other companies, because I think its record entitles it to that honor. It has always been careful, scientific, sure in its approach to aviation problems, and for that reason it has made a magnificent record in the many years in which it has been serving. Via the northern route, the trans-Atlantic passage can be made in three stops in 24 hours. Yes; in less than 24 hours. Of course, the trip all the way to Marseilles, a total of 3,650 miles, with the stops en route, will probably take a little less than 2 days, but certainly any time we wish to use the northern route it can be done altogether in less than 1, even though there are stops at New Brunswick, Canada, at Newfoundland, and in Ireland.

The *Atlantic Clipper* which is making this passage is the world's largest aircraft. It could take 74 passengers on short flights, 25 on long flights. It can cover 4,000 miles without taking on fuel. It travels at from 140 to 190 miles per hour on four motors. This flight is the culmination of 10 years of steady labor and research and planning, and it incorporates Pan-American's many years of experience on the Caribbean, in the South Atlantic, and in the Pacific. It is just one more step in man's conquest of space and time.

There is just enough food in the British concession in Tientsin, China, to last for another 48 hours. After that everyone will be on very short rations. Tonight Chinese are being forced into the concession by Japan to exhaust the food more quickly and presumably cause riots which would justify the Japanese in intervening. At the same time Japan definitely refuses any mediation. A prominent Tokio newspaper states tonight mediation will be utterly unacceptable. In London Sir Roger Keys, a retired admiral and prominent strategist, warned the British nation. He said Japan's action amounts to a declaration of war, and he points to the possibility of simultaneous action by the totalitarian powers in Europe and in the Far East. British opinion is hardening against the conciliatory Chamberlain policy and against the slowness with which the British Cabinet has acted in the face of this crisis.

Tomorrow the Foreign Affairs Committee of the Cabinet meets to consider the possibility of reprisals. The full Cabinet may meet on Wednesday, but there is no indication of any action that would bring immediate help to Tientsin or that would persuade Japan to change her attitude. French and British naval authorities are meeting in Singapore next week to plan concerted action, but there, too, there is delay.

Here in the United States Senator SCHWELLENBACH, of Washington, has submitted a bill calling for immediate economic reprisals against Japan. He would empower the President to cut our trade with Japan on the ground that the Japanese have violated the integrity of China which is guaranteed by the Nine Power Treaty to which both the United States and Japan are parties. Now, of course, that means that our Congress will soon be faced with the question to what extent we wish to safeguard our interests in the Orient; to what extent we wish to appear to be on Britain's side in this conflict. Of course, if we ask ourselves what should we do, it is obvious that whatever we do that is against Japan is in the same sense for Britain, even though we may not intend it to be so, because, after all, the United States is a power that has very important interests in the Orient, and we know that when you deal with a power that is dominated by an aggressive military government as Japan is today, appeasement and surrender do not always avoid war. They may stimulate new demands. If Japan can frighten us out of China, may not her next step be to try and frighten us out of the western Pacific?

One wonders how long the American people would tolerate an American government that surrendered our rights one after another because it was afraid to stand up for them. Polls of public opinion recently taken reveal that three-fourths of our people favor China as against Japan in the war that is now taking place between these two nations. And more than two-thirds are in favor of an embargo against Japan. This indicates that Senator SCHWELLENBACH'S resolution, if submitted to a vote of the people of the United States, would probably receive an overwhelming endorsement. The American public opinion has always backed this Government whenever it has made any strong protest against Japan, and such protests as we have made have been effective.

At Tientsin the Japanese commander expressed the current Japanese state of mind when he said: "An economic blockade against Japan would be impossible without the participation of the United States." It is extremely problematical whether the United States would rashly join British economic pressure against Japan in connection with such an issue as the Tientsin question. Yet Admiral Harry E. Yarnell, the American Navy commander in chief in the Far East, is arriving in Tientsin tomorrow to look after the welfare of some two hundred Americans living there; and since these Americans are being starved just as effectively as the British, we may hear something from America's naval commander. After all, it's an issue that confronts us, that faces us, perhaps not to the same extent as Britain, and yet we are quite definitely involved. It's interesting, too, to see how Italy, for example, reacts to the present situation in the Far East.

Here is what an outstanding Italian paper wrote today: "When the history of this period is written Britain will recognize the price she has paid for her anti-Fascist attitude and she will have to recall that Italy, which Anthony Eden tried to force to surrender, was the first to dispute the legend of inviolable British prestige." There is, of course, a constant sneer at British prestige in the Italian press and in the German press. It's not quite accurate, however, to say that Italy was the first to challenge British prestige. Japan did that in Manchuria in 1931 and perhaps we ought to recall that at that time the United States through its then Secretary of State, Henry L. Stimson, turned to Britain and suggested a joint demarché in Tokyo, and Sir John Simon, with a short-sightedness that the British Empire has long since regretted, said, "No. We will handle this ourselves."

Such is the record of history.

With Monopolies Running Wild Government Spending With the Hope of Bringing About Lasting Recovery Is Impossible

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. FULMER. Mr. Speaker, what a futile effort the administration and the Congress are making in trying to increase purchasing power, putting people to work, and the bringing back of a lasting recovery, which is essential if we are to maintain and continue the democracy that our fathers fought for, and under which we have so successfully carried on during the past 150 years.

Why do I make this statement?

Is there a Member of Congress who will deny the fact that the well-organized and well-financed groups in the various lines of industry, business, and finance are running wild with the most unfair, monopolistic control of production, distribution, and price fixing?

I challenge any Member of the Congress to name one of these groups that do not, under trade-practice rules and

regulations administered by their various associations, control their production, distribution, and the actual fixing of prices under their policy of distribution through their agents and distributors down to the actual consumer.

What we are doing today is nothing but taking a ride on a merry-go-round. If you do not believe this statement, stop the merry-go-round and you will find that we will be getting off right where we got on. Why?

Because you are just simply using the unemployed whom you have put to work, and the farmers whom you are subsidizing, as a transfer facility through which you are distributing tax money for the purpose of paying for what these people have to purchase. What I am talking about are these unreasonable fixed prices, all of which are absolutely destroying any increase in purchasing power which the Government has been endeavoring to give to these people.

When we slowed down in Government spending in 1938 what happened?

Industry and business commenced to slow down, and many of them closed down their factories, turning off thousands of employees; but they continued to maintain the same fixed prices on their products. Some of them actually increased their prices.

That is what happened prior to 1933. Speculation, installment selling, and monopolistic price-fixing succeeded in bleeding white the purchasing power of consumers. However, these monopolies, while slowing down and many closing down still continued to maintain, as stated, their fixed prices, and, naturally, unemployment ran wild, and farmers' prices, on account of the lack of purchasing power on the part of consumers, and, in that they were unable within themselves to control production or fix prices, hit the bottom.

What are we going to do about it?

You state that we have the Federal Trade Commission, the Department of Justice, and Senator O'MAHONEY's committee investigating these groups.

Yes, this is true.

The Federal Trade Commission, out of the spending of millions turned over to them by the Congress for the purpose of making these investigations, knows just as well as you do, that monopolies are running wild, but you have never heard of anybody connected with these monopolies being put in jail.

Senator O'MAHONEY and the Members of his committee know just as well as all of us know that monopolies are destroying the purchasing power of the people by their monopolistic control of production and the fixing of unfair prices, all of which are destroying the farmers, wage earners, and consumers.

What is happening to small industries and business concerns of the country? Why, they are being put out of business almost daily.

Perfectly good farmers are losing their lands, going into tenant farming to the extent, I am told by the Department of Agriculture, of 40,000 annually, all of which has been, and is being brought about because of just what I have been talking about.

This, however, is not the whole story. Not only are they holding down national recovery but the operations of these monopolies are absolutely destroying the liberty and freedom of the people of this great Republic.

Is there a Member of Congress who will not agree with me that at least from one-third to one-half of our perfectly good American citizens are living in poverty, many of them in misery, many of them, also, filling untimely graves, virtually, in the bonds of slavery, although they are permitted to live in the richest country in the world?

You can rest assured, in the words of Abraham Lincoln, "there can be no liberty or freedom with such a condition existing."

No one can deny that practically every policy and program advocated by the President has merit, and that much good has been accomplished in the way of helping the unorganized and the great masses of the people, who were facing a serious and disastrous situation at the close of the Hoover administration.

The thing that I am trying to get over to you is it should be very apparent at this time that it will be impossible to bring back normal recovery and a lasting recovery in the face of the strong opposition on the part of big business and those who are determined to destroy any possible recovery under the President's spending program.

There is just one of two things that we will have to do; that is, enforce the anti-trust law which seems to be tucked away in a pigeon hole, breaking up these monopolies, or the Government will have to assist farmers to monopolize, so as to place them on an equal basis in controlling their production, distribution, and price-fixing of farm products on a parity with these monopolies.

I am for breaking up these monopolies, and thereby permitting business and industry to proceed on an open and clean competitive basis.

As stated, we have various governmental groups making investigations, and this has been going on ever since I have been in Congress; and, although out of these investigations we have been able to catch these monopolies with the goods, just like a chicken rogue with the chickens in the bag, while we have proceeded to put the chicken thief on the chain gang, these monopolistic groups are told not to do these things any more and are permitted to go on their way as usual.

Recently I have had complaints about the monopolistic control of distribution and price fixing of one of the most important fertilizer materials used by farmers, costing farmers, because of these unfair fixed prices, perhaps just about as much as the Government has been giving them for the purpose of increasing their income and their purchasing power.

I refer to Barrett & Co. and the Chilean Nitrate Sales Corporation of New York, whose business is under one of the biggest monopolistically controlled agreements of any in the country.

This includes the price fixing of imported Chilean nitrate of soda, also.

Recently, the Federal Trade Commission, on account of complaints going in to them, had occasion to investigate this monopolistic octopus, which has been able and which is at this time spreading its sinister and selfish unfair trade practices along the line, as indicated, at the expense of farmers and governmental spending.

I would be very glad if those of you who are interested in this most important matter, and, certainly, every one of you should be interested, would get a booklet issued by the Federal Trade Commission some days ago giving complete information as to the complaints and the actual findings under their investigation of this monopoly, Docket No. 3764.

I am going to quote at this time for your information and solely for the purpose of bearing out the correctness of my charges, a few excerpts from this document, as follows:

CHARGES AND FINDINGS—FEDERAL TRADE COMMISSION

PARAGRAPH 1. Respondent, Chilean Nitrate Sales Corporation, is a corporation organized and existing under and by virtue of the laws of the State of New York, with its principal office located at 120 Broadway, New York. It is engaged in the business of importing into the United States from Chile nitrate of soda and other products, and of distributing for sale and of selling said commodities in this country.

PAR. 2. Respondent, the Barrett Co., is a corporation organized and existing under and by virtue of the laws of the State of New Jersey, with its principal office located at 40 Rector Street, New York, N. Y. It is engaged in distributing for sale and of selling nitrate of soda and other products in the United States. The nitrate of soda distributed and sold by this respondent is manufactured at Hopewell, Va., by a corporation of which this respondent is a subsidiary or affiliate.

PAR. 4. Respondents together supply all raw or basic nitrate of soda sold in the United States, and together they hold a monopoly on the distribution for sale and sale of such product in this country. Basic nitrate of soda is used by farmers as a raw, unmixed soil fertilizer, usually as a top dressing, and for this purpose respondents sell and distribute nitrate of soda in bags, which reaches the user in the original packages. Respondents also distribute and sell nitrate of soda in bulk to numerous manufacturers of mixed fertilizers, who incorporate the raw nitrate of soda into mixed fertilizers con-

taining other ingredients, these mixed fertilizers being in turn sold by the mixers thereof, directly or indirectly, to consumers.

PAR. 5. About August 1936 respondents, jointly and pursuant to understandings and agreements between them, adopted and established, and since that date have effectuated and maintained, substantially similar, and, in most aspects identical, systems, policies, and methods of marketing both the bulk and the bagged nitrate of soda sold by each of them. The purposes and objectives of said systems, policies, and methods and the results accomplished and achieved were and are—

(1) To establish, fix, and maintain the specified, uniform, and artificial prices at which bulk nitrate of soda is sold, respectively, by respondents to manufacturers of mixed fertilizers;

(2) To establish, fix, and maintain the specified, uniform, and artificial prices at which bagged nitrate of soda is sold, respectively, by respondents to distributors;

(5) To establish, fix, and maintain specified, uniform, artificial, and discriminatory rebates on prices at which respondents sell bagged nitrate of soda to their said distributors;

(6) To eliminate price competition in the sale of bagged nitrate of soda in all planes of distribution and sale.

(7) To establish, fix, and maintain points of distribution to be used as the bases for determining freight rates to be charged purchasers of bagged nitrate of soda as a part of the delivered price thereof.

(8) To establish, fix, and maintain specified freight charges, and maximum and minimum freight charges, to be added to or included in the prices at which distributors, dealers, and consumers purchase bagged nitrate of soda for delivery at specific destinations.

(9) To require distributors and dealers to charge consumers (farmers) a stated amount for hauling bagged nitrate of soda from the consumer's nearest railroad station to his farm.

(10) To establish, fix, and maintain the margin of profit which distributors and dealers realize on resales of bagged nitrate of soda made by them.

(11) To jointly select the customers to whom respondents sell bulk nitrate of soda and to whom such respondents sell bagged nitrate of soda for resale to dealers and consumers.

(13) To discriminate in price in favor of respondents' large distributors of bagged nitrate of soda because of their size and potential or actual ability to resell the said product.

(14) To encourage and induce distributors and dealers reselling bagged nitrate of soda to charge higher prices for bagged nitrate of soda resold by them to consumers on credit than the prices set for resales for cash.

(15) To allocate the trade territories in which respondents respectively market or push the sale of their bagged nitrate of soda.

(16) To allocate the trade territories in which respective purchasers of bagged nitrate of soda are permitted to resell said product.

(17) Generally to monopolize and control the channels of distribution and sale of bulk and bagged nitrate of soda within the United States.

PAR. 6. That for the purpose of making such systems, policies, and methods effective and of enforcing compliance therewith and observance thereof by all distributors and dealers in bulk and bagged nitrate of soda in the United States, respondents, acting both jointly and individually, in furtherance and in pursuance of their general plan and undertaking, have done the following things:

(1) Formulated, adopted, followed, carried out, enforced, imposed, and made effective the systems, policies, and methods hereinabove described.

(2) Formulated and issued bulletins, agreements, circulars, letters, price lists, and other printed matter, and distributed the same among purchasers of bulk nitrate of soda and distributors of bagged nitrate of soda, announcing the adoption of the systems, policies, and requirements above referred to and the imposition of the same upon all affected thereby.

(3) Formulated and entered into written contracts and agreements with their distributors requiring adherence by the latter to the principal points of said policies and to the impositions and requirements thereof.

(4) Each of the respondents has respectively adhered to the requirements of said policies, and refused to deviate therefrom.

(5) Respondents have issued identical price lists practically simultaneously, and offered identical rebates on such prices.

(6) Respondents have sought and obtained promises and assurances of cooperation from each other in establishing and making effective the policies and methods hereinabove described.

(7) Respondents have, respectively, sold bagged nitrate of soda to numerous distributors and dealers at prices which discriminate between and among such distributors.

(8) Respondents have exchanged or obtained information with respect to their respective businesses and activities, which was used in furtherance of the said policies and methods.

(9) Respondents have supervised and investigated practices and policies of distributors engaged in reselling bagged nitrate of soda to dealers and consumers and the prices at which such product was so resold, and have prevented some distributors and some dealers who did not conform to respondents' policies and prices from buying bagged nitrate of soda at the distributor's price or at all, and have acted concertedly to maintain resale prices agreed upon by them to control resale markets and to require recalcitrant distributors and dealers to conform to such policies and methods.

* * * * *

(6) To unreasonably lessen, eliminate, restrain, stifle, hamper, and suppress competition in the bulk and bagged nitrate-of-soda trade and industry and to deprive the purchasing and consuming public of advantages in price, service, and other considerations which they would receive and enjoy under conditions of normal and unobstructed and free and fair competition in said trade and industry, and to otherwise operate as a restraint upon and a detriment to the freedom of fair and legitimate competition in such trade and industry.

(7) To substantially increase the cost of such nitrate of soda to consumers.

(8) To suppress, eliminate, and discriminate against small dealers who are or have been engaged in or desire to engage in the business of buying and reselling bagged nitrate of soda.

(9) To obstruct and prevent the establishment of new distributors of bagged nitrate of soda.

(11) To regiment the nitrate-of-soda trade and industry and those engaging therein.

(12) To suppress and eliminate all price competition between respondents in the sale and distribution of bagged nitrate of soda between and among distributors and dealers in the resale thereof.

(13) To burden, hamper, and interfere with the normal and natural flow of trade and commerce in bagged nitrate of soda into, through, and from the various States of the United States; and to injure the competitors of large distributors by unfairly diverting business and trade from them, depriving them thereof and otherwise driving or freezing them out of business.

FIXED REBATES

(1) To purchasers so buying more than 1,000 tons of bagged nitrate of soda and less than 2,500 tons, annually, a rebate of 25 cents per ton.

(2) To purchasers of from 2,500 tons to 6,000 tons, a rebate of 50 cents per ton.

(3) To purchasers of from 6,000 tons to 12,500 tons, 75 cents per ton.

(4) To purchasers buying more than 12,500 tons, $1 per ton.

My friends, the findings of the Federal Trade Commission, as quoted by me, should convince any Member of Congress, as well as any citizen of this country, that the two nitrate agencies referred to have one of the most concrete, hog-tied monopolistically controlled businesses of any group in the country, and this is absolutely true, with all of the other well-organized groups.

I have had to buy farm machinery recently for my farm. Is there a Member of Congress who believes that, even with the spending of millions of dollars in trying to be of assistance to farmers, there is a possible chance of succeeding, with the prices that farmers are receiving for their products and the monopolistic, fixed prices that they have to pay for farm machinery?

I want to tell you, as a businessman and as a farmer, that it cannot be done.

At the beginning of 1938 the steel industry of this country stated, "Our prices for 1938 will be the same as in 1937."

Have you ever heard tell of any farmer or wage earner being able to tell the consuming public, or his employer, just what the price of farm products or wages would be during any year or at any time?

No, my friends. Not only are farmers and consumers forced to pay these monopolistic, fixed prices, but the marketing and price fixing of their products are absolutely in the hands of and under the control of groups other than farmers.

I am hoping that you will give deep and serious consideration to the very important matters that I have been talking about, with the hope that we will be able to proceed to do that which will have to be done if we ever hope to bring back national recovery and a square and fair deal to every group, and every class of people in this country.

In closing I want you to consider this important and serious thought:

Here we have a nation with stupendous resources in raw materials; completely equipped to turn these materials into consumable products; an abundance of workmen, able and willing to produce, manufacture, distribute, and consume. What is the mysterious force that interferes with this natural, workable process?

There can be only one answer, which I have endeavored to give to you at this time.

The Florida Canal Will Make a Scar Across the Face of This Nation That Must Forever Stand as a Monument to Wanton Waste and Extravagance

EXTENSION OF REMARKS

OF

HON. HARRY W. GRISWOLD

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. GRISWOLD. Mr. Speaker, the building of a canal known as the Florida ship canal has been reported out of committee and may be before this House. If the bill is not brought before the House this session, it no doubt will be before the next Congress.

It involves an expenditure of between two and three hundred million dollars at a time when our Nation is over $40,000,000,000 in debt and this debt constantly increasing. To consider a matter of this kind at any time we should have before us in very plain figures tremendous savings or benefits before we should even consider the matter.

The Board of Army Engineers have twice refused, and still refuses, to justify this project. We certainly cannot consider this project as a great saving when the best waterway engineers we have in this country refuse to justify it. The shippers for whose purpose the canal is built and who might use the canal if and when completed have failed to ask for it or signify any intention of using the canal if available. In considering this project which may or may not be completed in 10 years if authorized, we must consider the kind of ship that will be traveling in the trade route should the canal be completed.

I have been endeavoring to secure information on the trend in the designing and building of ships so that we might know what to expect in size, speed, and depth of ships if and when the canal is completed. I have accordingly contacted various builders and designers of ships in an effort to find out the kind of boats that will ply the trade route at the time of the canal's completion. I asked of the designers and builders this question: "Do you expect an increase in speed in tankers in the next 10 years; and, if so, what do you expect that speed to be?" This is a very important question, as almost the only saving that the canal might render to our shipping interests is the saving of time. The following answer from Gielow, Inc., engineers, of New York City, best illustrates the answers I received from all such concerns. I quote:

> Improved methods of design and mechanical progress has made it possible to obtain better speed in general ship design, whether it be tankers or cargo vessel, without any appreciable increase in the cost of the vessel or the cost of its operation. Easier driving hull with improved design has produced a better speed with an employment of the horsepower as contained in the older tanker design. Light weight of machinery and also the light weight of construction materials and the methods of construction have also tended to increase the speed, so that any new tanker constructed during the next 10 years will undoubtedly result in an average speed of 15 knots. This is against the average speed of 10 to 11 knots of the older tankers.

It shows a constant increase in speed, design, and construction which entirely eliminates any saving of time by the use of the canal.

I also asked this question: "Do you expect tankers to be built requiring a greater depth than at present?" Many of our harbors are now 40 feet deep and the river and harbor bill passed at this session authorizes the deepening of the channel from New Orleans to the Gulf to 40 feet.

I also asked this question: "Is the depth of harbor the limiting factor in the construction of tankers?" The canal as proposed will have a depth of 33 to 35 feet, and it will be necessary to have a clearance or squat of 3 to 5 feet beneath each ship unless the speed is to be greatly retarded or excessive power used. Vessels drawing over 30 feet of water could not use the canal. In answer to the two questions just stated I give the answers of Gielow, Inc., and they state:

> We expect the tankers will be built requiring a greater depth than at present. The depth of harbors is a limiting factor in the construction of tankers in many ports of Texas and the city of New York, but we will say that these two cities have excellent harbors and for this particular run we do not believe that it will present any great difficulty.

This shows that shipping is going to use the greatest depth our harbors can give them. If our harbors provide a 40-foot depth, future construction is going to utilize that depth and such ships cannot use the canal if they would.

Inasmuch as no shipping interests have ever appeared before the Rivers and Harbors Committee or even signified any interest in the canal I believe it of prime importance to know their attitude toward the canal, as after all this canal is only built as a gift to the shipper who might use it. I accordingly wrote various large shippers operating fleets of vessels in that trade route.

I now wish to quote extracts from letters from various companies operating fleets of boats which must utilize this canal if the investment is to be at all justified. The Standard Oil Co. of New Jersey states as follows:

> Our study shows that even if our vessels were permitted to transit the proposed canal absolutely free from port charges and canal tolls, our average cost of moving products from the Gulf to North Atlantic ports would not be reduced, due principally to the reduced speed at which it would be necessary for a vessel to proceed while in the restricted waters of the canal. The estimated net saving or loss of time for vessels proceeding to and from the principal Gulf ports from a North Atlantic port is as follows:
>
> Baton Rouge, La.—8 hours saving per round trip.
> Texas City and Baytown, Tex.—No difference.
> Harbor Island and Ingleside, Tex.—4 hours loss per round trip.
> Tampico, Mexico.—25 hours loss per round trip.
>
> It is our opinion that this project is ill-advised and is not in conformity with the mature consideration of practical shipping people.

In this connection, Mr. Speaker, I ask unanimous consent to include at the close of my remarks the letters in full from the various shipping companies.

I now wish to quote from the Cities Service Oil Co., of New York City:

> The possible saving in time would be considerably offset by the element of hazard resulting from this long canal passage, plus the possibility that the ships would encounter considerable delay in transiting the canal in the winter months owing to fog conditions. Even though from 70 to 80 percent of all tonnage that might use the canal would be tanker tonnage, this tonnage would be represented solely by ships in ballast trim. A loaded tanker would actually lose time by using the canal on a passage from a Gulf port to a North Atlantic port. We estimate that conditions in the canal would make it impossible for our ships to average more than 5 miles an hour during transit.

The Sinclair Navigation Co. stated as follows:

> We have discussed this project extensively with several persons interested in it and have come to the conclusion that such a canal would be of no value to this company for transit of its ships from the Gulf to the Atlantic or vice versa.
>
> Our conclusions are based on calculations and investigations which show that the use of the canal would produce exceedingly small savings, which savings would be more than wiped out by any toll and pilotage charges.

The American Petroleum Transport Corporation states:

> Referring to your letter of April 21, we are operating eight coastwise tankers from the United States Gulf to north of Hatteras ports. From the experience that we have had trying to operate our ships in other canals, we would not consider sending any of our ships through the Florida canal, as a few miles would be more than offset in the time lost passing through the canal. I personally think it is a ridiculous waste of taxpayers' money.

I have other letters from other shipping interests that I shall not take the time to quote from now, but I was unable to find one single shipping interest who felt they would or could use the canal if constructed.

Mr. Speaker, we are considering an investment of at least $200,000,000 at a time when our Nation is facing bankruptcy. We are considering the investment of two to three hundred million dollars that cannot possibly be returned to us in any way. We are considering making a gift to the shipping interests of this Nation which they did not ask for, do not want, and cannot use. We are saying to our great steamship companies, "Here is a present of a great canal. We

built it and we are going to maintain it for you at a cost of half a million dollars a year. If you like it and can use it, throw a few crumbs to the American people; that is all we are asking for, and I am the first person that has even asked for that."

Go to any boy in your district or mine and make a proposition like that to him and he would not invest a nickel in it—yet that is exactly the proposition on which this House may be asked to vote.

Mr. Speaker, this is not just a waste, it is an actual squandering of the taxpayers' money beyond the wildest dream of our wildest dreamers. It should be rejected by the unanimous vote of this House. The construction of this canal will make a scar across the face of this Nation which must forever stand as a monument to wanton waste and extravagance.

APRIL 18, 1939.

GIELOW, INC.,
25 West 43d Street, New York, N. Y.

GENTLEMEN: Your name has been given me as a firm engaged in the designing of oil tankers suitable for service between New York and Texas. I am particularly interested in the trend of construction, and the information I wish would probably be covered in the following questions:

(1) Do you expect an increase in speed in tankers during the next 10 years, and if so, what do you expect that speed to be?

(2) Do you expect tankers to be built requiring a greater depth than at present?

(3) Is depth of harbor the limiting factor in the construction of tankers?

(4) Are harbor depths constantly increasing, and if so, will tankers be built to utilize the greatest harbor depth?

(5) Do you expect constantly increasing tonnage in the construction of tankers in the next 10 years?

(6) Do the above questions and answers apply equally to the general freight-carrying ships? Do they also apply to passenger vessels?

An answer to the above questions will be greatly appreciated.

Yours very truly,

HARRY W. GRISWOLD.

GIELOW, INC., ENGINEERS,
New York City, April 19, 1939.

Hon. HARRY W. GRISWOLD,
Congress of the United States,
House of Representatives, Washington, D. C.

DEAR SIR: We acknowledge receipt of your letter of April 18 relative to the design of oil tankers suitable for service between New York and Texas.

1. Improved methods of design and mechanical progress have made it possible to obtain better speed in general ship design whether it be tankers or cargo vessels without any appreciable increase in the cost of the vessel or the cost of its operation. Easier driving hull with improved design has produced a better speed with an employment of the horsepower as contained in the older tanker design. Light weight of machinery and also the light weight of construction materials and the methods of construction has also tended to increase the speed so that any new tanker constructed during the next 10 years will undoubtedly result in an average speed of 15 knots. This is against the average speed of 10 to 11 knots of the older tankers.

2. We expect the tankers will be built requiring a greater depth than at present.

3. The depth of harbors is a limiting factor in the construction of tankers in many ports of Texas and the city of New York but we will say that these two cities have excellent harbors and for this particular run we do not believe that it will present any great difficulty.

4. Harbor depths are constantly improving as well as our inland waterways and with anticipation of continued improvement, tankers as well as cargo ships are being designed for the utilization of greater depth when it is possible to use it.

5. We expect a constantly increasing tonnage in the construction of tankers in the next 10 years both in the large sizes, as well as the small tankers capable of serving the inland waterways and the Great Lakes.

6. The above questions apply generally to all types of vessels for the reason that there have been such definite strides in the development of design of all types of vessels which produce economy, better speed, and greater carrying capacity that everyone wants to take advantage of this whether they are building a freight carrier, tanker, passenger boat, tugboat, or a ferryboat.

We are enclosing a paper on the development and study of tanker design which may be of interest to you and we trust the above information will prove helpful to you.

Yours very truly,

GIELOW, INC.
A. J. MACDONALD.

APRIL 21, 1939.

SINCLAIR NAVIGATION CO.,
630 Fifth Avenue, New York, N. Y.

GENTLEMEN: The Rivers and Harbors Committee of Congress has had under consideration the advisability of constructing a Florida ship canal. Canal as proposed would have a depth of 33 to 35 feet and a width of 250 to 600 feet. It would be 195 miles long and be a sea-level canal. It was not requested by any shipping interest before the committee and the question naturally arose, "Would shipping care anything about the canal or use it if built?" Inasmuch as oil is 70 to 80 percent of all tonnage that might use the canal, I would like very much to have the attitude of shippers toward this project.

It will take, if the canal is authorized, from 6 to 10 years to construct. Considering the matter with this future date in mind, do you believe your fleet of tankers would use the canal? If you feel your tankers would use the canal would you kindly state why. If you feel they would not use the canal would you also state why not.

I would thank you very much for a prompt reply.

Yours very truly,

HARRY W. GRISWOLD.

Mr. Speaker, this is a copy of a letter sent to those whose replies follow:

SINCLAIR NAVIGATION CO.,
New York, N. Y., April 24, 1939.

Hon. HARRY W. GRISWOLD,
House of Representatives, Washington, D. C.

HONORABLE SIR: We have discussed this project extensively with several persons interested in it and have come to the conclusion that such a canal would be of no value to this company for transit of its ships from the Gulf to the Atlantic or vice versa.

Our conclusions are based on calculations and investigations which show that the use of the canal would produce exceedingly small savings, which savings would be more than wiped out by any toll and pilotage charges.

Respectfully yours,

SINCLAIR NAVIGATION CO.,
H. CAMPBELL, *Vice President.*

STANDARD OIL CO. OF NEW JERSEY,
New York, April 26, 1939.

Hon. HARRY W. GRISWOLD,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN GRISWOLD: With reference to your letter of April 20, 1939, the project of constructing a canal across the northern part of Florida connecting the Atlantic Ocean with the Gulf of Mexico has had our very careful consideration for a number of years.

Our study shows that even if our vessels were permitted to transit the proposed canal absolutely free from port charges and canal tolls our average cost of moving products from the Gulf to North Atlantic ports would not be reduced, due principally to the reduced speed at which it would be necessary for a vessel to proceed while in the restricted waters of the canal. The estimated net saving or loss of time for vessels proceeding to and from the principal Gulf ports from a North Atlantic port is as follows:

Baton Rouge, La.—8 hours' saving per round trip.
Texas City and Baytown, Tex.—no difference.
Harbor Island and Ingleside, Tex.—4 hours' loss per round trip.
Tampico, Mexico—25 hours' loss per round trip.

It is our opinion that this project is ill-advised and is not in conformity with the mature consideration of practical shipping people. In our judgment, an expenditure of $140,000,000 to $200,000,000 on this project is not justified by economic considerations nor by present or potential traffic which would profitably make use of the canal.

Therefore, as we do not believe there would be any monetary advantage to this company and in consideration of anticipated delays due to fog, increased collision hazards while in the confined waters of the canal, and added restrictions which would probably be imposed on oil tankers on account of the nature of their cargoes, we do not contemplate using this canal should it be constructed.

Yours very truly,

K. H. HAND, *General Manager.*

CITIES SERVICE OIL CO.,
New York, N. Y., May 6, 1939.

Hon. HARRY W. GRISWOLD,
House of Representatives, Washington, D. C.

DEAR SIR: Referring to your letter of April 20, 1939, relative to the possible use of the proposed Florida ship canal, we have to advise you that, in our opinion, this canal is unwarranted, and we do not propose to use it even should it be constructed.

The possible saving in time would be considerably offset by the element of hazard resulting from this long canal passage, plus the possibility that the ships would encounter considerable delay in transiting the canal in the winter months owing to fog conditions. Even though from 70 to 80 percent of all tonnage that might use the canal would be tanker tonnage, this tonnage would be represented solely by ships in ballast trim. A loaded tanker would actually lose time by using the canal on a passage from a

Gulf port to a North Atlantic port. We estimate that conditions in the canal would make it impossible for our ships to average more than 5 miles an hour during transit.

Very truly yours,

CITIES SERVICE OIL CO.,
By T. C. CONWELL.

AMERICAN PETROLEUM TRANSPORT CORPORATION,
NEW YORK, N. Y., *April 26, 1939.*

HON. HARRY W. GRISWOLD,
House of Representatives, Washington, D. C.

DEAR SIR: Referring to your letter of April 21, we are operating eight coastwise tankers from the United States Gulf to north of Hatteras ports. From the experience that we have had trying to operate our ships in other canals, we would not consider sending any of our ships through the Florida canal as a few miles would be more than offset in the time lost passing through the canal. I, personally, think it is a ridiculous waste of taxpayers' money.

Very truly yours,

AMERICAN PETROLEUM TRANSPORT CORPORATION,
D. K. LUDWIG, *President.*

W. P. A. Appropriations Should Not Have Been Reduced

EXTENSION OF REMARKS
OF
HON. CHARLES H. LEAVY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. LEAVY. Mr. Speaker, when we were considering relief appropriations on last Friday, June 16, I did everything within my power to see that they were maintained at least on the level of the present rate. I felt then, and do now, that we have made a most serious mistake to curtail and limit appropriations for this essential and all-important national activity.

I do not believe there is anyone in America who desires to see relief continued as a permanent governmental policy. We would all like to see it brought to an end. However, the mere desire or wish can never be made the basis of denying millions of American people the privilege of earning a living or keeping them from starving.

BALANCING THE BUDGET

Those in this Congress and the people throughout the country who are so deeply concerned with balancing the Budget seem to forget that the welfare and happiness of the millions and millions of unfortunate and underprivileged men and women in America are far more important to the continued greatness of this country than is any financial budget or balance sheet. There were at least one-third of the Members of this Congress who were willing to lay Budget consideration aside, if necessary, in order to insure to the men, women, and children of America the meager living that they can get through keeping W. P. A. going at the same rate as it has been this year. The facts are that the situation actually calls for greater service in this field during the coming year rather than less.

It was a pleasure to me to work with my colleague, Congressman CASEY, and give him all the support that I could for his amendment. It would have provided $2,250,000,000 for W. P. A. during the next year. This is the amount that we have provided this year. This amount would insure 3,000,000 W. P. A. workers throughout the United States.

CONGRESSMAN CASEY OF MASSACHUSETTS LEADS FIGHT

The gentleman from Massachusetts, Mr. CASEY, and myself are both members of the House Appropriations Committee and that position made it possible for us to do much more effective work than if we had not been on that committee, but even with that advantage, we were unable to accomplish the result we desired, because of the powerful reactionary influences and groups at work in Congress. These groups believe apparently that it would be better to pass the burden of relief to the States and to have the Federal Government make a small contribution in the way of a dole. I am utterly opposed to anything in the nature of a dole and shall always speak and work against such a program.

What we all want, of course, is the opportunity of every person to have an independent job but until that time comes, the Federal Government has the responsibility of seeing that no one suffers and that there be adequate relief for those that cannot find jobs.

Mr. Speaker, possibly I can make clearer my meaning as to who defeated the Casey bill by directly quoting from Mr. CASEY'S speech made when the amendment was being considered. He said:

Mr. Chairman, my bill provides merely that we shall not cut the W. P. A. In contrast with the committee bill it provides that we, on the other hand, strengthen the W. P. A. rather than weaken it at this time. Let us consider the facts. There are just as many people out of work and unemployed today as there were during the current year. During the current year we appropriated enough money to take care of 3,000,000 people. Under the pending bill we have reduced that number by one-third, and in addition to that third reduction, by a combined Republican action with a small block of Democrats, we have further reduced it 200,000 more by earmarking $125,000,000 from W. P. A. appropriation.

NO WORK FOR MORE THAN HALF CERTIFIED W. P. A. WORKERS

In spite of all the struggle and fight that the liberals and progressives in the House made in support of this splendid amendment of Mr. CASEY'S, on a non-record vote, we were defeated by a vote of 201 nays and 82 yeas.

The W. P. A. bill, as reported out by the committee and as finally passed, actually means a cut from 3,000,000 W. P. A. employees this year to 1,800,000 next year, or 40 percent, and this in spite of the fact that with the 3,000,000 on W. P. A. rolls, there are in the United States today another 1,000,000 who have qualified and been certified but for whom there is no work, because appropriations have been cut. In other words, we go into the next year beginning July 1 with 1,800,000 W. P. A. employees and 2,200,000 certified W. P. A. workers denied the opportunity to get even the meager earning that this activity gives them.

It was indefensible for the bill to reduce W. P. A. activities by 1,000,000 workers, but when the committee arranged to discontinue another 200,000 people on an average per month by earmarking $125,000,000 for the Public Works Administration simply cannot be excused, when they knew full well that this would not in any respect meet P. W. A. needs and had such strings tied to it that it could not be used for practical purposes by the agency, while at the same time it was taken from W. P. A. They took away $125,000,000 from W. P. A. and labeled it for P. W. A. but made sure P. W. A. could never use it.

I offered the amendment that would have restored the $125,000,000 to W. P. A. and it would have made 200,000 more W. P. A. jobs, and I led the fight on the floor for the amendment. This fight was supported by every progressive in the House, but we were unable to overcome the influence and efforts of the conservative and reactionary Republicans and Democrats, and the amendment was defeated by a vote of 84 to 194. Now I am hopeful that the Senate will correct this great mistake.

FIGHT TO RESTORE CUTS

Mr. Speaker, I am glad that it has been my privilege to take part in the fight and to actually lead in this particular as the spokesman for the millions of Americans who do not have the means to employ clever and adroit lawyers and do not have the means to have great and powerful organizations speak for them. It has always been my determination to give my support to, and raise my voice in behalf of, those millions of men and women whose number is unfortunately daily increasing and who are the victims of powerful economic influences beyond their control.

I desire to repeat a few statements made by me on the floor of the House when I was given an opportunity to talk for W. P. A. They are as follows:

We transfer by the bill as now written $125,000,000, and thus make just that much less for W. P. A. In other words, the W. P. A. budget is cut that much.

What is the effect of this transfer? The Budget estimate for 1940, as submitted, means a million less families on W. P. A. relief

for that year as compared with what we have this year, and there are a million now on the waiting list. If this language remains in the bill as the committee has reported it, it means that we go into the next fiscal year with 2,000,000 American families denied the right to get even the meager existence they get out of W. P. A. If the $125,000,000 provision is permitted to remain as now written in the bill, it means that an additional 200,000 families on the average every month during the next fiscal year will be denied the opportunity of remaining on W. P. A.

* * * * * * *

If we put this issue to the House today in the form of a question as to whether you want now to vote to strike, in addition to the million families a month off of W. P. A., an additional 200,000 families from the rolls, I say, if that issue were put in that form, then I know it would be voted down. [Applause.]

PAY DECENT PENSIONS—USE HOARDED GOLD

The bill we have just passed is so far short of what it should have been that those of us who are more concerned with balancing the human budget than with balancing the financial Budget feel deeply disappointed. In spite of its provisions that no more money can be appropriated to this cause, I am sure that next winter when the terrible effect of this unreasonable cut makes itself felt throughout this country of ours that Congress will be called upon to appropriate additional funds. When our Nation is threatened from without, we do not hesitate to appropriate money for military and naval purposes, regardless of how the Budget might be affected. We must come to recognize that the most important and fundamental thing in this Nation are the men, women, and children who make it a Nation. I would like to have seen us give every older citizen security and independence by passing proper old-age pension laws and making full use of all the gold we now have buried by having the Government own and control its money and credit system. We might then utilize the billions of hidden gold that we have stored in the hills of Kentucky and the almost $2,000,000,000 worth of silver stored away in West Point, N. Y.

For my part, I shall continue so long as I am in Congress to fight for the men, women, and children who have no voice back here other than the man they have elected to represent them.

Letter Urging Representative Fish To Be Republican Candidate for President

EXTENSION OF REMARKS

OF

HON. CARL G. BACHMANN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

LETTER FROM HON. CARL G. BACHMANN

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a copy of a letter written by the Honorable Carl G. Bachmann, former Member of the House, and Republican whip, as well as the campaign manager for the Honorable WILLIAM E. BORAH, in the Presidential campaign of 1936, to the Honorable HAMILTON FISH, Member of the House of Representatives from the State of New York, urging that Mr. FISH become a candidate for the Presidency of the United States, and his reply:

WHEELING, W. VA., *June 19, 1939.*

The Honorable HAMILTON FISH,
House of Representatives, Washington, D. C.

DEAR HAM: As you know, in the last Presidential preconvention campaign, I acted as campaign manager for Senator WILLIAM E. BORAH. I was convinced then, and am more convinced now, that he was the most logical and strongest candidate for the Republicans to nominate. If he had been, there would have been a different story throughout the Nation. Any number of my friends who did not agree with me at the time have since told me that I was right.

I am equally convinced today that you are the logical and the strongest Republican in public life that our party could nominate for the Presidency. Your record of 20 years' service in the House of Representatives, fighting to maintain our American institutions and for a square deal for all elements of our population, including labor, the farmers, and businessmen, under our American system and the Constitution of the United States makes you an ideal candidate.

As a liberal conservative, I believe you are better qualified to unite the conservatives of the East and the more liberal elements of the West than any other Republican and to lead the fight against the radicalism of the New Deal.

Your continued reelection by increasing majorities from President Roosevelt's home congressional district and the fact that you ran many thousands of votes ahead of Tom Dewey in that district in the last gubernatorial campaign proves my contention that you are the best vote getter in our party. Few, if any, Republican Members of the House or the Senate have the experience or the knowledge you have on national and international issues.

Your uncompromising fight against communism, the unsound and radical New Deal measures, and your courageous leadership in trying to keep America out of foreign wars would appeal to millions of Americans in all sections of the country.

There are large groups of our population who would acclaim your nomination, including the World War veterans, of which you are one of the most distinguished, and the oldest in point of service in the Congress. In addition, the colored people, whose battles you have fought in Congress and led in battle on the fields of France, would be with you regardless of party affiliations.

The great peace-loving elements of our country, who want to keep out of all foreign entanglements and wars, are looking to you for leadership.

Your experience, knowledge, ability, courage, and Americanism are unchallenged. Your radio voice is one of the clearest and most forceful in our party.

From a purely political standpoint of getting votes and winning the election, I am certain that it will be necessary in 1940 to nominate for the Presidency a candidate from the State of New York, and preferably a World War veteran. We must nominate a candidate who on his record will emphasize that the preservation of our American system, under which we have become the greatest, richest, and freest nation in the world, depends on the restoration of the Republican Party to power in Washington.

I have discussed this question with many of my friends; and on their behalf and my own I urge you to become a candidate for the nomination for President on the Republican ticket, and am confident if you will that you will be nominated and elected.

With best wishes and kind regards, I am,

Sincerely yours,

CARL G. BACHMANN.

Let Us Be Tolerant

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

RADIO ADDRESS BY HON. J. PARNELL THOMAS, OF NEW JERSEY, JUNE 18, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to incorporate the following copy of a broadcast made by me over station WABC, New York City, on last Sunday evening, June 18, 1939:

This year's hearings of the congressional committee whose purpose it is to investigate un-American activities reveals the extent of intolerance in America today. Both committee witnesses and communications coming to the committee show the alarming recent growth in racial, religious, and class bitterness in the United States. While intolerance is not nearly so acute here as it is in some foreign lands, it is, however, a sign important enough not to be ignored, and it should be promptly and unequivocally condemned by all true Americans.

I say this because I firmly believe that the spirit of liberty on which the foundation of democracy rests is entwined with tolerance. In fact, our forefathers who drafted the Constitution for the United States definitely had tolerance in mind when they ordained and established the Constitution in order to promote the general welfare and to secure the inestimable blessings of civil and religious liberty to ourselves and our posterity. Further, they went so far as to declare that the "Congress shall make no law respecting an establishment of religion or prohibiting the exercise thereof." These words are the exact language of the founders of this great Nation when they wrote into law the wishes of the people. The doctrines expressed by these words have been the law of the land ever since,

over which span the United States has grown to be the greatest nation on earth.

Under our Constitution and under our form of government for generation after generation the people have enjoyed freedom of worship—whether Jew, Catholic, or Protestant. Both the worshipers of these various faiths and the churches themselves have been tolerant of each other.

So let us not at this late hour, just because the people of other nations choose to be intolerant, be intolerant ourselves; but let us, irrespective of our different spiritual beliefs and of our separate racial characteristics, be Americans first. You and I may not see eye to eye, nor may we agree in all of our beliefs, but certainly such disagreement does not warrant any spirit of intolerance.

Of course, much of this recent intolerant feeling in the United States is the result of propaganda disseminated in the guise of social and economic readjustment. Much of it is the backwash of European and Asiatic maladjustments. Hemispheres through modern communication are too close not to be affected by events which may happen in any part of the world. If there is a spirit of intolerance in Germany, in Italy, or in Russia, then there may likely develop a similar spirit in other nations of the world. Consequently, I think we should take every precaution to safeguard ourselves against any such pestilence getting a foothold here.

At the same time we in America, while defending ourselves against religious and racial intolerance, must also guard against the world trends of class feuds. Altogether in too many other countries there has developed class struggles which in time may be the ruination of such countries, for no nation can for long endure the constant draining of class intolerance. Its effects are as devastating to a healthy and virile society as the ravaging of insects on fertile soil.

Nevertheless, there has of late been disseminated in the United States a vast amount of class propaganda—propaganda insidiously designed to pit one class against another, the apparent purpose of which is to weaken the morale of the people so that the complexion of the State might be more easily changed. It is the most cleverly conceived of all propaganda and is in the main disseminated by organizations with alien ties, organizations which invariably hide their true aims by traveling under false colors. Usually they select names that will falsely leave the impression of a worthy and honorable purpose, such as the League Against War and Fascism. Then, too, they often draw upon a historical character, such as Lincoln or Washington. In this manner they set up a smoke screen and by it are more able to attract moral and financial support from the unwary. Such organizations constitute the united front for communism.

In addition, we have the Bund and various Fascist groups, including, among others, the Silver Legion of America, Industrial Associates, and the Knights of the White Camellia, also as active disseminators of intolerant propaganda. While all of these organizations may differ in names and in methods, their aims, however, are identical, and if intolerance exists anywhere in the entire world it truly thrives in these twentieth century jingo movements.

Our committee has also had plenty of testimony showing that individuals working on their own behalf have resorted to the modern-day witchcraft of class hatred, several even holding strategic positions in our Federal Government, a few of them holding particularly important positions. Their type of class propaganda mostly follows along the lines of name-calling and phrase-coining. Those who use it probably think it smart politics, but the results have caused economic and social injury to a large portion of our society. Whole industries and complete sections of our population have been smeared from one end of the land to the other. A few of the names so glibly used, and which come to my mind tonight, are "Tories," "copperheads," "money changers," "economic royalists," "Bourbons," "princes of privilege," "feudal families," and "back stabbers." These are the names used by the New Deal to undermine the moral and social security of almost half of our population.

With the use of these names our Federal administration has slipped to a new low in undemocratic methods. Never before in the history of the United States has a Federal administration used its strong power to character-assassinate its own people. Nor have we ever had an administration which has invariably gone out of its way to breed class strife. This is the American New Deal, and I might say in passing, if a government is inclined to encourage one form of intolerance, it can conceivably be expected in time to countenance some other form, just as has the new deal of Italy, the new deal of Germany, and the new deal of Russia.

The New Deal of America has time and again during its 6-year existence called names and coined phrases in order that it might climb the ladder of human misery to a point where the entire population would be subservient to its will and domination. It has gone far out of its way to besmirch the reputation of many honest, hard working, and thrifty citizens. It has done this that it might falsely prove to others just as honest but not so fortunate that the New Deal was their savior, while in reality the New Deal has been the average man's worst enemy, for through its extravagance, waste, and unsound fiscal policies, and foolish experimentation, 11,000,000 needy persons have been deprived of gainful employment, and in many instances have been relegated to a life term of economic slavery.

When I refer to the New Deal, I do not mean the Democratic Party, for I am definitely convinced that the New Deal and the Democratic Party do not stand for the same things, do not have the same aims, nor the same principles. The real Democratic Party today, like the Republican Party, as always, does not countenance intolerance, and certainly there has never been a political party in our history which has been more tolerant of religious faiths, or races, or of the people as has the Republican Party—the party of Abraham Lincoln.

I hope for the sake of this wonderful Nation, I hope in the interest of liberty, justice, freedom, and peace, that these groups and these people who have fanned the flame of intolerance will in time see the errors of their way. There is plenty of room here for different viewpoints without intolerance. There is no good reason why we should not at all times be willing and able to live up to the concepts of democracy. Yet one of the most important prerequisites of freedom, the base on which democracy rests, is tolerance. Without tolerance, there can be no liberty and without liberty there can be no democracy, so individuals who foster intolerance actually eat away the fabric of democracy. The Communists know this. It is their game. Avowed Communists make no bones about it. They purposely encourage intolerance to destroy democracy. On the other hand, there are other individuals who are intolerant today because they say it is patriotic to be that way, and I particularly refer to those individuals and to those organizations which are becoming so articulate of late toward the Hebrews. I cannot for the life of me see their reasonings, for the first principle of patriotism is to uphold the Constitution. Yet, if you subject any religion to involuntary servitude or to complete subjection, you violate both the spirit and letter of the Constitution of the United States. In addition, you are encouraging our people to forsake their democratic principles for the dogma of totalitarian states. You are consciously, or unconsciously, urging the strongest democracy in the world to follow in the ragged paths only too recently traveled by the dictators of Russia and of Germany. And lastly, if you should outlaw, and I hope to God you never do, one race or one religion, there is nothing to stop you at some future time from outlawing another race or another religion.

I am pleased, though, to admit on this radio broadcast that while our committee has unearthed much evidence which shows existence of religious, racial, and class intolerance in the United States today, while the extent of it is abnormal, it is, however, confined to minorities and a comparatively few persons. But, as I have said before, it is a definite danger signal.

We who believe that America is the greatest nation on earth, that its flag is the symbol of justice, liberty, and infinite possibilities should beware of this signal. We should do everything in our power to counteract it; we should encourage the civil authorities to be firm and courageous about it; and we should at all times keep it before the searching glare of public opinion.

I say this because I know a large majority of the American people will not tolerate any undue tampering with their Government or with their institutions or with their well-established customs; and if a large majority of the people appreciate existing dangers, they will speak in no uncertain terms.

So, in closing may I encourage the people of the United States to have faith, to be tolerant, and to journey along the American way. Lastly, obligations were passed on to you by your forefathers. If you will but carry them out, you will secure the blessings of opportunity for your posterity.

The Neutrality Act

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

ARTICLE BY WALTER LIPPMANN AND EDITORIALS FROM CALIFORNIA NEWSPAPERS

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following article by Walter Lippmann which appeared in the Pittsburgh Post-Gazette of May 31, 1939, and two editorials which appeared in California newspapers:

TODAY AND TOMORROW—SECRETARY HULL'S NEUTRALITY PROGRAM

(By Walter Lippmann)

There has been some criticism of Secretary Hull because he has waited so long before taking a position on the Neutrality Act. But his caution has, it seems to me, been wise, and the effect of the delay has been salutary. The delay has greatly improved the position in Europe, and the discussion before the congressional committees has resulted in a genuine clarification of American policy.

The reason for believing that the delay here has improved the position in Europe can be understood when we remember that nearly 3 months ago Great Britain stood helpless and irresolute while Hitler tore up the Munich agreement, overran Bohemia and

Moravia, occupied Memel, and threatened Poland, Lithuania, and Rumania. Since that happened the British and French have pulled themselves together, have constructed a great defensive alliance, and have made it clear that they mean to defend their vital interests. This has required the doing of a great many things that Mr. Chamberlain hated to do—the giving of guaranties to Poland, Rumania, and Greece; the making of an alliance with Turkey and with Russia; the adoption of conscription and the placing of British industry on a war footing.

The total effect of this reversal of British policy has been an acknowledgment of the fact that the vital interests of Great Britain in Europe can be defended only by Great Britain with such allies as she can find in Europe. Had the United States repealed the arms embargo 2 months ago, it is probable that this action would have been greatly misunderstood in London as meaning that the United States could be counted on to fight alongside of Britain in case the axis struck toward the west.

It is a reasonable assumption that if Mr. Chamberlain had had any reason for thinking that he could count on the United States as an ally, he would never have committed himself in Warsaw, Bucharest, Athens, Angora, much less in Moscow. This would have been a dangerous illusion on his part. Mr. Hull's delay, whether calculated or not, has compelled Mr. Chamberlain to accept the fact that the restoration of a balance of power in Europe is a European responsibility, and to act accordingly.

The delay has also had a good effect on Hitler and Mussolini. Back in March the two most prominent proposals before the committees were the Pittman "cash and carry" bill and the Thomas amendment to name "the aggressor." Neither bill commanded general support. Both had grave defects which would have caused all manner of confusion and entangling difficulties. Had Mr. Hull sponsored either proposal, it would probably have been defeated, because in the test of debate it could not have carried conviction.

It would have been very dangerous indeed to have this debate with the prospect of eventual defeat at a time when Hitler was on the march and the European opposition was as yet unorganized. It would have furnished one more reason, and a very powerful one, for continuing the campaign which so very nearly brought on a European war at the beginning of April. The delay here left Hitler and Mussolini uncertain as to what the United States might do, and convinced them, as we may fairly assume, that if they suddenly bombed London and Paris and overran Holland and Switzerland, the reaction in America would be terrific.

So by depriving Mr. Chamberlain of the illusion that he could count on America, by depriving Hitler of the illusion that he could count on hermetically sealed American isolation, a most necessary and healthy realism has been promoted in both camps. The interest of the United States has been served in that war has been postponed, and perhaps averted; if war has not been averted, our interest has also been served in that the resistance has been organized. The nations which share with us the control of our real frontiers in the Atlantic Ocean and in the Pacific cannot now be defeated by a knockout blow. Our own security is consequently much greater.

Now that Great Britain is committed in Europe and now that there is a balance of power among European States, the American interest will best be served by a prompt clarification of the neutrality act. For while the alliances that have been formed in Europe may postpone, perhaps prevent, a world war, there is no certainty that they will. All that is certain now is that if war breaks out it will be a long war and that it will be fought all over Europe, Africa, Asia, and on all the oceans.

The existing neutrality act puts the United States in a most awkward position. It gives to Hitler the power, by the simple act of declaring war or fomenting a revolution to stop our trade in a long list of commodities, to divert our shipping, to decide where Americans may travel, and to disorganize the financial basis of our foreign trade. Never in our own history, and never in the history of any independent state, has a legislative body voluntarily given such power over its own affairs to a foreign government. And never has a nation professing peace offered such an inducement to an aggressor, never has it put such a premium on going to war or on starting a revolution.

Though this is the effect, it was, of course, not the intention of the American Congress. The intention was to keep the United States from being entangled against its will and contrary to its national interest in a European war. The purpose of Congress in enacting these embargoes and prohibitions was to keep private citizens and private commercial interests from getting so entangled in a foreign war and suffering such injuries that America would have to go to war to protect or avenge them.

Now Mr. Hull's program carries out this purpose as exactly and as efficiently as it is possible to do it. Instead of giving to foreign nations the power to keep Americans out of any part of the world that they choose to name, Mr. Hull proposed to have the United States decide what parts of the world are too dangerous for American travelers, American ships, American exporters. That is the essence of the Hull plan and, once understood, it is the plainest common sense.

The difference between his plan and the existing law is that Mr. Hull proposes to have the United States, not some foreign nation, determine where the fighting is serious enough to warrant forbidding Americans to travel and to trade. Under the present law, Japan or Germany or Italy can regulate our trade and intercourse with, for example, Australia or Canada, just by declaring that they are at war.

Did anyone seriously mean to transfer so vital a part of American sovereignty to Tokyo or to Berlin? Obviously not, but unhappily that is the state of the existing law.

Mr. Hull's plan not only recovers American sovereignty, but it goes much further than the law as it has stood since May 1 in preventing private interests from getting us into trouble abroad. Under his plan we decide where the trouble exists. Having defined the area, we forbid Americans to travel in that zone of combat, we forbid American ships to enter it, we forbid American-owned goods to be transported through it, and we forbid Americans to lend money to anyone who is intending to carry goods through that zone.

But what we do not do is to stop trading with any part of the world that is theoretically, though not actually, in the zone of the fighting. We do not abandon our interests anywhere at the mere behest of foreign governments. We do not tie up our ships in port or let them go only where foreign governments choose to say we may let them go. We do not let foreign governments decide whether we may sell this American product but not that one. We do not let foreign governments decide whether nations they mean to attack may get the arms to defend themselves.

Fairly considered, examined on its merits, I submit that the Hull plan does everything that men like Senator NYE have sought to accomplish. Though the method is somewhat different, the purpose is the same, in that it fixes a definite line which cuts the entanglement of American private interests in foreign wars. That is what Mr. NYE has been after, and that principle has conquered.

The only difference is, first, that Mr. Hull cuts the entanglement at the zone of actual danger, whereas Mr. NYE would cut it at the 3-mile limit; and, second, that Mr. Hull would have our own Government, not foreign governments, decide where Americans shall travel and shall trade, whereas Mr. NYE would, unintentionally, of course, surrender that sovereign power to foreign governments.

[From the Mercury Herald of San Jose, Calif., of May 31, 1939]

NOT PARTISAN ISSUE

Representative FISH, Republican member of the House Foreign Relations Committee, views with alarm Secretary Hull's proposal to eliminate from the new Neutrality Act the mandatory embargo on sale of munitions to nations at war. The effect of it, he says, would be to "make the United States the slaughterhouse and arsenal for arms, munitions, and implements of war, and particularly for Great Britain, which controls the seas."

Foreign relations should not be made the football of partisan politics. Leaders of both parties should squarely face the facts presented in the international situation and devise constructive measures to safeguard the Nation's interests.

The inescapable facts are (1) that the three dictator nations forming the Berlin-Rome-Tokyo alliance proclaim force to be the instrument of their foreign policy, repudiate treaty obligations and international law, and menace world peace by their lawless conduct; that all nations, including the United States, realize this to be true and are spending billions to increase their armaments to protect themselves against the aggression of the dictators; (3) that the storm center is in Europe, and world peace depends on whether the peaceable nations of Europe can unite and make their armaments so strong the dictators dare not risk an attack on them.

On this state of facts it is self-evident the United States is secure against attack if the peaceable nations of Europe are militarily strong enough to curb the dictators. To prohibit the sale of munitions to the nations protecting us against the Nazi-Fascist menace would therefore be an act of folly. The way to prevent the United States from being a "slaughterhouse" is not to declare an embargo, but help pile up the munitions of the anti-aggression bloc.

[From the Los Angeles (Calif.) Times]

A SOUND PROGRAM

The bill which will probably enact Secretary Hull's neutrality proposals into law—since they are said to have full administration approval—appears to be soundly considered, in spite of objections to it immediately voiced by Senator BORAH and Representative FISH. The Senator and the Representative complain that sale of munitions even on a cash-and-carry basis will "turn the United States into an arsenal."

These objectors might well be asked what are munitions and what not. If there is any moral distinction between selling the raw materials to be made into munitions and the finished product, it would be hard to draw; the most innocent of materials may be turned into the deadliest of weapons or explosives.

To shut off a flow of materials necessary or useful in wartime would require the embargoing of all exports, regardless of character. Such a quixotic gesture on our part would entail an immense sacrifice.

Furthermore, it would cog the dice in favor of the well-prepared and war-disposed nations, which could get along without supplies from this country, and penalize nations which might be defending their very liberty and existence against aggressive attack.

There is no argument in favor of an embargo on munitions which does not apply with equal force to an embargo on all commodities.

This phase of the neutrality law has been debated for years and always comes out at the same place. It is time to admit that discrimination between various classes of exports is illogical.

The refusal of loans or credits to belligerents is a method of restricting war exports indirectly, which may or may not work out well in practice, but which may deserve a trial. It appears to be based in principle mainly on our bad experience with the war debts rather than on moral grounds.

The prohibition of travel by Americans on ships of belligerents and the prohibition of visits by American ships to dangerous areas are theoretically objectionable as interfering with individual freedom and as abandoning the historic American doctrine of freedom of the seas. It would serve all purposes if such travel and such visits were made at the risk of the parties concerned. In practice that will probably prove the effect of this provision, which appears impossible of practical enforcement.

Other provisions of the act speak for themselves. On the whole, it seems about the best neutrality bill obtainable and a considerable improvement over the existing statute.

Secretary Hull's coincident warning that a policy of isolation is both impossible and dangerous for the United States is correct in its main thesis. For good or ill, the United States is a part of the world. We need not take sides in every quarrel; but if we fail to act when the quarrel intimately concerns us, we may be gravely damaged and have no recourse.

Revision of the Neutrality Act

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

EDITORIAL COMMENT ON REVISION OF THE NEUTRALITY ACT

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorials recently published with regard to proposed changes in the Neutrality Act:

[From the El Paso (Tex.) Times]

A ROAD TO PEACE

Secretary of State Cordell Hull's latest proposals for revision of the neutrality law should be accepted by Congress.

Mr. Hull's suggestions show a thorough understanding of the situation, based on a deep study of the present neutrality law, including its shortcomings and good points.

The Secretary made six recommendations, all of which appear sound.

His first proposal calls for elimination of the present arms embargo provisions of the neutrality law. He said the neutrality law's provisions for an embargo on export of arms, ammunition, and implements of war have failed. Theoretically, those provisions appeared sound, but in practice they have failed miserably. Experiences of the United States with those provisions during the civil war in Spain and the Chinese-Japanese bloodshed should have convinced anyone that they were not workable.

Mr. Hull's other proposals deal with prohibiting American-owned ships from entering combat areas; restriction of travel by American citizens in combat areas; provision that the export of goods destined for belligerents shall be preceded by transfer of title to the foreign purchaser, or, in effect, reenactment of the expired "cash and carry" policy; continuation of existing legislation respecting loans and credits to nations at war, and, regulation of the solicitation and collection in this country of funds for belligerents.

If America can be kept out of a general war, Mr. Hull's proposals, if put into force, would go a long way in that direction.

If American ships and nationals are kept out of combat areas, there should be small chance of embroilment on that score. If foreign purchasers at war are required to take title to their goods in the United States, paying cash upon delivery here and then undertaking to transport those goods themselves, the United States would be relieved of all responsibility for delivery, thus again lessening the chances of our becoming embroiled.

Many persons in high positions contend that the United States eventually would become involved in a general war, so why not enter into the hostilities at their outbreak on the side of our choice and bring the war to a successful end as quickly as possible?

Of course, that argument has some merit, but it seems better to take a chance that this Nation might not become involved.

Secretary Hull's latest proposals offer us an avenue, apparently the only avenue with honor, of avoiding a general conflict not of our own starting. Certainly, we should be foolish not to follow it.

[From the Denver (Colo.) News of May 31, 1939]

KEEPING OUT OF WAR

There are two ways in which neutrality legislation can help to keep America at peace:

First. By helping to prevent a European conflict.

Second. By reducing the chances of our entanglement if such a war cannot be averted.

It seems to us that Secretary Hull's proposals for amending the Neutrality Act are suited to both objectives.

As the act now stands, if fighting starts in Europe tomorrow, the President must forbid entirely the exportation of arms, ammunition, and implements of war to any of the belligerents. But the sale and delivery of oil and cotton and steel and a thousand other things, just as vital as machine guns, would not be restricted. And the torpedoing of American vessels bearing foodstuffs and fibers could point us down the road to war just as surely as could the sinking of cargoes of airplanes and cartridges.

Mr. Hull would place all exports to belligerents—whether tanks or shoes or wheat—on a cash-and-carry or come-and-get-it basis. He would forbid American ships to enter zones of conflict. Warring nations would have to send their own vessels to our docks, place their cash (no credit allowed) on the barrelhead, take title to the goods, and haul them at their own risk. Our industry and agriculture would suffer a minimum of dislocation.

That seems simple and fair. Actually, of course, in a general European conflagration, such a law would favor England and her allies so long as they controlled the seas and had the cash. But then it is utterly impossible to write a neutrality law that will give an even break to both sides. And surely even Fritz Kuhn is not so stupid as to think the American people would long tolerate a law that catered to the axis at the expense of the democracies.

As the Neutrality Act now stands, if Hitler launched his bombing fleets tomorrow against London and Paris and Warsaw and Bucharest, President Roosevelt would, by law, have to forbid delivery of the hundreds of fighting planes already ordered in this country by France and Britain. (True, the President might fail, as he has done in the case of China and Japan, to recognize that a state of war exists. Some authorities think he could properly do so on the ground that the act infringes unconstitutionally the Chief Executive's historic authority over the conduct of our foreign relations.)

But if Germany were convinced that he actually would apply the embargo her estimates of her chances in a quick war would be enhanced. If, on the contrary, Congress notified the world that our policy to all would be "come and get it," then Germany would have to revise her calculations. And to that extent the Hull proposals would tend to preserve peace in Europe.

Suppose, however, that we go along on the basis of our existing law. What do you think would happen if a war started and England and France, reeling under successive waves of mass bombing which their own air fleets proved inadequate to prevent or avenge, pleaded for delivery of those planes they ordered here before the war started?

Do you think Congress and the American people would shut their ears? We don't. We think Congress would repeal the Neutrality Act so fast it would make your head swim.

If that guess is a reasonable one, why hang on to the letter of the existing law now, when enactment of the Hull proposals might serve as a powerful deterrent to the war party in Berlin?

[From the Frederick (Okla.) Leader, of June 6, 1939]

NEUTRAL AND INDEPENDENT

Secretary of State Cordell Hull, the Cabinet's No. 1 statesman, has proposed a neutrality law which would aid greatly in keeping the United States out of war—and would preserve its international independence—something that is impossible under present laws.

Hull proposes to keep the American Government free to exercise its sovereignty, and at the same time to prevent our own people and other nations from involving us in foreign wars. He would provide the utmost in war trade with the least possible risk of becoming involved thereby—and he would also do away the possibility of foreigners financing their wars in this country or influencing our foreign policies.

His proposal ought to be passed speedily.

Wage and Hour Law Amendments

EXTENSION OF REMARKS

OF

HON. RAYMOND S. McKEOUGH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

RADIO ADDRESS BY HON. ELMER F. ANDREWS

Mr. McKEOGH. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by

Hon. Elmer F. Andrews, Administrator, Wage and Hour Division, United States Department of Labor, delivered over the radio on June 19, 1939:

The Social Security Act, the Wagner Act, and the wage and hour law together form the charter of industrial and economic democracy for the wage earners of the Nation. Together these statutes protect the Nation against mass poverty, sweatshop hours, and industrial war. Tonight I want to warn you that these three acts are in danger of being mangled by lobbies which, knowing the acts are here to stay, seek, by flank attacks, to chop these laws to pieces.

Literally millions of workers, the neediest, the least organized, and the economically weakest of all wage earners, are threatened by pending or proposed amendments to these great pieces of labor and social legislation.

More than a quarter of a million of these workers would be excluded from the benefits of the Social Security Act under an amendment which has passed the House and is now in the Senate.

More than 1,000,000 workers would be robbed of the protection of the wage and hour law by ripper amendments now before the House.

A million and one-half employees are threatened with industrial disfranchisement by proposed amendments to the Wagner Act.

Tonight I have time to tell you the story of only one of these pressure groups—the misnamed Agricultural Producers' Labor Committee. That committee is a legislative "front" for the Associated Farmers of California, a notorious labor-busting outfit of the west coast, which is largely financed by the Chamber of Commerce of California, big public-utility interests, and employers opposed to organized labor. The Associated Farmers have a long record of trying to solve their labor troubles by violence. It is a matter of notorious record that they have suppressed free speech, a free press, the right peaceably to assemble, the right to petition—just about all the constitutional guaranties that were intended to safeguard the liberties of a free people.

When you think of a farmer you probably have in mind a man who works 40 or 60 acres by the side of the road. He grows a little wheat and hay and corn, and keeps a few cows and raises a few pigs, and has an apple orchard and a berry patch. He works the farm with the help of his wife and children, and occasionally employs a hired man.

Well, most of the Agricultural Producers' Labor Committee aren't farmers in that sense at all. Most of them participate in the operation of packing or canning plants for which their vegetable ranches or fruit orchards, covering hundreds of acres, are feeders. They've got their operations on a production line like an automobile factory, and just as thoroughly industrialized, and instead of employing an occasional hired man they employ, off and on, hundreds or thousands of people, many of them Mexicans, Filipinos, and refugees from the Dust Bowl, who they can hire for a few cents a day, and they often house them in unsanitary tent colonies or in dilapidated shacks.

These organized operators aren't going to be held accountable for any of their acts, or for any of the intolerable conditions they create, if they can help it.

The Agricultural Producers' Labor Committee has neither constitution, bylaws, nor a declaration of principles. But they are perfectly frank as to what they want. They want out. They want immunity from the Wagner Act, the Social Security Act, State unemployment compensation acts State wage and hour laws, and the Federal wage and hour law. They seek to recapture the special privilege to exploit the workers in the industrialized packing, canning, and processing plants. They prefer the feudal system of the Dark Ages.

The Napoleon of this counterattack upon progressive legislation is one Ivan G. McDaniel, counsel to the Agricultural Producers' Labor Committee, a Los Angeles lobbyist lawyer, who, since he swung into action in Washington, has become familiarly known among his opponents and victims by his first name. That is a tribute to the effectiveness of his legislative raids to date. If Ivan gets his way, every employee engaged in packing or canning farm products will be deprived of all security in his old age, of the right to join with his fellow men in unions of his own choosing, and the right to work protected by a floor under wages and a ceiling over hours.

Ivan says that the farmer demands this immunity for the nonfarming middleman processor, the packer, and the canner. Let's see what a genuine farmer says. Let's see what Henry A. Wallace, Secretary of Agriculture, says. I quote from a letter written by Mr. Wallace to Senator ELBERT THOMAS, the statesmanlike chairman of the Senate Committee on Education and Labor: "The processing of farm products and preparing them for market, when performed off the farm, should unquestionably be regarded as a nonagricultural operation." Mr. Wallace shares our view that this employment should have the protection of the wage and hour provisions of the Fair Labor Standards Act.

Let me tell you just how Ivan operated upon the clarifying amendments to the Wage and Hour Act contained in H. R. 5435, which Mrs. NORTON, the courageous chairman of the House Labor Committee, and the Wage and Hour Division agreed upon last February. The changes proposed in these amendments were generally accepted as desirable improvements of the act. But when Ivan and his natural allies got through with this simple legislation it had been transformed into an instrument for the emasculation of the Federal wage and hour law.

Let me tell you what wage earners this bill proposes to banish from the protection of the Fair Labor Standards Act: One hundred and fifty thousand logging employees would be removed from the present 44-hour workweek and worked up to 60 hours a week for 38 workweeks with no hours limitation at all during the remaining 14 workweeks; 125,000 employees engaged in packing fresh fruits and vegetables would be deprived of the protection of both wages and hours; 73,000 employees (mostly Negroes) engaged in handling and processing tobacco would be similarly exposed to exploitation; hundreds of thousand of employees engaged in canning plants, slaughterhouses, terminal grain elevators, etc., would be removed from practically all protection from overtime hours.

But even this doesn't satisfy the opponents of labor. It is not enough to exempt from the benefits of the act loggers, packers of fresh fruits and vegetables, tobacco stemmers, and to impose intolerably long hours upon employees of canners, slaughterhouses, terminal grain elevators, and upon thousands of others. Now I am advised that these groups and others seeking exemptions are undertaking to have the House consider this bill, H. R. 5435, under a rule which will permit amendments from the floor, at which time proposals to exempt all clerical workers, all cannery plant workers, all packers, all sawmill workers, all telephone and telegraph workers, all miners, all truckers, the employees of all warehousemen, and wholesalers will be pressed.

There is even a proposal to deprive all wage earners of the 5-cents-an-hour increase in the minimum wage which is to take effect October 24, and to repeal the provisions which make possible the advancement of the minimum wage to 40 cents an hour in those industries which can afford it.

It is now clear that the high-priced lobbyists are not going to let any clarifying amendments go through the Congress unless these amendments carry along with them the emasculating exemptions which they seek for the special groups they represent. It is now clear that no clarifying amendments will go through the Congress without opening the Fair Labor Standards Act to a general revision. As Administrator of the Wage and Hour Division, I know that we have not had sufficient experience in administering the statute to provide any basis for such a general revision. The proposals now made for amendment by those who fought the bill before it was passed—and by those who fight it now—seek to make the amendments a bill to lower wages and lengthen hours of work.

Men and women of the radio audience, I do not feel that I can warn you too solemnly of the immediate danger in which hundreds of thousands of American workers are of losing their rights under the Federal Wages and Hours Act. The high-priced lobbyists of whom I have been speaking are working hard. They are busy tonight. There is real cause for immediate concern. If they have their way all clerical and industrial workers will be deprived of social gains which they have won during the last few years.

If the precedent is ever established of excluding large numbers of employees from this act merely because of the demand of employer pressure groups, no worker covered by the act can long expect to receive its benefits. Such a legislative reward would always be an invitation to other employer pressure groups to secure a similar exemption for their workers.

And as for organized labor, any law passed by the Federal Government which recognized intolerably long hours for hundreds of thousands of employees would handicap labor unions in obtaining reasonable hours in their collective-bargaining agreements.

Moreover, if the Federal Government removes the protection which hundreds of thousands of workers are now receiving from this law, the example would be cited in turning the "heat" on State laws regulating minimum wages and hours of work for employees.

Who will benefit by all this? Certainly not the genuine farmer. The effect will not be to help the farmers but to harm them. For to whom will the farmers sell their cotton, their wheat, their tobacco, their fruits and vegetables, if millions of industrial workers do not have jobs and the money to buy their products?

I repeat, there is reason for every workingman in America, and for responsible employers and citizens generally, to be alarmed because this bill (H. R. 5435) is being supported by well-financed lobby groups who are determined to recommit a large part of our working population to poverty and human misery. The Wage and Hour Act is in peril.

Flag Day Address

EXTENSION OF REMARKS

OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

ADDRESS BY HON. ROBERT A. GRANT, OF INDIANA, JUNE 14, 1939

Mr. GRANT of Indiana. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following

address delivered by me at Michigan City, Ind., on Wednesday evening, June 14, 1939, at the Sixtieth Annual Encampment of the Grand Army of the Republic:

We are gathered here this day to celebrate, as well as to commemorate, an event that for us has a triple significance.

The flags are not yet faded, the flowers have not yet withered and floated away from the graves of our fallen dead who gave their last full measure of devotion to the cause of country, home, and liberty. Just a few days ago we were paying tribute in memoriam to those who laid their lives upon the sacrificial altar of their country.

Here, today, are some of the remaining few, full of honor and full of years, who fought in the great civil struggle which, alas, seemed necessary to cement for all time the union of States in this great Nation of ours. The scythe of time is fast thinning the ranks of those who escaped death on the fields of battle.

So, then, with the hallowed memories of our honored dead still fresh in our minds from the rites of Memorial Day, and with the deep love and respect we bear those now in the sunset of their years who remain with us from the Grand Army of the Republic, we gather here to celebrate Flag Day; to honor the Stars and Stripes, that beautiful symbol of a nation founded upon the eternal principle and ideal that the Creator has endowed man with certain inalienable rights which cannot be conferred by any government of men and which must not be taken away by any government of men—the right of life, liberty, and the pursuit of happiness.

In that immortal document, the Declaration of Independence, which will remain a magna charta of liberty so long as men have the power to reason, was first written, as a basic tenet of government among men the right of the individual to pursue life, liberty, and happiness; the right to make the most of his ambitions and talents, so long as his pursuit of life, liberty, and happiness does not interfere with the equal rights of his brother. In the Constitution, the organic law of our land, that doctrine was again written, to remain there so long as this Nation shall stand.

The Stars and Stripes, with its colors of the red, white, and blue, symbolizes not only those inalienable rights of man, but it symbolizes, too, the struggles and the sacrifices of those who were willing to offer up their all to keep it flying and to keep under its protecting folds a haven of refuge for the oppressed and the downtrodden.

We have here with us, whom we delight to honor, some of those who, too, offered up themselves on the altar of their country to uphold that flag. They represent an almost bygone generation of noble men and women to whom no sacrifice was too great to keep the Stars and Stripes flying from the masts of America.

In addressing you, I represent a generation too young ever to have known the sacrifices of war. I am of the younger generation of this Nation, to whom you of that other generation have handed down the rich heritage of a free government, in a free republic, in a rich nation, all to the end that we might attain those cultural and spiritual values which, so much more than all material things, make life worth while and spell progress in our civilization.

Therefore, representing as I do the youthful generation, in their name I bare my head and from my heart offer you our gratitude for your noble sacrifices, your patriotic efforts, and assure you that our illustrious dead have not died in vain. I assure you that as your sun of life sinks behind the horizon of the years, we shall give that measure of devotion to liberty and humanity for which you were ready to fight, to shed your blood, and, if so be, to die.

The colors of that glorious banner that today floats on the Indiana breeze—symbol of all that makes life worth while, symbol of a great free Government, symbol of a land of equality of opportunity—were not chosen by whim or accident. The white in the folds of that banner represents the purity of motives of those who would uphold among the men of earth the principles of justice, truth, good will, and brotherly love. Those bars of red represent the blood shed not alone on the fields of battle in time of war, but shed many times in the fields of strife, when peace should have reigned, in order that those ideals for which that banner stands as a symbol might not be sacrificed and desecrated and destroyed by the selfishness and the greed of men or the lust for power of those who would trample underfoot the flag of their country and the rights of their fellow men in order that they might taste of the fruits of power.

The blue in that field, on which float the stars representing our States, is the blue of the vault of heaven, that heaven whence cometh the inspiration from Divine Providence that gives to the hearts of men the impulse to be just, to have good will toward their fellow men. Thus we have the white and pure ideals of humanity, of justice, of good will, of truth, of brotherly love, sanctified in the blood of those who made their noble sacrifice to uphold those ideals, living on as eternal truth under God's vaulted sky.

It is tragic, tragic beyond expression, that there should be those in the human race, aye, among our own people, who in their thirst for power or gain are willing to forget or to destroy everything for which that flag stands, everything for which these men of silvered hair were willing to sacrifice their lives. It is tragic, inexpressibly tragic, that there should be working in this country today a ferment of false foreign philosophies that would erase from the Declaration of Independence and from the Constitution of the United States those rights and privileges of which the Stars and Stripes are a glorious symbol.

Just as it was the task of those who have laid down their lives in war, and of those who have grown gray through the years in guarding the liberties and the privileges which are symbolized in the flag, so it is our task, the youth of America today, to keep the watch fires burning, to walk the sentry post, if you please, in every corner of America, that those who would poison the wellsprings of liberty may not succeed.

It is our portion, we hope, through years of peace in the future, to give our great measure of devotion to guarding the flag and the Government it represents and the Nation it symbolizes against those insidious and iniquitous forces of darkness which, burrowing beneath, boring from within, would replace that noble banner with the flag of some dictator.

Be not deceived. That boring is going on. That tunneling under the structure of free government is being carried forward. The insidious poison of discontent with a constitutional government, of belief in its failure and its inefficiency, is being injected into the veins and arteries of this Nation on the campus, in the corridors of our schools and colleges, in the labor unions, in the political gatherings. You will find among us those who would bring about that chaos which must follow the failure of democracy in America in order that, like carrion vultures, they may feed to fatness upon the misery and the ruin of their fellow men.

Something more than a mere proclamation took place back on June 14, 1897, when the first official recognition of Flag Day was decreed by the Governor of New York, who gave orders that on each June 14 henceforth the national flag should fly over all the public buildings of that State. That event was destined to become a ceremony that would be observed throughout the length and breadth of free America.

We cannot observe Flag Day, we cannot pay a tribute to that glorious banner, without paying tribute to those who have stood ready to sacrifice life itself in its defense. We pay, in this rite, tribute to the founders of this Nation; to those who penned the Declaration of Independence and had the supreme courage to give it to the world; to those who signed the Constitution, that there might be born upon this continent of ours a government of the people, by the people, and for the people; to those who, from the first battle of Lexington to the last battle of France, left their homes and their loved ones and, with lips white and hearts aching with the agony of parting, went forth to do their duty when their country called.

In a way I know something of what that sacrifice means. Only a few years ago I trod the stretches of Chickamauga. There I could envision the story told me by my grandfather of the battle, and see again the scene when Chickamauga Creek ran red with the blood of the Blue and the Gray. He was in that battle in a uniform of blue. I remember one of the beautiful expressions which he uttered in describing to me the scenes of that battle. "My boy," he said, "hold no rancor in your heart for those on the other side. They, too, were fighting for what they believed was right."

What a tribute, what a magnificent victory for human ideals, for the truth upon which those who wrote the Declaration of Independence and the Constitution of the United States placed their faith. What a victory, I say, when in a comparatively few years those wounds which came with the riving of a nation were healed, and forgiveness replaced hatred, good will supplanted fratricide.

What a marvelous thing that in this great Nation of ours there could be that spirit which could again lead men to extend to each other the right hand of fellowship and brotherhood over the graves of their fallen brothers. That is why today we make no distinction when we put the living blossoms upon the graves that hide the mortal remains of those who died for what they conceived to be right. That is why, without distinction, we place the blossoms upon the graves of the Gray as well as upon the tombs of the Blue. That is why, when the Old Flag called, back in yonder years of '98, the Sons of the Gray and the Sons of the Blue shouldered their rifles and marched away, arm to arm, comrades in a common cause.

That is why, when we thought we were going into a holy crusade to make the world safe for democracy and to fight a war to end all wars, the sons of the Blue and the sons of the Gray again marched away together, comrades in a common cause.

It has been the heartbreak of America; it has been our great disappointment that while we thought we were giving of our blood and our treasure to make the world safe for democracy the other countries of the world had no such ideal.

Let us never again be inveigled into the age-old quarrels of Europe.

Just as the Man of Galilee, in His wisdom and His gentleness and His love, warned His disciples not to go into those regions to preach to those people who did not want salvation, just so we must never again yield up our men and our treasure in an effort to settle by clash of arms the quarrels of foreign nations, to whom for a thousand years quarrels have been a part of their daily national life and intercourse.

Rather let us make sure by our devotion to the principles embodied in the Declaration of Independence and the Constitution that America shall be kept safe for democracy. Let us by our devotion and our vigilance make sure that this Nation shall stand a beacon for all the world to see and read the lesson that the fruits of peace are happiness and progress, while ruin and chaos are the fruits of war. Let us for the sake of the whole world make sure that this Nation shall continue to stand a free country, in which cooperation and good will and devotion to the eternal truths are the pathway to that peace and prosperity for which men pray and struggle and work; and that brute force, the power of the dictators, the sabers of the oppressors, shall never have a place.

Those men and women who have laid their all, including their lives, upon the altar of their country, did not love war. They hated war. They gave their all that peace might reign. They gave their all that men might live as brothers instead of existing as brute beasts ready with fang and claw to rend each other. They died that men might be free, not enslaved. They died to establish in America the eternal truth that no one man, be he ever so benevolent, is strong enough, or wise enough, lone-handed to solve the problems of life, or the difficulties of a nation. Those eternal principles which are the foundation of this Republic can be upheld only by the devotion in the fervent hearts of every man, woman, and child in this broad land.

It matters not whether you seek to promote the progress of mankind through compulsion by a dictator, by an oligarchy, or by a political bureaucracy, it cannot be done that way. It was because it cannot be done that way that those brave men laid their liberty upon the altar of truth when they penned the Declaration of Independence. It was because those wise founding fathers knew that only in the allegiance of all the people to the ideals expressed in the Declaration of Independence could a free Government be sustained, that they provided for a Government with those checks and balances through three coordinate and coequal branches to prevent the rebirth on this continent of the very tyranny which had driven them from their homes across the seas to the unchartered shores of America.

It was because they knew that at all times, among all peoples, there are those who, under the name of preserving the people's liberties, would shackle their fellow men to gain power, that the founders wrote into the organic law of this land the restrictions which since that time have been assailed and assaulted whenever the lust for power became too strong in some men.

It was because the founding fathers and these men who came after them knew these dangers and sought to guard a young Nation against them that they believed that every citizen owed it as a duty to himself and to his loved ones, to his own home and hearth, to lay down, if necessary, his life in the battle to preserve the freedom proclaimed by the Declaration of Independence and written into the organic law of this free Republic.

True it is we have those among us today who would nurture class suspicions and hatreds, sectional jealousies, and strife. And when they do it they are seeking, whether they know it or not, to desecrate that flag which we are gathered here today to honor, that flag for which these silver-haired veterans were ready to offer up their all.

There is no logic under the sun, there is in eternal truth not one jot of justification for the hatreds and the strifes and the suspicions that have been aroused and nurtured in this land of ours in recent years.

That flag can float and its pristine beauties can gleam in the sunbeams of a free country only so long as we, one people united, are determined to uphold the ideals of which it is a symbol.

Divide and conquer is not a new mode in the world. It has been the method of the tyrant since men first came out of their caves and associated themselves in tribes. It has been the ruse of egos gone mad with lust for power ever since the dawn of conscience in mankind

He who would rule his fellow men first sets his brothers at variance with one another. How well the immortal Abraham Lincoln foresaw this when he said:

"It is to deny what the history of the world tells us is true to suppose that men of ambition and talent will not continue to spring up amongst us. And when they do, they will as naturally seek the gratification of their ruling passion as others have done before them. The question, then, is, Can that gratification be found in supporting and maintaining an edifice that has been erected by others? Most certainly it cannot. Many great and good men, sufficiently qualified for any task they should undertake, may ever be found whose ambitions would aspire to nothing beyond a seat in Congress, a gubernatorial or a Presidential chair; but such belong not to the family of the lion or the tribe of the eagle. What! Think you these places would satisfy an Alexander, a Caesar, or a Napoleon? Never! Towering genius disdains a beaten path. It seeks regions hitherto unexplored. It sees no distinction in adding story to story upon the monuments of fame erected to the memory of others. It denies that it is glory enough to serve under any chief. It scorns to tread in the footsteps of any predecessor, however illustrious. It thirsts and burns for distinction, and, if possible, it will have it, whether at the expense of emancipating slaves or enslaving freemen. Is it unreasonable, then, to expect that some man possessed of the loftiest genius, coupled with ambition sufficient to push it to its utmost stretch, will at some time spring up among us? And when such a one does, it will require the people to be united with each other, attached to the government and laws, and generally intelligent, to successfully frustrate his designs."

How prophetic were those words.

In these past years we have been engaged in a struggle to preserve the ideals represented by the flag just as surely as though it had been armed warfare. In these years we have been combating depression, extravagance, rising debt, mounting taxation, and a wave of discontent which unfortunately has been kept alive by those who appear to believe that only in the discontent of a disunited people can be found the formula for government.

Racial hatreds, class strife, sectional jealousies have been fanned into flame by men willing to gamble with those dangerous emotions in order to gain political aggrandizement.

Wisely did Abraham Lincoln say:

"Property is the fruit of labor; property is desirable, is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

The end and aim of free government under our Constitution is not to enable some men to live in idleness upon the labor of others, but is to so free men that they can by the exercise of their own talents and initiative maintain themselves in amity among their fellow men. The great task that faces us at this hour in our fight to maintain those ideals symbolized by the flag is to restore to the United States of America that freedom of effort, that freedom of industry, that freedom from the shackling regulations of too much government so that industry can again offer a decent job at decent wages to every citizen able to work, in order that he may maintain himself and his loved ones and retain his self-respect as a free son of the stars and bars that float above us.

You cannot tell me that any considerable number of free American citizens want to be upon the bounty of their fellows. Our people want an opportunity to work; they want an opportunity to maintain themselves by their own efforts. It is not for the Government under the flag to support the people. It is for the people under the flag to support the Government, while in their hearts there is kept alive that brotherly love, that good will, that humanity for man that will permit no suffering within the borders of this free Republic.

It is said that charity is a hateful thing. I say to you that charity is an expression of love when it is true charity; it is an expression of that same impulse that moves us to extend the helping hand to him who has fallen, not in order to carry him upon our backs for all time, but to set him upon his feet so that he may follow with us the road to rehabilitation and prosperity.

Just as Lincoln said that "this Government cannot endure permanently half slave and half free," so I say to you this Government cannot endure if the people of this country are politically half slave and half free.

I say to you that when a man must vote as someone tells him to vote as the price of the bread to sustain himself and his loved ones, he has lost that priceless liberty which makes life dear.

I say to you that prosperity can no more be found in creating debt than can peace be found in the maw of war.

Those who have struggled through the years in making this the greatest, richest, freest, happiest, most enlightened Nation on the globe, did not do so by plunging into debt, by spending with recklessness and abandon, by wastefulness and profligacy. They did it by thrift, by self-sacrifice, by the courage to meet hardship and privation and still hold in their hearts the ideals which are symbolized by the flag.

We have no more right to enslave this Nation in debt, to put upon it an insupportable burden of taxation, and then to pass those burdens on to posterity, than our forefathers would have had to waste the strength and the resources of this Nation and to pass on to us of this generation only an empty shell and a false hope.

It is all well and good for some of us to say, "What matters it if our children's children must pay the interest and the debt? They will only be paying themselves." That is a fallacy. The truth is not in it. Such a concept is a fraud upon the unborn generations who are not here to protest for themselves.

If this Nation is to live, each generation in its turn must be strong enough to meet the problems of its day and to pass on, unimpaired and shining with hope, the rich heritage of this great free Nation just as it has been passed on to them.

So, then, let us keep ourselves free of entanglements in the quarrels of the Old World. Let us keep ourselves free of dissensions and hatreds at home. Let us guard ourselves well against the insidious propaganda which would persuade us, if it could, to abandon the Government symbolized by the Stars and Stripes and to accept the tyranny of Russia, or the tyranny of Germany, or the tyranny of Italy.

I would say to those of my own generation, the youth of this land, Hold up your heads in hope, face the future with courage and resolution, let not your hearts be troubled by fear, because your fathers before you had to face privation; they had to undergo trials; they had to endure hardships. In their courage we shall take strength to meet the future and again under the Stars and Stripes lead this Nation back to peace and happiness and prosperity.

So, then, old and young together, let us give a renewed devotion to that flag that flies above us as we resolve anew to sustain those ideals for which it stands. Let us give a renewed devotion to the American's creed penned by that able and patriotic gentleman whom I am proud to call my friend, William Tyler Page. Let me read it to you as a conclusion to my message:

"I believe in the United States of America as a government of the people, by the people, for the people; whose just powers are derived from the consent of the governed; a democracy in a republic; a sovereign nation of many sovereign States; a perfect Union, one and inseparable; established upon those principles of freedom, equality, justice, and humanity for which American patriots sacrificed their lives and fortunes. I therefore believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies."

Tall Corn and Tall Men

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 20, 1939

Mr. HARRINGTON. Mr. Speaker, the Ninth District of Iowa, which I have the honor to represent, possesses a number of claims for distinction. Within the boundaries of this district are the famous great lakes of Iowa, which serve as a cool summering mecca for hundreds of thousands of comfort seekers every year. When Congress adjourns I would like to invite my colleagues to come out to Spirit, Okoboji, or Storm Lake and keep cool.

We also produce a very distinguished specimen of hog in my district. Being fed on the famous Iowa tall corn, the Iowa hog would just naturally have to excel, and it does. The really de luxe ham and bacon you enjoy in the finest eating places comes from Iowa, and I say this with all due respect to my friends from Missouri and Virginia.

Another product of which we are justly proud is our popcorn. We grow the finest and most popcorn in the world in the Ninth District. Sac and Ida Counties, particularly, are referred to as the Nation's popcorn center. And speaking of world's fairs, we have at Spencer, Iowa, every year the world's greatest country fair.

In my home town of Sioux City we boast of the world's largest creamery, and at one time there we had the second elevated railroad to be built in the United States. Sioux City started out some 50 years ago to be a second Chicago. We had corn palaces, elevated railways, cable cars, steamboats, and polo teams. Then the bubble burst, the Missouri River sort of dried up on us, and we got slowed down. We are getting that river fixed up now, and in another year we expect to have river navigation again, and then watch our smoke!

But the Ninth District of Iowa is famous for something even more important than the things I have mentioned, and that is the quality and excellence of its newspapers and the character and ability of their editors.

One of my predecessors in Congress was the Honorable George D. Perkins, founder and editor of the Sioux City Journal, and a worthy Member of this body for four or five terms. The Kellys of Sioux City Tribune fame are another distinguished newspaper family. And with these two splendid daily newspapers as the pace setters there has developed in the ninth district a country newspaper fraternity that is second to none in the world. As evidence that their fame is not entirely local, several of the ninth district papers carry banner lines or ear boxes calling attention to honors or awards won in State and national contests.

Two years ago a journalist originating in my district won the Pulitzer prize for brilliant editorial writing. He is Mr. W. W. Waymack, able editor of the Des Moines Register, who was graduated from Morningside College and learned his newspapering in Sioux City.

Not long ago the Storm Lake Pilot-Tribune, edited by Mr. W. C. Jarnagin, was voted the best weekly newspaper in the United States by the National Editorial Association meeting in Los Angeles. This week the same association held its convention in Seattle, and word has just come to me that the Sheldon Mail, published by Mr. Paul C. Woods in my district, has been awarded first place in the Nation for community service by a weekly newspaper.

And so it goes. The Ninth District of Iowa not only produces a bumper crop of corn and hogs and popcorn but it also supplies the cream of the crop when it comes to newspaper editors.

One might assume from the bouquets I am handing out that all of these editors are supporters of mine. Unhappily this is not the case. Most of this newspaper fraternity got their baptism of printer's ink in an era when Iowa was incurably Republican. It was in a day when the fashionable, as well as the expedient thing to do, was to hang the G. O. P. emblem at the masthead. Out of over 75 papers published in my district I am sorry to say only about a half dozen are stanch defenders of the Democratic faith. But time will cure this deficiency, and the next generation of Iowa editors should be of a more mixed political breed.

Regardless of the personal politics of their editors, however, I find that the papers of the Ninth District are inclined to be fair. Some of them may breathe political fire and brimstone into their editorial pages, but in their news columns they most always tell the truth. And so at a time when the integrity of some of our newspapers is under fire I want to take this opportunity to pay tribute to the daily and weekly press of the Ninth District of Iowa. In the words of the motto of the Alton Democrat:

> When tongue and pen alike are free,
> Safe from all dwells liberty.

Americans and Our Flag

EXTENSION OF REMARKS
OF
HON. KARL M. LECOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 21, 1939

ADDRESS BY HON. BEN F. JENSEN, OF IOWA, AT BELLEVILLE, N. J., JUNE 18, 1939

Mr. LECOMPTE. Mr. Speaker, under leave to extend my own remarks in the RECORD I include a speech delivered by the Honorable BEN F. JENSEN, of Iowa, at Belleville, N. J., in commemoration of the one hundredth anniversary of the founding of that city, in connection with the Flag Day exercises, on Sunday, June 18, 1939, as follows:

Mr. Chairman and fellow Americans, first let me assure you that I deem it an honor and a privilege to come to Belleville, N. J., to take part in this great celebration in commemoration of our flag and the one hundredth anniversary of the founding of your fine city.

Before I go further, may I take this opportunity to express my deep feeling of gratitude to your most able Representative in Congress, who is responsible for my being with you today. While I have only known him during this session, as I am a new Member, I have had the privilege and pleasure of being very closely associated with him, and to you who know him best and love him for the fine, able, honest gentleman he is, let me say that he is held in the highest esteem possible by his colleagues on Capitol Hill, and I bespeak their deep admiration and respect for him when I say that what this country needs is more real men like your own Congressman, the Honorable FRED A. HARTLEY.

I understand this great celebration is made possible by the hearty cooperation of hundreds of civic-minded and patriotic citizens from your churches, schools, veterans, civic, and fraternal organizations, who are to be congratulated for their loyalty to their community, their country, and to their flag. Would that every community did likewise, then we would need have no fear for our future safety. It thrills me to the bone, as it must all of you, and makes my heart beat faster and truer and gives me greater pride that I am an American.

This is my first visit to your great State of New Jersey. I have read the history of your State; and while I have only a few minutes to talk, yet I cannot refrain from reminding you that there must be some of my kinfolk in this audience. You see, my mother and father came from Denmark, and we learn from the history books the resolute Swedes and Danes first came to the region known today as New Jersey and made their homes in the year 1737. So, if there be any in this audience of Danish descent, they might well call me "Cousin Ben."

That calls to my mind a little incident that happened last fall during my campaign for Congress. This is not just a story, it actually happened. Two of my very good friends had listened to me deliver a patriotic address, after which one of them said to me in jest, "Remember, Ben, there were no Danes at Bunker Hill." The other hastily came to my rescue by saying, "No; but the Scandinavians did take New Jersey." So it is rather a coincidence that I am speaking here in New Jersey today; in fact, the first

time I have ever made a public address outside of my own beloved State of Iowa, where I grew up with the tall corn, and I'll leave it to you if you don't think I gave the corn a pretty good race.

As I said before, it is both an honor and a privilege to be invited to address you on this historical occasion. An honor because any citizen is honored who is requested to pay a tribute to the flag and to that of which it is a symbol. A privilege because while I bring to you the concept of our people of the great Middle West, I am able also to acquaint myself with your concept here in the great crowded metropolitan area and to view with alarm your great accomplishments. Separated as we are by many miles of distance and by diverse regional interests and sectional concerns, we are one united unto the ideals for which the flag stands.

Such remarks as I propose to deliver here today might be entitled "The Flag—Long May It Wave." Or it might be entitled "Americansm—Long May It Survive." One cannot speak of Americanism without including the flag. One cannot extol the flag without paying tribute to Americanism.

It is true, of course, that the flag stands as the proud symbol of that high idealistic concept of man's estate proclaimed in the Declaration of Independence and imbedded in the Constitution, which is the organic law of our land.

So today I desire to discuss the flag from a practical standpoint, because it is not a symbol of abstract ideas, that banner of red, white, and blue is the symbol of a living, active, and practical ideal of humanity and government that must be translated into the everyday thinking and the everyday acts of the citizens of this country, if the flag is to really be anything more than merely a beautiful banner floating on the breeze.

Our flag stands for liberty, free government, cooperation, free speech, free press, freedom of religious belief and of political philosophy. It will stand for those ideals just so long as we remain vigilant, each of us, in guarding and upholding those ideals, and no longer.

The flag may be said to represent the national conscience. The national conscience is the composite of the conscience of each individual citizen.

Liberty and all that liberty means must be regarded in the same light as salvation. Salvation is free. But it is free only to those who desire it sufficiently to strive in their daily thinking and their daily living to attain it. Freedom, liberty, cooperation, progress, peace, prosperity are free under our Government in this great, rich, magnificent land of ours, but they are free only to those who desire them and deserve them by carrying those ideals into their daily thought and their daily acts and their daily contacts with their fellows.

Just as constant vigilance is essential if we would not be tempted by evil to let loose of our boon of salvation, so constant vigil is essential if we would not be tempted by a desire for a little temporary security to let loose of and to sacrifice those rights and privileges which have been sanctified in the blood and the struggle and the sacrifices and the privations of those who have gone before us.

For 10 years this Nation has been in the throes of a depression, like most of the world has. This depression had its origin in a great madness which we call the World War—a madness which involved nearly every major country of the globe in a mania of hate and murder and destruction.

The result of that horrible war was not alone a material depression. It was also a spiritual depression. The greatest depression we have in America today is a depression in good will and brotherly love. A depression of hope. A depression of courage. Until we reattain that profound faith in the all power and all love of Infinite Providence, and until we translate such a faith into our daily lives and acts we will not know prosperity. Faith is a purely personal quality. No one may have it for his brother. We may stretch forth our hand and lift our brother up for a strengthened or restored sense of his faith through a manifestation of good will and brotherly love; but having done that, it is his task to hold fast to it and live it.

A true American is practical in both his religion and his patriotism. We believe that religion and patriotism are not merely to be talked about or wished for. They are to be lived, they are to be translated into daily life, and thereby into practical accomplishment.

It was the courage, the initiative born of a profound faith that enabled our forefathers to carve out of the primeval forests and the trackless plains of this continent the greatest, the richest, the freest country on the face of the globe.

What but a profound faith in the goodness of God and the virtue of thrift and the victory of courage could have sustained our forefathers when they took their wives and children and, armed with an ax and a crude gun, went out unafraid into the unchartered areas of this country, and with none to depend upon but themselves, raised their homes, cleared their lands, and finally made of this a nation of churches and schools and farms and factories.

I am not attempting to preach a sermon here today, but I do feel most deeply that the most dangerous thing that is happening to us in this depression is the gradual loss of our confidence in ourselves.

I said awhile ago that the flag of any country means only that which its people make it mean. Our flag has always meant protection for thrift and initiative and ambition. A protection, if you please, for the home and the lands or other property honestly accumulated by hard work against excessive taxation caused by reckless extravagance.

We are not going to produce more jobs by making fewer goods and services. Prosperity is not found in scarcity and lack. It is found only in abundance.

Those things which make life fuller and richer are not found in a closed and silent factory, nor in farm fields lying fallow or overgrown with weeds. Industrial expansion, financial investment, agricultural improvement and progress cannot be forced by fear; they must be nourished by confidence—confidence in the policies and in the right of private property; confidence in the cooperation of our citizens with one another.

We sent our men and our money overseas in the last war under a false slogan of "Make the world safe for democracy." If we would be worthy of the flag which we have met here today to reverence we would do well to see to it that we make America safe for democracy.

Again I say to you that democracy, liberty, cannot be shoved down the throat of any people by force. Democracy is not something you plan, it is something you live. Liberty is not something you swallow, it is something you do. No man and no people can be free unless they desire freedom and deserve freedom.

Therefore, the flag means to keep the boys of America home alive and well and not to again send them across the seas as once we did to crimson the fields of France with their precious blood.

The flag means to keep the American market for the American workingman and the American producer, first, and to share with foreign workers and foreign producers that which is left.

There is no reason in logic or in government or in a good-neighbor policy why we should close a factory in this country in order to open a factory in some other country. Nor why we should impoverish the farmers of America to profit the farmers of foreign lands.

In that connection permit me to observe that it was farmers—an agrarian people—who wrote the Declaration of Independence. It was they who founded the Republic under the Constitution. It was the farmers of America, if you please, who unhitched their horses from their plows and rode to battle to defend the flag that flies above us today.

The farmers have been the backbone of America. They have been the mainstay of its progress and its prosperity. There are many reasons why that should be so, not the least of which is that the farmer loves the soil he tills. Removed from the obstructions and the confusions of the crowded cities, I think he has more time to commune with nature and to more properly evaluate the realities of life.

Mechanization of both industry and agriculture received a tremendous impetus as the result of the last war. Other countries of the world, using their manpower for fighting, turned to the United States for agricultural supplies. For some years after the war, so long as we were willing to lend the other countries money with which to buy our commodities, that artificial market for American farm products continued. As the armies of Europe and their people returned to the tilling of the soil, and when we quit lending them money, the American farmer lost his market. In the meantime the American farmer had become largely mechanized. Hence they were able to produce much more per man than they had previously. Also the horses and mules, which had consumed millions of bushels of grain the farmer had raised for sale and use, were replaced by combustion machinery, which the farmer today buys and feeds with gasoline and oil, which he must also buy. You know the result, which was inevitable.

Now, all this would present a dismal picture to the future if there were no remedy in sight. But there is. Vast new markets for American farm products at better prices than the farmer has ever dreamed of receiving exist here in America potentially, are ready for the taking, by which industry and labor will in turn derive equal profit.

The science of farm chemurgy has uncovered possibilities in the field of fuel alcohol, plastics, and essential oils, synthetic rubber, and building materials undreamed of 20 years ago. It is a remarkable thing, indeed, but a fact, that today the chemist can take farm grain, turn it into alcohol, and from that alcohol produce a synthetic rubber that will have all the qualities and more than natural rubber, and with which can be produced tires which will run 100,000 miles. This all seems incredible, but it is a fact.

It is estimated that plants to utilize farm products as industrial raw materials could be established in every community in this country for less money than we have spent on relief alone in the last 2 years. Now, I am sure you will agree that if only we take advantage of new discoveries that ingenious man has and will devise for our happiness and comfort, and if we will abide and cooperate with Divine Providence and natural progress as symbolized by our flag, we will solve our distressing problems.

And so in conclusion let me appeal to you all to be ever vigilant because the evidence is unmistakable that in high places and low places there are those who would rip that flag from yonder mast and trample it in the dust while they set up in this Nation a state of advanced socialism leading straight to the tyranny that crosses Russia today.

We must stamp out from every section of this land of ours every un-American influence that would overturn our cherished traditions, undermine the pillars of our constructional Republic, and finally enslave our children and our children's children.

God bless the flag and the ideals for which it stands, and may he grant this day that those ideals may not be only held in our hearts but manifested in our daily lives and acts that we may return to that state of peace and prosperity which we can attain if we will but observe the role of loyal, true Americans.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. DAVID J. WARD

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

ADDRESS BY HON. JAMES A. FARLEY AT BETHESDA, MD., JUNE 20, 1939

Mr. WARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, Postmaster General of the United States, delivered to the graduating class of the Bethesda-Chevy Chase High School, Bethesda, Md., June 20, 1939:

Members of the faculty, members of the graduating class, and distinguished guests, this occasion recalls my high-school graduation 34 years ago in Stony Point, N. Y. Looking into the future 34 years seems a long time, but to look back it seems but yesterday.

Some of us today look back over years when you did not exist, and many of you are looking forward to the time when perhaps many of us will have passed on. It is possible that during the past half century of travel over life's highways there may have been found in our own experiences, or in the experiences of others, pitfalls which you can avoid, and in doing so make just a little easier the pathway of your life.

Commencement is an appropriate word for this occasion. It is the beginning for each of you. Here you have been taught from books—from the experiences of your teachers—and you have learned proper social customs. Here you have made friendships which will continue through your life. You may not remember all that you have learned, but if your mind has been trained to think and to reason correctly, the energy expended will not have been wasted

Whether you apply yourself to a profession, a business, or a career in public service, there is no substitute for experience in acquiring success. The physician calls upon the laboratory for the scientist who, through tireless years, has discovered old enemies of man, and by proper treatment retards or destroys them; the lawyer searches the decisions of the courts to apply the rulings to a particular statement of facts; the student of government follows the course of empires and republics to determine the cause of success or failure; the businessman gathers the facts from other periods of depression or prosperity to determine his policies; the economist studies the law of supply and demand, the results of artificial stimulation, or government regulation, to solve the problem of balanced production. In each instance it is the experience of the yesterdays that largely guides us in making the decisions of today.

Athough each generation has new problems, that does not lessen the value of experience nor minimize the importance of research. The world is in greater need of trained minds today than ever before. With the increase of population our civilization becomes more complex, and limitations encircle individual rights. In determining these limitations every rule or law must be tested by one standard—the greatest good to the greatest number.

A simple illustration makes clear this point: If a man owned a very large ranch, several thousand acres, he could drive across it at a hundred miles an hour in an automobile; he could park his car anywhere; he could shoot a gun in any direction. With the coming of population, these and many other original rights must be yielded in the interest of the common good. Because of danger to others, the car cannot be driven at an excessive rate of speed, nor firearms used as freely as formerly. These new problems which grow out of new conditions must be solved by those of us who live today, and other problems by you tomorrow. We pass from the immediate needs of the individual for himself and his family to the requirements of the community at large, of the State, of the Nation, and of the world. You must be prepared, after you have established yourself in some occupation, to make your contribution in helping to solve these larger problems which affect all. The village, the city, the State, and the Nation have a call upon you for your services.

As one looks across our land he finds many thousands of classes similar to the one before me today. They all leave with high hopes and eager to take part in the race of life. You will meet with discouragements; you will meet with defeats; you will meet with disappointments and sorrows; and you will meet with triumphs. These are all part of the experiences of life. Before the first adverse wind, the weak will fall; but the strong will grow stronger because of the triumph. You will hear it said there are no opportunities for the young people of today.

Benjamin Franklin, the first Postmaster General of the United States, came home one evening and told his dear old mother, in a burst of enthusiasm, that he had decided to start a newspaper. The kindly old lady looked at her young son and said: "Why, Benjamin, how can you think of such a thing? There are three newspapers in America now."

Do you remember a few years ago a boy lay stricken on a hospital bed in Kansas? The doctors shook their heads and told his mother that the burns were so severe on his body and legs that he would never walk again. He overheard it and, with a gleam in his eye, said to his mother: "You tell them, mother, not only will I walk again, but I will run." He did, and established many new records on the track. The courage and persistence of Glenn Cunningham will never be forgotten.

Yes, there are problems to be solved today in every city, in every State, in our Nation, and in our relation with other countries. These are troubled times, but that is the challenge that this generation throws at the feet of the young men and women who will be the leaders of tomorrow. If there were no problems to be solved, what would life hold for you or me? If there were no defeats, there would be no joy in victory. Someone expressed it in these words: "With every rose you get a thorn; but roses are beautiful."

Your life will be just what you make it. Lincoln said: "I always pluck a thistle and plant a rose where I think a rose will grow." Each of you has a choice; you can plant either thistles or roses. The objective of most people is to secure the greatest happiness out of life. There are some attributes which stand out prominently to attain this objective. They are honesty, hard work, fair play, and optimism.

Honesty should be placed first; not only honesty in financial transactions, but honesty in thinking. The more educated a dishonest person is, to that extent, he is a greater danger in the community. Such individuals may prosper for a time, but the road always ends, and during the passage over that uncertain road there is no compensation for the mental anguish which the individual suffers. False pride at times drives a person to dishonesty. How much more you think of a friend who states very frankly that he cannot afford the things he would like to have.

The real values in life are not the material things we see about us, but the things that are inside of us. Call it the soul if you will; it is our better self; that with which we must live every minute of the day. You can train yourself to look upon things in life in a downright honest way, and you will be happy or unhappy in the things you think and the thoughts to which you give expression. False pride has ruined more young people, next to dishonesty, than anything else.

Nothing really worth while was ever accomplished without hard work. If it can be accomplished without effort, then it's usually not worth doing. Look at the members of your own class and you will concede that those who have received the highest marks, with some possible exceptions, are the hardest workers. Look around your city and you will find that the men and women who have made a success are the men and women who have been diligent in their labors. Of course, hard work does not always bring success. There must be an intelligent driving force behind the effort. But you can rest assured that there will be no real success without hard work. Someone once said that genius was 90 percent perspiration.

Coupled with these two essentials of success should be fair play. Whether it be on a baseball team, in football, in any form of athletics, or in the business world, there is nothing that makes friends and holds them as securely as fair play. If it can be said about you in all your activities and business dealings that you are a square shooter, you will have straightened out many of the rough spots on the road to happiness.

There is another attribute, and that is optimism. Tackle your work with the slogan that it can be done. This will give you faith in yourself, faith in your friends, and make you eager to do what some people may call the impossible. No grouch ever succeeded, or if by accident he did, he never enjoyed his success. Always believe that tomorrow will be brighter than today. Someone expressed it in a rather crude manner when he said, "The optimist sees the doughnut, the pessimist sees the hole."

Remember that men and women whose memory we cherished in history are not those who accumulated great wealth, but those who rendered a distinct service to mankind. You have been given the advantage of a high-school education, which unfortunately is denied many hundreds of thousands of other young boys and girls in our country. Your fathers and mothers have made many sacrifices that you might receive the awards which are conferred upon you today. In return they ask very little of you. It is their sole wish that you be successful. That does not necessarily mean that you accumulate a great deal of money, but it does mean that when the last lap is run in the race of life, the community in which you lived can say, "We are all just a little better because he or she lived here."

Members of the graduating class, it was indeed a pleasure to accept the invitation to address you on this occasion. A new life with greater responsibilities unfolds before you. Keep an open mind as you attempt to solve each problem, and do not make hasty decisions. There is an old French proverb that says, "We only hate the man we do not know." Hate has no place in American life. Your life is your own. Make it worth while; make it really mean something. When the years have passed, you will come back again to this school to recount the victories and the

defeats, to recall the memories of the fine boys and girls you knew in your classes and the splendid men and women who gave you inspiration from the teachers' desks. America needs you, and you need America. May you prosper with the Nation, and may the Nation prosper because of the contribution each of you and millions of others of your age make to the common cause of mankind.

House Failed to Vote Sufficient Funds for P. W. A.—Sponsors Now Look to Senate for Aid—5,800 Project Applications Pending

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. KRAMER. Mr. Speaker, on Friday last the House defeated the amendment to the relief and work relief appropriation bill, proposed by the gentleman from Alabama, Representative STARNES, which would have made available $350,000,000 for P. W. A. in addition to the $125,000,000 earmarked for that agency from the W. P. A. fund.

The $125,000,000 provided in the House bill is inadequate for a new public-works program when we take into consideration the fact that there are some 5,800 project applications pending for which no funds are available. The bill also opens the door for acceptance of new applications. What could the Public Works Administration possibly do with new applications when the House sum is not sufficient to provide allotments for even a small fraction of the pending approved applications? For the information of the House, I want to state that the 5,800 project applications already on file would provide a construction program amounting to $1,775,000,000 if the necessary sum for loans and grants were provided by the Congress.

With the permission of the House, I am inserting at this point an editorial of June 16 appearing in the Evening Star, Washington's most conservative newspaper, in support of the P. W. A. program. It will be noted that in the opinion of the editor, P. W. A.'s major accomplishment has been "putting idle capital to work." It was written on the sixth birthday of this agency and is a fitting commentary of its record of achievement in the field of construction and worth-while public improvements. It is hoped that the Senate will provide sufficient funds for the new program so that communities sponsoring the pending approved applications will not be disappointed when allotments are authorized. Certainly these communities have little cause to rejoice in the action of the House last Friday.

[From the Washington Star of June 16, 1939]

SIXTH BIRTHDAY REFLECTIONS

Six years ago today, when the Federal Emergency Administration of Public Works was created to stimulate the Nation's lagging heavy industries, the idea of a public-works program of this type had been the subject of theorizing for a generation or so. It had never been tested, however, on a national scale. For this reason grave doubts existed when the P. W. A. was launched and economists everywhere voiced different opinions on the effect such expenditures would have in the then desperate drive for national recovery.

Now, on its sixth birthday, the theory of the public-works program has been translated into facts. Whether it has accomplished all that its sponsors had hoped for is open to dispute. But few will deny it has rendered a service of considerable importance in priming the pump of industry at a time when the pump was very, very dry. Few also will deny the economic and civic value of the thousands of useful Federal as well as non-Federal projects that have been built throughout the country.

Putting idle capital to work has been one of the major accomplishments of the P. W. A. in this 6-year period. Cities, towns, and counties have contributed approximately $1,648,000,000 of their own funds toward the construction of 16,700 useful local projects. This contribution is drawn chiefly from idle capital which has been put to useful work as investors buy bonds of local public bodies and the money is used for employment-giving construction. Yet Administrator Harold L. Ickes has never claimed the P. W. A. is an emergency agency for providing public employment.

A large majority of these projects probably would never have been built during this period save for the contributions in Federal grants, amounting at first to 30 percent of the total construction cost of a project and increased later to 45 percent.

For obvious reasons, it has not been difficult to get commitments of funds from local communities. In the first program, the question of voters putting up their own money for projects was an issue in nearly 2,000 bond elections. The outcome was favorable in approximately 80 percent of the elections. It served as a sort of a national referendum on the P. W. A.

Six years ago Mr. Ickes was given a new and untried engine for use in national recovery. Since then it has been tested thoroughly. Its power and speed are known. Many of its defects have been corrected. The question now is whether the fires in this engine should be kept banked for use in any future emergency. With the experience of two great programs on which to draw, it should be a far simpler matter to get up full steam in this engine if the fires are kept banked in succeeding years, and apply its power to any national emergency that might arise in the future.

Shall Our President Determine Our Neutrality?

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. BENDER. Mr. Speaker, shall the President of the United States have authority to determine the position of our Nation in time of war? Shall we vest in him the power to control our foreign policy so completely that the ultimate decision of war or peace is no longer open for discussion? All of us know full well that a President in whose hands we place the conduct of our international relations is to all intents and purposes the most powerful man in our land. Given the right to do as he chooses with the armed forces of the United States, moving the Navy about from hemisphere to hemisphere, his prerogatives are all but royal wherever there is danger of international conflict.

Under the Constitution of our country the White House is already the dominant influence in every question involving foreign affairs. But the followers of President Roosevelt are not satisfied with even this exalted position. They demand still more. A proposal sponsored by the New Deal would set up almost unlimited powers in the President.

First and foremost, he alone would have power to proclaim the existence of a war and to designate the nations involved. Consider the possibilities. In the recent Spanish civil war the President's keen vision detected a raging conflict and promptly invoked the terms of the existing Neutrality Act. Looking off to the Far East, however, where the troops of Japan were burning, looting, pillaging, where planes were dropping bombs upon thousands of helpless civilians, the President developed an astonishing case of international astigmatism. There he perceived no war. With so curious a vision anything is possible. We might find the powers of Germany, Italy, and Japan ranged in a war against Britain, France, and Russia, with our White House solemnly proclaiming that two of the six nations named were not engaged in a war. Ridiculous, you may argue, but surely it is no more absurd than the distinction drawn by our President in labeling the Spanish conflict a war and designating the Sino-Japanese struggle as something else.

The point must be clear. No President should be given the unrestricted authority to make so momentous a decision; and surely it is dangerous to entrust to our present President the determination of a war in the light of his own actions in the recent past.

But the tale does not end here. Under the measure favored by the administration, the President, having perceived the existence of a war, would then have the right to declare it unlawful for our citizens to travel on vessels of the warring nations, except in accordance with such rules and regulations as the President shall prescribe. From the White

House would come a description of "areas of combat operations" through which our people, and the vessels owned by citizens of the United States as well, could not travel except under such limitations as the President may prescribe.

Once the war was established to the President's satisfaction, it would be unlawful for any person in our country to sell, buy, or exchange securities issued thereafter on behalf of any of the governments named as engaged in the conflict, except that the President could make an exception in favor of commercial credits and short-term obligations of a peacetime nature.

Exports of goods to any belligerent state would be banned except in accordance with rules which the President might again fix. The use of American ports as bases of supply could be restricted by the President. He might forbid submarines and armed merchant vessels of belligerent nations to enter our harbors; and a good many pleasant international possibilities could rise here from the presence of machine guns, small arms, and the like, on any vessel.

Running through the entire proposal is the underlying current of dependence upon the judgment of the President. Once more the people of our Nation would be surrendering their right to determine their own affairs. Congress, which has just recaptured the constitutionally granted privilege of legislating for our people, would be in effect surrendering it once more to the White House.

Granting that under present world conditions we must have a flexible foreign policy, we cannot afford to let the determination of that policy rest in the hands of one man, no matter how wise or how benevolent we may regard him. And when we have received abundant evidence casting doubt on both his wisdom and his benevolence, we must make certain that our fate does not depend upon his incalculable whim.

District of Columbia Representation in Congress

EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

EDITORIAL FROM THE ADRIAN (MICH.) DAILY TELEGRAM

Mr. MICHENER. Mr. Speaker, in view of the current local agitation in the District of Columbia concerning representation for the District in the Congress, I am including in my remarks a timely editorial from the Adrian (Mich.) Daily Telegram, which is as follows:

THE DISTRICT OF COLUMBIA

In yesterday's issue David Lawrence made a plea for giving the District of Columbia—that is, the city of Washington—a Representative and a Senator in Congress as a means of insuring fairer treatment of Washingtonians in matters of taxation. Their service on committees, he pointed out, would give them much influence over legislation affecting the District—even a veto power—on occasions when some proposal in either House required unanimous consent.

Though the old argument as to "taxation without representation" is ably made by Mr. Lawrence, we cannot agree with his conclusion; for his plan would definitely put the District into politics, and that is exactly what the framers of the Constitution wanted to avoid when they gave Congress exclusive power to govern it.

Such a plan would practically make the District a Territory, and that plan has been tried once with lamentable results. In 1871, in response to the pressure of local businessmen, Congress actually made the District a Territory, with a Governor, a legislature, and Delegates in Congress. But the District, in the words of the American Encyclopedia, "was at once seized upon by a ring of speculators, who obtained control of its government and plundered it into bankruptcy." In 1874 that plan was abolished and the government of the District by Congress was restored through three Commissioners.

The complaint of "taxation without representation" has less weight in Washington than in any other spot in the Nation, because the city is absolutely unique in character. It does not really belong to its inhabitants. They did not found it or plan it. They did not build it up with their labor, money, and thought, as is the case with every other city. Its prosperity is not due to their efforts, but is handed to them on Uncle Sam's golden platter. The Nation as a whole created it out of nothing, and the Nation as a whole has made it what it is. Its prosperity, its every existence, depends on Government business and the vast sums disbursed in Government pay rolls—all of which is paid for by the whole Nation.

Its population consists chiefly of an army of more than 120,000 well-paid Federal officials and employees. These people come from everywhere. They do not live in Washington because they have to, but because they are very glad to. Did any person ever refuse a Government job at Washington because he would be unable to vote or because he would have no voice in taxation? We doubt it. They accept their jobs eagerly, quite content to let themselves be governed by Congress through the District Commission.

And their confidence is well founded. The Commissioners are appointed by the President for 3-year terms and confirmed by the Senate. One is chosen from each major party and the third is an Army engineer. Such a commission ought to command confidence and give the city a good government, and, in fact, it has. Congress furnishes half the District's expenses, the other half being raised by local taxes. That seems quite fair to the residents. It is a bit hard for an outsider to see where they have any serious grievances.

About all they lack is a chance to participate in politics, and it is very much better that they should not have that chance. We saw what it produced in the seventies. Votes for the District and two Members in Congress would mean politics, wirepulling, logrolling, and all sorts of inside phenagling for political, personal, or money interests. It was to avoid such things that the Constitution provided for taking the District out of politics by letting it be governed by the Nation itself. That system has worked well. It better be left unchanged.

Separation of Church and State

EXTENSION OF REMARKS

OF

HON. MALCOLM C. TARVER

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

RESOLUTION ADOPTED BY THE SOUTHERN BAPTIST CONVENTION

Mr. TARVER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution offered by L. E. Barton, Jasper, Ala., and adopted by the Southern Baptist Convention in session in Oklahoma City, Okla., May 20, 1939:

Resolution urging care in safeguarding the principle of the separation of church and state

Whereas upon the recent death of Pope Piux XI both Houses of the United States Congress adjourned in honor of the Pope; and

Whereas the President later sent Mr. Joseph P. Kennedy, Ambassador to the Court of St. James, as his personal representative to Rome to witness or participate in the crowning of Pope Pius XII;

Be it resolved:

1. That we recognize in the decease of the late Pope the passing of a distinguished world citizen which brought keen sorrow to all peoples of his faith, with whom we sympathize in the loss of their leader.

2. That we, the messengers to the Southern Baptist Convention in session at Oklahoma City, Okla., May 20, 1939, and representing more than 4,000,000 Southern Baptists, do cheerfully recognize and champion every person's right and liberty to make his own choice in matters of religion.

3. That the right and freedom of religious opinion does not justify the union or mingling of state and church, but rather requires and demands that the two be kept separate and inviolate, the one from the other.

4. That we deplore and protest such actions by Congress and the President of the United States as unwise and unwarranted, and as indicating a dangerous tendency toward the union of church and state, which is a chief cause of the troubles of the Old World.

5. If the sending of the Ambassador of the United States was to honor the crowning of an ecclesiastical head we believe it was an obvious violation of the traditions of this Republic and of the spirit of the first amendment of our Constitution even if, perhaps, not of its letter. If this course was in honor of the crowning of the civil ruler of a state with which we are not in diplomatic relations, it was as obviously an impropriety.

6. That we request Congress and the President to adhere strictly to the principles on which our Government was founded and the basal principle of separation of church and state so plainly taught in the first section of the Bill of Rights in our Constitution.

7. That copies of these resolutions be delivered by the public relations committee to the Secretary of State and to Members of the House and Senate of the United States Congress.

The Phony Farmer Lobby

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. GEYER of California. Mr. Speaker, the chairman of the Committee on Labor stated a few days ago that a vicious lobby that claimed to represent the farmers had been active in opposition to the Fair Labor Standards Act.

I herewith place in the RECORD an editorial from the Washington Daily News, under date of June 21, 1939. I, too, along with the author of this article, urge every Congressman to read Grapes of Wrath.

As one who has seen these deplorable conditions, I wish to state that the picture is not overdrawn.

[From the Washington Daily News of June 21, 1939]

THE PHONY FARMER LOBBY

"The Wage and Hour Act is in peril," says Administrator Elmer Andrews. And he puts the blame on such lobbyists as Ivan G. McDaniel, counsel to the Agricultural Producers' Labor Committee.

Mr. Andrews ought to find a way to persuade every Congressman to read John Steinbeck's great novel, The Grapes of Wrath. They might then be less vulnerable to the blandishments of Mr. McDaniel and his like. For Mr. Steinbeck has written an epic of man's inhumanity to man—the story of what happens to those pitiful people who flock to California and seek jobs in corporation-owned orchards, canneries, and fruit-packing plants.

The Agricultural Producers' Labor Committee, says Mr. Andrews, "is a legislative 'front' for the Associated Farmers of California, a notorious labor-busting outfit" with "a long record of trying to solve their labor troubles by violence."

Arguing that farmers should be exempted from paying the $11 a week minimum wage of the Wage-Hour Act this lobby for organized employers is seeking to deny that law's benefits to hundreds of thousands of workers in industrialized packing, canning, and processing plants, Mr. Andrews charges.

And, he asserts, most of those whom the committee represents are not farmers at all, in the usual sense. They "participate in the operation of packing or canning plants for which their vegetable ranches or fruit orchards * * * are feeders. They've got their operations on a production line like an automobile factory, and just as thoroughly industralized, and instead of employing an occasional hired man they employ, off and on, hundreds of thousands of people, many of them Mexicans, Filipinos, and refugees from the Dust Bowl whom they can hire for a few cents a day, and they often house them in insanitary tent colonies or in dilapidated shacks."

In short, these workers from whom the Agricultural Producers' Labor Committee would remove the protection of the Wage-Hour Act are the very ones who most need such protection. If their organized employers, masquerading as farmers, get what they are trying to get, we think it would be a good idea for every stooge of Ivan McDaniel in Congress not only to read The Grapes of Wrath but to eat it.

Defense and External Obligations

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, June 22, 1939

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, JUNE 21, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] before the Third Conference on Canadian-American Affairs, at the St. Lawrence University, Canton, N. Y., June 21, 1939, on the subject An American View on the Question of Defense and External Obligations.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My subject is Defense and External Obligations. I am supposed to reflect an American view. In the first place, let me say that the contents of my remarks will show that "an American view" has definitely been changed to "this American's view." In the second place, I have purposely read the title of my address into the body of my speech because years before I ever expected to deliver an address myself I accepted the philosophy of an old gentleman who happened to be enduring with me an oration, and who said, "I am glad that speaker told us what he was talking about because I never would have known it had he not mentioned it."

If we are to talk about defense, I am assuming that this conference is one which faces facts and not illusions, a conference which bases its deductions upon history and the facts of the world as they are, a conference which will remain in the atmosphere of the "is" and the "are" rather than in the rarer ether of the "ought" and "should." While I condemn war as being utterly stupid, hateful, and needless, I can never bring myself to believe that a world of human beings will ever be one of pure bliss. I expect contention, I look forward to contest, I do not conceive of a time when men will not have to take sides. There will always be a right and a wrong; and if we can put the sphere of nations, as civilization has attempted to put the sphere of individuals, on a plane of morality, that is all that anyone can ask. Let us fight for what is right and let us not belittle those who take a stand for right.

Many a life has been sacrified, much property has been destroyed, without the accomplishment of the purposes for which that destruction was made. Much sacrifice has been indulged in needlessly, and as a result of these things some persons have accepted a cynicism toward the actions of men and nations and have belittled noble efforts based upon high ideals as being perservions and deceptions. Into this category I refuse to place myself. I still recognize a nation in arms militantly offering its all as a sacrifice for right as civilization's most noble picture, but I still contend that a nation working and striving day by day and year by year to bring happiness, contentment, a better standard of living, and a relief from anxiety and worry to its men, women, and children is still a more glorious picture. If such a nation needs defense in this world, surely we should defend its right to make the world and its people a more perfect picture of a purposeful, morally dominated place consistent with all dreams of those thinkers who have accepted the theory of an evolutionary and progressive onward march for mankind.

America does assume that the peaceful state is the best. America does assume that a state of stable trade and profit-bringing commerce is good. America therefore probably wants peace because she assumes that there is some selfish advantage in it. She will, though, count costs and consider values if the question is to be a forced peace or not. Will she fight for a peaceful, profitable trade? The minute she does, why then we discover that there is something stronger than mere peace that controls our actions.

What, then, are we going to defend? We are going to defend the right to come and go freely, the right to buy and sell, the right to own and dispose. In short, we are going to stand for those four great freedoms in relation to person, to mind, to soul, and to property, which we in America classify as our civil liberties. Do not think that a challenge to these things will not arouse America in the future as it has in the past.

Under a defense of these great principles, what then are our obligations? First of all, we must see to it that both nationally and internationally, no act of ours shall ever deprive others of the attainment of these political and social rights.

It is part of America's fundamental foreign policy to assert and to maintain independent action and to avoid entanglement in non-American conflicts. We have prided ourselves upon our neutral rights, we have interpreted neutrality as impartiality, and we have claimed that we do not take sides. But if being impartial means that in its practical results that impartiality definitely aids one of the two combatants, then we are only impartial in theory and definitely not impartial in fact. The Greeks used a word that covered such a situation. When a theory was contrary to truth and fact, it was marked down as being hypocritical, and when one stood in defense of that kind of sophistry he was marked down a hypocrite. If impartial neutrality gives all the advantage to a wrongdoer, call him what you will—aggressor, treaty violator, or destroyer of those principles for which our Nation was established—then impartiality becomes ordinary immorality. You cannot be on the side of a wrongdoer without being a partner in the wrongdoing.

Our defense, then, shall be any means, any action necessary to see that those rights of man for which America was established shall not be driven from the earth. Our obligations shall be that when we fight in defense of those principles we shall fight with law and morality on our side.

To make the United States and Canada partners in such a contest does not require alliances, agreements, or written understanding. No words are necessary. Words between friends are sometimes superfluous. It is remarkable how significant a silence reached through understanding may be. There is still much that can be done to increase the significance of two happy peoples living side by side without distrust of one another. There will always be some differences. The American Union has not overcome

the rivalries incident to State lines. Our dual citizenship has always shown us that we have at least two loyalties which we must respect during our lifetime. Even a dead citizen when he meets his obligations must discover, or at least his heirs will discover, that his property has to respect many loyalties after he has gone.

Canada, too, presents a federated form of government, and the Canadian citizen has a provincial, a dominion, and an imperial loyalty. Thus the Canadian-American governmental scheme has in itself an answer to the single-willed state, with a single loyalty demanded of a person in that state.

I have just taken through the Congress of the United States, after 3 years' study and consultation with the experts from six or seven departments of our Government, an extremely significant defensive measure. The bill was called the strategic materials bill. Some aspects of this measure may be assumed by the thoughtless to represent an American tendency toward nationalism because the bill's aim is to provide stock piles of essential, critical, and strategic materials in anticipation of an emergency, and to develop, where possible, within the sphere of American activity those materials which we lack today but which we believe we may have in abundance when once they are developed. The point which I wish to make in regard to the discussion and the consideration given to certain materials in this discussion is that there was always a question mark about whether a material which Canada had but which we do not have could ever be considered as really strategic in the sense that we should provide a stock pile of such material. Let us take nickel, for example. Nickel, of course, is essential, is critical, is strategic from every standpoint to the United States. But, pointed out person after person, our chief source of supply is Canada, which to all intents and purposes, is a supply just as sure as if we were producing it in our own borders. The point there I wish to make is simply this: That the psychological aspects of these great questions were quite as important as the material ones. In the minds of men dealing even with a subject as narrow as this one, Canada complements the United States in times of emergency.

Here, consciously or unconsciously, this complementing finds a place in our defense plans. Whether Canada likes it or not is not the question, but America's defense in the Pacific includes of necessity the defense of the Canadian coast line. In the Atlantic, consciously or unconsciously again, our whole sense of security rests upon the deduction that the control of the Atlantic is in friendly hands. Or to put it more bluntly, the British imperial necessity of keeping open the lines between Canada and the motherland and the fact that these lines are preserved and protected by friends leaves America's Atlantic defense lines in at least a psychological manner satisfactory. Thus, Canada is much a part of our scheme and a satisfactory part, too.

This would not be a Canadian-American meeting if something were not said about the unprotected boundary line. I trust I shall not ruin a hundred years of oratory by saying that line is protected by the best defense known to nations, a defense of understanding and trust. But it is protected, too, actually because of its complementary nature. I sponsored the Army airbase bill in the Senate. I had to smile when I received letters from some Americans telling me that my provision for a base in the northeastern part of the United States was a direct thrust against Canada and an insult to our 100-year monument of an unprotected border. The thoughtlessness of such criticism was apparent when we realized that never once did anyone criticize the base in the northwest part of the United States, and that has already been established in Washington State right close to the Canadian border without a word of criticism. In air warfare a base 500 miles from the border may be used as a border fortification. Canada today and Canada's friends in the United States understand what is being done and have no fears.

Out in my State, Utah, political orators protest hotly, during a campaign especially, the importation of any Canadian products whether on the hoof or in a can, which may come over the border as a result of the reciprocal trade agreement. But since the 1880's persons from my State have gone into Canada's western Provinces, taken up, as pioneers, land, raised there their families, coming and going as they saw fit, and until the passage of America's strict immigration laws considered themselves both Americans and Canadians, and as our records of immigration cases show, were actually surprised when they were told that persons born in Alberta were not American citizens. There was no disloyalty to Canada or to America, so completely alike were the institutions of each. When the war came there were no slackers and no advantage takers as a result of these conditions. Few recognized the situation as being complicated. That is as fine a monument to Canadian-American friendship as our unfortified border. And these citizens—I know them so well because many of them have been my relatives, and others I have taught in school—have a loyalty which respects the dual or multiple obligations. But greater still than this, whether they be Americans, Canadians, or as a result of complications neither, or stateless, the two Governments concerned react and act on the basis of a human right rather than a political one, and much worry is thereby relieved. Is the honor, the dignity, the majesty, or the sovereignty of America or Canada thereby impaired? Of course not; it would be utterly stupid to have such a thought. If, then, these two great nations can afford to put human values above the assumed dignities which belong to great national entities, why should not other States do so?

Having emphasized the actual existence of a multiplicity of loyalties without destroying in any way the dignities and the rights of a single one of those entities which demand those loyalties, why cannot Canada bend a little and become a wholehearted participant in one of the greatest friendly developments between nations that our world has ever seen?

For a hundred years that which is spoken of as our Monroe Doctrine has been in a process of evolution. During the World War, before the United States entered the war, when our President suggested the extension of the theory of the Monroe Doctrine to include the whole world, the British Empire applauded to the last man. Later, when this same President, President Wilson, wrote the doctrine into the peace treaties as a regional understanding, which the whole world respected as applying to the Americas, it was accepted in the treaties. Now, by peaceful process of multilateral agreement, the Monroe Doctrine has ceased to be unilateral and has become multilateral in practically all of its aspects. Canada holds aloof. Why should not Canada become a party to our Pan-American treaties? Canada, of course, accepts the friendship and security of these treaties and benefits indirectly from deliberations of the Pan American Union. Why does she not occupy the chair that is reserved for her?

Please do not answer that question by asking me one. I know in advance what it will be, and I have no answer.

Tributes to the Late Dr. Grace Abbott

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, June 22, 1939

NEWSPAPER COMMENT IN REFERENCE TO SERVICE OF DR. ABBOTT

Mr. LA FOLLETTE. Mr. President, on June 19 Dr. Grace Abbott died in Chicago. She was one of this country's ablest women and one of the finest women it has ever been my privilege to know. She had a long and distinguished career. For 14 years she was Chief of the United States Children's Bureau. I ask unanimous consent that there may be printed in the Appendix of the RECORD an article from the New York Times under date of June 21, an editorial from the New York Times of the same date, and an editorial from the Washington Post, all having reference to Dr. Abbott's great service to this country.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of June 21, 1939]

DR. GRACE ABBOTT, CHILD LABOR'S FOE—CHIEF OF THE UNITED STATES CHILDREN'S BUREAU FOR 14 YEARS UNTIL 1934—DIES AT AGE OF 60—RECENTLY A PROFESSOR—TAUGHT IN CHICAGO UNIVERSITY'S SOCIAL SERVICE SCHOOL—WAS HONORED BY PRESIDENTS

CHICAGO, June 19.—Dr. Grace Abbott, member of the University of Chicago faculty and chief from 1921 to 1934 of the United States Children's Bureau, died tonight in the Albert Merritt Billings Hospital at the age of 60. She had been suffering from anemia for some time.

FAMILY'S NAME FAMOUS

The Abbott name is famous in modern social-service work. Grace Abbott was Chief of the Children's Bureau through four Presidential administrations before she resigned to become professor of public welfare administration in the School of Social Service of the University of Chicago. There she joined her sister, Edith Abbott, who was dean of the school.

Chosen in a national poll conducted by a magazine in 1931 as one of America's 12 most distinguished women, Grace Abbott was one of the most influential women in active public service. She had served on many governmental commissions and committees and was a pioneer leader in the fight for a child labor amendment and for social-security legislation. Her struggles against infant and maternal mortality, child labor, and juvenile delinquency are internationally known.

Born on November 17, 1878, in Grand Island, Nebr., the daughter of Othman A. and Elizabeth M. Griffith Abbott, she received a bachelor's degree from Grand Island College in 1898. After teaching for 3 years she studied at the University of Nebraska in 1902–3 and thereafter taught until 1907.

In that year she became director of the Immigrants Protective League of Chicago, in which position she served until 1917. Meanwhile, in 1909, she obtained a master's degree in political science

at the University of Chicago. In the period of 1908–15, she was a resident of Hull House, Chicago, where she was associated with Jane Addams in many of Miss Addams' efforts on behalf of the underprivileged. Later she became a trustee of Hull House and a member of the faculty of the Chicago School of Civics and Philanthropy, the forerunner of the School of Social Service Administration of the University of Chicago.

APPOINTMENT FROM WILSON

In 1917 Miss Abbott went to Washington, on an appointment by President Wilson, to administer the child-labor law, of which she had been one of the leading proponents. When this law was declared unconstitutional and her position as director of the Child Labor Division of the Children's Bureau abolished, she remained in Washington as secretary of the Child Welfare Conference, conducting a children's year campaign.

During 1918 Miss Abbott also served as adviser to the War Labor Policies Board. In 1920–21 she was executive secretary of the Illinois Immigrants Commission. In the latter year President Harding appointed her Chief of the Children's Bureau, a position she retained until her decision to return to academic work in 1934.

Miss Abbott had held many important positions in social-service groups. She was president of the National Conference of Social Work in 1924; since 1923 had been a member for the United States of the League of Nations Advisory Committee on Traffic in Women and Children; was a member of the board of the International Conference on Social Work, delegate of the United States to the International Labor Conference at Geneva in 1934 and 1935, and head of the United States delegation in 1938.

DELEGATE TO MEXICO CONFERENCE

She was chief of the United States delegation to the Pan American Child Welfare Congress in Mexico City in October 1935. A member of the advisory council of the Committee on Economic Security, Miss Abbott had a substantial part in drafting the committee's report, made to President Roosevelt in January 1935.

She was managing editor of the Social Service Review. Dispatches from Geneva on June 3, 1939, reported that she was under consideration for the post of chief of the New League of Nations organization that was expected to result from the merger of the health, opium, and social-service sections.

Her published work includes the editorship of bulletins of the Children's Bureau on infant and child care and training, familiar to millions of American mothers, and many articles on child welfare, labor legislation, social security, and other subjects in which she was an authority.

In December 1938, Miss Abbott published a two-volume study, the Child and the State, which has been recognized as the authoritative work in the field. Other books by her include the Immigrant and the Community and the Immigrant in Massachusetts.

Miss Abbott received the gold medal of the American Social Science Association in 1931. Parents Magazine awarded her a gold medal in 1935 for "outstanding service to children." She received the honorary degree of LL. D. from Grand Island College, the University of Nebraska, the University of Wisconsin, the University of New Hampshire, and Wilson College.

ABBOTT RITES TODAY—QUAKER SERVICES IN CHICAGO—FRANCES PERKINS PAYS TRIBUTE

CHICAGO, June 20.—Funeral services for Miss Grace Abbott will be held at 10 a. m. tomorrow in her home here. A Quaker service will be read by Prof. Warder C. Allee. The body will be cremated and the ashes sent to Miss Abbott's birthplace in Grand Island, Nebr.

Secretary of Labor Frances E. Perkins, who is here for the funeral, paid this tribute to her friend and associate:

"Dr. Abbott was one of the stays of the Department of Labor. When I came into the Department I found her not only the competent head of the Children's Bureau but an invariable authority on the whole Department of Labor. She had given long and practical thought to its problems, and her advice was so sound that I recognized her more often than anyone else. Dr. Abbott was greatly loved and greatly admired and deeply respected as well for her knowledge, integrity, and her willingness to give herself to good causes."

[From the New York Times of June 21, 1939]

GRACE ABBOTT

Grace Abbott combined the attributes of warm sympathy, careful scholarship, and unusual administrative ability. Nine years ago, when she was still at the head of the Children's Bureau, a writer in the Times called her the mother of 43,000,000 children. She was indeed a mother who sincerely loved all these adopted young people, without regard to race or creed. Her interest in the less fortunate began early in her career. It was undoubtedly strengthened by her association with Jane Addams at Hull House. For 17 years she worked directly for the children of the Nation, 13 years of which she spent as head of the Children's Bureau. When she left that post in 1934 to go to the University of Chicago President Roosevelt declared that she had "rendered services of inestimable value to the children and mothers and fathers of the country, as well as to Federal and State Governments."

The words can be repeated now, though she will not hear them. She belonged to that growing company of women in public life or in prominent executive positions who have nobly translated into action the best of the qualities that we like to call feminine. An informed sympathy, a courage that could not be broken, a determination that could meet effectively some of the dreadful new situations brought about by the depression—these Grace Abbott had. Her death at the age of 60 is tragically premature. We needed her.

[From the Washington Post of June 21, 1939]

GRACE ABBOTT

The death of Grace Abbott, professor of public welfare administration at the University of Chicago and former head of the United States Children's Bureau, brings to an untimely close a distinguished career of public service.

Few men and women possess the qualities that enable them to function both as effective crusaders for social betterment and as capable administrators. Miss Abbott was one of the rare individuals who could do both. Her zeal as a reformer was tempered by the restraint that comes from having a trained mind and a disciplined imagination.

As Director of the Children's Bureau during the formative years from 1921 to 1934, Miss Abbott's name became known to literally millions of households interested in the problems of child welfare. Her efforts were directed constantly toward improving and expanding the statistical and informational services of the organization and establishing closer contact with the States and local communities. While engaged in this exacting work she served as a member of numerous private committees and governmental bodies at home and on various occasions represented this country at international conferences dealing with the problems of women and children.

Miss Abbott's competence as a bureau head and her broad vision of the developmental task that awaited her as Chief of the Children's Bureau were due to some extent to her varied experiences as a social worker and her expert knowledge of governmental organization and administration. Before entering the Federal service, for instance, she had been director of the Immigrants' Protective League of Chicago and executive secretary of the State immigration commissions of Massachusetts and Illinois. In this capacity she became especially interested in the children of immigrants and the difficulties encountered in adjusting them to an alien environment.

When Miss Abbott retired voluntarily from the public service 5 years ago, it was to take up another kind of work for which she was ideally fitted—that of training others to enter a field in which she had labored with such conspicuous success. After becoming associated with the University of Chicago, she continued to serve the public as teacher, editor of the Social Service Review, and author of a recently published authoritative study, The Child and the State.

Her death deprives the country of an outstanding citizen, honored for what she has achieved and doubly regretted because she was not given time to make the fuller contribution of which she was capable.

Tributes to the Late Dr. Grace Abbott

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, June 22, 1939

EDITORIAL FROM THE WASHINGTON DAILY NEWS AND STATEMENT BY MISS KATHARINE F. LENROOT

Mr. WAGNER. Mr. President, I had risen a moment ago to pay a like tribute to that paid by the Senator from Wisconsin [Mr. LA FOLLETTE] to this remarkable and great woman, Dr. Grace Abbott. I shall at a later date take the opportunity, as some length, to pay what I believe is a tribute that ought to be paid in the Congress of the United States to this outstanding woman in our American life. I simply wanted to add to the tributes paid to her, which have already been introduced by the Senator from Wisconsin, an editorial from the Washington News and a statement by Miss Katharine F. Lenroot, who is the Chief of the Children's Bureau of the United States Department of Labor. I ask unanimous consent that the editorial and statement may be published in the RECORD.

There being no objection, the editorial and statement were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of June 21, 1939]

GRACE ABBOTT

Death has cut short the brilliantly useful career of Miss Grace Abbott. To call her one of America's greatest women is an inadequate tribute to the effectiveness, vision, and courage with which she served the mothers and children of this country.

For 14 years, under four Presidential administrations, she was chief of the United States Children's Bureau. It is literally true that tens of thousands of citizens owe their lives to her fight against infant and maternal mortality. That and her struggles to curb child labor and juvenile delinquency made her internationally famous. She dared President Hoover's displeasure when she battled to preserve the independent Children's Bureau, and thus probably sacrificed an opportunity to become Secretary of Labor and the first woman Cabinet member. Since her resignation, in 1934, she has been professor of Public Welfare Administration at the University of Chicago, managing editor of the Social Service Review and author of such invaluable books as the recently published, The Child and the State.

Miss Abbott earned the right to an unusual memorial. The one most fitting—the one she would most have desired—would be ratification of the child labor amendment. She was a leader of that cause for many years, she lived to see the United States Supreme Court declare that the amendment is still vital, and she died in the hope that a few more States would soon ratify it and so make it part of the Federal Constitution.

STATEMENT BY KATHARINE F. LENROOT, CHIEF, CHILDREN'S BUREAU, UNITED STATES DEPARTMENT OF LABOR

With the passing of Grace Abbott, the Children's Bureau has lost a beloved chief, the United States has lost a great public servant, and American childhood has lost its most fearless and devoted champion. Personally, I cannot measure the debt I owe to Grace Abbott, who, with Julia Lathrop, the Bureau's first chief, is responsible for all that I have ever been able to do in the cause of American childhood. Although Miss Abbott resigned in 1934 after 13 years as head of the Bureau, we still considered her our chief and looked to her vision and courage for advice and leadership in developing phases of the Bureau's work. Miss Abbott, too, still considered herself a member of the Bureau, saying, "We must do this," in discussing plans.

Joining the staff of the Bureau in 1917 as Director of the Child Labor Division, in charge of administration of the first Federal child-labor law, Miss Abbott returned to the Bureau in 1921 as the successor to Miss Julia Lathrop. Miss Abbott's appointment as Chief of the Children's Bureau was followed almost immediately by passage of the Federal Maternity and Infancy Act, which, like the child-labor law, broke new ground. Her administration of these two pioneer measures demonstrated the possibilities of vital, flexible, and constructive Federal and State cooperation in the administration of child-welfare programs.

Miss Abbott served under five Presidents and her conduct of general research, educational, and advisory work of the Bureau revealed a fearless ability to see in the facts of today the needs of tomorrow and to anticipate those needs by farsighted action. With rare understanding of the meaning of social and economic developments in national life, Miss Abbott saw the needs of children always in their relation to general social needs, but was unfailing in her insistence that the needs of children are paramount. Thus, during the depression years, Miss Abbott worked tirelessly to focus national attention on problems of malnutrition, child labor, transient youth, and family relief, and many of the measures taken to deal with these problems owe much to her vision and courageous leadership.

"You can't feed children skimmed milk this year and make up by feeding them cream next year," Miss Abbott used to say. "What they didn't get this year, you can never make up to them." And again, "The only time to save the babies who are going to die this year is this year."

When Miss Abbott was chosen in 1931 as one of America's 12 greatest women, the biographer who summed up her career said, "If I wanted to be really sure of what fine benevolent things the world will do in the next 20 years, I should try to find out what Grace Abbott wants, for her dreams are the kind that come true."

Miss Abbott often expressed the expectation that a reasonably high minimum of opportunity will be made possible for American children. "That means," she said, "pleasant homes, good food, affectionate care, as well as good schools. It means that while parents should be able to provide the necessities during normal times, under abnormal conditions the State—and if necessary to equalize the burdens which abnormal conditions bring, the Nation—will cooperate in insuring this reasonable minimum for American children."

All those of us who had the privilege of association with Grace Abbott, of working under her leadership, and of sharing her vision of a better world for children will feel it our duty to carry on her untiring effort to make this vision a reality.

All that I personally have been privileged to do I owe to those two great women, Julia Lathrop and Grace Abbott, who, while Chief of the Children's Bureau, laid so firmly the foundations of its work and charted so clearly the path which it should follow. There is scarcely a home in which children dwell that has not been benefited by the activities they set in motion.

Credit and Currency Management and Price Level

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 22, 1939

ADDRESS BY HON. CHESTER C. DAVIS, DECEMBER 15, 1938

Mr. BAILEY. Mr. President, I ask leave to have printed in the Appendix of the RECORD an address delivered by Hon. Chester C. Davis, a member of the Board of Governors of the Federal Reserve System, on the subject of Credit and Currency Management and Price Level. I think it is very pertinent to the discussion now pending in the Senate.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Time on this crowded program will not permit me to discuss this question adequately. Your patience, which is remarkable, would be tried beyond endurance if I attempted to do so. I recognize that I shall have to strip my talk down to a few bare essentials, and sincerely beg your forgiveness for keeping you at all.

First, I hope to make it perfectly clear that we do not have a central monetary authority, or even a central banking authority, in the United States. In this connection we ought to consider in the light of experience at home and abroad what a central monetary authority can do, and what it cannot do, to influence and control price levels through monetary action.

Secondly, I want briefly and frankly to discuss currency devaluation—changing the gold value of the dollar—as a lever to control prices. The most I can hope to do is to emphasize the importance of thinking that question through for yourselves to a definite conclusion.

Finally, I want you to consider with me whether the goal of our national endeavor should be merely to establish and maintain a certain price level, or whether we should not fix our sights on something of perhaps even greater importance—our national income, our employment, and our standard of living.

The Board of Governors of the Federal Reserve System is not the powerful monetary authority many of you believe it to be. I want to help you to look facts in the face, even though some cherished illusions may fall and halos vanish in the process.

In the field of money and credit the spending policies of the Government, its taxation policies, its deficit financing—all are powerful factors, and they are in the hands of Congress, not of the Federal Reserve, nor could they be delegated to any other monetary authority Congress might set up.

The gold stabilization fund and international exchange transactions constitute a powerful monetary force, and they are operated by the Treasury, not by the Federal Reserve. It is left with the Treasury to determine the nature of our gold operations. Gold inflow from abroad has taken place in recent years in quantities that stagger the imagination. During the past 4 months alone this country's net receipts of gold have amounted to $1,250,000,000. They are handled in such a way that their dollar equivalent is added to the excess reserves of the banks. And, while the Federal Reserve is involved in the operation, it has no more control over the policy than does the board of directors of your own American Farm Bureau.

In the banking field, Federal responsibility is split up into several segments, of which the Federal Reserve has only one. It plays, in fact, a relatively minor role in banking supervision, even though its powers to influence general credit conditions are considerable.

Let me show you what I mean by a split-up in Federal responsibility. On a recent date there were 15,964 banks in the banking structure. Of these, only 6,341 are members of the Federal Reserve System. Of the members, 5,239 are national banks which are primarily responsible to the Comptroller of the Currency, who examines and supervises them. The rest of the members are 1,102 State banks who choose to belong, and the Federal Reserve System shares the responsibility of examining and supervising them with the banking authorities of 48 States. Of the nonmember State banks, numbering 8,280, 7,356 are insured in the Federal Deposit Insurance Corporation, which shares the responsibility of supervision with the 48 State authorities. The remaining 924 are not insured. A comparison of the number of member banks with the number of nonmember banks, however, is misleading, since member banks represent about 85 percent of the country's banking resources.

Perhaps much that is worth while might be accomplished by governmental authorities through supervision and through direct influence on the banks. In other countries this method is often quite effective.

I mention these things so that you may see the picture as it is, not as many people think it is. Now that I have at least tried to clear away some of the underbrush, I am willing to come to grips with the first question. If Congress creates a central authority with full monetary powers, can that authority, by action in the field of money and credit alone, establish and maintain a certain desired price level, say the price level of 1926?

I doubt it. In the first place, Congress could not even if it would delegate to the authority any control over taxation and spending, two powerful monetary factors. That, however, is aside from the main question. I would say that such an authority, using the powers Congress might grant it, could insure an abundant supply of money and credit at low rates of interest. The existence of that supply of cheap money, however, would not guarantee the desired degree of economic activity, or the desired response in prices.

Money, in the modern sense, includes the currency and coin we use, and our bank deposits. These constitute our means of payment. Currency is available in whatever quantities the public demands. If circumstances created the demand, currency would flow out tomorrow in almost unlimited quantities. To illustrate that point, currency in the amount of $9,206,000,000 was issued by the Federal Reserve System in the 12-months' period from July 1, 1937, to June 30, 1938.

It is a mistake to assume that the mere issue of currency has any monetary effect on the economic structure. The point is not whether the Government pays by currency or otherwise, but merely how much the Government spends and how it raises it. If it comes out of taxes, it may or may not diminish some other spending. If it comes out of savings, it may and may not diminish other investments. If it is borrowed from the banks, then it adds to the money supply as well as to the spending stream. If new currency is issued it flows right back into the banks, and only that quantity remains in circulation that the needs of business or the whim of hoarders calls for. As the currency is deposited with the banks it merely adds to the excess reserves of the banks, which are already very large.

Many of you believe, with Senator THOMAS, that a monetary authority, by monetary action alone, could restore the 1926 price level and maintain it. Let's take a look at the record. What was the price and monetary picture in 1926 compared with today?

In 1926 the index of all farm prices was 145; that is, the average prices of farm products was 145 percent of the 1910–14 level. The index of prices farmers paid was 155. Farmers, therefore, were getting 94 percent of parity price in 1926. Grain farmers were getting 85 percent of parity.

In November 1938, last month, the index of all farm prices was 94. The index of grain prices was 60. The index of prices farmers paid was 121. Farmers were receiving 78 percent of the parity price. Grain farmers were receiving 50 percent of the parity price.

Now, let's turn the page over and look at the monetary picture in 1926 compared with that of last month.

The daily average of money in circulation in 1926 was $4,645,000,000. The daily average in November 1938, was $6,750,000,000, an increase of $2,105,000,000, or 45½ percent, over 1926. Of course, the quantity of currency in circulation has nothing to do with prosperity or prices. If it did, March 1933 should have been a period of prosperity and high prices, for then the quantity of currency in circulation reached an all-time high. That didn't mean people were prosperous; it meant they were afraid of the banks.

The total of all bank deposits exclusive of interbank deposits and United States Government deposits, which was $46,440,000,000 in 1926, climbed to $51,250,000,000 in 1938, an increase of nearly $5,000,000,000.

The monetary gold stock in 1926 was $4,165,000,000. In November 1938, it was $14,162,000,000. The increase was nearly 250 percent.

How about the cost of money? The Federal Reserve discount rate in 1926 was 4 percent. In 1938 it was 1 percent in the New York bank; 1½ percent in the other Federal Reserve banks.

Compare the interest rates charged customers. In November 1926 the average rate charged in New York City was 4.79 percent. In November 1938 it was 2.38 percent.

The average rate charged by banks in 8 other northern and eastern cities was 5.06 percent in November 1926, and 3.28 percent in November 1938.

In 27 southern and western cities the banks charged 5.61 percent in November 1926, and 4.05 percent in November 1938.

Now, just one more figure in this monetary comparison and then I want to pass along to something else. You all have heard about excess reserves. They are the reserves which member banks have on deposit with the Federal Reserve banks in excess of the reserves they are required by law to hold. These excess reserves may serve as the basis for a multiple expansion of credit. In 1926 there were, practically speaking, no excess reserves at all. At the first of this month they stood at over $3,350,000,000.

We stand today approximately at an all-time high in the combined total of money supply and an all-time low in the cost of money. Yet we are about to finish a year in which the total annual income will reach approximately $64,000,000,000 compared with $73,000,000,000 in 1926 and about $79,000,000,000 in 1929.

In other words, we have fashioned for ourselves the longest piece of string we ever had. The trouble is, that while you can cut a string to about any length you want, you can't push it where you want it to go. Someone at the other end has to pull. We have the deposits but they refuse to work. The annual rate of deposit turn-over which was estimated at 20 times in 1926 and at 26 times in 1929 is running at a rate of about 13 times this year. People just aren't using the money they have as actively as they did in those earlier years.

I really hesitate to turn now to the second topic I outlined for discussion, because complete consideration of that issue would require more time than we could possibly command today.

Many of you believe that we can establish any desired level of commodity prices by changing the dollar value of gold. I devoutly wish the solution of the farm problem were as simple as that, but a fairly close study of the question has made a skeptic out of me.

There is no supreme court of finance and economics before whom this issue can be debated, and by whom it can be decided. Personally, I think the group in this room is just as competent to reach a sound conclusion as any in the world, provided they will question all assumptions and take account of experience in making up their minds.

For the belief that the level of prices can be raised or lowered at will by changing the currency price of gold does rest on an assumption, and it is very important to understand that. It is the crux of the entire matter. The assumption is that commodity prices are in reality gold prices, not currency prices; that fundamentally you sell your grain and your livestock and your dairy products for ounces of gold—not for dollars; and that you get the same number of ounces whether the price of gold is high or low. If that assumption is correct, then it follows as a matter of course that if you double the number of dollars a unit of gold represents, you double the number of dollars required to purchase the commodity.

If the controlling and primary price of a suit of clothes is an ounce of gold, then Congress, by raising the legal price of gold from $20.67 to $35 an ounce, could raise the price of the suit from, say, $21 to $35.

If the dominant price of 1,000 bricks is 232 grains of gold, and gold is priced at $20.67 an ounce, the brick might be said to be worth $10. If the assumption is correct, and if the gold price of brick is the real price, then when Congress and the President said that an ounce of gold would represent $35, not $20.67, the brick should sell at $16.93 per 1,000 instead of $10.

But if after the price of gold is changed a similar suit continues to sell for $21, and the brick continues to sell for $10, you might begin to wonder whether after all the basic assumption is correct. Perhaps the dominant price was not the gold price, but the price in which business is done, that is, the currency price.

I recommend that this group study that basic assumption with the greatest care. I suspect you will find some interesting things about price behavior, leading into fields of international exchange, trade balances, and others that I simply cannot cover today.

There is another aspect which I feel I must touch upon, and that is this matter of average price levels. Averages are terribly misleading. Experts may tell you that the average depth of the Mississippi River is only 2½ feet, but you know there are a lot of places in it to drown you if you start to wade it.

Take some comparisons in farm price movements, for example. For the month of February 1934, after devaluation and the increasing dollar price of gold during the summer and fall, grains in the United States sold for an average of 79 percent of the 1910–14 price. In November of 1938 grains averaged only 60 percent of the 1910–14 price. Meat animals, on the other hand, commanded a price in February 1934 only 65 percent of their 1910–14 average, and by November of this year those prices had risen to 111 percent of the 1910–14 average.

These figures I have been giving are just samples, and they are not intended to prove anything beyond pointing up the question I have raised about the assumption on which devaluation to achieve a given price level must rest. The thought I want to leave with you is that we must study this and related proposals with an open and critical mind.

Of course, changes in the exchange relationship between currencies of different countries are important, and do affect prices of commodities in international trade. But that is something entirely distinct from the devaluation theory which I have been considering.

As my concluding point, I want to raise in your minds the question whether we aren't getting sidetracked when we concentrate our attention on a certain average price level and forget other goals that are perhaps of greater importance to ourselves and to the Nation.

What we need in this country is an annual income comparable to our man-power and our physical and monetary resources.

We do not have it today. The great central question, the challenge to the Nation, is this: How may our people be employed in the increasing production of useful things that will afford a higher standard of living to those who work?

I believe, and my associates on the Board of Governors of the Federal Reserve System believe, that the income and purchasing power of a prosperous agriculture are essential to that goal. Within the scope of their powers they will do their utmost to help you achieve it.

But aside from everything that can be done directly to make agriculture a driving power and not a brake in our economic machine, one important principle must be made to work if we are to hit the stride we are capable of. If industry and labor will look to full production for increased earnings, then we can produce and enjoy a constantly expanding national income. Incidentally, that is what agriculture always has done, and if the rest of the economy will learn to practice it, the treatment necessary for agriculture will be greatly simplified.

The job ahead of us is to bring about such a rate of production that all of our effective manpower may find useful employment. We are not going to do it unless and until the employers of labor look to increased production rather than to higher prices for profit; and unless and until organized labor learns that increased production is the only safe path to higher real wages.

Time and again we have seen it happen that manufacturers and other nonagricultural producers shove prices up at the first quickening of demand.

We have seen organized labor imitate them by striving for the highest attainable hourly wage for a minimum of production.

We have seen these practices kill off the goose which, alive, would have laid golden eggs. We saw them choke off the expected and all-important rise in building in 1936 and 1937.

What incentive, what economic mainspring, is necessary to keep industry running at capacity on things people need and want? And what will turn labor's eyes away from the hourly wage to a higher annual income earned through steady employment and the production of more wealth to share?

I don't pretend to be able to give you the answers. I do say that every policy of government, and of business, and of labor, ought to be tested by its contribution to that principle.

We have the men, we have the resources, we have the money, and we have the human needs unfilled to justify a rate of production and a total national income far beyond anything we ever have dreamed of. If we don't learn how to achieve this under our own power, then we are going to be trying to do it in other, and strange, and less pleasant ways.

There is no magic way to achieve these desired ends, neither through monetary action, nor legislative device, nor by negative inaction. Adjustments will be called for that may be unwelcome and uncomfortable.

All elements—the manufacturer, the laborer, the farmer, the distributor, the carrier, the press, the educator—had better address themselves to this central problem. I hope our approach to it will be reasonably good-humored, tolerant of the other fellow's problems, and courageous—qualities which I like to think of as characteristic of the American way.

One thing we can all be perfectly sure of: Sooner or later the American people are going to lose patience with an economy that tolerates unemployment and poverty in the midst of potential abundance.

Restriction of Immigration

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 22, 1939

LETTER FROM JAMES L. WILMETH

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD a very interesting article and forceful argument against the Wagner-Rogers joint resolution. This article is from the pen of Hon. James L. Wilmeth, national secretary of the Junior Order United American Mechanics, with national headquarters at Philadelphia, Pa., one of the oldest patriotic societies in America.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL, JUNIOR ORDER UNITED AMERICAN MECHANICS, UNITED STATES OF NORTH AMERICA,
Philadelphia, June 14, 1939.

CANDID OPINION

It is incumbent upon Americans to give more thought to our immigration laws and to assist and support our Congressmen and Senators who are working diligently to stop the influx of alien people to the United States of America. Unless we do support them and block proposed legislation, we shall continue to receive more than our share of foreigners who will compete with American workingmen and thus add to the unemployment and relief situation.

The Wagner-Rogers resolution which proposes to receive 20,000 German refugee children within the next 2 years, has been receiving the consideration of the Senate and House Committees on Immigration for some time. This resolution would tear down immigration bars and admit 10,000 children a year, or 20,000 in all.

There were many distinguished persons who testified in favor of this resolution. A careful reading of the testimony shows that suffering and sentiment were the mainsprings of the argument submitted to the Immigration Committees of the two Houses of Congress.

A representative of the National Council, Junior Order United American Mechanics, one of the oldest patriotic and fraternal societies in the United States, made an appearance as a witness in opposition to this resolution on April 24, 1939, and during his testimony was submitted to close cross-questioning by members of the Senate Immigration Committee.

He opposed the resolution as a whole and submitted arguments along the following lines, in opposition testimony:

First, he informed the committee that there was no need to increase the quotas in order to admit 10,000 refugee children, because Germany had not filled its quota of immigrants for the year 1938 by almost exactly 10,000. He argued that to enlarge the quotas was unnecessary and would leave open the unused quota for grown-ups who would come here seeking jobs which belonged to our own citizens.

He argued that our first thought and concern should be for the ill-fed, ill-nourished, and underprivileged children of this country to which the President of the United States has referred so often recently, and with so much force. He took issue with some of the testimony submitted by prominent people who had stated their willingness to adopt some of these children, and stated that such persons could find helpless, needy American orphan children within a few squares of the doorstep of their own home city or the hotel where they lived, without bringing children 3,000 or 4,000 miles for adoption.

He submitted that suffering and sentiment which is outlined in the preamble of this resolution should not be made the criterion for breaking down immigration bars, or making a way by which these children should come into the United States outside present quotas. If we should admit German refugee children on account of suffering, then it naturally follows that we should open our doors for the starving children of Spain, China, and Ethiopia, and other war-torn countries. He stated that we do not wish at the present time to open our immigration doors to any of these countries.

It was pointed out that it does not make good sense to bring German refugee children to this country, where there are 10,000,000 unemployed, when the dictator and other authorities in Germany brag and gloat over the statement that they have no unemployment there.

We are not responsible in America for persecution of any racial or religious minorities in Germany or elsewhere, and sentiment should not be resorted to in order to bring this large number of children here at a time when so many people are out of work, and so many on relief, and such a large number in want. Further, it can be reasonably expected that if this resolution should be adopted by the Congress, that nonquota relatives in large numbers would immediately file application to come to this country under existing non-quota-immigration laws. In other words, our society feels that the adoption of this resolution, namely, Wagner-Rogers German refugee children resolution, by the Congress would be the entering wedge in the tearing down of our immigration restriction bars which would admit many thousands of aliens who would seek to come into this country as relatives on a nonquota basis.

The adoption of needy, hungry, ill-fed, and ill-clothed American children should receive our first attention before we attempt to remove immigration restrictions and admit children from across the sea from any country. Let us remember the Bible injunction that "The man who does not provide for his own is worse than an infidel." Let us apply these words of Holy Writ to our own people in this country, and let those who appear to be so anxious to adopt some of these refugee children be guided accordingly.

Again, America should oppose this resolution on the ground that we cannot afford, in justice to our own people, to take care of suffering persecuted peoples from one country of the earth to the exclusion of the other countries where children are in distress. The paramount reason for our being opposed to it is that we have crowded orphanages in this country with children whose parents are both dead, or where the breadwinner has passed on

and the mother is unable to take care of them. This is the only home they can find. In addition to this, there are tens of thousands of little children in the poorer sections of our cities whose parents are on relief and who are barely eking out an existence, living in poverty, suffering, and want. The needs of the forgotten, uncared for, homeless orphans of America command our first attention.

Sincerely yours,

JAMES L. WILMETH,
National Secretary.

Adherence to Policies of Roosevelt Administration

EXTENSION OF REMARKS
OF
HON. JOSEPH F. GUFFEY
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Thursday, June 22, 1939

RESOLUTION OF PENNSYLVANIA DEMOCRATIC STATE COMMITTEE

Mr. GUFFEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a resolution which was unanimously adopted by the Pennsylvania Democratic State Committee at a meeting held in Harrisburg, Pa., on June 21, 1939.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The preservation of democracy depends upon the just advancement of the common welfare and the jealous protection of individual liberties.

Under the administration of President Franklin D. Roosevelt, the Government of the United States has taken wholesome steps to revive the faith of the people in the strength and validity of popular government. Assuming office at a time of general pessimism and acute industrial distress, the administration has moved in swift and sure fashion to restore confidence and to improve the social and economic well-being of millions of worthy citizens. Peace has been preserved in a troubled world and economic chaos has given way to order and progress.

The accomplishments of the administration constitute the finest record of constructive achievement in modern history.

Bank depositors are now insured against loss and the banking structure has been stabilized.

The horizon of hope has been opened up by the Social Security Act to aged citizens who must face the twilight of existence without financial independence.

The farmer has been given substantial Federal assistance to meet the twin handicaps of depressed prices and glutted markets.

The laboring man, through progressive legislation, has had his lot made more secure.

Food, shelter, and clothing have been provided for the needy and unemployed.

The swindling of honest investors has been curbed by the Securities and Exchange Commission.

Business has been stimulated by generous loans from the Reconstruction Finance Corporation.

The building of decent housing has been encouraged and the Nation's physical plant expanded by the construction of good schools, public highways, public buildings, and other needed improvements.

The depletion of natural resources has been halted and replaced by wise policies of conservation.

These necessary reforms, approved by the great mass of the electorate, have been accomplished within the framework of democratic government and without impairment to the fundamental rights and liberties of the American people: Therefore be it

Resolved, by the Democratic State Committee of Pennsylvania, That a departure from the fundamental policies of the Roosevelt administration would be a disaster for the Democratic Party and a calamity for the Nation: Therefore be it further

Resolved, That the Democratic candidates for the Presidency and the Vice Presidency in 1940 should pledge themselves to a sincere and wholehearted furtherance of the Roosevelt policies as the only means of preserving and extending the magnificent social gains which have been won under the inspiring leadership of the present Chief Executive, Franklin D. Roosevelt.

Japan and Neutrality

EXTENSION OF REMARKS
OF
HON. LEWIS B. SCHWELLENBACH
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Thursday, June 22, 1939

EDITORIAL FROM THE WASHINGTON POST

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in today's Washington Post entitled "Japan and Neutrality."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

JAPAN AND NEUTRALITY

The United States Government is directing to Japan, thus far without conspicuous success, one note after another protesting against Japanese infringements of American rights and interests in China. But Congress remains deadlocked on the neutrality issue.

These two circumstances are by no means unrelated. The spectacle of congressional confusion on foreign policy, such as is provided by the debate on neutrality, encourages Japan, as it encourages all other aggressor nations, to disregard the United States as a factor in their calculations.

It happens that Japan is extremely vulnerable to the kind of nonmilitary pressure which the United States could easily apply against her. More than half of all the strategic raw materials that Japan needs for the conduct of the undeclared war on China comes from the United States. And some of these supplies, scrap iron for instance, Japan would find it difficult to get from any other source.

One might assume, therefore, that Japan would be especially careful to avoid taking any action which the United States would deem destructive of American rights and interests. Almost the exact opposite has been the case. Japan has paid little or no attention to American protests. And she has been able to do so with assurance because of the legislative barrier placed in the way of retaliatory action.

At the moment, were a larger measure of discretionary power vested in the President, the effect of such action on Japan might be very salutary. The Japanese do not underestimate the strength and importance of the United States. That is left for overtimorous Members of Congress. Neutrality legislation of the mandatory variety has become a fetish with them, to which they are determined to cling no matter what the ultimate consequences on our position in eastern Asia or elsewhere.

Admission of German Refugee Children

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Thursday, June 22, 1939

LETTERS AND EDITORIALS

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the RECORD the following documents in regard to the admission of German refugee children: Letter from Senator ROBERT R. REYNOLDS, of North Carolina, and telegram addressed to him signed by citizens of Asheville, N. C.; letter from Dr. Henry A. Atkinson, general secretary of the Church Peace Union; editorial from the Baltimore Sun, May 7, 1939; editorial from the Sacramento (Calif.) Union, May 16; editorial from the Cincinnati (Ohio) Enquirer, May

25; editorial from the Richmond (Va.) Times-Dispatch, May 25; editorial from the Los Angeles (Calif.) Times, May 25; editorial from the Paterson (N. J.) News, June 13.

There being no objection, the letters and editorials were ordered to be printed in the RECORD, as follows:

JUNE 5, 1939.

Hon. ROBERT WAGNER,
United States Senate, Washington, D. C.

MY DEAR BOB: At Asheville, N. C., there lives a friend of mine by the name of Mr. Gustav Lichtenfels. He is one of our most respected citizens. He married a Miss Edna Long, with whom I attended public school years ago.

Gus and I have been friends for more than a quarter of a century, and for him I have the highest respect.

On May 24 he sent to me a telegram in reference to your bill introduced in the Senate, and sponsored by Mrs. ROGERS in the House, pertaining to refugee children of Germany. This telegram by Western Union was signed by a great many of our very finest citizens in Asheville, N. C.

I was requested to give favorable consideration to and support of the Wagner-Rogers resolution.

I have today written Gus my attitude about immigration and of my opposition to your bill, but I told him that I would send to you his telegram, and herewith you will find it enclosed with a statement from me to the effect that if you so desire you may use this telegram in your argument before the committee, your debate before the Senate, or in any part of the CONGRESSIONAL RECORD. I send this on to you from my fellow citizen and friend, Mr. Lichtenfels, because I want him to know and I want you to know that I want to be as fair as I can about this proposed legislation.

With warm personal regards, and assurances of my highest esteem, I am as you will ever find me to be,

Most sincerely yours,

ROBERT R. REYNOLDS,
United States Senator.

ASHEVILLE, N. C., *May 24, 1939.*

Hon. ROBERT R. REYNOLDS,
United States Senate, Washington, D. C.:

We, who are your constituents, want you to know that we the undersigned citizens of Asheville, N. C., Buncombe County, are heartily in favor of the Wagner-Rogers bill. We understand that hearings are being held on the bill this week and earnestly urge that you give your most sympathetic consideration. As the intervening time is too short to mail the petitions before the hearing the names signed thereto are here appended. The petitions bearing these are in the care of Gustav Lichtenfels, of Asheville. There are many more signers as the petitions have not all been collected. Individuals' letters would have been sent you, but thought best not to burden you.

Gustav Lichtenfels; Chas. A. Webb; John W. Williams; D. Hiden Ramsey; Don S. Ellias; Hugh Stansel; Joseph B. Green, M. D.; Nell Zachary; Sarah E. Winter; Mary F. Shuford; S. R. Godman; J. Guard; Edward Goldsmith; Philip Michalove; B. Pearlman; F. Pearlman; S. A. Rubin; Wm. Rothenbery; Geo. Colley; Mortimer Kahn; S. H. Michalove; Minnie Turiff; Frances Auld; Marie Shank; Martha Brown; Anne Benson; Priest Shirley; L. Britt; Lillian Hodgkins; Elizabeth A. Bird; Mayme H. Redmond; Katie M. Howell; Margaret H. Ligon; Mrs. P. G. Johnson, Jr.; Martha S. McDowell; Rebecca Stradley; Pearl P. Lunsford; Alin H. Jones; Ethel M. Shade; Frances Hayman; L. H. Pollock; Nello S. Garren; A. B. Bigham; Irving Kassack; Vina F. Kassack; Margaret Adams; Melvin Scher; Helen Cauble; Robert Tucker; Sam Mayer; Charles Rosenfeld; Frank J. Rhinehardt; Belle Pollock; H. L. Chambers; Rabbi Robt. P. Jacobs; Virginia Myers; E. B. Braly; Robert G. Swartzberg; Robert D. Bunn; Norman Hawkins; Ben Manekin; Leo Finkelstein; Mrs. Fannie Finkelstein; Mrs. S. W. Lees; M. Levitt; Julia Meyer; Hershel Lang; D. Robinson; Eva Robinson; Ralph Roth; Philip Ness; Max Scheer; J. Sultan; G. Berkman; D. S. Schandle; E. Wadopian; J. A. Young; M. Reisenberg; H. R. Rubin; Robert Persky; Mrs. M. Rosenfeld; Carolyn Litchenfels; Martin Rosenthal; Fred Pearlman; Louis Rufkin; Irving Ness; Eugene Schochet; Harry Blomberg; T. Galumbeck; B. Fox; Joseph Litchenfels; George Coggins; George M. Stephens; W. Bynum; J. G. Deshler; Tom Rowland, Jr.; Julius Lowembien; B. L. Jackson; Victor Avzaradel; Hyman Dave; Nathan Factor; Al J. Goodman; Helen Lichtenfels; Jules Heymann; Henry Hudson; Ethel Eisner; Charles G. Bork; Mrs. Joseph Stern; Morris Lipinsky; Louis Lipinsky; M. C. Peterson; Carl M. Gross; Eva Gross; Winfield Dotson; Cortez Steadman; Samuel Robbins; Jake Rosen; Philip Rosen; Max Rosen; Henry Heymann; Morris Tarica; Robert Zagier; Samson Weiss; J. B. Breman; Philip Zagier; Wm. Wilner; E. Wilkins; Joseph Sternberg; B. C. Boone; H. C. Knighten; S. G. Brooks; H. R. Rogers; C. H. Crawford; W. D. Whisenant; W. W. Turner; J. A. Bandy; R. L. Smith; E. L. Sorrels; G. D. Chappelle; J. R. Sorrells; Geo. H. Smith; R. C. Freeland; H. B. Haddon; M. J. Brosington; O. Clyde Steele; Henry P. Corwith; Ethel W. Bracey; H. D. Bracey; Burt L. Owenbey; Chas. Glass; Kenneth Beachboard; Ray Hurd; C. R. Marple; Mrs. A. Linn; William Book; Salem Eisenberg; H. Caplan; Mrs. Leon Rocomora; Harry Freeman; S. H. Michalove; Charles Robinson; Fred Corkey; Rose Diamond; Sam Klein; J. B. Burgin; Mrs. J. B. Burgin; Mrs. Kellum Metcalf; L. D. Perry; O. B. Mills; J. A. Cornmeal Coffee; Everett Clonz; Gay Deweese; Clyde Young; Fanny Colby; H. B. Farmer; Ernest Randall; Carl Wright; Mr. J. C. Corn; Coll Upchurch; John Turner; Danl. W. Glover; E. L. Shuford; J. H. Jones; T. Carlisle Smith, Jr.; Gillard G. Tennant; Jno. W. Spicer; Gilbert Morris; R. L. Ellis; Frank C. Foster; Mrs. Otto Buseck; Mrs. David Hoffman; Mrs. Sam Michalove; Mrs. David Sandman; Mrs. Joseph Dave; Mrs. W. W. Michalove; Mrs. M. Rosenfeld; Mrs. S. Rogovin; Herman Ehrlich; Mrs. A. Fox; L. Grand; A. J. Hirsch; Joe M. Cooper; M. Myers; T. A. Hodges; E. W. Roberts; H. G. Gosden; Sam Orovitz; A. F. Linn; Max H. Crohn; A. L. Rose; L. W. Acton; Abe Meycison; Carl Rhinehardt; David B. Joseph; J. May Davis; Eloise Plemmons; Virginia Ledford; J. A. Patla; Fred Sale; Clinton K. Hughes; J. M. Cooper; J. Simpson; A. B. Lifter; Sam M. Prince; H. B. Lavitt; G. Walters; C. B. Barber; Leon Grass; Chas D. Gross; J. P. Kitchen; Emanuel T. Linn; Mrs. Dora Rapport; Mrs. M. Rubinstein; Ben Pollock; Mrs. George Fain; Edith Biddix; Amy Emanuel; Vivian Gentry.

THE CHURCH PEACE UNION,
New York, June 12, 1939.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.

DEAR SIR: At the semiannual meeting of the board of trustees of the Church Peace Union it was unanimously voted to support the two bills to aid refugee children—S. J. Res. 64 and H. J. Res. 168—that have been introduced in Congress by you and Representative EDITH N. ROGERS.

We will do everything we can to help facilitate the passage of the necessary legislation to make it possible for these children to come into our country.

Respectfully yours,

HENRY A. ATKINSON,
General Secretary.

[From the Baltimore Sun of May 7, 1939]

UNCLE SAM OR SCROOGE?

(By Frederic Nelson)

The ravages of depressions are not all financial and economic; they are social and spiritual. Only a soul erosion produced by prolonged anxiety and privation can account for a phenomenon which must dismay those of us who have regarded the American people as generous and friendly and the American tradition as favorable to help for the needy and asylum for the oppressed. I refer to the public reaction to the Wagner bill to admit 20,000 German refugee children to the United States.

To the credit of the politicians it must be said that support for this humane measure has come from unexpected sources. But in the correspondence columns of the newspapers in many parts of the country I have observed a harsh and crabbed resentment toward this proposal. It is as if America's heart had chilled and congealed in the face of an opportunity to relieve the distresses of at least a few children who will otherwise be left to the fate of minorities in Nazi Germany. In Baltimore and other cities the newspaper letter writers have much the same opinion on the admission of refugee children. It is "Let's take care of our own first." One Baltimore pro bono publico had the brass to base his attitude on an extraordinary reading of what Jesus would do in similar circumstances.

"I venture to say what I'm sure He wouldn't do," wrote this theologian. "He wouldn't take the bread away from the undernourished and starving children in our midst and give it to foreign-born children for whom we have no moral obligation." As a product of a pious upbringing I can dispose of that statement with one text from the words of Jesus, whose whole philosophy, incidentally, was quite contrary to this notion of discriminating against "foreign-born children." I could go further and preach a plausible sermon, making it plain that it was Christ's preaching against the narrow nationalism of the Scribes and Pharisees, His insistence that the Philistines and aliens generally must also be the concern of all, which brought about His violent death.

The text, of course, is from the fifteenth chapter of St. Matthew's Gospel, in which Jesus was asked by a woman of Canaan to cure her daughter. Jesus, apparently to rebuke His disciples by paraphrasing their opinions, said: "It is not meet to take the children's bread and to cast it to dogs." To which the woman of Canaan replied, "Yet the dogs eat of the crumbs which fall from their master's table." And Jesus, praising the woman's great faith, repudiated the narrow exclusiveness of those about Him by granting the woman's request, albeit she was a foreigner.

Not even this scriptural exegesis ought to be needed, however, to make it plain that the Wagner bill takes no bread from the mouths of American children to give it to aliens. In the first place, American children are not suffering from any such competition. If they are undernourished, it is because millions of dollars' worth

of foodstuffs are stored under Federal bond, or have been plowed under or destroyed. In fact, our agricultural producers are always in favor of shipping their surplus to China, Spain, or any place except the American market at a price the poor can pay. So why talk as if Senator WAGNER's 20,000 German refugee children were going to take bread away from some other children?

In the second place, Senator WAGNER's bill specifically provides that every child admitted must be provided for in advance with a home able to feed and care for him. The number is limited to 10,000 a year for 2 years, a total of 20,000. So what? The children will be placed in families able to care for them and, if Americans have come to the point where they must have a canny reason for doing something decent, all the families who harbor a refugee child will have to buy just a little more milk, eggs, vitamin D, and spinach.

In short, there is no economic disadvantage to this good deed in a naughty world and, it seems to me, the possible benefits from taking in these children are very great. Officially and unofficially we Americans have been protesting against the villainies which have made these children exiles and made it impossible for them to remain with their families. Up to now, however it has been England and France—whose Governments we have not hesitated to denounce as traitors to the cause of democracy—that have taken in the refugees. This inexpensive show of traditional American hospitality to the oppressed and the homeless would make our light shine farther than several columns of denunciation of dictatorships. If we cannot do this humane act generously and wholeheartedly, then let us charge it to advertising account.

[From the Sacramento (Calif.) Union, May 16, 1939]

REFUGEES AND AMERICA

Once again this Nation has an opportunity to open its doors to the political and racial refugees of Europe.

A joint resolution, sponsored by Senator ROBERT F. WAGNER, Democrat, of New York, and by Representative EDITH NOURSE ROGERS, Republican, of Massachusetts, urges the admission to this country of 20,000 German refugee children in the next 2 years.

The Senate Immigration Committee has been hearing evidence on this proposal. The arguments and names supporting the measure are impressive, indeed, and weak are the reasons offered in opposition.

Will these children become a public charge? How could they, when no child can be admitted under the proposal unless its support is first guaranteed by an individual or group?

Will these children become competitors in the labor market and hurt American job seekers? How can a child—and no children over 14 will be admitted—displace an American worker? On the contrary—20,000 children are 20,000 mouths to feed, 20,000 bodies to clothe, 40,000 feet to be shod. They will not only not displace American workmen or flood the labor market but they will make jobs for American workmen.

Another reason offered in opposition is that it will weaken our immigration laws—that it will be the first step in undermining them. How weak this reasoning is can be seen that in 1938 alien admissions totaled only 68,000, almost 90,000 less than the quota.

Moreover, the continued rigidity of our immigration bars is by no means a matter of proven benefit to this Nation. There are those who argue that the reason we are in a deep depression is because we halted the flow of immigrants—who are initiative workers and consumers, bent on bettering themselves—to this Nation.

Other nations—England, France, Holland, Norway, Sweden, and Belgium—have opened their doors to these young refugees. Shall America, richest of the world's nations, do less?

America has built its greatness on the outcasts, the refugees of Europe. To admit these children—Catholic, Protestant, and Jewish—will be a tribute to those refugees who made this Nation.

[From the Cincinnati Enquirer of May 25, 1939]

THIS LAND OF IMMIGRANTS

In the name of "Americanism," and with appeals to prejudice against foreigners, efforts are being made to arouse popular anger against the Wagner-Rogers bill to admit 20,000 refugee children from Germany apart from the immigration quotas. This in itself seems odd in a country peopled entirely by comparatively recent immigrants and their descendants—except for a few aborigines who are faring none too well in their concentration camps.

The campaign against this humanitarian measure is the more astonishing because of the charge that it "releases a flood of aliens from eastern Europe." Now 20,000 children under 14 do not constitute an avalanche or an inundation, particularly when individual American citizens have assumed complete responsibility for their support and education. Neither does this measure set a precedent for breaking down the immigration laws. The quotas will remain precisely as they are—small in themselves, and unfilled in most cases.

It might be well, since so much unreason is being spoken and written about the "influx of aliens," to notice the actual statistics of recent immigration. During 1938, the year of "the great refugee flight," the net immigration into the United States for permanent residence here was 42,685. This, it may be noted, is four one-hundredths of 1 percent of our total population. The fraction is so small the mind cannot visualize it.

After allowing for immigrants who returned to homes abroad, the net immigration from Germany for the last 6 years—since Hitler came to power—has been on the average only 6,622 a year. In the light of these facts, which are honest facts, not weapons of prejudice, can it truthfully be said that "we Americans are doing a great deal already for the refugees of Europe"?

It goes without saying that the policy of restricted immigration started 15 years ago is necessary and has general support. But it is equally true that the total net immigration last year was only about 7 percent of that in 1924, the first year under the restricted quotas. The plain fact is that immigration into this country for nearly a decade has been so small as to have no significance in our national life, and particularly no bearing on our economic life.

When these facts are considered the artificially fostered wave of prejudice against the Wagner-Rogers bill cannot be explained by an informed and honest concern over the volume of immigration. If the American people were to consider the facts stripped of the coloring of antiforeign intolerance so suddenly developed, they will welcome enactment of this carefully restricted bill to admit a few refugee children.

It is impossible to believe that so modest a proposal for humanitarian action will be shouted down by the few who would create a hysterical Americanism on the foundations of antiforeign prejudice.

[From the Richmond (Va.) Times-Dispatch of May 25, 1939]

ADMITTING REFUGEE CHILDREN

Committee hearings are going forward in Washington concerning the Wagner joint resolution to admit 10,000 refugee children from Germany this year to the United States over and above the regular immigration quota, and an equal number next year.

There is considerable misunderstanding with respect to this measure. In the first place, it is argued that there are a great many impoverished and undernourished children in this country now, and that our own children ought to be cared for properly before any are admitted from foreign lands. There would be much truth in this contention, if there were any reason to believe that the exclusion of the 20,000 children would improve the lot of the underprivileged children now in our midst. But there is no reason for thinking so.

The refugee children would be admitted only on condition that "satisfactory assurances are given that such children will be supported and properly cared for through the voluntary action of responsible citizens or responsible private organizations of the United States, and consequently will not become public charges." Thousands of persons in 40 States already have volunteered to be responsible for their care.

The needy children now in America should be cared for in their own homes through tax-supported aid to dependent children. Consequently the care which they are receiving, or which it is hoped they will receive in the future, will not be lessened by the foster care which would be accorded the refugee children in homes of their own faith.

The proposed group would be chosen by the American Friends Service Committee, the Quaker organization with branches all over Europe, and the children would be Protestant, Catholic, and Jewish. They would be picked children, all under 14, sound in mind and body, of the type which any country would regard as assets to its citizenship.

Many would be "Aryans," whose parents are in concentration camps, because of their dislike of the Hitler regime. Since almost the entire German and Austrian aristocracies are hostile to the Nazis, and many of its members are incarcerated, it can be taken for granted that children from these groups would be included. Tens of thousands of devout Catholics are likewise utterly out of sympathy with the regime, and children from their families also would be admitted under the bill.

Similarly, many of the children would be "non-Aryans," either wholly or partially Jewish, whose racial backgrounds make their lives in the Germany of today a constant horror. It is assumed that the children would come from the vigorously able group which has furnished large numbers of the most cultured and accomplished citizens of Germany, Austria, and Czechoslovakia.

Since selection of the children by the Quakers would not be made until after adoption of the joint resolution by Congress, it is impossible to say at this time just what the racial and religious composition of the refugee children would be. However, it can be said with assurance that these would be children with physical, mental, and racial backgrounds calculated to make them valuable American citizens. They would not take jobs away from Americans, or lessen the amount of care given to needy American children.

It is to be hoped, therefore that Congress will admit them to the United States, a country which has long prided itself upon being a haven for the oppressed of many lands.

[From the Los Angeles Times of May 25, 1939]

THE WAGNER-ROGERS BILL

Nobody who has made an understanding study of the Wagner-Rogers bill to admit a limited number of refugee children, about half Jewish and half Catholic and Protestant, from Nazi Germany to a safe haven in our own land, has found any adequate reason for opposing so carefully drawn a measure. It is nonpolitical, nonpartisan, nonracial, devised by experts in child welfare, animated by the purest of human sentiments.

Since these innocent waifs of organized persecution will be cared for by private families or in institutions supported by voluntary

subscription, they will add little if anything to the public expense. They will be carefully selected and transported to this country in small groups, accompanied by trained social workers. Competent child welfare agencies will supervise the children after placement and no additional groups will be brought over till the first have been absorbed.

It has been feared in some quarters that these children will aggravate our unemployment situation. At the start they will not make clothes; they will wear them. They will not grow food; they will eat it. They will not be producers, but consumers. It will be some years before these children will begin to compete in our labor markets. In fact, we are facing a coming shortage in the supply of skilled young workers such as under the training contemplated, these youngsters will become.

The California Assembly, by a vote of 47 to 1, has adopted a resolution urging congressional enactment of the bill. This action represents the sentiment of a probably large majority of Californians, and the State senate should give it similar support.

We have displayed national enthusiasm in welcoming to America representatives of leading European royal families. Shall our welcome be less heartfelt for the child victims of European persecution?

[From the Paterson (N. J.) News of June 13, 1939]

A HUMANITARIAN MEASURE IN THE BEST TRADITION OF A FREE NATION

So much confusion has arisen concerning the Wagner-Rogers bill to admit 20,000 refugee children from Germany that it seems wise to correct the more glaring misconceptions.

The bill would authorize the admission of 10,000 children a year for 2 years. This would not, as some have feared, let down the standards for admission of aliens. These refugee children would have to meet the same stringent tests which are applied to all who seek immigration visas.

It is sometimes thought this bill would change the quota system established in 1924. This is not the case. The Wagner-Rogers bill has nothing to do with the quota system, would not change it in any way, and would not affect the quotas of various countries. The entire immigration law would be left just as it is today.

Some persons evidently think these refugee children would become a responsibility of the American public. They perhaps get that impression from the loose talk of America's "doing something for the refugees."

But the truth is that the Government would not be "doing something" for these refugees. It would merely allow individual Americans to receive into their homes refugees whom they have agreed to support. There are homes awaiting all these children. Absolute assurance will be given in every case that individual Americans will be able to support the children they take.

There also is some misunderstanding as to who these children would be. They will not be restricted to Jews or to the so-called non-Aryan Christians. They will come from persecuted groups, which will include Jew, Catholic, and Protestant.

Finally, there is an impression, fostered by dishonest propagandists, that the persons who are urging the Wagner-Rogers bill are setting out to break down the immigration-quota system. This is not only a gross distortion of the real intent of the bill and its sponsors but is a shocking injustice to the many distinguished Americans who have led the campaign for this measure. It is precisely because they do not want to change the quota system that they have urged a separate bill to admit these refugees.

In reality, the bill is simply a humanitarian measure in the best tradition of a country known for its generosity. It provides a means by which private citizens in America can save 20,000 little children from lives of frustration and suffering under a brutal tyranny abroad.

A Permanent P. W. A.

EXTENSION OF REMARKS

OF

HON. CHARLES A. BUCKLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. BUCKLEY of New York. Mr. Speaker, in 1928 we were warned that the Government must be prepared for an economic emergency and to begin to plan for a comprehensive program of public works to insure employment for those who would lose their jobs in private industry.

Mr. Speaker, It was not until 1932 that the Congress of the United States gave heed to this warning. In that year the first public-works program was adopted. Unfortunately, it did not get into operation before the crisis of early 1933 was upon us. I can remember well, however, how, when the present administration took office, it turned to public works as an important factor in meeting the emergency that was upon us. Then Congress appropriated more than $3,000,000,000 for public works as a backlog of resistance against the depression.

In the first Public Works Act is found the phrase "the construction of projects to serve the interests of the general public" and in practically all of the the P. W. A. acts occurs the phrase, "to increase employment by providing for useful public works projects."

This has been the story of the Public Works Administration for the past 6 years. It has fostered and helped finance the greatest construction program in history. It has added $3,750,000,000 in finished projects to the visible worth of the Nation. It has $2,100,000,000 worth of projects still under construction. It has been responsible for the employment of hundreds of thousands of men at construction sites. Through the stimulus of huge orders for materials, additional hundreds of thousands of men have been employed by the heavy-goods industries and the spending of pay rolls has aided the consumers' goods industries.

That the Public Works Administration has fulfilled the function of stimulating employment is a proven fact. The Bureau of Labor Statistics of the United States Department of Labor has estimated that P. W. A. has provided, up to May 1, 1939, approximately 1,790,000,000 man-hours of employment at construction sites. The Bureau found that for every 2 man-hours of work at a construction site, 5 hours of employment in industry were necessary to produce, fabricate, and distribute the materials going into a project. Applying this formula, it is estimated that P. W. A. has provided 4,475,000,000 man-hours of indirect labor at the sources of manufacture. But this is not all. For the past 6 years pay rolls resulting from P. W. A. projects have been spent in thousands of communities in nearly every county in the Nation. This has resulted in an increased demand for consumers' goods, and it is estimated that an additional 3,500,000,000 man-hours of indirect employment have been created to supply the demand for consumers' goods.

Construction always has been one of the greatest forces toward diminishing unemployment and elevating the living conditions and standards of the citizens of this country. I am of the firm belief that widespread benefit to the Nation, as provided by P. W. A., should be made a permanent part of the Federal Government. That such a place in our Federal structure should be made for a permanent P. W. A. is recognized on all sides.

Every dollar spent on P. W. A. projects pays dividends. It provides wages and material orders and builds useful and permanent public works, increasing the visible worth of our Nation. Wealth has been created by P. W. A. that will pay dividends for many years to come in better educational facilities, more adequate hospital facilities, sewers, better highways, tunnels, and bridges.

I beg to remind the House, Mr. Speaker, that all this has been done by methods regarded as the safest in the expenditure of Federal funds. Every safeguard has been established to insure economy and to maintain the independence of private industry. It was also made certain that the workman was paid the wage commonly recognized in his locality as the going rate of pay for his particular skill.

Hon. Harold L. Ickes, Public Works Administrator, in recent testimony before a subcommittee of this House, stated that only four-fifths of 1 percent of all P. W. A. loans were in default, and that the amount was about $5,000,000. Aside from this wonderful record of safety in loans must be taken into consideration the additional statement made by Mr. Ickes that the P. W. A. had made a profit of $12,000,000 on the bonds it has purchased from city, county, and State governments to finance projects, and then disposed of through resale by the Reconstruction Finance Corporation.

Recently we have had an example of the faith of local communities in the Public Works Administration. A Nation-wide survey shows that 81 percent of all communities voting on the question of issuance of bonds to finance the localities' share of the public-works projects voted favorably.

The Public Works Administration is known by its projects in 3,069 out of the 3,071 counties in the country. It has made itself felt in nearly every phase of our national economic life. By encouraging towns, cities, counties, and States to make long-desired local improvements with the aid of P. W. A. loans and grants, American educational, health, sanitation, social, and transportation improvements have been stepped up many years. More than 7,000 schools and college buildings, including additions and improvements, have been erected. Many new or improved water systems were made possible through P. W. A. I could go on indefinitely pointing out the merits of the Public Works Administration through its aid to sewer and disposal plants, hospital and institutional, flood control and harbor improvement, highway and bridge, civic improvement, including city halls and courthouses, and community buildings. It is evident that some of our finest public buildings and public projects in this country have been built since the inception of the public-works program.

I feel confident in saying, as far as the city of New York is concerned, that many of them might not have been built had it not been for the availability of the public-works funds. Let me cite the building of the new Criminal Courts Building in Manhattan. Let me point out that during the continuation of the world's fair millions of citizens will travel to New York to attend the fair. They will pass over the Triborough Bridge, built with the assistance of the Public Works Administration at a cost of more than $44,000,000. A remarkable engineering project, the bridge is more than self-sustaining by reason of its tolls, and eventually will pay for itself. In New York City I look as I travel about at the wonderful schools, colleges, hospitals, piers, tunnels, sewage-treatment plant, housing developments, highways, grade-crossing elimination, health centers, and know that they are due to the Public Works Administration. The other cities in New York State are also in possession of these newly created structures benefiting the masses of people in their cities.

The Public Works Administration has demonstrated beyond all question of doubt its efficiency. Its record in putting into operation the huge 1938 program from the receipt of over 12,000 applications to the getting under construction, in a period of less than 6 months, over 8,000 Federal and non-Federal projects, is nothing short of a miracle. All of this has been done with a fine, well-managed organization. This applies not only to the Public Works Administration staff in Washington but also to the remarkably efficient field organizations with headquarters in New York, Atlanta, Chicago, Omaha, Fort Worth, San Francisco, and Portland. Regional directors in these seven sections have a tremendous responsibility and they have carried out their tasks in an unusually brilliant manner.

I want to call particular attention to the work accomplished by the staff of P. W. A. region 1, comprising the New England States, New York, Pennsylvania, New Jersey, Delaware, and Maryland. Under the competent and wise leadership of Col. Maurice E. Gilmore, the largest portion of the P. W. A. program has been accomplished. It included the largest of all P. W. A. projects, such as the Triborough Bridge, the Midtown Tunnel, the municipal subway in New York, the Philadelphia subway, the Boston water works, and dozens of other huge projects, including hospitals, schools, sewer systems, and civic buildings.

The P. W. A. program has been the Nation's largest single customer during the last few years. It placed orders for more than $2,500,000,000 worth of goods with American industry. The manufacture of these goods, the production of raw materials for them, and the transportation and distribution of the finished projects provided extensive activity for mills, mines, factories, and forests. Purchases, the life force of industry, flowed from P. W. A. projects in a steady stream into American business. For the vast construction programs undertaken by P. W. A. everything from cordage and twine to structural steel and motorcycle parts has been bought. Some $591,000,000 worth of iron and steel and their products was ordered; $605,900,000 went for stone, clay, and glass products; $451,272,000 went for machinery; $90,000,000 worth of transportation equipment for use on land, water, and in the air was bought, while $138,599,000 worth of forest products was purchased. Some of the individual items required included such diverse industrial products as lime, glass, awnings, nails, and spikes, steel rails, stoves, steam locomotives, gas meters, refrigerators, paving materials, mattresses, X-ray machines, and railway cars.

The production of all these goods resulted in employment and pay rolls. The spending of these wages in turn benefited other industries supplying consumer goods and services, thus keeping the economic cycle functioning.

P. W. A.'s march to construction has been accompanied by a simultaneous increase in employment and production in America's basic industries. Cement orders from P. W. A. took 72 percent of the entire domestic output in 1934. In 1936 P. W. A. orders required 43 percent of all the brick and hollow tile produced that year. In 1934, 48 percent of the value of steel rails manufactured that year went for P. W. A. aided railroad orders. In 1938 the steel index rose from 28 to 62.5 percent of capacity during the period in which P. W. A. allotments were made. The F. W. Dodge Corporation, nationally known construction reporting agency, recently reported that construction activity in the United States has increased for the fifth consecutive year and that "major credit for the 1938 increase is due to public construction expenditures, principally those stimulated by P. W. A. loans and grants."

The New York Times of Wednesday, May 31, 1939, had an item quoting from a communication sent by Secretary Ickes, as Public Works Administrator, to President Roosevelt. In said communication Mr. Ickes, on the basis of a study made by the Bureau of Labor Statistics, stated that 59 percent of the construction worker's dollar goes directly to the grocer, clothier, and landlord in the community where the builder works. The rest is expended for transportation, medical care, household operation, furnishing and equipment, recreation, and other items. Mr. Ickes emphasized that this has "a direct effect on the national income." He showed that the worker spent great sums of money for coal, electricity, water, paint, house repairs, refrigerators, furniture, rugs, automobile tires for transportation. This money went for insurance, movies, and recreation, and for medical care. There can be no doubt that this money, being expended in various channels for consumption of goods, is a great factor in helping business.

I maintain that due to the Public Works Administration many workers have had an opportunity of employment, and that the merchants have had the benefit of the purchasing power as a result of the wages paid to these workers.

In view of all this I again urge that P. W. A. be made a permanent agency of the Federal Government. Congressman STARNES, of Alabama, has introduced in the House of Representatives a bill, known as H. R. 4576, which provides for the continuation of the Public Works Authority and an appropriation of $500,000,000 for loans and grants for new construction projects. A similar bill has been introduced in the Senate by Senator MEAD, of New York, known as S. 2063. The Starnes-Mead bill provides for the release, in times of depression, of worth-while projects, for immediate operation. It is a long-range program and it already has substantial support in the Congress as well as on the outside.

This bill accepts the theory that P. W. A. should be retained as a permanent part of our Federal Government structure. It would permit loans and grants to public bodies and, in addition, it will permit loans or grants to nonprofit corporations for the construction of hospitals, sewage-treatment and disposal plants and for the elimination of stream pollution.

If this new program is made possible by Congress it will result in the construction of projects costing over a billion dollars. Over 5,000 applications are now pending in the Public Works Administration which were filed prior to the expiration date for accepting new applications under the 1938 act. A large number of these applications have already

been approved and will be eligible for allotments if further funds are provided. Therefore, I urge that the Starnes-Mead bill be passed by this Congress so that P. W. A., as a recognized and permanent agency of the Government will be ready to swing into immediate action to help to continue the American march of progress by employing men, money, and mills.

Construction always has been one of the greatest forces toward diminishing unemployment and elevating the living conditions and standards of the citizens of this country. That such a place in our Federal structure should be made for a permanent P. W. A. is recognized on all sides. I am of the firm belief that widespread benefit to the Nation, as provided by P. W. A., should be made a permanent part of the Federal Government.

W. P. A. Appropriations

EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. FRIES. Mr. Speaker, today, as in the past, the United States Congress is called on to pass legislation to take care of the underprivileged people of America, who, through no fault of their own are denied the right to enjoy the necessities of life.

I regret that we are again called upon to appropriate vast sums of money to take care of our underprivileged people—sums which if double or triple the amount asked would fail to give these people adequate economic and social security.

People in business, people employed, and everyone having an income are sick and tired of contributing to a fund, through taxation, for the purpose of maintaining an army of fifteen to twenty-five million unemployed, who are denied the right to participate in our economic and social program through no fault of their own; who are forced to accept charity against their wishes.

This method of distribution of the meagre necessities of life to the underprivileged is destroying the morale of our entire people, and creating hatred in the minds and hearts of those who are fortunate enough to have an income.

However, this situation is made possible by the stupidity of the United States Congress by its failure to recognize its responsibilities to the people it represents, and I for one will continue to vote for legislation which will appropriate money to eliminate starvation, or the possibility of starvation and suffering amongst our people so long as there is no better solution offered than to appropriate money to take care of them.

I am reluctant to comment on the plight of these millions of people who are denied the privilege of enjoying the necessities of life, and who find themselves today in the category of underprivileged characters in a land of plenty; people who are compelled to accept the wishes of the United States Congress, when I am confident they would far rather be part of an organization which—without the stigma of relief or a work-relief program—honorably produced the necessities of life; people who, outside of what we will provide for them in our Government work-relief program, are denied the privilege of participating in our economic and social life, and who are at the mercy of the dictates of the United States Congress.

It is not that I do not realize the benefits—the far-reaching benefits—that some of our Federal work-relief projects have bestowed on the underprivileged of our Nation. I do. Benefits have also accrued from our work-relief program not only on the underprivileged but upon those of us who are more fortunate. I cannot subscribe, in the least, to the cut in appropriations for continuance of the N. Y. A. which the Committee on Appropriations has made.

I noted with interest the remarks of the gentleman from Mississippi [Mr. COLLINS] dealing with the attitude of the press toward the program of the National Youth Administration. Especially noteworthy was the fact that among the newspapers which were high in their praise of the N. Y. A. was the Grand Rapids Herald, of Grand Rapids, Mich. This is the newspaper with which the senior Senator from that State, who is among the most vocal critics of the present administration, has long been associated, and I hope the Republican Members of the House, who have not already done so, will read this editorial.

Since the inception of the program in 1935, through March of this year, the N. Y. A. has spent more than $12,000,000 in Illinois, of which all but 2½ percent has been paid to labor. In 10 Illinois cities, including Carlinville and Springfield in my own district, the National Youth Administration has instituted junior placement offices which have been of material service to boys and girls in helping them find jobs in private industry.

In Illinois, and throughout the Nation, the N. Y. A. has done a job that has brought highest praise from educators, labor, and business groups. Certainly one of the best ways of insuring continuation of democracy in the United States is by providing an educated electorate, by providing our young people with an opportunity to develop sound work habits, and by providing them with jobs, in other words, continuing the National Youth Administration and providing it with an increased appropriation adequate to meet the needs of all who are in want.

However, it is rather difficult to understand why a condition exists in our Nation which compels us to maintain a vast number of our citizens on any relief program whatsoever. Our Nation finds itself troubled with a problem entirely different from any problem existing in any other nation in the universe.

Most of the other countries of the universe, as we are able to understand them, are troubled with the problem of adequate production of the necessities of life and the problem of sufficient natural resources to make such an adequate production possible, but here in America we find an entirely different situation.

When the Almighty God created this world, He seemed to have set aside for us, who are Americans, all of the natural resources, all of the ideal climatic conditions which we would need.

And, since we have established ourselves as a democracy and with the years have acquired skilled methods of technical training, and since by the grace of God we have developed the greatest scientists and inventors and engineers in the world, it does appear that our country should be a land of plenty for all.

Nevertheless, we find ourselves in a category which is unexplainable. For we realize not only the wonders of our particular situation in the universe—the abundance, the prodigality of our natural resources—but we are also made to realize the inability of the representatives of our people—which means us, the United States Congress—to cope with the problem of a satisfactory distribution to all of our people of our resources; the failure of Congress to deal with our troubled financial and economic situation.

For it remains inescapably true that our economic and social problems are different from those of any other country in the world.

Recently Look magazine brought to our attention, by illustration and comment, the inability of the United States Congress to deal with the economic problems which face 130,000,000 of our people.

It is my conscientious belief that no true, red-blooded American citizen is asking for any concession, or any consideration from the United States Government, or from anyone else, other than the rights guaranteed us by the Constitution of the United States.

American citizens want the right to be a part, each of them, of our economic and social life—American citizens want to be producers, not "takers."

Unless the United States Congress exercises its right to establish a true picture of what the actual economic situation is in America, it will be impossible for this Congress, or for any other Congress, or for the President, or any man, or any group of men in America, to correct the irregularities now existing in our country.

In the last Congress I introduced a bill which would give to the United States Congress a true picture of the economic situation, and I still believe that if we had a true census as to what the facts are in our economic and social life, the United States Congress, with the assistance of labor, agriculture, business, and the Government could correct all of these evils, and make it possible for our American citizens to enjoy the privileges and rights which belong to them as American citizens, and by an intelligent solution of our problems could prevent communism, fascism, or any other un-American "ism" from prevailing in this country.

The census bill, which I proposed, and will introduce again, will give to the United States Congress and to 130,000,000 people the true facts as to the number of people we have in America who are employed, and the number of hours they are employed. It will also give the number of people we have in America who are unemployed—why they are unemployed, and what they are qualified to do. By the same means we can ascertain the number of hours it is necessary for man to toil with the aid of modern machinery and modern science to produce the necessities of life for our domestic consumption and for foreign exports. By the same means we can also find the number of hours it will be necessary for all of our people to be employed in order to produce the necessities of life, and also the annual income necessary for our American citizens each to enjoy the necessities of life.

If we had this information, I am confident that it would be mighty easy to deal with our economic and social problems in a businesslike manner.

Our method of taxation, and our effort to guess ourselves out of this economic jungle is deplorable, and I am confident that unless we have a census which will give to the United States Congress the true facts as to the number of hours man should toil and the number of people eligible and qualified to participate in our economic program, this American form of government will fail, and that is one thing no red-blooded American desires to happen.

Why should our American people be denied the privilege of actually knowing what our economic conditions are and what is causing this deplorable economic situation? Unless we have facts to govern us in our deliberations concerning our people, Congress is a complete failure.

I, as a humble Member of the United States Congress, fear the antagonism, the hatred, fear, and insecurity which exists today amongst our people, and which is brought about simply by the stupidity of our lack of responsibility to the people we represent.

Unless we exercise our rights as representatives of the people, and give to the underprivileged of this country the right to enjoy the necessities of life, we cannot expect them to respect our Government.

If every Member of the United States Congress and the people interested in the continuation of this form of government will review my census bill, I am confident they will find that the United States Congress, labor, agriculture, and business can get together and formulate a program by which we can eliminate this miserable situation which exists today in our economic and social life, and eliminate this unreasonable, this damnable taxation, and, most important of all, eliminate the insecurity, the uncertainty, and the hatred which exists amongst our people.

Relief Appropriations

EXTENSION OF REMARKS

OF

HON. DONALD H. McLEAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. McLEAN. Mr. Speaker, the particular provision of the bill now under consideration provides:

(c) On and after October 1, 1939, employment on work projects authorized under this section in the several States, Territories, possessions, and the District of Columbia (hereafter referred to in this subsection as States), shall be apportioned on the following basis: (1) Forty-five percent of the total number employed, in the ratio which the population of each State bears to the total population of all States as shown by the latest available Federal census; (2) 45 percent of the total number employed, in the ratio which the number of unemployed persons in each State bears to the total number of unemployed in all States; and (3) 10 percent of the total number employed at the discretion of the Works Projects Board, established by subsection (g) (hereinafter referred to as the "Board"), to meet unusual local conditions.

It is encouraging to note that in the appropriation of funds under this measure some consideration is being given the States from which most of the money comes. The more prosperous States, where the population is larger, are to be given consideration in proportion to the population. Since the adoption of the sixteenth amendment the Federal Government has had tremendous resources at its command. These resources have come from a few, the more prosperous of the States, and have been used for the benefit of the less prosperous. New Jersey, for instance, for the fiscal year 1938, received in Federal grants for various relief purposes only about one-third of its contribution. Its contribution in Federal taxation amounted to about $210,000,000 and its receipts about $73,000,000. Some States received in Federal grants more than they contributed in taxation.

The people are beginning to realize the necessity of some limitation and control of governmental expenditures, and, likewise, some limitation upon the amount of money the Federal Government can raise by taxation. Evidence of this is a resolution recently adopted by the Legislature of the State of New Jersey providing that the amount of money which the Federal Government may be permitted to raise by taxation should not exceed 25 percent of the total income of the Nation. This may not be the means by which the object of the resolution may be attained, but at least it indicates a desire or purpose to that end. The only limitation that I know of on the power of the Federal Government to raise money is that contained in the statutes which place a limitation upon the amount of bonds that can be issued.

This limitation amounts to nothing at all, because it can be changed at the will of Congress. It has been frequently changed since it was first included in the Liberty Loan Act of 1922, and there is talk of changing it again, and each change has been an increase in the item which, after all, is merely a declaration of the intention of Congress as to how far it should go in creating a national debt. It is of no value as a restraint on the spending power of Congress.

It is to be hoped that if the Federal Government is committed to the recently created practice of making contributions or grants-in-aid to the States that provisions such as are now under discussion may be arranged on an orderly basis so that States which provide the funds will receive a fair and proportionate amount of the distribution or return. This provision which we are now discussing is an indication that Congress is beginning to realize the fairness, if not the need, for some policy of this kind.

In Defense of W. P. A. Appropriations

EXTENSION OF REMARKS
OF
HON. CHARLES A. BUCKLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, June 16, 1939

Mr. BUCKLEY of New York. Mr. Speaker, last year I presented to the House my views relative to the accomplishments of W. P. A. I am still as ever convinced that the W. P. A. is responsible for many valuable contributions that are now permanent assets of the Nation, States, and local communities. More than that, it has afforded employment to many people thereby, providing money with which to purchase the bare necessities of life. Further, it has preserved the skill of the worker and his morale which are so important for the continuation of an orderly democracy. It has helped the small-business man as those on work projects had means to purchase essential commodities.

We had hoped that private industry would absorb the people from the relief rolls. A certain percentage were successful—a great portion of the unemployed did not receive this opportunity. It may be true that some mistakes have been made in the administration of projects but such have been or can easily be corrected. No program of such wide scope can be perfect. We are also aware that business conditions are as yet not normal so that we can discontinue or curtail this program.

We hear complaints that the Government is not able to carry the burden of furnishing money for the W. P. A. I am not so easily deceived into believing that the United States is not prosperous enough to take care of its poor and unfortunate humans but must let them starve. That is unthinkable. That policy is un-American and un-Christian.

The press in the last few days carried news items to the effect that this body was going to make certain reforms in order to eliminate the undue influence of the Workers Alliance in connection with W. P. A. activities. Many of my colleagues from other sections dislike the Workers Alliance. I have no great love nor have I ever catered to that organization. On many occasions, unsolicited, they forwarded to me communications praising my work in connection with relief matters. Last year when I refused to deal with them for the reason that I stated that I did not believe in the methods they were pursuing, they came out against my reelection and distributed circulars falsely stating that I was an enemy of relief. This occurred 2 months after that organization had sent to me a letter of commendation for my efforts in behalf of the relief program.

However, to effect changes because of the Workers Alliance and thereby work great hardships upon the persons employed on the projects is to harm the needy for activities for which they are not at all responsible. The greatest portion of W. P. A. workers are fine, upright men and women and as patriotic and American as can be found in any body of men and women in this land. According to the report of the Appropriations Committee in March of 1939, there were 2,917,000 people on W. P. A. projects, and the estimated persons benefited were 11,570,000. There are about 2,500,000 persons now on the W. P. A. rolls. We can, therefore, readily see the tremendous importance of this bill.

The provision in the bill of removing all persons who have been employed on relief projects continuously for more than 18 months will work a great hardship on many people. There are many persons who cannot obtain employment in private industry. We have hundreds of thousands of able-bodied men and women between the ages of 40 and 65 who are unable to obtain jobs in private employment solely because of their age. This cannot be denied. I believe these persons should be allowed to continue on W. P. A.

The workers on both labor and white-collar projects have well earned the small wages they received. From my observation of their work in New York City I can say that they have done a very splendid job.

A word or two about the National Youth Administration. The program has aided our out-of-school youth in employing them on public projects and extended educational opportunities to the underprivileged. This has kept many from leaving schools and competing in the open labor market for adult positions. The National Youth Administration program is necessary to continue to provide part-time work and educational opportunities to hundreds of thousands of needy young people in assisting them to continue their studies in the schools, colleges, and universities. This program also provides work experience and training which will stand them in good stead in the future. I have spoken to many of these students. I have talked to their teachers and they have praised and expressed deep appreciation for this aid by the Government. The student-aid program reaches into nearly every county in the United States. It benefits young people from the low-income families. It is money well spent.

In these days we are appropriating moneys in the preparation of activities for the defense of the Nation from outside forces. It is just as important to defend our country from the subversive forces within who challenge our democracy and preach and point to communism, nazi-ism and fascism as the panacea. I have always contended that this country will weather the storm and work out its problems. It must, therefore, continue its policy to aid the deserving, who, through no fault of their own, need this comforting hand of our Government. This Nation will not let them down, and so today, in considering this program, let us do what we can to help those who merit our favorable support. I am sure that the moneys disbursed for these purposes will return dividends in the form of happier and healthier American citizens.

Agriculture Appropriation Bill

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 22, 1939

Mr. COCHRAN. Mr. Speaker, I have, with one or two exceptions, always supported legislation advanced in the interest of the farmer. This applies to my entire service in the House. Today, I regret to say, I find myself in disagreement with the report of the committee on the annual appropriation bill for the Department of Agriculture. I have stood squarely back of my colleague from Missouri [Mr. CANNON] because I knew of his interest in the farmer, but my outstanding reason for supporting farm legislation was that I know when the farmers are prosperous that prosperity is reflected in the cities. We who come from large cities realize that we cannot sell what we produce unless the farmer has money to buy our products. The farmer, I am sure, realizes that when those in the city are employed there is a better market for his products, reflected, of course, in the price they receive.

The House passed the agriculture appropriation bill March 28. When the Senate passed the bill May 12, it contained 158 amendments, the majority of which being increases. The House was within the estimates recommended by the Bureau of the Budget, while the Senate added nearly a half a billion dollars to this amount. The large increases added by the Senate were items that were not carried in the Budget recommendations.

One of the items added provided for $225,000,000 to make parity payments to producers of wheat, cotton, corn—in the commercial corn-producing area—rice, and tobacco pursuant to the provisions of the Agricultural Adjustment Act of 1938. Another was to carry out other provisions of that act affect-

ing disposal of surplus commodities for which $113,000,000 was added by the Senate.

When the President signed the Agricultural Adjustment Act of 1938 he made it plain that if its provisions were to be carried out money must be raised by taxation to meet the expenditures. The President has indicated that he did not favor the parity payments nor the appropriation for the disposal of surplus commodities because the money has not been raised.

In my campaign in 1938, in fact in all my campaigns, 1932 to date, I have promised my constituents to support the President. I could not support these appropriations for $338,000,000 and at the same time keep my pledge to my constituents.

No President has ever been a better friend to agriculture than has President Roosevelt. That statement cannot be disputed.

Despite the billions of dollars that we have appropriated for agriculture since I have been a Member of the House, the farm problem remains unsolved. The farmer is better organized than he ever was. Farm organization leaders have come forward with suggestion after suggestion; nevertheless the farmer has had a hard time getting the cost of production. It is admitted the prices he receives barely enables him to keep ahead of the sheriff in many instances—yes; thousands upon thousands of instances the sheriff has caught up with him, took what he had, and left him without farm or home.

Surely there must be some solution to this question. If that solution can be found, you will find me going along with those who represent the rural sections.

I have not remained silent on the farm problem. Time and again I have pointed out that while the farmer might not be receiving a fair price for his products, still the consumer is paying a fair price. I have insisted and I insist now that if we can put into the farmer's pockets a reasonable part of the spread between that which he is now receiving and what we pay to place his yield on our tables the farm problem will be solved.

Is there not some way we can do this? Too many are profiting from the farmers' labor. As an example, while in the country several weeks ago I personally saw a farmer sell large bunches of asparagus for 10 cents. Each bunch contained about 20 stalks. When I returned to the city the very next night I paid 15 cents for 5 stalks of asparagus in a restaurant. The same applies to almost everything the farmer raises. Here we find the consumer paying 60 cents for a vegetable that the producer, the farmer, received 10 cents. That spread will be found when you buy eggs, chickens, butter, meat, or in fact everything the farmer produces. Is it not plain that the fault lies in part in the distribution? I would be willing to support an appropriation for any amount for a thorough investigation if I was sure it would result in legislation that would in some way guarantee to the farmer a reasonable part of this spread.

Mr. Speaker, as I have stated before, if money is raised to carry out the provisions of the Agricultural Adjustment Act, then I will support legislation for parity payments or anything else that will be beneficial to the farmer, but I do feel it is our duty to provide this money before we enact such legislation.

What Do the Philippines Mean to the United States?

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

Mr. ALEXANDER. Mr. Speaker, America was discovered in the search for the "wealth of the Indies." Columbus and the explorers who followed him for 200 years sought the westward route to India and China.

The westward trek of civilization had its counterpart in the United States when Jefferson bought from Napoleon in 1803 the 827,987 square miles of the Louisiana Purchase, comprising most of 14 States west of the Mississippi; when in 1845 the 389,166 square miles of Texas was organized; when in 1846 came the Oregon-Washington acquisition; when in 1848 came the Mexican cession including California, Arizona, Nevada, Utah, and New Mexico, followed by the Gadsen Purchase in 1853; when in 1867 Alaska came to us from Russia; when in 1898 came the Hawaiian Islands, and in 1899 Guam and the Philippines.

Back as far as 1521, shortly after Columbus' voyage, Ferdinand Magellan, in search of a westerly route to the spice islands of the east for the King of Spain, landed in the Philippines and named them the Island of St. Lazarus. For 200 years Spain, Portugal, the Dutch, and Japanese struggle for possession of the Philippines. In the Seven Years' War between England and Spain Great Britain determined to possess the Philippines and sent into Manila Bay a British squadron of 13 vessels and demanded surrender in 1762, just before the Declaration of Independence, 1776.

Foreign trade first began at Manila in 1834. The first revolution of the Filipinos against Spanish rule was in 1896, when they tore up their poll-tax receipts and revolted against the sovereignty of Spain. Only 2 years later, May 1, 1898, Admiral Dewey entered Manila Bay, destroyed the Spanish Fleet, and since that day the Philippines have achieved their freedom and made their great development under the flag of the United States, and the laws made by Congress—including the treaty of 1934 which provides for complete Philippine Independence on July 4, 1946.

The westward trek of American trade across the Pacific to the Orient found its sequel in the "open door" for China, established by international treaty in 1900, which was renewed in the Nine Power Pact signed in Washington, D. C., in 1922, and is today flagrantly violated by one of the signatories, namely, Japan.

It was pursuant to our westward trade, reaching to and across the Pacific, that billions of American capital have gone into the building of Pacific railways for the development of our Pacific States and in ships for the Pacific commerce to which the ocean ports of these Pacific States are the gateways.

Ten years ago, our Pacific commerce exceeded $1,200,000,000. Exports of the products of American farms and factories to the Pacific trade have in many years exceeded $500,000,000 a year, and a like quantity of tropical raw materials have come from the Orient to give employment in American factories.

In our westward trek to the peoples of the Pacific we have carried peace and commerce, and all that goes to aid enlightenment and independence under the rules of progressive law. Our flag and Constitution, our laws and commerce, have gone hand in hand. No land and no people, to whom the Government of the United States has gone, has lost liberty and independence. Least of all, have the people of the Philippines suffered from the liberation of their archipelago from Spanish rule, and from our 40 years of administration and our $700,000,000 Government investment.

The shot fired from Dewey's flagship at Manila Bay, May 1, 1898, was the first signal for the liberation of the Philippines, and the beginning of an impressive development, which is here briefly reviewed.

NATURAL RESOURCES OF THE PHILIPPINES—HAVE THEY VALUE TO THE UNITED STATES OF AMERICA?

Ceded to the United States by the Treaty of Paris, December 10, 1898, the 7,091 islands of the Philippine Archipelago have a north and south extent of 1,152 statute miles and an east and west width of 682 miles.

There are 462 islands of 1 square mile of area or over, and 2,441 bear geographical names. Luzon, the largest, has an area of 40,814 square miles; Mindanao, 36,906; Panay,

4,448; Palawan, 4,500; Mindoro, 3,794; Bohol, 1,554; Masbate, 1,255; Cebu, 1,695. Other groups are the Sulu or Jolo islands of the south, the Babuganes and Batanes of the north, the Candanuanes of the east, and the Culion group of the west.

The archipelago has a coast line of 11,444 statute miles, which exceeds that of Alaska, or even the mainland of the United States, and is several times that of all other island possessions of the United States, including the Hawaiians, Puerto Rico, Guam, the Panama Canal Zone, the Virgin Islands, and the Samoan. The Philippines have 21 fine harbors, and 8 landlocked straits, including the 7 finest sheltered harbors on the far Pacific.

There are 8 distinct languages, many dialects, and 4,000,000 people who speak English. English and Spanish are the official languages. In 1936 the 7,938 public schools had 1,262,353 pupils with 28,845 teachers. In 1937–38 there were 120,052 college and university students, of whom the State University of the Philippines alone had 8,139 enrolled. Vocational courses in trades and industries have 14,647 enrolled. The total population is estimated at 17,000,000. The Christian population of the Philippines is placed at 13,500,000, the Mohammedan, pagan, and sundry foreign at 1,300,000, with about 2,000,000 unclassified.

The total land area of the Philippines exceeds that of the British Isles, approximates that of Italy, and is only slightly less than Japan's. The 114,400 square miles of Philippine lands exceed the total area of the Middle Atlantic States, and not quite double the size of New England.

It is estimated that 63 percent of the land area, or 45,946,000 acres, are suitable for agriculture, of which 9,743,000 were cropped in 1937, by 2,000,000 Filipino farmers.

Livestock includes 2,400,000 water buffalo, 1,500,000 cattle, 450,000 horses and mules, over 3,000,000 hogs, and 700,000 goats and sheep.

Principle agricultural crops in 1933 and 1937, as estimated by the Philippine Department of Interior, include:

	1933	1937
Sugar (metric tons)	1,218,175	975,000
Abaca (hemp, tons)	134,456	200,000
Tobacco (tons)	41,750	30,000
Copra (metric tons)	474,240	500,000
Coconut oil (1,000 lbs.)	328,795	326,000
Rice (1,000 lbs.)	3,272,000	2,800,000
Corn (1,000 lbs.)	925,346	600,000
Coffee (1,000 lbs)	2,223	1,600

Rice cultivation leads with an acreage of 45 percent of the total cultivated area, and supports 4,000,000 workers from farm to ship dock. The bulk of the exports are for the United States.

Sugar takes about 6 percent of the cultivated area. The United States quota of Philippine sugar, under the Tydings-McDuffie Act, is 952,000 tons. The total sugar investment, American and Philippine, is $260,000,000, of which $93,000,000 represent sugar factories. Sugar is the leading export crop and represents nearly 50 percent of the export total. The industry supports 2,000,000 people, including a substantial group of farm cooperatives.

Abaca, known here as manila hemp for twine and cordage, covers 11 percent of the total cultivated area, and supports 2,500,000 people. In this product the Philippines lead the world.

Coconut plantations cover 14 percent of the cultivated area, or one and one-half million acres. In coconut products, including oil, nuts, and copra, the Philippines rank first in volume of world exports, supporting 4,000,000 people, according to testimony of Commissioner ELIZALDE, in recent Senate hearings. The 115,000,000 coconut trees of the Philippines are 20 percent of the world total.

The Philippines are seventh in world-tobacco production. Tobacco production supports 600,000 people and accounts for one-fifth of the exports. About 5,000,000 pounds come to the United States in the form of cigars and cigarettes.

Philippine forests now cover 57 percent of the land area. Standing commercial timber is estimated at 500,000,000,000 board feet. Of 1,000 commercial species about 200 are now marketed. Lumber ranks fourth in value in industrial production. Principal exports to date are for timber of special strength and durability, adapted for airplane construction, tool handles, boat construction, pilings, mine timbers, and tobacco boxes. Lumber is second in volume of wages paid in major industries.

Leading manufacturing industries include 5 cordage factories, which exported in 1937, largely to this country, 7,452,000 kilos or 16,592,400 pounds; 30 American-controlled embroidery factories; 15 candy and confectionery factories; 8 leather and rubber shoe factories; 4 paint and varnish, several cement and rattan, 87 cigar factories, 15 cigarette factories, and one large pineapple canning factory that has an export trade which gave the United States 26,000,000 pounds in 1937.

The Philippines claim to be the ninth largest producer of the world's gold and is the third largest exporter to United States being led only by sugar and copra. In 1937 the Philippine production was a close second to that of California and exceeded Alaska. The Government action in boosting the gold price from $20.67 per ounce to $35 had the effect to increase Philippine production from $5,000,000 in 1932 to $25,600,000 in 1937 and put into the field 34 operating companies. The Balatoc and Benguet Consolidated are the two largest gold producers under the American flag.

In company with gold the Philippine mine production of silver, copper, iron ore, lead, and in particular chromium, have made marked recent advance. Coal, petroleum, asphalt, gypsum, salt, sulfur, limestone, marble, are being developed, as well as numerous quarries of building stone.

Of Philippine resources in general, it may be said that they are as yet in the pioneer stage of development. Less than one-fourth of the land adapted to agriculture has been put under cultivation. The 500,000,000,000 board measure of commercial forests has hardly been tapped. The sudden quadrupling of the gold product in 8 years marks the general possibilities in mine production. The present rapid advancement in education presages rapid industrial development when the new generation of Filipino youth awake to their economic opportunities.

All the Philippines need is stable and farsighted government—freedom from the threats of war and the dangers of foreign exploitation, such as at the present time is overwhelming China.

The fact that the Japanese have already secured control of the hemp industry of the Philippines—which only a few years ago was a Philippine industrial monopoly—is not reassuring in the face of Japanese conquest of China. If the Philippines survive the latent Japanese threat, which has overwhelmed Manchukuo and the coast section of China, the industrial and commercial future of the Philippines will be a bright page in the history of free government in Asia.

As the Nation which has by far the greatest stake in the Philippines, can the United States in honor go on a "sit-down strike" and permit the patriotic people whom we saved from Spain to become subjects of a like power which even now may be waiting for the end of American occupation in 1946?

To allow that to happen or to do aught to hasten that day, as by a Government-controlled plebiscite, or by a revolutionary change in the Philippine Constitution, may lead to serious international complications. In the interest of humanity and 13,500,000 Filipino Christians, should we not rather give the rising generation of Filipinos time to work out a sound program of national salvation?

Agricultural Conditions on the Pacific Coast

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

Mr. ANDERSON of California. Mr. Speaker, I wish to call to the attention of the House the desperate plight of a once flourishing agriculture on the Pacific slope. A serious situation confronts the California farmers and their employees. It is not a partisan issue; it is not a question between Republicans and Democrats. It is one of the fundamental problems of the welfare of Americans.

California supplies approximately 40 percent of the fruits and vegetables grown in the United States today, and the farmers I represent are at present faced with the complete collapse of what was once a principal source of livelihood and wealth to our State. California agriculture is, and will continue to be, in an exceptionally vulnerable position for which a protection must be found. Our principal carloadings are products of agriculture; our crops are highly specialized and these crops cannot be well diversified on individual farms under our specialized soil and climatic conditions.

The farmer who has an investment in a full-bearing orchard of apricots, prunes, peaches, apples, oranges, pears, or some other similar commodity is a valuable year-round asset to his community—if he can stay in business. Unlike the wheat, cotton, or corn grower, the fruit man has a job that keeps him busy 52 weeks of the year. There is always work to be done, and men must be employed to do this work. However, at the present time our farmers are being liquidated so rapidly that unless some remedy is soon forthcoming California will be faced with a depression that will make the last one look small by comparison.

The Federal Trade Commission, in a recent report covering various agricultural commodities in my State, shows the farmer actually receiving only 32 percent of the consumer's dollar. As a matter of practical economic fact, it is idle to discuss what may be a farmer's just share of the consumer's dollar. If the farmer has the market, and if other conditions are equal, his share is that amount which will pay his cost of production and leave him a decent profit on his operations. Since that question involves so many factors such as land value, distance from market, insurance, taxes, production costs, wages, and other items, it becomes impossible to fix any specific percentage of the consumer dollar that the farmer must have at any given time in order to operate on a sound and enduring basis. We must face the fact that the farmer's share of the consumer dollar varies with the number of consumer dollars available at the retail market.

Our problems are immediate and pressing. Our farmers want to keep their farms, to farm them well, and to keep their orchards and vineyards healthy in order to be ready for the markets of good times when they come. We need more outlets for our various commodities, at home as well as abroad. Increased consumption and a growing demand would eliminate the necessity for destroying food crops. It would lessen the growing burden of overproduction and at the same time place our products in the homes of many families not now in a position to receive them. Benefit payments and crop-control measures are temporary expedients at best. They are not, nor were they ever, intended to be the real solution which we seek.

California agriculture is in a rather unique position with respect to marketing its products. Located, on the average, approximately 2,500 miles from the great consuming centers of the country, the cost of transportation is a vital factor requiring special attention. We want to put our farm merchandise in the hands of the ultimate consumer at a price that can be paid by the average American family. Exorbitant transportation rates, handling charges, and distribution costs tend to create a luxury out of many necessary staple commodities. Lower freight rates would be at once a boon to the producer and the consumer alike.

Competition with cheaply produced foreign goods is gradually causing a decline in the high standard of farm living and farm wages in California. True, we need foreign markets for many of our specialty crops, but where direct competition with similar products from other countries is encountered, we must have protection. For many years the farmers of our State have paid higher wages to agricultural labor than any other section of the country. This policy cannot be continued if the cost of everything the farmer buys continues to increase, while the price of his product declines.

Let me give you some examples of what happened to fruit growers in my district last year. Apricot growers were offered $25 a ton for their fruit, which costs approximately $30 per ton to produce. It costs about $18 per ton to grow Bartlett pears, and our pear growers sold their pears to the canners for $12.50 per ton. Peaches, costing $20 per ton to produce, sold for from $6 to $7.50 per ton. It costs approximately 3½ cents per pound to produce dried prunes, and yet I do not believe any grower in California received more than 2 cents per pound for last year's crop. Corresponding losses can be shown for many other fruit and vegetable commodities.

Many of our farmers are losing their homes, and will eventually wind up on the relief rolls, if assistance is not forthcoming. Some sound method of refinancing distressed farm loans is immediately essential. Some means of lending money at a low rate of interest, with a long-time amortization period, would be of inestimable value. The California farmers are well able to work out their own destiny if they can only be assured that their farms and homes will not be taken from them because of a lack of proper financing.

I wish to urge upon this Congress the necessity for giving special attention to the problems I have called to your attention. Agriculture is still our basic industry, and if we are to achieve a prosperity that is sound and lasting we must start in at the foundation to build our prosperity structure.

Planned Economy

EXTENSION OF REMARKS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

Mr. SMITH of Ohio. Mr. Speaker, I have expressed myself heretofore on this floor to the effect that the farmers themselves will have to pay these subsidies we are voting for them. They pay for them in lower prices. They are paying for them with taxes to support the hundreds of thousands of people on the Federal pay roll operating the whole Government-planned agricultural program. Worst of all, the farmer is paying for all this Government mooching and meddling with his precious liberty.

What is all this planned economy but political exploitation? Examine every remedy that has been applied to cure our sick economic body in the last 10 years and you will find that in nearly every case the essential ingredient has been a new political board or bureau, and the creation of multitudinous political jobs. This, of course, is the old, old remedy that politicians have always applied to cure the sick economic body. Though history clearly indicates that it

never cured anything but always made the patient worse, yet the people of our great land are now compelled to endure this same old oppression.

What really is happening to the United States today is that we are, so to speak, eating ourselves. The fundamental trouble with the cures that have been applied to relieve our distress is that we fail to envision the economic body as a whole, each one of us apparently seeing only a little segment of it. The world of each one of us is confined within the limits of this segment. Finding it in distress we seek to relieve the same by drawing in whatsoever manner may be possible upon the resources of the other parts of the economic body. We fail to grasp the fundamental truth that the well being of any of the parts of the economic body is dependent upon the state of health of the economic body as a whole.

Indeed, nearly all of the political medicines and remedies that have been applied to our sick economic body in the last 10 years can be reduced to a very simple little process. The political doctors draw blood, taxes, out of the veins of one part of the economic body and then reinject that same blood back into another part of the same economic body. But the process is not quite that simple. There is just a little trick in it. The political doctors never reinject as much blood as they withdrew. After withdrawing the blood from the first part of the economic body, they inject as much of it into their own veins as they require for their sustenance and promotion, and then what is left over they reinject into the second part of the same economic body. Hence, we see the political body puffing up, getting bigger and bigger, while the poor benumbed economic body is shriveling up and getting smaller and smaller.

Shall Congress Take Charge?

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

Mr. THORKELSON. Mr. Speaker, Congress itself may be assumed to be engaged in a most contemptible un-American activity when it fails to recognize the danger which confronts the Nation and our people, when in its partisan blindness it fails to read the handwriting on the wall. The danger which confronts the Nation is a deliberate attempt by which international money-mad fanatics expect to take charge of the United States so that it may be converted into a home for themselves and their strange un-American cults.

Control of gold is a dangerous power in the hands of exploiters and Congress has been warned of that. Those who now control the Nation's gold admit such ownership and control of money is a power which is greater than the Government itself. I now ask what Congress is waiting for. Are we true to our obligation when we sell the Nation and the people into the hands of the international Shylocks, into the hands of those who now own and control the Nation's gold?

It is my desire to inform my colleagues of the fact that $13,513,000,000 in gold certificates are outstanding against the gold in the Treasury, and that such certificates are held by interests outside of the Treasury and by the Governors of the Federal Reserve banks. The Federal Reserve are private banks, and Treasury gold is subject to withdrawal in settlement of international balances. Let Congress not be fooled about that, for refusal to pay international debts can only end in reprisal or war with the powers that are deprived of receiving payment in gold in settlement of their balances.

Gold is and has always been the international standard of monetary value. The President and the Secretary of the Treasury are empowered with absolute control of two billions in gold, which is used to stabilize bonds and other fluctuating securities of all kinds, foreign and domestic. These $2,000,000,000 are not used to stabilize the international dollar, for it is stabilized upon its own gold content of 15.521 grains of gold nine-tenths fine, and the stabilization fund is therefore unnecessary.

Members of Congress should also understand that international balances are not paid in dollars, francs, or shillings, but are paid in the number of grains of gold such money contains. It is my desire to go a little further than that and say that gold is of exactly the same value today as it was before 1933, and international transactions are still settled on grain value of gold, as has always been customary.

There should be no argument about the ownership of gold, for it is set forth in the RECORD of June 19, 1939, on page 10420, by Mr. M. S. Eccles, the Chairman of the Federal Reserve Board, now called a "system" since it has been sovietized. He distinctly states who are the owners of the gold in the Treasury. It is quite true that Mr. Eccles evades the issue when he speaks of the title to the gold, but in the second paragraph, he admits that the gold is held as security against outstanding gold certificates and international credits payable in gold only.

Mr. John W. Hanes, Acting Secretary of the Treasury, makes this statement:

> A large part of the gold held by the Treasury ($12,336,858,563 on March 15, 1939) is held as security for gold certificates (or credits payable in gold certificates) issued to and held by the Federal Reserve banks pursuant to the Gold Reserve Act of 1934.

Mr. Eccles made his statement under restraint because he did not want to admit that the American people had been cheated out of their own property. Mr. Hanes, on the contrary, states facts, but both of them try to obscure the real ownership by including extraneous matter. Both of the letters should be sufficient evidence even to Congress that the American people, including Members of Congress, have been deprived of their own property; that it has been taken from them by legislation enacted by Congress, and given, lock, stock, and barrel, to the international money changers. The purpose of this act was to sell the American Nation into the hands of these damnable communistic fanatics. I submit both letters as evidence of the correctness of my statements.

It is not my desire to discuss or criticize opinions held by the distinguished Members on the other side of the Capitol, but to keep the record straight, I want to say that no comparison can be made between prices previous to 1933 and prices since that time, for the simple reason that, previous to 1933, our domestic dollar was stablized on a gold content of 25.8 grains, nine-tenths fine, and the same dollar was used in international transactions. That dollar was valuable because it contained 25.8 grains of gold, and our people owned such amount of gold in the Treasury as was represented by the currency and securities they had in their possession. Today, our domestic dollar is a hocus-pocus dollar, not redeemable in gold, and with no gold value. It is a rubber dollar, often made into rubber stamps, and is well represented in legislation and appropriations passed in both Houses.

How is it possible for anyone to compare prices before 1933 when we had a dollar stabilized on 25.8 grains of gold, with today's worthless money of the type we are now using in our domestic transactions? No one knows when our present currency will collapse, and when it does, we will have exactly the same condition in the United States as existed in Germany during the inflation there. It is a pitiful exhibition of incompetence and a clear exemplification of what the people may expect from incompetent statesmen.

It is also well for the people to bear in mind that this money was planned by the invisible government and is a part of a communistic plan to destroy the United States. It is un-American for Congress not to recognize this and set it right during the present session, because it might be too late next year. Congress and the people should give a little more consideration to the two-billion gold stabilization fund set aside by Congress for the private use of the President and the Secretary of the Treasury. The law distinctly states that

it is not even necessary for either of them to give an accounting for this $2,000,000,000. And no officer can investigate the use of it. The President or the Secretary of the Treasury is not responsible to Congress for losses which this fund may sustain in wild market speculation to support falling prices of American bonds and credits.

If the international money changers should decide to dump American bonds on a market, money in the stabilization fund will, of course, be used to bolster falling bond prices, and may end in complete loss of the $2,000,000,000 in gold. This is something for Congress to think over, because there are so many questionable possibilities for the use of this $2,000,000,000.

It is confusing to read the different opinions as to how much gold can be bought with cotton, potatoes, and other merchandise. It is a childish attempt to obscure and justify unsound procedures. It is well to bear in mind that gold is a recognized international standard, and for that reason does not change, and it is the medium that buys all commodities. In reply to certain statesmen who seem to believe that we buy gold with cotton and potatoes, I suggest that they take a bale of cotton along with them and try to buy gold with it.

In the glory of modern education we have become rich by dividing an apple in half and calling each half a whole apple. This is profit as taught in our educational institutions of today. It is an example of communistic confusion within every educational institution in the United States, and which is for no other purpose than to obscure the issue and destroy morale.

I wish to suggest at this point that every educational institution in the United States should dismiss every instructor who is "pink," "red," or "scarlet," and particularly those who seem to be unable to grasp the meaning of the Constitution of the United States.

Congress engaged in un-American activities when it created the many corporations which are now so detrimental and destructive to private industries and business. It was un-American when it granted the power to the President which he now has, and the greatest un-American activity is in failure to now recognize that the Nation's security is threatened, and our own and the real patriotic American people's lives are in jeopardy.

I realize how hopeless it is for anyone to receive recognition when he digresses from the majority, when he tries to walk uphill instead of downhill. It has always been so, as history vividly demonstrates. Yet, while recognizing this, it is still my opinion that we must return to sound constitutional government in order to survive. Congress should now take charge and direct the various intelligence departments to report to it the real facts as they now exist within the Nation, not those that are found in the communistic alleys and sidestreets, but communistic activities that exist in every public place, colleges, and Federal departments.

The investigation should begin with those who have financed the World War, the Russian revolution, the Spanish revolution, and those who are now financing communistic activities within the United States. When they have been disposed of, communism itself will disappear, for it has no excuse for existence in our or any other civilized nation. If Congress will follow this advice and order a thorough investigation, I venture to say the most astonishing revelations will be forthcoming, which I am sure will establish such clear-cut evidence that many officials now in the Government employ can be impeached. This is a harsh word for anyone to use, yet if such procedure is necessary to preserve, protect, and defend the Constitution of the United States and the rights of the people, it is a weapon which is justified in the Constitution itself.

As an observer for the past 5 months, it occurs to me that Congress has done very little to help the people, but it has outdone itself to give more power to the President. He after each Asiatic spiritualistic interlude, calls for more power and immediately the rubber stamps go into action to grant his wish. In this concession, Congress, instead of preserving and protecting the Republic, is establishing a totalitarian State. It is quite evident that the majority in the present Congress is the victim of some influence which is sufficiently powerful to direct its action. For that reason, I can see no relief from this body at the present time. It is therefore left to the people themselves. They must take charge and fight for their rights, by appeal to Congress, by the ballot, and, finally, by the same method as is ordinarily used to protect the Nation when the Government fails.

The Communists are getting ready, and I now understand there are 50,000 of those who fought under the communistic government in Spain who are to be allowed entrance into Mexico. If this is true, and I believe it is, they will be used for infiltration into the United States to spread communism, or as a fighting unit when civil strife breaks here. Do not be mistaken about that. The proletarian Communists in the United States are trying to establish a dictator of the same type as now rules in Russia. We must set our own house in order, for I do not believe the great majority of the American people, including the Army and the Navy, will accept a dictator without a fight.

Let us look at this picture from another angle. We are friends with Russia and Russia is communistic, of the most vicious type. The President and a few members of the Cabinet have been unfriendly to Germany ever since the Communists were expelled.

The President and a few of his Cabinet members are friendly to Mexico, which is communistic in fact and in principle. The American Government smiled approval when communistic Mexico confiscated American property, and the end is not yet. Mexico is communistic and the home of Bronstein, alias Trotsky. It is a home for communistic refugees, and is now to be a haven for 50,000 communistic dupes who fought for "red" Russia in order to destroy a Christian government in Spain.

The Secretary of State is now beating the war drums against an imaginary enemy in the Orient, where we have no interest or property any longer. I say we have no interest in the Orient, for we have agreed to give independence to the Philippine Islands, which in reality should be an American commercial and military outpost in the Orient. The Secretary of State is, however, bent upon meddling in Chinese affairs. And mark you, China is infiltrated with communism and supported by Russia.

I dislike to say this, for I am friendly to and have acquaintances in China, so in making this statement it must be understood that I do not approve the warlike attitude of Japan and its invasion of a defenseless nation. Speaking on the situation as I understand it, I am positively certain that we have no cause for interfering in China, for the Chinese are proving capable of taking care of themselves. If Congress allows the President and the State Department to declare war in the Orient, it will be to help the proletarian Communists instead of the Chinese.

In order to clarify the administration's attitude toward a a communistic country and a Christian, civilized country, I shall quote the President's replies to the Russian and to the Spanish Ambassadors. In reading these replies I shall ask you to draw your own conclusions:

THE PRESIDENT'S REPLY TO THE REMARKS OF THE NEWLY APPOINTED AMBASSADOR OF SPAIN, SENOR DON JUAN FRANCISCO DE CARDENAS, UPON THE OCCASION OF THE PRESENTATION OF HIS LETTERS OF CREDENCE

Mr. Ambassador, I am happy to receive from you the letters accrediting you as Ambassador Extraordinary and Plenipotentiary of Spain to the Government of the United States.

I can assure you that this Government will be prepared at all times to cooperate with you in maintaining and developing friendly relations between our two countries. The great contribution made by Spain in the past to the civilization of the New World, many traces of which still remain in the United States, should serve to strengthen these relations.

I trust that such problems as may arise will be faced in a spirit of mutual confidence and good will, and I know that you will find all officials of the American Government ever ready to collaborate for progressive understanding and peace.

I sincerely hope that you will find your sojourn in this country, where you have already served with distinction on previous occasions, most agreeable and happy.

THE PRESIDENT'S REPLY TO THE REMARKS OF THE NEWLY APPOINTED AMBASSADOR OF THE UNION OF SOVIET SOCIALIST REPUBLICS, MR. CONSTANTINE A. OUMANSKY, UPON THE OCCASION OF THE PRESENTATION OF HIS LETTERS OF CREDENCE

Mr. Ambassador, it affords me pleasure to accept from you the letters by which the Presidium of the Supreme Soviet accredits you as Ambassador Extraordinary and Plenipotentiary of the Union of Soviet Socialist Republics to the Government of the United States. I am happy to receive in that high capacity a person so thoroughly familiar as you have become during your residence here with the traditions and aspirations of the American people.

I also accept the letter of recall of your predecessor, Mr. Troyanovsky, who, as the first Soviet Ambassador to this Government, rendered such distinguished services in promoting friendly relations between the United States and the Soviet Union.

It has given me deep satisfaction to hear from you of the feeling of genuine friendship which the peoples of the Soviet Union have for the American people, a feeling which you are assured is fully reciprocated.

I have noted your statement that the purpose of your mission is to strengthen and develop friendly cooperation between our two countries. You may be sure that you will enjoy my full support, as well as every assistance of the Government of the United States, in your efforts to achieve that purpose.

I am grateful for the expression of good wishes which you have conveyed on behalf of your Government. In return, please convey to the Government of the Union of Soviet Socialist Republics my hope for the continued peace and prosperity of the Soviet Union.

These two greetings need no comment from me for they are perfectly clear. They are in themselves evidence that the President favors Russia and its Communistic regime in preference to the new, peaceful, Christian government in Spain.

In time of stress the safety of the Nation should be our first consideration and we look for unstinted patriotic aid from leaders in Congress and from chairmen on important committees.

The leaders in Congress are well known, but the chairmen of the committees often remain in obscurity. We have the following distinguished gentlemen occupying the following important positions as chairmen and ranking members of committees: The gentleman from New York [Mr. BLOOM], now acting chairman of Foreign Affairs Committee; the gentleman from Illinois [Mr. SABATH], chairman of the Rules Committee; the gentleman from New York [Mr. DICKSTEIN], chairman of Immigration and Naturalization Committee; the gentleman from New York [Mr. SIROVICH], chairman of Patents Committee and ranking member on the Civil Service and Merchant Marine and Fisheries Committees; and the gentleman from New York [Mr. CELLER], ranking member on the Judiciary Committee.

I realize that these gentlemen are interested in all things which concern the welfare of the Government of the United States; in free debate without restrictions; in opposition to immigration, particularly of those of proletarian communistic philosophies; in the protection and safeguarding of patents; in clarification of the civil service; in a straightforward statement of the real facts in the merchant marine. The distinguished ranking member of the Judiciary Committee should also endeavor to eliminate unconstitutional and confusing legislation that gives Congress a continual headache.

I do not propose this as a criticism, but I look toward the members of the various committees for leadership when legislation is up for consideration, and their interest and elucidation of the laws I am sure would be for the general good of all concerned. I realize chairmanships on committees are responsible positions and must therefore be left in responsible hands.

The founders of our country recognized this, and so a provision was incorporated in the Constitution which I now quote, from article I, section 9, paragraph 8:

> No title of nobility shall be granted by the United States, and no person holding any office of profit or trust under them, shall without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state.

It was recognized then, and it is now recognized, that such honors as referred to in this paragraph carry with them repayment or some consideration to the governments granting such honors in time of peace. It was therefore rightly forbidden to any officeholder. It is amazing how well the founders understood human nature, and because of such understanding, incorporated in the Constitution such public safeguards. I admire them for their wisdom, and often wish, as I sit in this House, that a Washington or a Jefferson could be with us now in these times of stress.

I am apprehensive, and in observing present trends, I believe we are rapidly falling into the hands of the Communists. I am not alone in this opinion, for communism and its evils now seem to be a general topic. In the Appendix of the RECORD, page 2661, the distinguished gentleman from Illinois [Mr. MASON], gives the low-down on communism in a most vivid manner, and I suggest that the Members in the House read the gentleman's remarks.

I am convinced that the greatest menace facing us today is the invisible government which has promoted wars, revolutions, espionage, and corruption. One would be foolish to deny that there is not a plan on foot to destroy the civilization that has been built for past centuries. History is again repeating itself. Civilization has been destroyed in the past, and it is due for destruction again if we fail to protect ourselves as other nations have done.

Let us now look facts squarely in the face and try to solve this problem. Much has been said about Germany by the President and his official family. We may ask, for what particular reason? It was the Communist who exploited Germany after the invisible government had brought about a destructive inflation. Property worth millions of marks was acquired by these spoilers for a few hundred dollars. The German inflation was for the purpose of depriving or robbing the German people of their property. It was manipulated, and forced upon the German Nation. What did Germany do? Germany did the only logical thing it could do, that is, expelled the Communist from Germany. And I might say at this point, the same thing has been done in Italy, and I believe it will happen here.

Why have they expelled the Communist and his dupes from both of these countries? For one reason alone—because they are destructive to sound government and will destroy, as they have in the past, all governments in which they gain control.

Who engineered the World War? Again the answer comes, those individuals in the invisible government who, for certain reasons of their own, were willing to sacrifice everyone except themselves and their greedy brothers.

Who financed the Russian Revolution? Individuals from the same government who for personal reasons were interested in acquiring control of Russia. This was accomplished at the expense of millions of innocent Christian lives. In this destruction the real, native Russian has suffered, because he is now ruled by a minority that is opposed and destructive to him and his traditions. This minority that is now ruling Russia comprises about 1.7 percent of the total population. They are not satisfied in controlling and ruling Russia, in spite of the fact that it comprises an area of 8,144,228 square miles, with an abundance of all wealth. This minority is beset with one desire, and it is to destroy and rule the whole world, an attempt, of course, in which they will meet with their own Waterloo, as they have repeatedly in the past.

It was this same minority in Russia that promoted revolution in Spain—the so-called "red" revolution, often confusing because they called themselves loyalists. What was done in Spain? The history is now to be had, and we find the murder of innocent people was the order of the day or night. In the neighborhood of legations the dawn would cast the light upon 50 to 100 innocent victims of this murderous mob. It is not my desire to describe this in detail, but it is well to bear in mind the money for this revolution was furnished by certain communistic individuals in the invisible government who occupied high positions in the United States and Europe.

Who are the leaders in this movement? The same people who are now ruling Russia. The same people who were driven out of Germany. The same people who killed and destroyed during this regime in Spain, and the same people who are now undermining the United States and deliberately

destroying all those things that we have accumulated, built, and cherished since the inception of our country. What is their purpose in sabotaging the United States? The answer is to acquire more power for themselves and to create a haven for those who at heart have always been and will always be Communist. Is this attempt new? The answer is again no, because deception and intrigue go hand in hand with the Communist. How is this done? By the power and ownership of gold alone. Gold buys spies and espionage. Gold buys saboteurs, and gold and glamour buy those to accept communism and then fight in its ranks, only to bring about their own destruction and the destruction of their own kind. Gold hires the dupes who sing the song of the Communist and praise him, as they are now doing in the United States, only themselves to fall victims to the greatest scourge the world has ever had.

Let us not be deceived. The Communist is here with one idea in mind, and that is to destroy the United States. The same group and its disciples are well entrenched in the highest places in the Federal Goverment, departments, and bureaus, ready to strike if a favorable moment arises.

Who will pay for this in the United States? The real patriotic American, no different from the patriotic German that paid for the inflation in Germany. And do not forget, it will require the same medicine to cure the United States that brought about cure in Germany. The people who will bring this about and save the United States for its own people will be the so-called middle class, or common, patriotic people who comprise 90 percent of our population. It must be done under patriotic leadership, and not under the leadership of anyone who tolerates communism or communistic intrigue in any manner, shape, or form.

The instigators of this communistic regime or its sponsors are generally known, and I might say at this point that they are internationalists. They may be identified, for 98 percent of them are the rulers of Russia, the leaders in international radical organizations, and the leaders in radical organizations in the United States. They are found in business as well as in radical labor groups. When you have named and identified those, you have also named and identified the greatest menace the world has ever had.

Congress must stop immigration, foolish peace and neutrality legislation, for all such legislation is provocation or a cause for war. Congress has the power to declare war, but Congress also has the power to stop such foolishness. Congress must resume its rightful power for the security of the Nation and for the people.

Organized Labor and the Florida Canal

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

STATEMENT OF E. C. VALENTINE

Mr. KITCHENS. Mr. Speaker, there has lately come to my attention a presentation of the vital interest of organized labor in the Florida Canal. As is well known, the executive council of the American Federation of Labor has passed a special resolution directing the president of that organization, Mr. William Green, to support on its behalf legislation for the construction of this project which, it is claimed, would mean so much to labor and industry in the United States.

By permission of the House and for the purpose that it may be more fully informed of the attitude of the American Federation of Labor in this matter, and without committing myself for or against the proposal in any way, I insert in the RECORD a statement made on May 12, 1939, by Mr. E. C. Valentine before the executive council of that body.

STATEMENT READ TO AND FILED WITH THE EXECUTIVE COUNCIL, A. F. OF L., ON FRIDAY, MAY 12, 1939

To the President and Members of the Executive Council, American Federation of Labor, Greetings:

For a great many years various interests have worked to secure the necessary legislation in the National Congress to provide a safe and convenient passage for ships across the Florida Peninsula for the purpose of shortening the distance between ports on the Gulf of Mexico and adjacent territory and the industrial sections on the Atlantic seaboard.

The reasons for establishing this connecting link in our system of intracoastal waterways, which have already been provided along the entire Atlantic coast from New York to the southern end of Florida, and along much of the Gulf coast to the Rio Grande River, are obvious. This will provide the connecting link in this system of waterways, upon which the Federal Government has already invested many millions of dollars, and which they will continue to improve as time goes on.

This important link will shorten by about 400 miles the distance between Gulf and Atlantic ports, and the establishment of this new trade route would open new markets and stimulate trade and industry, and will, according to the survey made by the Chief of Engineers of the United States Army and reported to Congress by the Secretary of War, affect 78 percent of all persons gainfully employed in the United States. This fact alone should be enough to cause any unbiased person to give serious consideration to the question.

It is believed that no Federal project has undergone quite as thorough investigation from every conceivable angle as has the proposed Florida Canal, and we believe that every objection by its opponents has been refuted by competent testimony from reliable authorities. These objections have been met with sound argument and logical reasoning, and at least one of the opponents in his report to Congress admits that "* * * these distinguished engineers gave emphatic testimony that the project was economically worthy of immediate adoption by Congress." A copy of the report of the Committee on Rivers and Harbors, known as Report No. 509, Seventy-sixth Congress, first session, recommending that its completion be now authorized, together with a statement of its benefits to labor, has been mailed to every member of this executive council recently; therefore I feel it is not necessary to use much of the time allotted me in an explanation of the many advantages to labor and to the public generally which the building of this canal will provide, except to stress the importance of making the position of labor clear to the Members of Congress while the matter is still before them for their consideration.

It should be borne in mind, in your consideration of this question, that the opponents of this project have had ample opportunity to present evidence in their behalf and have had access to the many volumes of data which has been secured and compiled by every department of the Government which has been connected with these surveys, covering a period of a great many years. In spite of all the argument presented in behalf of the undertaking, some of the opponents, no doubt for purely political reasons, continue to make free use of the public press to oppose it because of the cost. As has already been pointed out, the Federal Government has invested millions of dollars in our system of waterways, and will continue to improve them. The establishment of this connecting link will without doubt enhance the value of the entire system, and, presuming the estimates of the Chief of Engineers to be correct, the savings to shipping would amount to over 7 percent of the construction cost, annually. The report further states, "that the entire cost of the project with interest, will, in all probability, be repaid to the Federal Government by transportation benefits in less than 20 years, and possibly within a substantially shorter period."

The committee further finds, that "notwithstanding the abundant economic justification of this canal, its military value, in emergency, will transcend its commercial value."

In a communication from the Assistant Secretary of the Navy under date of March 9, 1939, he stated that, "the improvements of the St. Johns River, contemplated under the plans for the construction of the canal would contribute materially to the use of this location for the operation of naval seaplanes."

Congress has recently passed legislation providing for the expenditure of the sum of $15,000,000 for the establishment of a naval air base on the St. Johns River near Jacksonville, which is near the northern terminus of the proposed canal and located on the proposed canal route.

Answering one of the principal contentions of our opponents, that it will curtail the business of the railroads, I have pointed out in previous communications to at least some of the representatives of labor, that the estimate of the engineers as to the potential shipping that may reasonably be expected to use the canal, was based upon the actual existing water-borne traffic that is now carried in ships by the long route through the Florida Straits.

How, then, can this be construed as taking business away from the railroads, to simply divert this existing traffic through the canal?

In very recent years, many large industries have built and opened plants in the Southeastern States, and the present trend of industrial development is southward, because of the longer season of operations and to be nearer the sources of raw materials, which

are available in this section. The sources of these raw materials are not always on or near navigable waters therefore, the railroads have been materially benefited in this increased traffic in carrying materials to the plants and in moving out the finished products. There is no reason to doubt much of the increased business of moving this tonnage to and from this region will continue throughout this period of development and that it will continue to increase thereafter.

The conclusions reached by the committee, and contained in their report to Congress are that, "Neither the representatives of the railroads nor any other person has presented any evidence tending to show that the Atlantic-Gulf commerce which would transit the canal would represent freight taken from the railroads, nor does it seem possible that such could be the case."

We cannot conceive of any reason why this project should be opposed for any except selfish or political reasons, because common sense and our better judgment tell us that it is this type of project, rather than temporary relief measures, is fundamentally sound and the only way to approach an economic balance.

Those who oppose it for selfish reasons—as have the railroad managements, have not supported their claim with any substantiating evidence, but there is ample proof of the claim of the proponents that its benefits would be almost Nation-wide. The committee, in their report to Congress, find "* * * these fears have been fostered and developed by the organized efforts of the railroads and others seeking to defeat the project for reasons unconnected with the public interest."

In conclusion, may I earnestly request of all of you, that this matter be considered in the light of promoting a great Federal project of a permanent nature, which will be of lasting benefit to a large percentage of the people throughout the Nation, and with a view of granting the most good to the greatest number, and that when you arrive at an honest, unbiased opinion of which I know you are capable, that you will take immediate steps to advise the Members of Congress of your decision.

Respectfully submitted.

E. C. VALENTINE.

Your Task as a Citizen

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

ADDRESS BY J. EDGAR HOOVER JUNE 21, 1939

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Mr. J. Edgar Hoover, Director, Federal Bureau of Investigation, before the national convention, United States Junior Chamber of Commerce, Tulsa, Okla., June 21, 1939:

My pleasure in being able to be with you is matched only by my hopes for the future of the Junior Chamber of Commerce. I have followed your programs closely over a period of years, and taken pride in your achievements. In the practicality of your activities you are building on firm foundations. May your civic programs gather momentum and roll forward to help in the building of a better America.

Your small groups, banded together some 20 years ago in St. Louis, soon would have withered had they not built their future upon a platform of worth-while programs and crusading civic spirit. As a result you today have 600 junior chambers of commerce in a like number of communities, all working, I know, toward a worth-while goal.

An organization is only as good as its friends and supporters, thus I am indeed proud of the fact that when you embark upon a civic program you can count on the support of not only 110,000 members but of millions of good citizens, who know you, admire you, and trust you. Of course, obstacles will beset you, but adversity is the real test of virile manhood.

We of the Federal Bureau of Investigation have likewise faced adversity. The development of our Bureau, like the growth of the Junior Chamber of Commerce, has been over a hard road. Its achievements stand as a tribute to youth. The average age today of the men of the F. B. I. is scarcely 34. Its development in reality has been a ceaseless conflict between corruption, inefficiency, and the deadly forces of the underworld on one hand and the forces of decency and truth on the other.

I recall vividly the tribulations with which we were confronted 15 years ago this summer. Attorney General Harlan Fiske Stone, now a Justice of the United States Supreme Court, as fearless a foe of corruption and inefficiency as our present Attorney General, Hon. Frank Murphy, was determined to rebuild the Nation's law office on the firm foundations of honesty and integrity. He agreed with me that political influence should not dictate appointments or promotions. Overnight the Federal Bureau of Investigation was removed from the political arena where it had been kicked about like a football, the pawn of pull, prejudice, and patronage. Today only merit counts in an F. B. I. appointment; no man can enter without it.

In 1924 only 30 percent of the men had legal or accounting training. The others included some persons who had police records and at least one man who had been tried for murder. Others had been declared physically unfit and disqualified for duty by other law-enforcement agencies and had sought refuge in the Bureau. All that was changed, and drastically. Today, to be eligible for appointment as a special agent, the applicant must be between 23 and 35 years of age, a graduate of a recognized law school, and a member of the bar, with at least 2 years of legal or business experience, or he must be a graduate of a recognized accounting school with 3 years of commercial accounting or auditing experience. These men, after appointment, attend a 16-week training school, where they are diligently trained in all forms of scientific deduction, detection, and apprehension. They are imbued with the principle that no case is ever closed until the wrongdoer is brought to justice. They are taught to get the facts, thereby freeing the innocent and convicting the guilty. Our ever-present watchword is fidelity, bravery, integrity.

Since 1932, when the Federal kidnaping law was passed by Congress, authorizing the F. B. I. to act in such cases, all but two of the 156 cases reported to us have been completely solved and the wrongdoers—crooked lawyers, gang doctors, money changers, finger men, fixers, and harborers of criminals—have been brought to justice. Sooner or later the heartless body snatchers and killers in the two remaining cases will be brought to justice.

Already in the case involving the abduction and murder of the little Levine boy at New Rochelle, N. Y., more than 8,000 persons have been interviewed, 450 automobiles checked, some 500 premises inspected, 560 anonymous and crank letters investigated, and over 500 scientific laboratory examinations have been made. In the case of the little Mattson boy in Tacoma, Wash., over 20,000 persons have been investigated, more than enough suspects to populate a small city. And still the search goes on.

There is no mystery to good law enforcement. It merely applies to crime detection the same principles of efficiency necessary in any high-geared business. Plus this is the fact that the F. B. I. is distinctly a "we" organization—everyone has his part in its trials or triumphs. Without cohesion everywhere the Bureau could not function with the success we enjoy.

Of course, I am proud of the record of the Bureau. For instance, in the past 15 years the Federal Bureau of Investigation has cost the taxpayers less than $50,000,000 and returned to those taxpayers of the Nation a profit of more than $190,000,000—and this even includes those early days when we were rebuilding the Bureau. I hope that our services to society in the apprehension and conviction of over 43,000 notorious criminals during the past 10-year period are achievements beyond the capabilities of financial measurement.

In doing this the F. B. I. has paid heavily in effort and even in life itself; 12 of our men have died in the line of duty, others have injured their health by overwork and overexposure and have joined their fellows where the rattle of machine-gun fire is unknown. Nor has the sacrifice ceased there. The long hours of vigil and the sorrow bravely faced by the women who stand behind the men of the F. B. I. is an inspiration to the living and a monument to their sacrifice. Today seven of the widows are a part of our organization, because they wanted to take their husbands' places and carry on for them. We are proud of them; we are proud of our record, of honest, law-abiding citizens and cooperative law-enforcing officers, who have aided us in times of great stress. We would be even more proud if this record could be rivaled by local law enforcement in every town and hamlet of every State in the Union. Government is not some far-away, visualistic thing. You are government, and you can get what you want at home as easily as you can get it at Washington if you'll only square your shoulders and fight for it.

Certainly this applies to the widespread wave of lawlessness that has so long engulfed our social order. It is unnecessary, and it could be conquered as quickly as have the kidnaper and the bank robber, whose activities have declined over 80 percent in the past 7 years, if everybody insisted that this be done. Our crime bill is bigger than our entire national tax bill. Think that over. And meanwhile remember that nations have crumbled because of internal disasters rooted in lawlessness. True freedom lies in true justice to all people and in all things. This comes not from superimposed regulation; it springs from good conscience, honesty, and integrity. It is the Golden Rule translated into action. It is the exemplification of the Ten Commandments and the embodiment of religious teachings. Justice insures the integrity of the Nation. I hope the day will never dawn when your America and mine sinks to the debauched level of vicious subversions. I long for the day when every man, woman, and child will be impelled by the force of conscience to abide by the spirit of the law, rather than be driven to abide by the letter of the law imposed to correct abuses that would not exist if justice prevailed.

It is high time that we give more thought and energy to crime-preventive measures; to curing the cause of lawlessness rather than to be forever combatting it, once it runs rampant. The emergency situations must always receive first consideration, and it is for this reason that we of the F. B. I. have placed so much stress on detection and apprehension which, together with certainty of trial and punishment, constitute the time-proven deterrents to crime. But an even greater result can be achieved by damming the flow of crime at its source.

In this regard, a definite portion of every civic organization's program should be devoted to a study of crime conditions and the methods used in combatting them. What, for instance, do you know about law enforcement in your town? What has happened to the big cases which were in the newspaper headlines a few months ago? Were they vigorously prosecuted, or were the felons allowed delay after delay while witnesses disappeared, and the final courtroom scene became a mere mockery of the law? Were juries tampered with, witnesses intimidated, perjury suborned? Did the criminal in a heinous crime or hundred-thousand-dollar swindle get off easier than some wayward youth who stole a car or burglarized a store while hungry? Are the operators of vice dens who commission high-school students to solicit for them excused by the paying of a mere fine which amounts to a license to traffic in human flesh? Can criminals "cop a plea"—plead guilty to a lesser offense—and get by with a short sentence? Do sentences imposed by the courts mean what they say? Are convicted criminals afforded greater opportunities and pleasures in prison than out? Can a traffic ticket be fixed? Do public officials who receive a pitiable salary live like millionaires?

Such questions are not hypothetical. For the past 15 years every day has brought reports to my desk of just such cases. Few communities in the land are wholly free of abuse of the very laws enacted to protect society. But there is an answer. In America the majority still elects public officials. And if the majority demands it, they can oust corruption overnight.

Just as the price of liberty is eternal vigilance, the freedom of your community from the forces of crime that strike somewhere in the Nation every 22 seconds carries a sales ticket—to be bought by civic alertness, decency, energy, and self-sacrifice not only for self-preservation but for the welfare of coming generations.

Are there slot machines in drug stores and restaurants in your town? Does gambling thrive? Are there bookmaking joints on every corner? Who controls the numbers racket? Is vice kept at an irreducible minimum or does it contaminate most sections of the city? Does white slavery exist? Are the newsstands cluttered with salacious and perversive printed matter? Remember that the habits of youth govern the actions of the man. No public enemy ever won a place in the headlines overnight. Trace their histories as I have and you will find their criminal careers began long before in surroundings that insulted civic decency.

Those who engage in widespread vice activities and rackets could not long survive without their ally—the political renegade. No community in the land is contaminated by rackets and corruption to any great extent without the assistance of local interests, which hold law enforcement in restraint. Your law-enforcement officers are your representatives. They are not persons with unlimited power; they must obey those under whom they hold office. If they are bent beneath the domination of the criminal-alined politician, ruthless rackets and vice are inevitable. The law-enforcement officials of our Nation, for the most part, are honest and anxious to do a good job. Regardless of their personal honesty, however, they are frequently powerless to act. You, and only you, can take the handcuffs off their wrists and place them where they belong—upon the racketeers and criminals.

It behooves every citizen and every group such as yours to constantly scrutinize the qualifications and the background of candidates for public office in order that the crook may be unmasked and the self-sacrificing, honest man in public service may be given every possible assistance. Here, party lines cannot exist. Public service should beckon and attract young men of character and ability. A career of honest public service is as sacred as the ministry and should demand the same stalwart principles. Thus honest citizens everywhere should aid the man who would dedicate his talents to public welfare. Only when two men are equal in character, ability, and honesty are party lines, as we know them, justified.

Many outstanding community leaders have told me that they would not seek public office because of the muckraking and foul, unfair besmirching tactics adopted by those affiliated with venal politics. This is indeed tragic. The Nation very frankly is being cheated at the polls when its citizens tolerate and cheer such tactics. It will only be by the courageous outlawing of the mudslinger and rabble rouser, that public offices, when contaminated, can be cleansed. More and more the Nation and all of its political subdivisions need career men in politics, men who regard their community above their own personal desires. I hope indeed that some of the young men of this organization will some day see their way clear to make their contributions through public service. The Nation is in great need of the pioneering and patriotic spirit which has helped to make this organization a great and respected one.

Let us appraise further, your duties as a good citizen. What do you know about the judiciary in your community? Is it a fountainhead of justice, or is it controlled by entrenched interests? For if the robes of justice are not clean, then society and mankind are not secure. America has been fortunate indeed in the high character of its judges, and those honest, God-fearing men would be the first to urge eternal vigilance that the bench may be incorruptible. And your prosecutors, do they seek justice for society and the accused as well? Or do they safeguard the interests of the accused by grand jury whitewashing, or improperly prepared cases?

Has there ever been a prison break in your community? Was this break investigated by an impartial authority? Have you ever looked into the coddling of prisoners—the free and easy way they circulate in so many so-called penal institutions? Or is the institution operated so that its inmates will really be rehabilitated and reformed, through fair, humane, constructive, yet stern discipline?

When did you last visit your police department and observe its equipment? Have you inquired as to whether your local department has a police-training school? Has one of its officers attended the F. B. I. National Police Academy, which is maintained for them free of charge? And did the officer have to mortgage his home, as some of them have, to pay his railroad fare to Washington and defray his living expenses while attending the academy? And upon his return was he afforded the necessary cooperation and assistance in starting a training school or was he relegated to a beat by professionally jealous superiors or overly anxious venal politicians?

American law enforcement is to be commended because of its sincere efforts in recent years to improve conditions and protect our citizens. When you criticize your police force remember that you and other citizens like you constitute the real power behind your police and public officials. Beyond that you possess the power of recall if they are not efficient.

Fifteen years ago the Fingerprint Division of the F. B. I. was organized in response to a vital need. Rapid means of transportation had made crime a swift-moving, dangerously elusive problem. Older methods of identification were faulty. Thus the Identification Division of the F. B. I. came into existence, and the machine-like precision of modern business methods applied to its organization. Today it is possible in less than 3 minutes to search a set of fingerprints and identify the impressions on the card if the individual has previously been fingerprinted, despite the fact that there are nearly 11,000,000 sets of fingerprint records on file.

Recognizing the value of a positive means of identification, law-abiding citizens began to clamor for the benefits which were given the criminal. Thus in 1933 our Civil Identification Section was inaugurated. There the fingerprints of over 1,300,000 honest, law-abiding citizens are placed, wholly divorced from the criminal files, forever insuring their identity. You of the Junior Chamber of Commerce have long been allied with this project, which is designed to serve law-abiding citizens. The time is rapidly approaching when every honest citizen will want to have his fingerprints on file. Yet there are those who claim fingerprinting is a violation of civil liberties. Drivers' licenses are required in many States—I have never heard them denounced as a violation of civil liberties. That is silly. Fingerprinting is liberty insurance, except for those who desire to conceal the fact that they are enemies of society.

I firmly believe that the public interest would best be served by requiring all persons in public office, or occupying positions of public trust, to be fingerprinted. This would surely put trusting, law-abiding citizens on their guard, and might have prevented, for instance, the $241,000 bank fraud perpetrated some time ago by the vice president of a bank, who had previously been convicted for fraud.

As an experiment the Travelers' Aid Society in Richmond, Va., recently arranged for the police department to fingerprint all transients seeking assistance. The results were highly revealing. Out of 7,034 persons fingerprinted, 4,345 had previous police records, 2,387 were for minor charges while 1,958 were for serious charges. Among these were 8 fugitives and 1 individual who had been reported missing.

In New York City the policy was adopted by the W. P. A. administrator of fingerprinting applicants for certain positions of trust and teaching and recreational assignments. Out of 18,594 sets of impressions, 1,555 represented persons with previous police records. Many who were seeking jobs in playgrounds had previously been charged with the commission of sex offenses. One individual was wanted for parole violation and had served a prison term for rape.

Last December a young man was found mortally wounded. He was rushed to the County Hospital in Chicago where he died unidentified. His fingerprints were forwarded to Washington. They were searched through the civil files and identified as having been received several months before from a C. C. C. camp. On the back of the fingerprint card was the young man's home address and the name of the person to notify in case of an emergency.

Likewise the body of an unidentified man was removed from the Connecticut River last fall. His fingerprints were taken at the morgue and then sent to Washington. A search revealed he had been arrested on five occasions. Again complete identifying data as to his home and relatives were made available in order that this 70-year-old man could be given a decent burial. Had he never been arrested or had the foresight to have had his fingerprints recorded, he would have been buried, unnamed, in a potter's field.

The mutilated body of an unidentified man was found beside the railroad tracks near Union, S. C. Again we made identification. This person had been previously fingerprinted in Richmond, Va., when he sought aid from the Travelers' Aid Society and the complete details of his home and family were soon made available to the authorities in South Carolina.

At least 192,000 persons were reported missing last year and more than 16,000 have not been located. Over 9,500 unidentified bodies were removed to morgues last year. Some 1,600 cases of amnesia attacks were reported to authorities last year. Think of the sorrow and suffering that could have been alleviated had these

unfortunate persons only had the foresight to have had their fingerprints recorded. It has only been a few years since we went to the morgues and solicited the cooperation of authorities in fingerprinting unidentified deceased persons. At times we encountered opposition but today even that has given way to a sincere desire to cooperate in the public's interest. Thus your Civil Identification Committee can well feel gratified by the service they have already rendered in many communities.

America needs your patriotic zeal and your services in a crusade to insure her destiny on the chartered sea of democracy. As never before in our national history, the country summons her men of character and action. Once and for all we must eradicate from American thought and life those sinister forces which are alien to justice and which are the allies of lawlessness. The fight will require sacrifices, but they are necessary if we are to preserve our homes and our traditions. Remember that from dawn this morning until dawn tomorrow morning, 3,928 major crimes will have been committed, including 33 homicides, 814 burglaries, 162 robberies, 2,258 larcenies, 22 rapes, 515 auto thefts, and 122 aggravated assaults. The criminal forces of America will have extorted and collected their daily tax of over $41,000,000 for the invisible empire of lawlessness that exists within our midst. Why cannot that money be turned into the flow of commerce and the veins of progress, instead of falling constantly into the grimy, blood-soiled paws of the underworld?

I sincerely hope that each of the 110,000 members of the junior chamber of commerce will resolve to dedicate himself here and now to ceaseless activity and relentless warfare against the forces that threaten the peace, security, and well-being of our beloved America. There is great need that you enlist. There is greater need that you do not falter in purpose, nor cease to battle for the cleanliness, the happiness, and the welfare of the kind of an America which we all so greatly desire.

The Third-Term Issue

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

EDITORIAL FROM THE WASHINGTON STAR

Mr. SPRINGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial appearing in the Washington Evening Star, of date June 21, 1939:

[From the Washington Star of June 21, 1939]

THE THIRD-TERM ISSUE

Some inkling of the storm which will arise in this country should the third-term issue be carried to the people with another nomination of President Roosevelt may be gleaned from the address of Senator BURKE, of Nebraska, a Democrat, denouncing a third term in the White House for any man.

The Nebraska Senator, speaking in the national radio forum Monday night, replied specifically to statements by Secretary Ickes and others that the tradition against a third term is "political humbug." The leaders of the Democratic Party, from Thomas Jefferson down to the present day, as Senator BURKE said, have not only aided in maintaining this tradition but have agreed that the tradition has as much weight as though a two-term limitation had been written into the Constitution.

Never before in the history of the country has an administration had at its disposition such great powers, such huge sums of public funds to provide all kinds of subsidies to all kinds of people. Never before has there been a bureaucratic control of the people and their lives to be compared to that of today. And finally, never before has an administration been in so strong a position to perpetuate itself through a bureaucratic form of government armed with immense sums of money. All this Senator BURKE pointed out. He warned the country that should the third-term tradition be broken in 1940, "no man can safely predict the fate of our form of government."

The truth of these assertions by Senator BURKE is borne out by the failure of the Senate—or the House—at this time to press the adoption of an anti-third-term resolution. How many Senators and how many Representatives—particularly of the Democratic faith—wish to impair their ability to obtain money and jobs from the Federal administration? How many of them would care to place themselves in a position where they would have the "Indian sign" hung on them in their efforts to win renomination next year?

When the friends of General Grant, then serving his second term in the White House, advocated his renomination for a third term—on the same theory that the friends of President Roosevelt now urge his renomination—the House of Representatives adopted an anti-third-term resolution by a vote of 233 to 18. The Senate, in February 1928, by a vote of 56 to 26, put through a similar resolution to halt the demand for another term for President Coolidge. Mr. Coolidge, it is true, had served only one "elective" term. But his service during the unexpired term of his predecessor, President Harding, was construed as a "term" and so considered by the Senate when it adopted the resolution.

Thomas Jefferson wrote: "Should a President consent to be a candidate for a third election, I trust he would be rejected on this demonstration of ambitious views." Andrew Jackson—to whom his friends liken the present Chief Executive—repeatedly recommended that Presidents should be limited to a single term.

In all justice to President Roosevelt, it must be said there has been no statement from him indicating that he fails to recognize, too, the need of maintaining this tradition. He could easily clear the atmosphere.

With Brains and Skill

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

EDITORIAL FROM THE BOSTON GLOBE

Mr. McCORMACK. Mr. Speaker, under the permission granted to me to extend my remarks, I herewith include a very interesting editorial that appeared in the Boston Globe of June 17, 1939. This editorial, entitled "With Brains and Skill," is worthy of profound consideration.

[From the Boston Globe of June 17, 1939]

WITH BRAINS AND SKILL

In the city of Lawrence a considerable number of residents maintain cordial feelings toward German refugees. A year and a half ago Julius Stern, whose family for four generations had been manufacturers of woolen hosiery in Sobernheim, Germany, appeared in Lawrence to establish a factory. Although there were no hosiery mills in Lawrence he had selected the city as best suited to his requirements because of the local yarn mills and the skill of the workers.

The first machines were brought from Germany, but four times as many are operating now in the plant, the newer ones being made in Laconia, N. H. More than 50 workers have steady employment and the prospect is that this number will increase.

The story of how New England went in for textiles is not dissimilar. Back in 1789 an English worker, Samuel Slater, decided that America was the land of opportunity. He came over to see what he could accomplish in his line, but no machinery followed him. He would have liked to bring drawings, but their export was forbidden by law. In Pawtucket he made the drawings from memory. The cotton spinning machines were built and the foundation for a great industry was laid.

Not so long ago some American shoe manufacturers were worried about the competition of Jan Bata, of Czechoslovakia. He has come over here now and if, as is expected, he sets up in this country, there will be no question of any cost advantage. He must conform to American conditions.

During the brief life of their reconstructed nation the Czechs made a specialty of work in glass and now a committee of the Bead, Stone, and Glass Importers' Association of New York is planning to bring Czech experts to this country to teach between 50,000 and 75,000 Americans the secrets of making glass, bead, and stone dress trimmings and costume jewelry for which the Czechs have been noted. It will become another American industry.

A patent brought over from Germany by a refugee has been the foundation of a brand-new industry in New Jersey, the manufacture of a flexible, synthetic resin for tubing, sheet material, gaskets, and the like.

For three centuries refugees from the Old World have been coming over to this side of the water bringing with them talents, qualities, and energies that have been woven into the life of the new. The Pilgrims and the Puritans were refugees in the larger sense of the term. So were the Quakers, the Huguenots, and at various periods the Irish. The web of this civilization was made by migrants from many lands, an enormous proportion of them seeking a haven in this country where they could attempt new starts. Their contributions have made the United States.

Because of the immigration laws very few are coming over today. During the 6-year period beginning July 1, 1932, only 45,952 Germans have come into the United States. But this is not the net increase from Germany, since in the same 6 years 18,445 aliens, legally permanent residents of the United States, returned to Germany. The total of the immigration quotas from all countries is 153,774 a year, but from many lands few or none arrive. The

allowance from Great Britain and Ireland is 83,754, but in 1938 emigration from those countries to our own amounted to 4,551.

Wild stories, unrelated to the facts, have been passed around regarding the supposed influx of immigrants to the United States. Cold figures do not support the theories of street-corner gossips or armchair tongue-waggers.

What is happening is parallel to what has taken place before. The difficult conditions in certain parts of the world have caused those who could manage the journey and are able to obtain the visas to come over here. A natural selection operates to place a large proportion of highly desirable persons in this stream. It is beginning to bring a relocation of industries which will give increased employment to American capital and American workers just as has been the case many times before.

UNCLE DUDLEY.

Tax Relief Versus Public Spending

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. CRAWFORD. Mr. Speaker, the eminent gentleman from New York [Mr. BARTON] has recently suggested the one sure way to stage a prompt recovery while calling a halt on public spending, to wit:

> Cut taxes immediately. Instead of decreasing the deficit the first year, this might for the moment increase it.

But the gentleman from New York has failed, it seems to me, to consider sufficiently the dangerous situation which deficit pump priming has already reduced under deficits "borrowed" from the banking system. Smothering taxation, accompanied by extravagant subsidies of all kinds, have produced the condition fostered by subsidized interest rates that has been disclosed by the chart of farm prices, money supply, and income, which I presented before this House on May 4. Unless we systematize the gentleman's procedure for tax relief to make it check, as well as cause inflation, and change also to a system of demand deposits covered by full reserves to prevent "credit" inflation, we can have only a gamblers' recovery of runaway prices; and such a "recovery," it would seem, probably cannot be stalled off much longer. Without this divorce of money supply from bank loans, as proposed by Dr. Currie, we face assured instability from the "perverse elasticity" of the system. This was pointed out also by Professor Slichter of the Harvard School of Business, in his book, Toward Stability. That instability, that uncontrolled inflation, may bring recovery, but with it will surely come the attempt to dictate prices and control investment that spells fascism. Thus arises the subtle subversion of democracy and free enterprise foreseen by Dr. Goldenweiser, of the Federal Reserve Board's staff, early in the New Deal, when he thus expressed himself:

> I am firmly convinced that monetary control does not exist and that within the framework of our economic and political organization monetary control can never exist. It will not exist until such time * * * when the Government will control substantially all economic activity.

Mr. Speaker, new money must be issued, not by doles at the bottom of the system, but by tax relief to those whose incomes are in part available as taxes to support unproductive public spending, and therefore can and will be used in private productive investment and employment when released by remission of taxes. As long as public policy is based on the theory that public spending instead of tax relief for private spending is the only available expedient, it is assuredly inevitable that the Nation will be progressively engaged either in a fatal drift to communistic futilities or in boondoggling instead of in profitable production and trade. Since neither of these is feasible, Government squandering to "prime the pump" is a policy which finds itself in a dilemma, caught between the devil of depression and the deep blue sea of autocracy and bureaucracy.

WHAT IS CAPITALISM?

I want now to ask consideration for what seems to me underlying principles in the normal operation today, as always throughout human history, of the competitive capitalistic system. Let me say that while I hold no brief from Dr. Knight, of Chicago, and do not wish to involve him in the shortcomings of this presentation, I take my cue from my own business experience as illuminated by ideas which he has offered, particularly in criticism of Irving Fisher's presentation of the orthodox theory of interest and value.

A human economy can only operate capitalistically. Human economic values always represent estimates of future annual income accruing from the productivity of the asset being appraised, which is then capitalized as a fixed natural rate of interest to set the valuation. Capital, in other words—real wealth, not money—must maintain a net reproductive rate in excess of all amortization charges, including insurance against risk, of approximately 5 percent annually in order to be worth what it cost.

This dynamic process of maximizing productivity (income), estimating it numerically, capitalizing the resulting values at a multiple of 20 times the annual income, and adjusting antecedent costs to this appraisal—this is all so complex and speculative a procedure that its solvency can be assured only by the personal responsibility of ownership for the results attained. A free market choice should exist, free from price fixing by government; but it cannot be free from the stern realities of our existence and our environment as they fix the consequences of behavior. The profit and loss in property values resulting from reduction or elevation of expenses or productivity is a fixed multiple of resulting annual income. That is to say, any property is ultimately altered in value about 20 times as much as its annual net income is altered. This is true whether trading occurs or not.

It is thus obvious that errors in estimating incomes and resulting values may develop not only from individual lack of technical skill or knowledge but also from a social failure to use either a constant rate of interest or a common denominator of constant economic value in recording items of expense and production. Such a denominator and rate of interest cannot be selected arbitrarily for use but must be real economic constants naturally involved in the cumulative cost of all production as it is molded into property which can be owned and appraised. Obviously, a change in the numerical (monetary) expression of this real unit of cost or economic value, or a change in the interest ratio at which capital values are computed, will theoretically create a change in the numerical (monetary) inventory that is proportionate to the investment already attained in processing at the time of the change in the monetary denominator or in the rate of interest. Highly processed, durable commodities which do not have to be used up as fast as purchased will, therefore, become involved in capitalistic, speculative trading, resulting from interest rate and monetary changes, at prices which vary intricately in proportion to their durability and length of processing.

Thus the fixed, natural rate of interest is the fulcrum upon which all trading values, including natural resources, are balanced against their productive capacity per annum. The process of appraisal on this basis is and always has been continuous and dynamic, for we are always debiting the investment with the rate of interest and crediting it with the value of services obtained during the intervals of use. If this account fails to balance, the investment is recapitalized accordingly by all those who trade for pricing on the market. Investment thus never yields any continuous profit or loss above or below the rate of interest. It is always reappraised, not on the basis of whether or not it produces a net income—above or below zero—but on the basis of the net income as related to the rate of interest—above or below about 5 percent per annum.

When the Greeks used a word meaning "offspring" for what the romance languages came to call "inter-est" they had not fallen so completely under the spell of the money illusion but that they recognized that trading invariably proceeds on

this fundamental, reproductive precept in capitalization. Every attempt in history to alter it by lending of new money at depressed rates or at no interest has resulted in more or less disastrous hoarding and subsequent uncontrollable inflation. It has resulted, in other words, in a "business cycle." In my opinion, that is the way all this Government meddling with the lending of money will work out this time; and it is against this very contingency that the Federal Reserve Board has now warned the Congress that it does not have and cannot be given effective powers of control.

John J. Boylan

MEMORIAL ADDRESS
OF
HON. CHRISTOPHER D. SULLIVAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN J. BOYLAN, late a Representative from the State of New York

Mr. SULLIVAN. Mr. Speaker, it is appointed of every man that one day he shall die. This is the inexorable dictum of the great Master, and in fulfillment thereof in His infinite wisdom, our Heavenly Father set the day of October 5, 1938, as the appointed time when His good and faithful servant, my friend and colleague, JOHN J. BOYLAN, should be called to his reward.

It is truly meet and right that we pause on this day from the routine work of the Congress to pay tribute to the memory of those of our colleagues who have answered the final roll call.

Among those who have gone in the last year there was none so dear to me as JOHN BOYLAN. It was my privilege and pleasure to have known him for many years. We served as legislators in the State Senate of New York from 1913 to 1916, in which latter year I was elected to Congress. Our legislative paths again crossed when he joined me in Congress in 1923, where we labored together side by side until his death, which came all too soon.

For 28 years JOHN BOYLAN served the people of the district in which he was born, first as a member of the Assembly and Senate of the State of New York, 1910–22, and thereafter as a Representative in Congress from the Fifteenth Congressional District until his death.

Experience made him an able legislator, and he leaves to his memory an outstanding record of accomplishments and achievements in behalf of his constituents, unmarred by selfishness and unsullied by scandal.

His outstanding work during all his years of service was his labor for the erection of a suitable memorial in the city of Washington to the greatest Democrat of all times, Thomas Jefferson. He saw the fulfillment of his dream come true only after many years of hard work, for what should have had the whole-hearted support of the people of the United States met with much opposition from various and influential sources; opposition so powerful and so difficult to overcome that it took of much of his physical strength, racked his soul and body, and hastened him to his journey's end ere his eyes could rest upon the completion of the monument which he had enshrined in his heart.

As I speak these few words the memorial to Thomas Jefferson is fast taking shape. Like Jefferson, his hero, JOHN BOYLAN was a real Jeffersonian Democrat; and in the years to come this monument will stand not alone as a memorial to Jefferson but as well to the memory of JOHN BOYLAN, a stalwart American and a loyal friend. Peace be to his soul forever; may his family find comfort and solace in the thought that he has reaped the final reward which comes from a consciousness of duty well performed.

Royal Samuel Copeland

MEMORIAL ADDRESS
OF
HON. FRANK CROWTHER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROYAL S. COPELAND, late a Senator from the State of New York

Mr. CROWTHER. Mr. Speaker, the long and distinguished service rendered to his State and the Nation by Senator COPELAND is ended. His passing cast a shadow of gloom and sorrow over his vast constituency. In his senatorial capacity he rendered yeoman service not only to the 12,000,000 in his own State but in the role of statesman he contributed to the general welfare of the Nation.

On one occasion he said to me:

Dr. CROWTHER, I am afraid we are too much concerned with the material things of life in our legislative activities and lose the human touch.

That remark was indicative of his desire for progressive humanitarian legislation.

Possessed of a charming personality, he endeared himself to all who had the privilege of his acquaintance. A man of courage and integrity, he earned the confidence and respect of those who were associated with him during his tremendously busy life. Those of us who knew him best will miss him most.

Memorial Service for Robert M. La Follette, Sr.

EXTENSION OF REMARKS
OF
HON. ROBERT M. LA FOLLETTE, JR.
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Friday, June 23 (legislative day of Thursday, June 22), 1939

ADDRESSES BY THE ATTORNEY GENERAL AND HON. ALVIN C. REIS

Mr. LA FOLLETTE. Mr. President, on Sunday, June 18, 1939, the fourteenth annual memorial service was held at the grave of my father in Madison, Wis. A large number of people gathered to hear the address of Hon. Frank Murphy, Attorney General of the United States.

Col. John J. Hannan was chairman of the committee on arrangements. Hon. Alvin C. Reis, of the Wisconsin circuit court, introduced the Attorney General.

I ask unanimous consent to have the remarks of Judge Reis and the address of the Attorney General printed in the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS BY JUDGE ALVIN C. REIS, OF THE WISCONSIN CIRCUIT COURT

I shall not praise the speaker of the day unduly. I praise Wisconsin for his coming.

Many of us know Frank Murphy as a lawyer. We know him as a liberal—one who shares the views held by Mr. Justice Brandeis, by that late scholar Cardozo, by Felix Frankfurter and Bill Douglas. We know that he believes that law is not a formula; that you cannot put law into a strait jacket; that law is a living, moving creation; and that in the last reckoning the will of a people will make the law in its own image.

Most of us, however, know Frank Murphy not as a lawyer but as Governor of Michigan in 1937 and '38. We know that he caused to be enacted there several reforms well known to Wisconsin: A civil-service statute, workmen's compensation for occupational disease as well as industrial accident, and unemployment compensation. It is too bad that Governor Murphy did not have also Wisconsin's 1931 law regulating injunctions in labor disputes.

For it was in Michigan's 1937 labor strikes—which he handled, I may say, alone—where Frank Murphy faced his hardest problem and yet therein made his national reputation.

When Governor Murphy took office in January 1937 he inherited, to use his word, the sit-down strike of General Motors at Flint. That strike was settled. Then there broke out an epidemic of the novel sit-down strikes in Michigan, culminating in the serious situation in the Chrysler plants at Detroit.

The employers, it was charged, had refused to bargain under the National Labor Relations Act. Lower Federal courts had paralyzed the law. Labor took the remedy of self-help and established sit-down strikes in the factories of Chrysler.

Frank Murphy knew that the sit-down strike was not lawful. It constituted a trespass on the property of the owner. Frank Murphy knew that it was his duty to uphold the law. It is because he temporarily suspended the law—in consideration of higher ideals—that he suffered bitter denunciation by some elements in his State.

The sit-down strike went on for 10 days. Rumblings began in parts of the press and among some shallow-brained statesmen. "Throw the strikers out," they cried. "Call out the National Guard. These strikers are breaking the law."

To which Murphy responded: "They are not criminals. They are thousands of honest citizens. Of course they are violating the law, but in their own minds they believe that they are only defending their rights to stay in those factories until their employers will bargain collectively with them."

Then the rumbling against Governor Murphy rose to a roar. "He is spineless," they shouted. "Law and order are at stake. There is no compromise on the illegal possession of property. Call out the militia and police and shoot down these marauders of property."

To which Murphy replied: "If I send the militia against the strikers, there will be massacre."

There were 6,000 men and women on the sit-down strike. Thousands of other Chrysler employees were out on strike; 90,000 were on strike in Detroit; 20,000 strike sympathizers were gathered at Chrysler's gates. It is estimated that 100,000 might have been drawn into battle, if there had been a battle.

On the alert were 3,500 police and 4,500 of the National Guard—8,000 rifles and pistols—800,000 rounds of ammunition.

"Turn them loose," yelled the exponents of law and order. "Wipe out these rascals. Show them that property in Michigan will be respected."

But Murphy answered: "I shall settle this strike in peace."

Then came the injunction. A circuit judge issued a mandatory injunction ordering the strikers to vacate. He issued a writ of attachment calling for the arrest of the 6,000. He went further and ordered that unless the strikers evacuated by 9 o'clock on Wednesday a penalty of $10,000,000 should be collected against their "lands, goods and chattels"—that was the language of the order—$10,000,000 against the lands, goods, and chattels of 6,000 families, even though, so far as I know, they had not destroyed a penny of property.

Still the strikers sat. And for the first time they issued their official manifesto, and in these words: "We are resolved to protect our rights to our jobs with our lives."

Then the critics howled: "Murphy will not send out the guard to enforce the court order. He deserves to be impeached. He is a disgrace to law and order."

But Governor Murphy knew that there could not be both law and order. To enforce the law meant disorder, bloodshed, and riot. To preserve order meant temporary suspension of the law. Murphy had made his choice and he clung to it. A few days later the strike was settled—men and women went back to their work—and the wheels of industry rolled on.

And the beautiful city of Detroit came through that threatened reign of terror—Michigan came through that potential massacre and holocaust of death—employer and employee came through that likely living hell—without the sacrifice of one single human life.

Five months ago, on the floor of the United States Senate, when 7 out of the 96 Senators voted against Murphy's confirmation as Attorney General, one Senator declared that he was against him because he was the "symbol of opposition to law and order."

Another Senator made this statement, and I quote: "Bloodshed is necessary in the preservation of law."

Bloodshed is necessary in the preservation of law! I challenge that. Where in the law is the right to kill for trespass?

"Bloodshed is necessary in the preservation of law." That, on the floor of the United States Senate, which each noon offers prayer to Him who said: "Thou shalt not kill."

Men may criticize Frank Murphy, men may condemn him because he did not execute to the letter their man-made laws; but if in Heaven there be a God, that God today blesses Frank Murphy.

Let it be said to the credit of the employers of Michigan that it was not they who shouted the loudest to call out the militia and police. These employers did not want to see their property ruined in a pitched battle between tens of thousands. They did not want to see their faithful employees shot down in cold blood. No; it was the citizens' leagues, the pseudopatriotic societies, the self-appointed and self-anointed guardians of law and order. These called for war.

It is ever thus with bloodshed and war. It is not the man on the streets who wants war. It is not the man whose home and factory are to be looted who asks for war. It is neither the shedder of blood nor the one whose blood is to be shed who demands war. It is not the soldier in the trenches on either side who seeks war.

Let me say right there—and I believe I speak for Frank Murphy, who was with me in the Army in France; and I know I speak for hundreds of thousands of American boys who fought over there—when I say to you that, so far as is in our power, we will not stand for another war, unless it be a war of defense inside the boundaries of this America!

The irony of time! You applaud. Twenty-two years ago a great man of this State was hissed and branded traitor for no worse an utterance than that which you now applaud.

General Murphy, we in Wisconsin know how cruel and intolerant man can be to man. We know the calumny and condemnation that can be heaped upon the human head. But we know also how that head can be held high. Through it all—22 years ago—he never wavered, he never faltered, he never cringed. Here sleep the brave. God grant that he might come back today to help in this war-torn world. That prince of peace, that patriot of piece—the Robert Marion La Follette of 1917.

Today to the serene shrine of that immortal in the cause for social justice there comes a crusader whose colors still fly in the fight.

I present Hon. Frank Murphy, Attorney General of the United States.

This would not be the end of a perfect day if I did not say one word in memory of the brave woman who also is treasured by this ground.

She was his wife, his counselor, his comrade.

I did not meet her often, but when I did I realized that I had touched a brilliant mind, a noble soul—Belle Case La Follette.

ADDRESS BY HON. FRANK MURPHY, ATTORNEY GENERAL OF THE UNITED STATES, AT THE MEMORIAL SERVICES FOR SENATOR ROBERT M. LA FOLLETTE, SR., MADISON, WIS., JUNE 18, 1939

Someone has wisely said that it is characteristic of mankind for one generation to stone the prophet and for another to gather up the stones and with them erect a monument in his memory.

So it is with the great spirit who has brought us here today. Many of Robert La Follette's generation still live, yet it is largely true that not until after his passing has America come to realize how greatly it is indebted to him. Indeed, I doubt that we will fully know his worth until many more years have ebbed away and the picture of his deeds has been etched more clearly against the background of history.

The world would be the better for more leaders as militant and as clear of vision as Robert La Follette. But our thought today is not regret that his type is too rare. We are grateful, instead, that such men do now and then pass across the stage, leaving the common life richer than when they found it.

We live in a period of history when the future of civilization sometimes seems black. There are moments when pessimism threatens to engulf the thoughts of men.

But there were such moments, too, in the lifetime of Robert La Follette. And never once did he lose hope or faith. He did not know the meaning of retreat; he never took a backward step. There was no "last ditch" in his fight to make democracy more complete. A courage like tempered steel kept him driving ahead along the path his judgment marked out for him.

His attitude toward the war reflects that courage better, perhaps, than any other single thing he did. Having reviewed the facts as they appeared to him, he concluded that it was wrong for America to enter the war, and on that decision he made his stand. Nothing moved him from it even though he stood virtually alone in his position.

In 1918, when the flames of war were at their height, he conceived it to be his duty to speak out against profiteering in the materials of war. Friends went to him in the Senate and pleaded with him to be silent rather than offend public opinion. He said to them in reply:

"The children may live to see the day when sentiment will change toward me and what I am about to do; I never shall."

His words were prophetically true. Robert La Follette is gone, but today the principle he advocated so staunchly—that war should not be a source of financial profit—is being widely and favorably discussed in forums throughout the land.

Robert La Follette lived in a period when men were so obsessed with the idea of individualism that to mention human rights was to invite suspicion. Yet he feared not suspicion, nor calumny, nor the opposition of great power, and he made human rights his particular concern.

To him the workers of the merchant marine, of the Nation's railroads, and of the Federal civil service owe the first effective blows for the improvement of their lot. He advocated employers' liability, he fought for the prohibition of child labor, he made his stand against the harmful "speed-up" in industry.

Never turning, never faltering, he searched restlessly for new ways to lift up the common man and let into his life more of the sunlight of liberty. Nothing shook his faith in the people, nothing dampened his interest in their little problems that in the aggregate mean so much to all society. Because so many of his causes were unpopular with men of wealth and power, his battles never eased. He knew himself that much of what he was fighting for would not be attained in his day. But these things that dishearten so many ordinary men only challenged him to greater efforts.

The way he went about his work is an inspiration to everyone who has faith in the eventual triumph of knowledge and fact over the emotionalism of demagogues. "Ye shall know the truth," he said, "and the truth shall make you free." With the zeal of a scientist and the scholar's trust in facts, he acquainted himself in full with every subject which came within the scope of his public service. Mark Sullivan once wrote that Senator La Follette knew more about the intricate subject of taxation than any other man in official life.

It was because he kept himself informed and acted on the basis of his information that his enemies often resorted to ridicule rather than attempt to make reply. He was one of those rare figures in public life who followed not the politician's way but the way of the university.

It followed naturally from his devotion to truth that he could not be a partisan. His first desire was to know what was right in the light of the facts—what was actually best for the people. And in any conflict between such a course and a party measure he never hesitated to choose the former. "Partisanship," said one newspaper after his death, "was not in his make-up. Expediency he knew not of. He dealt in principles, principles that he believed would bring about equality of opportunity and justice in practice."

He stands out so boldly in our history as a force of justice and right that even if we did not know, we could not help feeling that this man could have done no dishonest thing. And, in fact, there was never a stain on either his private life or his official conduct. Dishonesty was a stranger to his conception of public service. He believed that for himself, he believed it for others. When the time came for the leasing of the Teapot Dome oil reservation his voice was the only one in protest, as so often was the case, and later it was his instigation that brought about the exposure of corruption.

To a degree equaled by few men in our history, Senator La Follette was the people's prosecutor against the powerful elements whose power depended on the maintenance of rugged individualism. But it is splendid testimony to his Americanism that he never fought in terms of class strife, never waged a campaign of hate. He had no desire to injure others; it was only that out of a tremendous compassion for the lowly he was determined to end, if he could, the abuses that weighed them down. Louis Brandeis, before he ascended to the Supreme Court, summed up his economic philosophy in these words:

"La Follette will have due solicitude for the needs of business, but he will never forget that business was made for man and not man for business."

Seen in relation to the gilded era during which he served, Robert La Follette's life is a thread of burnished gold. And if there was one thing more than another that gave it luster, it was, perhaps, his great devotion to democracy.

"The will of the people," he said, "shall be the law of the land," and in terms of that he made every fight. Once his objectives were defined, he fought to reach them with every ounce of strength at his disposal, but always it was through the institutions and processes of democracy. Because in his eyes the people's will was the law of the land, he did not retire when his fight against the declaration of war was lost. Instead, he remained on the field to back every measure for the support of the soldiers who went overseas.

It was only 14 years ago this day that Senator La Follette, "at peace with all the world," passed on to the great tomorrow. But those 14 years have left us with an America such as he never saw—an America that passed through the shadow and emerged more serious, more chastened than ever before; an America in which 10,000,000 of those whom he sought to lift up are now deprived of even the chance to work.

It is in times like this that men are tempted to find comfort and guidance by reflecting on what the patriots of an older day might do were they now alive. How would they appraise the great problems of the moment? What course would they have the Nation choose?

In the case of this man, whose vision history has proved to be so keen, it seems less a matter of temptation than of duty to ask what he would do in this hour of trial.

When we have not found ourselves the exact course that we shall follow, it is idle to reflect on what exact pattern of action would have been his choice. But on thing we can believe, and believe with reason: Robert La Follette would not, in this day, leave individuals to struggle alone against hopeless odds. He would insist, with all his fire and courage, that the agencies of democracy, the Government which alone can speak the thoughts of all the people, be used in the quest for stability in the industrial system. In the face of need among the unemployed and the aged, he would insist that Government interest itself in their security. In the face of needless disease and death, he would ask that Government help in the task of spreading wider the blessings of medical science. In the face of misery among those who inhabit the city slums and the country hovels, he would demand that the institutions of democracy enter the struggle for decent shelter. Himself pure of heart and a lover of freedom, he would insist that these necessary tasks be done, without the denial of one liberty, by public servants whose concept of their trusteeship allowed no traffic with corruption.

In speaking thus of what might have been, we deal with the hypothetical, but we do so with confidence. For when a man has given to the great spiritual idea of dignity in the human personality such an impetus as was given to it by Robert La Follette, we can only believe that he would stand today for this approach to our present problems which would carry that idea ahead. It could not be otherwise.

We are met not in sorrow but in gratitude to Robert La Follette for having lived in the way he did. And I am moved to believe that we could not pay our tribute better than by seeking, each of us in his own way, to follow the pledge written to him shortly after his death:

"With strength of hand and strength of soul, without sloth or sorrow, to build that vision which he saw and which he helped us all to believe is within the reach of mankind."

Business, Government, and the Economic Crisis

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, June 23 (legislative day of Thursday, June 22), 1939

ADDRESS BY HON. JOSEPH C. O'MAHONEY, OF WYOMING, JUNE 12, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the RECORD an interesting address delivered by the distinguished Senator from Wyoming [Mr. O'MAHONEY] at the National Catholic Social Action Congress in Cleveland, Ohio, on June 12 last.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It seems to me to be particularly appropriate that the National Catholic Social Action Congress should devote its attention to the manifold problems which arise out of the obvious maladjustments of modern economic life. I say it is appropriate for this congress, because both as Americans and as Catholics you believe in individual human rights, and the whole trouble in the modern world, here and abroad, arises from the fact that individual rights are being submerged by the very organizations which men originally created to advance those rights.

The simple failure to comprehend that in our time organizations of men have become more important than men themselves has been the primary cause of all the unemployment and all the misery and all the economic maladjustments by which we are surrounded. The anomaly which everybody recognizes and most of us talk about, that in the midst of plenty we are in want, is not the result of active malevolence on the part of groups or classes of men but of a simple failure to comprehend that we have moved out of the era in which our economic life was carried on by individuals within local boundaries into an era in which it is carried on by organized groups of individuals within national and international boundaries.

Oblivious of this change which progress itself has wrought, we have vainly endeavored to regulate the business of the new era by the methods of the old—a perfectly impossible task which has brought only disturbance and disaster in its wake.

This is not only the reason why men are without jobs the world over, though business organizations as such are prosperous; it is also the reason why in many lands freedom of conscience, as well as political freedom, is being suppressed. If you seek to know why, within 20 years after the "war to make the world safe for democracy," that ideal seems to be vanishing from the face of the earth, or why the belief seems to be growing that men have no rights which the state is bound to respect, you will find the reason in the centralism which has developed in economic life and which has brought about a progressive deterioration of both economic and political freedom among individual men.

THE RIGHT OF ECONOMIC FREEDOM

Just as man was created with a free will, he was created with the right to economic freedom. He was commanded to earn his bread in the sweat of his brow, and the same Providence which uttered the command placed at his disposal the unlimited resources of Nature to enable him to carry out the command.

The solution of the economic problem, therefore, is merely the finding of the formula which, in the modern world, will guarantee economic freedom to the individual in the face of the organizations which dominate and control his economic life.

Humanity stands, as it were, upon the threshold of the promised land. Science and invention are constantly developing new luxuries, new opportunities, new duties for men. Life is being prolonged, disease is being banished, education is being spread broadcast, the standard of living is constantly being raised, and yet in the midst of all this advance there is a terrible insecurity which condemns an appallingly large proportion of our people to misery and fear. All the advance of science is concentrated on benefits to the individual, but economic progress has lagged behind, making it impossible for the individual securely to enjoy the benefits which scientific progress affords.

The same forces which have enabled men by their collective genius to span the sea with the airplane, to penetrate the ether

with the radio, to live in a continent instead of in a county, have at the same time made it impossible for them to support themselves and their families by their own unaided efforts.

HOW THE TOTALITARIAN STATE IS PROMOTED

This is the condition which has promoted the totalitarian state. When men have been unable by their own efforts to earn their bread by the sweat of their brows, they have turned to government to do it for them, and as government undertakes to provide security for the body it takes away from men that freedom of the soul which is their inherent right.

But we shall have failed to understand the modern dilemma unless we realize that big government, by whatever phrase it may be denominated, is the direct, natural, and inevitable result of big business.

Let us trace the change which has taken place in America almost before our eyes. When this country was founded 150 years ago, business was local, industry was local, commerce for the most part was also local. The whole economic life of our people was carried on by individual citizens in their individual capacity and with their own individual resources. It was not until after the Civil War that business and industry turned to the collective assets of men for development. The most complex business organization of the first 75 years of our history as a nation was the partnership, but as steam and electricity became more common, as the radius within which a man could exert his power became greater, and more capital was needed to develop the wonders of science than individual businessmen or partnerships could supply, organized business appeared upon the scene in the form of the corporation. After the Civil War, slowly at first and then more and more rapidly, business organizations superseded individuals in the economic field.

This change began with the advent of the railroad, and finally, 20 years after the Civil War, the people of the country at last awakened to the fact that railroad organizations had become so great that the regulation of commerce in the public interest, which has always been recognized as a responsibility of government, could no longer be carried on by the States.

THE GROWTH OF FEDERAL REGULATION

The Interstate Commerce Act was passed in 1887, and the Federal Government entered upon its modern experiment in the regulation of business. From that time to the present the powers of Government have been constantly made broader, and though each new experiment of regulation is condemned when it is undertaken, once undertaken, it has never been abandoned. The reason for this steady expansion of Government power has been the steady development of centralism in the control of business.

The Sherman antitrust law, the Clayton Act, the Federal Trade Commission, the Radio Commission and its successor, the Communications Commission, the Civil Aeronautics Authority—all alike are the result of the desire of the great majority of the people to have some public authority to protect the freedom of individuals in the face of the growing concentration of business.

No responsible person would for a moment suggest that these efforts to regulate modern business in the public interest should be abandoned, and yet we are faced by the appalling fact, which we must acknowledge, that all of these efforts combined have failed to produce the results which were hoped to be derived from them. The farm problem, the labor problem, the industrial problem—all have become more acute instead of less acute as time has passed.

While it must be acknowledged that none of these problems has been solved, that we still have unemployment with us, and that farmers still are producing for less than the cost of production, the dispassionate observer must acknowledge that there is no hope of a solution of these problems by going back to the conditions which existed before the experiments were undertaken. In the midst of all of our imagined prosperity of 1928 and 1929 we had a farm problem and we had unemployment.

The fact that we still have them is not an argument for returning to the conditions under which they developed, but is rather a compelling argument for a cooperative determination upon the part of all of our people, in business and in government, in industry and on the farm, in commerce and in the professions, to unite in a spirit of mutual confidence and good will to look frankly at the economic scene and strive to develop the formula by which our system may be made to work.

THE TASK BEFORE THE ECONOMIC COMMITTEE

This is the task which the temporary National Economic Committee has approached, not with the intention of forcing any particular formula upon business or upon government, but solely for the purpose of studying things as they are to see whether or not the frank exposition of facts may not promote both public understanding and good will.

Ignorance, fear, and suspicion are the greatest obstacles to a solution. These are the elements out of which tyranny and oppression grow. They are foreign to democratic ideals, and in the degree in which they are absent from the American approach to the problem lies the hope of success.

It is a matter of great gratification to me that I am able to say, now that the committee has been at work for almost 12 months, that most leaders in business and in government sincerely desire to find a way which will enable our economic system to supply the needs of all while at the same time preserving individual freedom.

Sometimes I think that the great mistake in the past 50 years has been that each new law has been enacted from the point of view of punishing those who were deemed to be culprits rather than of helping those whose only object was to do the right thing. I feel that we shall make greater progress by concentrating our efforts on helping that 90 percent who want only that which is fair and constructive rather than on punishing the 5 or 10 percent who have knowingly engaged in vicious and antisocial practices.

There is a growing disposition among the executives of big business to recognize the responsibility of big business to the consumer and to the general public as well as to labor. Ample evidence of this is found upon every hand, and no one who studies the modern business scene can fail to recognize that our standards of ethics as well as our standards of industrial and commercial service have vastly improved.

The difficulty is that restraints of trade when committed by the large organizations of modern business are far more widespread in their scope and far more disastrous in their effects than similar restraints of trade when practiced by individuals in their individual capacities. It is more important now than ever in the history of mankind that business abuses which everybody knows to be wrongful should be abandoned. Public sentiment supports the idea that they should be abandoned; and it is my personal belief that we need only to build up mutual confidence between leaders of business and leaders of government to lay the basis upon which we may erect an enduring prosperity.

It is not helpful if business leaders have reason to believe that the leaders of government cherish feelings of hostility. It is not helpful if those who are charged with responsibilities of government have reason to believe that leaders of business are likewise hostile.

GOVERNMENT AND BUSINESS SHOULD BOTH SERVE THE PEOPLE

What we need most of all is a comprehension upon the part of both that government and business alike exist only to serve people. Government and business alike are organizations created by people to make it easier for people to enjoy life, liberty, and the pursuit of happiness.

Government is not an end in itself, nor is business. Kings and constitutions and corporations, too, are the creatures of men. Men are the creatures of God, and by Him endowed with the unalienable rights that both business and government have been taken away from them. In this fact we find the reason for all the economic and political turbulence of the modern world.

The same forces which were operating in the United States 50 years ago and which resulted in the passage of the Sherman antitrust law have been operating in Europe. Combinations in restraint of trade, known here as trusts, known in Europe as cartels, have closed the door of opportunity to the rising generation by restraints of trade and mopolistic practices which every student of government can well identify and with which every business executive and every responsible government leader is well acquainted. These restraints have been practiced by those who happen to have the power to practice them for the purpose of gathering to themselves more power and property than they actually need; and the bad example which they have set has been blindly followed by those who have sought merely to escape the effects of "monopoly."

Industry, for example, consciously followed the policy of restricting production in order to maintain price. Labor has preferred to go idle for months in the year rather than to endanger the scale of wages. And in agriculture we have adopted the same principle and are attempting to restrict production in order to maintain price, though we know that the market for all of the products of the farm would be vastly increased if the masses of the people were better able to purchase them.

MASS CONSUMPTION NECESSARY

When we realize that the economic system of the modern world is really built upon a luxury plane and when we begin to understand that mass production by big corporations can continue only if we have mass consumption, then it becomes increasingly apparent that the best market for industry is a contented people with a stable and sufficient income, and that the supreme need of the hour is to turn away from the philosophy of restricting production and embrace wholeheartedly the philosophy of increased production. Commodities are of no value unless they are purchased and used by men. We must undertake, therefore, first of all to make it possible for men to produce and to consume.

If we are to do this, we must also recognize that government and business have separate responsibilities. Business should not be permitted to grow so great that it becomes a private government, and when I say great, I do not necessarily mean to imply any limitation upon size but only upon the power to exclude men from the opportunity to work. On the other hand, government should not be permitted to become so great that it dominates the lives of individual citizens and prescribes limits to their freedom of action. The proper function of government is to preserve order and to promote the general welfare. The proper function of business is to carry on the production and exchange of commodities and services for use by the people.

When the abuses which produced the so-called trusts and cartels are not abandoned, the inevitable result is the growth of overpowering government. If there is one lesson which modern business should learn from what exists in the modern world, it is that arbitrary private power produces arbitrary political power. The great test for business and for government in America is that which will determine whether both in business and in government we have the courage to continue to be democratic.

MONOPOLISTIC PRACTICES SHOULD BE ABANDONED

Government should foster and encourage commerce, whether carried on by individuals or by the organizations which in the modern world are its necessary instrumentalities. But to be worthy of that encouragement, organized business should be content to ccoperate with Government in developing the formula by which monopolistic exploitation of the masses can be avoided. I should like to see taxes reduced so that business in its proper sphere, namely, in the production and exchange of commodities, should be encouraged. I should like to see free private enterprise rewarded by lower tax burdens, particularly upon those who provide opportunities for new employment. We need to do everything in our power to reward those who have the brains, the initiative, and the courage to create new opportunities for employment in the development of the unlimited resources which Nature has provided. This objective is not to be obtained by building up big government; it is not to be obtained by mere loans to industry of non-existent Government funds; it is not to be obtained by regimentation in the name of government. Neither is it to be obtained by the aggrandizement of self-sufficient business organizations which themselves regiment and exploit the masses.

If taxes upon business are to be reduced, business must be prepared to increase the participation of labor in what business produces. To do this it is not necessary to break up big business or to take a penny away from any wealthy person. It is only necessary to encourage small business and to preserve opportunity to every individual to engage in business.

Business must recognize the fact that labor is not a commodity like coal or iron to be used or abandoned as the exigencies of the moment dictate. When business becomes so great that it has outgrown State and even national boundaries, it owes a responsibility to the people as well as to itself to stabilize employment; for, after all, not even the most self-sufficient of our modern business corporations can permanently survive and make a profit unless the masses of the people have the employment that will enable them to purchase its products.

Finally, it seems to me to be essential that we must recognize the fact that corporations are not persons but are creatures of government. Corporations exist only because some government has called them into existence, and in every instance, theoretically at least, they are created for the public good. They have served that good, to be sure, and have rendered great service to mankind, but they have not stabilized our economic system. Great as our accomplishments may be admitted to have been, it must be acknowledged, however, that they have failed in the ultimate necessity of providing economic security for the masses.

This objective can be attained. Mankind which built the Pyramids in ancient Egypt, which cut the Panama Canal, which constructed the Boulder Dam, which is wresting every secret from Nature and making her its servant—mankind can use the agencies and instrumentalities which it has itself created to provide prosperity and happiness for all. There is but one thing needed—faith—faith in the integrity and the majesty of the human soul, faith in the ideals of democracy, to justify which before the whole world this Nation was brought into being.

Woman's Contribution to the Politics of the Nation

EXTENSION OF REMARKS

OF

HON. KENNETH McKELLAR

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Friday, June 23 (legislative day of Thursday, June 22), 1939

ADDRESS BY HON. JAMES A. FARLEY BEFORE KNOX COUNTY (TENN.) DEMOCRATIC WOMEN'S CLUB

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. James A. Farley at a meeting of the Knox County Women's Club at Knoxville, Tenn., on June 5, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am more than glad of the opportunity to give a political talk under the auspices of the Knox County Democratic Women's Club. For some reason that I am not able to analyze properly, southern folk have a very much warmer feeling for their political and patriotic shrines than we of the North appear to entertain.

This is particularly true of the people of Tennessee. And as a result of your keen interest in politics and the affairs of government, this great State has made an outstanding contribution to the leadership of the Nation and has played an unusual role in shaping the destiny of the American people. Only Tennessee could produce an Andrew Jackson, and let it be said to your everlasting glory that throughout the years you have lived up to the noble traditions of that immortal hero.

Not only does your delegation in the National Congress carry on your tradition of sending big men to Washington, but the Nation has reason to be grateful to your State for Cordell Hull, Secretary of State, who has done more for the cause of peace and amity between the nations with the reciprocity agreements he fathered than any Cabinet officer within my recollection.

It is but natural that I should feel quite at home in this atmosphere of Tennessee politics. And while I have been invited to Knoxville to give you the benefit of some of my observations in politics, I expect to learn a great deal more from you and from my association with you to take back to Washington a new inspiration to carry on the work of chairman of our great party.

When we speak of poltics we ought to have in mind the two different applications of the term. In one sense it conveys merely the partisan idea, the scramble for office, and that sort of thing. That kind of politics has little meaning and little influence on our national progress. Actually, politics, if it amounts to anything, should be just another name for patriotism.

There may be, and frequently are, two schools of thought in regard to policies to be followed by the Federal Government. The adherents of each school may be, and frequently are, as sincere as the followers of the other. The controversies ought to be confined to a discussion of the merits of the two ideals. That is true politics. The incidental clashes of personalities and charges and countercharges, the expedients of strategy, and the other phases which nowadays figure almost exclusively in the newspaper headlines, are merely the froth and steam arising from the basic problem of determining what is best for all the people.

From the beginning of our national life, there has, of course, existed the conflict between those who believed in an aristocratic form of Government—a Government handed down from above to the ordinary citizen—and on the other hand, the democratic theory that the people are supreme and that the only fitting government for a republic is that in which great wealth had no more authority than great poverty, and that in any disputed question of policy the will of the majority must govern.

Jefferson and Hamilton are contesting today, as they have since the foundation of the Republic, for the determination of the true course of our Nation's progress.

Whenever a measure is conceived in Washington for the benefit of the people at large, the cry goes up from the Hamiltonians that the Government is an enemy to business. It was so when Andrew Jackson crushed the power of the great private bank which dominated not only our early financing but which sought to usurp practically every other function of government. It was so when the antitrust laws were first put into effect. The pattern was followed when the Federal Reserve System was adopted, and it was shrieked from the housetops when the principle of the income tax was made the basis of our revenue system.

Nothing could be more absurd than the idea that this administration, or any other administration for that matter, is an enemy of business. No administration can be successful unless it struggles always for the prosperity of the Nation. That does not mean in all cases that it must enlist on the side of those who have amassed great fortunes and think that these fortunes should be increased without regard to the tens of millions of American citizens dependent on their labor for their daily bread. There can be no real prosperity in a nation made up of a handful of multimillionaires, with the great mass of the people so near starvation that their every day is a day of anxiety.

Great wealth can always take care of itself. It is up to the Government to do its best to help the men and women who through no fault of their own have no reserves of capital to tide them over the tragic misfortunes incident to hard times.

We do not make the charge that every rich man is a despot or a cold-hearted villain. The enormous charities and welfare foundations that have come from these vast accumulations would alone make such a charge unfair and absurd. But on the other hand, long custom has brought upon the great corporations a habit of considering the maintenance of a particular profit rate as the most important thing on earth. A corporation naturally feels bound to earn high salaries for its officers, and fine dividends for its stockholders. When the market for the corporation's particular product, for one reason or another, falls off, it feels bound to undertake economies; and the easiest economy consists in laying off the workers.

It may be admitted, however, that many of these corporations now would gladly continue employment and high wages. For, as businessmen, their directors have come to realize that they cannot increase the consumption of their goods unless there exists also the customers' purchasing power to buy these goods. But in the past it has been the almost invariable rule to let the greater purchasing power appear as an abstraction and to act on the pressing reality of passing on the burden of less prosperous times to those least able to assume that burden.

I am grateful tonight for this representative audience of intelligent, clear-thinking women. I have always gone on the principle that there is no difference in the mental processes of one sex and the other on public questions. The man who is threatened with the loss of his job is no less dismayed than are his wife and daughters. Indeed, the pain of such a disaster is usually more acute for the mother than for the father, more painful for the daughter than for the son. So I am talking to you tonight exactly as I would talk to an audience made up exclusively of men, with the full confidence that such arguments as I have to offer will be judged and appraised in precisely the same way.

In one respect I think that the patriotism of politics is more appreciated by the so-called weaker sex than by the male voter. One evidence of this is the sag of interest in the period between campaigns. In the heat and passion of an election year it is not difficult to arouse enthusiasm and make the voters sensible to the issue involved as to their individual interests or the interests of the country. But once the election is over, the majority of men appear to be willing to put away their political fervor, as they put away their blankets and heavy clothes in moth balls when winter is over.

The essence of successful party politics is that our entire population shall be made politically conscious. That is the only antidote for the evils that have resulted at various times in our past history from the domination of a relatively small group who made politics their business and whose ideals were perhaps not always of the highest. In making this statement I do not wish to diminish in the slightest degree my high regard and appreciation of the achievements of the party worker—the man or woman in the ranks to whose effort is due the efficiency of party organization. They do a fine and necessary work, and I take this occasion to express again my sincere thanks for the assistance they have given me throughout the Nation in every campaign since I have been the party chairman.

After all, the result of any political campaign rests with that great multitude whose political life lies in the zone between the two great parties. There never were enough regular Democrats in this country to elect a President. There never were enough Republicans, in the strict sense of the word, to elect a President. It seems to be a fact that the balance of power resides in that independent element of our population who have either the thinnest and most casual relationship to either of the parties or no relationship at all.

Campaigns start with the basic vote of the two parties reasonably matched. The object of a campaign comes down to persuading a majority of the neutrals to our own way of thinking—to convincing them of the validity and value to the Nation of our policies as compared with the policies of the opposition. If you keep this picture in mind, you will see how inadequate it is to think that, in the hurry and bustle of a short campaign, a nation can be aroused to the importance of the problems of government. Particularly is this consideration involved for the party of the administration in power.

The tactics and strategy of the opposition must always be to assail the administration.

The minority party is supposed, under the American system of government, to prove its capacity for leadership by the prudent use of the weapon of opposition while out of power. The people interpret opposition to mean something more than mere obstruction. If the minority wishes to prepare itself for the resumption of Federal authority, it should produce and train statesmen who have a program of their own and the ability to translate that program into reality.

Despite the surface optimism now showing in Republican ranks, the truth is that the party has woefully failed to produce a single leader of national dimensions, and no one knows that fact better than the Republicans themselves.

It is always easy to stand on the side lines and to offer advice and criticism to those who have been given a difficult assignment to carry out. Our Republican friends, of course, are quite unhappy. They have established themselves as Monday morning quarterbacks and bleacher managers. Ignoring the many fine things that have been accomplished, concerning which they find it wise to be silent, they point to the problems that remain and demand to know why they haven't been solved.

The obvious answer is, Why didn't they solve them when they were in authority? Every single sore spot that now troubles the Nation had its inception and grew to maturity in the 12 years of Republican misrule that took place before 1933. They had nothing to offer then as corrective measures; and they have nothing to offer now. They have not moved an inch from the position they occupied on public questions during the disastrous period of Herbert Hoover's reign.

The only statesmanlike leadership this country has known in our generation has come from President Roosevelt.

It is an old custom in politics, when a party wishes to cover up its own shortcomings, to manufacture an issue that will distract the attention of the public. This is a period of chaos and upheaval in world affairs, and the Chief Executive has been compelled to grapple day by day with foreign problems of serious magnitude. Civilization has been trembling at the fear of another general war. Every realistic person who is ready to face facts knows this to be true.

And yet only recently a distinguished Republican Senator, mentioned as a probable party standard bearer, gravely announced that the supposed crisis was merely an invention of the President to take the public mind off domestic questions. From other quarters the charge has come that the Chief Executive wants to lead us into war because he has had the courage to raise his voice against violence and international wrongdoing, a policy pursued by nearly every one of his illustrious predecessors in the White House.

I have known Mr. Roosevelt intimately for many years, and there is no individual to whom I would rather trust the safety and security of the United States in these dangerous times. During his term of office there has been a tragic war in the Orient, a war in Africa, a destructive civil war in Spain, and a number of border clashes that threatened to provoke a general conflict. In each of these instances American interests were involved either directly or indirectly. Yet the President, by his wise and skillful handling of these incidents, kept this country free of entanglement. Not a single American enlisted man has lost his life on foreign soil under this administration.

And as time moves onward, and the program of the Roosevelt administration is viewed in its proper perspective, the wisdom of the course pursued by the Chief Executive will be generally appreciated. He has kept the peace, he has diminished the menace of foreign aggression by rebuilding the Nation's defenses, he has given aid and support to agriculture, he has stabilized the banking system, and put a stop to reckless speculation with other people's money.

The reforms instituted by President Roosevelt will never be undone, because they are rooted deep in the American system of fair play and equal opportunity for all. We face the future confident in the knowledge that the great mass of people will continue to demand this kind of government in America.

Archibald MacLeish

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, June 23 (legislative day of Thursday, June 22), 1939

ARTICLE BY GLENN DILLARD GUNN

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD two interesting articles by Glenn Dillard Gunn on Archibald MacLeish.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MACLEISH CASE

(By Glenn Dillard Gunn)

Asked to confirm the appointment of Archibald MacLeish as Librarian of the Library of Congress, the lawmakers are baffled.

The man's a poet.

There is no precedent for appointing poets to important offices. In fact, a canvass of Congress doubtless would disclose little interest in poetry.

Having thus picked up two strikes on the way to the plate, Mr. MacLeish's position looks dubious. He is accused of communistic sympathies. Basis for this accusation may derive from his last book of verse. This, issued by the house of Harcourt, Brace & Co., New York, displays a series of doleful pictures of vagrants and sharecroppers, gathered by the Department of Agriculture, each the illustration of an accompanying poem.

At a moment when economy is the watchword of Congress, such active sympathy with misfortune may have been construed as indicating unorthodox leanings. Then the verse itself, its questionable sentiment quite apart, is puzzling. MacLeish calls it "sound track" verse, which connects in some mysterious way with his two recent radio plays, the Fall of the City and Air Raid.

While the cautious conservatives call him a Communist, the Communists disown him and assert that he is a Fascist, and the latter in turn describe him as a confirmed liberal. It's all very confusing.

However, the man is a poet. There's no denying that. He won the Pultizer prize for poetry in 1927. That's bad, even when it is remembered that the place he has been called to fill involves the direction of the Nation's cultural center and the world's greatest library.

The librarians, with one important exception, also regard this appointment with aversion. Their national association passed resolutions Thursday objecting on the grounds that he is not a trained librarian. The minority report comes from the great library of New York City, where the directors emphatically endorsed MacLeish.

At the Library of Congress there is a great official silence, which hides a feeling of general satisfaction. The department heads must not talk. But they may be permitted to point out that this Library is not as other libraries, being organized to serve other ends. It has its famous staff of specialists and consultants, its "chairs" occupied by celebrated authorities. A librarian of conventional background easily might disturb the machine which Herbert Putnam perfected in his 40 years of service. Dr. Putnam, before he left for his vacation in Maine, was severely noncommittal.

"I know Mr. MacLeish by reputation. I have great respect for his attainments. I have not met him." That was his comment, out of which neither the Dies committee nor the librarians will get much comfort.

MacLeish's friends in the Government service, like Dr. Putnam, decline to comment on a matter now before Congress. But they point to his background and describe it as one which makes the charge of communistic activities unlikely. Yale and Harvard, with a brilliant athletic record at the former university and with such

outstanding accomplishments in the field of international law at the latter that he was made a faculty member upon receiving his degree—this, they assert, is no recruiting ground for Lenin or Trotsky.

Still less communistic is his war record. He left Harvard to become captain of field artillery and saw service in France, where he remained some years. Returning to his native land, he became one of the editors of the newly organized Time-Fortune magazines. For Fortune he wrote no poetry, but discussed industry—steel especially—politics, South American relations, Japan, and the always more pressing subject of relief. While with Fortune he did not live up to the accepted picture of the poet. He never missed a deadline.

He resigned from Fortune, June 1938, to become curator of the Lucius W. Niemann Newspaper Fellowship at Harvard. Here his duties were to award fellowships to newspaper writers and guide their studies during their year at Harvard. He resigned this post to write.

Politically, his friends describe him as "a passionate American." He believes in democracy. He knows this land, especially the Southwest and New England. He has, they say, "the feel of the country."

MACLEISH WINS APPROVAL AS LIBRARY CHIEF—SENATE COMMITTEE REJECTS PROTESTS AGAINST POET'S APPOINTMENT BY PRESIDENT

(By Glenn Dillard Gunn)

After hearing final protests against the appointment of Archibald MacLeish as Librarian of Congress, the Senate Library Committee yesterday favorably reported his nomination to the Senate.

First poet to be nominated for an important Federal post, MacLeish was named as the successor to Dr. Herbert Putnam, who served 40 years as Librarian.

WIDELY QUOTED

MacLeish is the author of a widely quoted article published by Fortune Magazine in February 1935, in which he pointed out how the Library of Congress had been kept free from patronage spoilsmen although its staff is not covered by civil service.

The Senate Library Committee delayed action on MacLeish's nomination to hear protests from representatives of the National Librarians' Association. Spokesmen for the organization were Dr. Harry M. Lydenberg, director of the New York public library, and Harold F. Bingham, of the Louisville, Ky., public library.

URGED TRAINED LIBRARIAN

They argued for the appointment of a trained librarian as head of the world's greatest library, pleading that not only would this institution suffer under untechnical administration but the example would break down the tradition which prescribes trained men as heads of lesser institutions. They feared the return to a regime of political influences and untrained undesirables.

It is possible that their objections will be echoed on the floor, though the Senate has excellent reasons for exempting MacLeish from the category of untrained undesirables in which the librarians have listed him. These appear in that same article in Fortune, which has been described as the ablest summary of the Senate's history and of its growth to its present unparalleled power ever penned. Widely read and quoted, this article has done much to reaffirm the respect of Americans for their most formidable institution.

ESTIMATE OF SENATE

"The Senate," wrote MacLeish, "is at once a legislative body and a high court"—it is the only court that can try the Chief Justice—"an advisory foreign office, an advisory executive in appointments to high office and, in practical effect, a prosecuting attorney.

"There was once a President of the United States," he continued, "whose prestige was so great that Italian peasants made aisles of the streets to touch him as he passed. He was destroyed by the American Senate within a year."

It does not follow that because MacLeish has written justly and eloquently about the Senate that august body, in turn, must think well of him as its next Librarian. But, as MacLeish reminds us, "a Republican floor leader once wistfully remarked that the Senate rules (which Thomas Jefferson wrote) are predicated on the assumption that Members of the Senate are gentlemen," and gentlemen, of course, can be appreciative and grateful.

Young Democrats' Keynote Address

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Friday, June 23 (legislative day of Thursday, June 22), 1939

ADDRESS BY CHARLES H. SHREVE BEFORE YOUNG DEMOCRATIC CLUBS OF CALIFORNIA

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a speech delivered on May 28, 1939, before the Young Democratic Clubs of California by Mr. Charles H. Shreve, executive secretary of the Young Democratic Clubs of America. I have had an estimate made in accordance with the rule.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, distinguished guests, and fellow young Democrats: It is impossible for me to adequately express my pleasure at being with you today for your fourth biennial convention. I have been away from California a long time, and the greeting which my fellow young Democrats have given me on my return is something I shall never forget. But more than that, I am extremely happy to be able to be with you to bring you the greetings as well as to promise the whole-hearted support and cooperation of your national organization.

We in national headquarters are proud of the progress you have made in California under the able leadership of Richard Henneberry, Cecelia Bittner, Al Murray, Ed. Mattox, John Coleman, and a host of other devoted, hard-working, and unselfish young Democratic leaders. You have had very difficult problems to face, but you have met them with courage, determination, and good common sense, and are now well on your way toward the brilliant future which your hard work guarantees.

As the official representative of your national headquarters, it is my pleasure and privilege to bring you the sincere good wishes of your national officers. Your national president, Pitt Tyson Maner, has asked me to express his deep regret at his inability to leave the East at this time. He wanted very much to be with you so that he might personally thank each of you for the fine work you have been doing. However, he has asked me to represent him, and I can assure you that the national organization is with you 100 percent.

YOUNG DEMOCRATIC NATIONAL CONVENTION, AUGUST 10, 11, AND 12

At this time I want to extend to you a cordial invitation to attend our fourth national convention at Pittsburgh, Pa., August 10, 11, and 12. This will be the largest and best national convention ever held, and I feel sure every one of you will enjoy and profit by attendance at that affair. We will have practically all the national leaders of our party in attendance, and expect most of those who have been mentioned as potential nominees for President in 1940 to be there. Many of you will be delegates to the senior party convention and will benefit by this opportunity to meet and evaluate these persons of whom you read so much in the papers.

The city of Pittsburgh is planning a real welcome for our convention, and numerous entertainment events will make it well worth your while. Of course, the exchange of ideas and discussions of problems with leaders from all the other States will be of great value, and I know you will send a sizable delegation to Pittsburgh. One of the States has already advised us that they will send approximately 2,000 delegates, so I feel no hesitancy in assuring you that this convention will be the best we have ever had in point of attendance as well as in constructive work leading to another great Democratic victory in 1940.

Incidentally, I have heard of some most remarkable untruths spread by persons seeking to disrupt your organization, and I want to state here and now that there is no foundation in fact for any of them. Your organization is officially recognized; it is the only official organization in California and there will be no other. Our national committee meeting at Richmond last March, which settled the question of chartering a California organization, was the best attended national committee meeting that has ever been held except for the ones held during national conventions. You have been told that there were only a handful of members present and that the decision to issue the national charter to Richard Henneberry was made by the use of a great number of proxies. This is absolutely untrue as there were 38 national committee members present at Richmond when the national committee voted 38 to 0 to take such action. More than 40 proxies on file were not used or the total vote would have been that much greater. You may rest assured that the charter question is settled. You will continue to be the only recognized organization in California, and only delegates and alternates from your organization will be seated at the national convention at Pittsburgh.

You have also heard all sorts of rumors about your national organization emanating from the same sources. I understand that some persons have said that we are anti-New Deal, anti-Roosevelt, reactionary, and a great many other things. I want to state here and now, officially and unequivocably, that the Young Democratic Clubs of America stand squarely behind, wholeheartedly endorse, and vigorously support our greatest Democratic President and unparalleled leader, Franklin D. Roosevelt.

As an official branch of the Democratic National Committee we are a hundred percent for the administration and will always so remain.

Now you have been told by the same rumormongers that your national organization is secretly behind Vice President Garner or Governor McNutt, or other potential candiates for the nomination in 1940. I have come a long distance and want to take you into my confidence on this very important matter. I trust there are no representatives of the press here because I am going to tell you in strict confidence whom we are supporting for the democratic nomination in 1940. The Young Democratic Clubs of America are supporting now, have supported in the past, and will support in the future absolutely no one.

Our national constitution provides explicitly that "we shall not endorse or support the candidacy of any person for public office prior to nomination." We must and shall support with an aggressive campaign the nominee of the Democratic Party whoever he may be. This clause in our national constitution has never been violated and will not be violated now. All reports you may hear to the contrary are wholly untrue and are made for the purpose of creating dissension in your ranks.

As a matter of actual fact, your national officers feel that no sensible person in an official capacity can even make a personal choice until President Roosevelt announces his position on this very important question. Consequently, I want to stop for once and for all these ridiculous rumors that your national officers or your national organization favors any of the persons named as possible candidates for the nomination.

Speaking to you today is rendered somewhat difficult, because I cannot come before you and suggest any "cure-all" for the problems which face you. Every young democratic organization in the country faces serious problems, and no two are identical. Your success in bringing together this great gathering from all parts of the State makes it apparent that you are wide-awake and on your toes doing constructive work for the Democratic Party in California under the distinguished leadership of Senator Sheridan Downey and Gov. Culbert Olson. I feel sure that the service you have rendered the party in the past and the greater service you are prepared to render in the future, merit and will receive the full support of all the party leaders in our great State.

I fully realize that each State and each local club finds problems peculiar to its locality. We cannot create some set formula for solving these problems. I want to assure you, however, that national headquarters are at your service at all times, and that we shall deem it a real privilege to assist you in specific matters if you come to us for help or advice.

THE PROBLEM FACING YOUNG DEMOCRATS

We Young Democrats have an increasingly responsible part to play in the future of our country. America today is engaged in a conflict as far reaching in its implications as any which our Nation has ever known. Once again, as in the earliest days of our country, it is up to the young men and young women, too, to lead the way in the never-ending fight for progress.

The myriad complications of our national life, aggravated by our phenomenal industrial development and the absence of more free land, which formerly solved our problems of unemployment and maldistribution, combine to present a problem which all too many of our people are willing to admit is insoluble. The vitality of youth, our freedom from the fears and prejudices which bind the older generation, our faith in the elemental soundness of our system of government, and our eagerness to battle the forces of greed and oppression are the tools with which we can work out the destiny of our country and insure for posterity the finer, cleaner, fairer democracy, with a more just and equitable distribution of prosperity which is the goal of our inspired leader, Franklin D. Roosevelt.

No one in America is so deeply concerned in the reforms made and proposed by this administration for the preservation of democracy, liberty, and human rights as are the young people of America, for these reforms necessarily determine the future of our country, and that future belongs to us. What this country will be in 20 years means little to the man of 60. It means everything to you and to me, for the average man of 60 will be gone and we will be here to suffer from or to profit by the results.

There is a situation confronting the world today which should be of paramount interest to every citizen of the United States and which has aspects of particular significance to every Young Democrat. There is a spark burning now in Europe which at this very moment threatens to explode into the most devastating conflagration which this world has ever seen.

We in America are prone to sit back nonchalantly, with a false sense of security and a feeling of gratitude that we are not involved. We are particularly grateful for the vision and the wisdom of our great President, who, while bending every effort to see that our country shall not be involved in war, has set a magnificent example for the world in trying to preserve peace. But if we feel safe because the scenes of battle will be centered thousands of miles from our shores, we are indeed filled with a false sense of security from which it is high time we should be aroused.

More is at stake today in Europe than the territorial integrity of any nation, or problems of any nationalists domiciled in a foreign country. It would be wise for every Young Democrat to pause and consider the greater problems which may, unfortunately, doom the Old World again to the horrors of war.

We in America are all too willing to accept the blessings of peace and liberty without considering from whence they flow. We are all too prone to forget that the freedom of which we are so proud is our heritage from those brave leaders who in 1776 risked their lives and all they held most dear to create a new concept of liberty and of human rights and a new form of government.

As Lincoln has truthfully said, "The world has never had a good definition of the word 'liberty'—we all declare for liberty, but in using the same word, we do not mean the same thing * * *." To one man, liberty may mean anarchy, the right to do as he pleases, subject to no law, human or divine. To another, it may mean no freedom of tongue, or pen, or action, save such as is granted by the beneficent act of a government to whom every knee must bend.

To an American, however, it means something more. It is no mere abstraction, but is a part of his very birthright. Liberty means to us freedom of spirit, economically, politically, and religiously, for all, under a government of law. It is not merely liberty to eke out an existence ordained and directed by the fiat of a dictator, whether that dictatorship exists in the person of one man or a dozen men; whether it be a political dictatorship, or an economic dictatorship, or a combination of both.

Our form of liberty exists under the law as it springs from the aspirations and desires of a free people, in a free country under a free flag. This is the liberty for which our country's founders fought, and it is the liberty for whose preservation we must ever be on the alert. It is the liberty upon which the strength of this American Government is founded and which our people are firmly determined to maintain.

It is not the liberty of the few to exploit the many, nor the liberty of the privileged to order the fates of the millions of people merely because a generous government permits them to acquire and possess great economic wealth and power.

Six years ago the American people rededicated themselves to the idea of liberty established by the founding fathers, and in a peaceful revolution restored to themselves the authority and control of their Government, which had drifted away into the hands of an economic dictatorship.

The man through whom all this was accomplished, who revived stricken hope, who drove from the temples of business and finance and out of the halls of government the abuses which had throttled the liberty of the people, was hailed as a liberator—and rightly so. We can never overestimate our debt of gratitude to our great President, Franklin D. Roosevelt.

ALL DEMOCRACIES ON TRIAL

Today there is a challenge to democracy and to the adequacy of our form of government, which is more serious than the economic dictatorship of Wall Street to which this country bowed until 1933. Every democratic form of government in the world today is on trial before the challenge of dictatorship. Freedom, as we know it, has been banished from country after country of the Old World. Freedom of speech, freedom of press, freedom to worship as one pleases, cannot exist in the totalitarian state. All those things which go to make up our definition of liberty have been taken from the peoples of some of the greatest countries of the world.

It is high time that we realize that there is significance in the events in Europe for the people of America, and learn from the lessons taught there how we may best preserve democracy here.

The meteoric rise to dictatorship of autocrats, nay, of tyrants, in one country after another in Europe, may seem to many of you to be very remote from the American scene. But, I warn you here today, that unless we study the problems which have confronted the nations of Europe and profit by the lessons which they have failed to profit from, our democratic form of government of which we are so proud cannot long endure.

We must not forget that each of the nations of the world has had depressions similar to the one which followed our crash of 1929. In some countries the depression has been of long standing; in others it came more nearly at the time of our own. In every country of the world the maladjustments in the distribution of the products of labor have caused labor parties to rise and have brought on problems of relief comparable to our own. Only a few of the democracies of the Old World have survived the terrific upheavals caused by economic depressions. Most of them have utterly collapsed, to be replaced by dictatorships whose destruction of individual liberty is as complete as it is ruthless.

Many of you have marveled at the amazing rise of this or that dictator and have freely predicted that no oppressor would be long tolerated by a people accustomed to freedom quite comparable to our own. Today we must face the fact that the people of many nations are not discontented with their totalitarian governments but follow in the main wherever the will of their leader chooses to take them. We are forced to concede that the former democracies of many a European state are gone forever, and that the people, having sacrificed their liberty in an effort to gain an advantage over their neighbor in solving their economic woes, have completely surrendered all those things we hold most dear. There is no freedom of speech, no freedom of press, no freedom to worship according to the dictates of one's own conscience, in three-fourths of Europe and Asia combined.

Pause for a moment to consider that.

More than a billion men and women—men and women like you and me—who treasured the freedom of thought and action they possessed in varying degrees, have relinquished every vestige of liberty, every trace of freedom for a mere shadowy promise of an economic security which their despots can only achieve for them at the expense of their neighbors.

IT CAN HAPPEN HERE

You may say, "It can't happen here." I want to warn you, it not only can happen here but it will happen here if a militant, determined citizenry does not aggressively fight for the preservation of our democratic form of government.

There are organized forces already at work in our country spreading propaganda with which they hope to force us to change our whole form of government and adopt either communism or fascism in place of democracy. Be not deceived. These forces are powerful, clever, adequately financed, and are boring from within in a thousand different manners. We must be alert and learn to recognize the symptoms of their underhanded work, for they are laying

the ground work which at a strategic moment may be used to attack our very Government itself.

There is no danger of a dictatorship under Franklin D. Roosevelt. He fully recognizes that the principles of freedom, liberty, and equality upon which our Nation was founded would be lost forever if we swung to either extreme—fascism or communism. He has been masterfully steering a middle course, and has secured for us long-needed reforms without endangering the form of our government or allowing us to drift to either of these unwanted extremes.

But we must face the fact that we will not always have Franklin D. Roosevelt to lead us and show us the way in this, the most difficult problem which besets the democratic governments of the world today. We cannot depend forever upon his benign guidance, and it is up to the Young Democrats, to whom the future of our country is so important, to assume the burden of protecting our form of government here and now.

If war should come in Europe, and God grant that the means has been found to avoid it, you may be sure that a victory by the totalitarian states will leave them with a lust for power which will be a very real danger to the remaining democracies of the world. In such an event, we must be thoroughly prepared to resist far more aggressive campaigns of propaganda and un-American activities than we have seen to date. The young people of America and the Young Democrats of America, because they are more actively interested in the welfare of their Government than any other group of young people, must protect and preserve the liberty which is our birthright under a democratic form of government.

This is my message to you Young Democrats of California and to Young Democrats everywhere.

Look carefully around you. Learn to recognize the insidious infiltration of alien propaganda when it first rears its ugly head in your community. Stifle the small beginnings of the monstrous system which promises false economic security in exchange for all the liberty and freedom which are yours because of a hundred and fifty years of valiant effort on the part of the great men and women of the United States. Search out these foreign "isms" and groups in your own neighborhood and expose them for what they are, so that there may be no foothold here for the forces which have brought war and destruction today to so much of the world. It is your task and mine to preserve the blessings of democracy for ourselves and our posterity.

Our great national chairman phrased this problem better than I can when he addressed us last summer at our national rally in Seattle. He said:

"There are black reactionary forces in America, blind to everything but their immediate personal profits, who do not have foresight enough to see that the preservation of democracy and human liberty demands, through necessary reforms, the solution of the human problems of the mass of the people.

"If democracy is to be saved, if capitalism is to be preserved, we must set our house in order politically, socially, and economically—and that is a program dictated by the highest conservatism.

"You to whom tomorrow belongs want to preserve for your own happiness and that of your children the liberties and human rights, based on justice and fair dealing, that can exist only under democratic institutions; and democratic institutions cannot be preserved in these revolutionary times unless they are made to function.

"I believe that all young men and women can follow a fighter like Roosevelt, who fights with a smile, and keeps on fighting until the victory is won. He is fighting to make America the America of which our fathers dreamed; an America of liberty made supreme by the law; an America where justice reigns and privilege is dead; an America of social justice, where every man who does his part can live his life in a happy state of security; where farmers can own the soil they till and profit by the harvest of their sowing; where workers can work under decent conditions and receive a sufficient wage to live in comfort; where banks are safe and securities bear upon their back the stamp of their authentic value; where employers and employees recognize their equal responsibilities and rights as copartners in the service of society; where slums have been wiped out and the poorest live in wholesome quarters; where the natural resources that God gave are put to work in the service of all the people—a land safe from fascism, communism, and plutocracy and dedicated to liberty and democracy. That is what Roosevelt is fighting for."

And for that the young people of America are prepared to fight with him.

I thank you.

The United States Secret Service

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 22, 1939

Mr. COCHRAN. Mr. Speaker, I should like to call the attention of this House and to the country to the approaching seventy-fifth anniversary of the United States Secret Service, which will be celebrated on July 2. This splendid agency of government, widely known and respected by those with whom it comes in contact, has an impressive history running back to Civil War days. Year after year its chief appears before the congressional Appropriations Committee, describing the work of his organization, and explains his need of money to carry on this work. But very little more than this is known to many Members of Congress. As we consider immediate problems of the Service each year, we lose sight at times of the rich background.

The Secret Service is directly responsible for saving the American businessman many millions of dollars each year, as it successfully prevents the counterfeiter from debasing the currency of our country. Its efficiency in detecting the operations of counterfeiters before they succeed in flooding the States with bad money has further resulted in savings of immense sums to merchants and other citizens in the United States.

Since 1901, this Treasury Department agency has been charged with protecting the President of our country, the person elected to be President, and members of the President's family. To the quiet competence of this Service, we owe the every day safety of our Chief Executive.

The Secret Service guards our money, billions of dollars of which are on hand, ready to be issued. In the vaults of the Treasury are billions of dollars in securities, for the protection of which the Secret Service is responsible. Its work has steadily grown since July 2, 1864, when the Civil War organization of General Baker, provost marshal of the War Department, was taken over by the Treasury to form the nucleus of a body which has developed into the Secret Service as we know it today. General Baker's unit had been created by President Lincoln, to deal with investigative problems arising during the War between the States.

The entire country at that time was flooded with both counterfeit currency and worthless bank notes, creating a condition of business chaos that demanded immediate and thorough enforcement of the law. It was said by reliable observers of the period that every third bank note involved a loss for the person accepting it. This state of affairs during the 5 years immediately subsequent to 1865 was entirely eliminated through the activity of the newly created United States Secret Service, conclusively establishing the integrity of the national currency, which has been maintained through the years.

The protection of this country's financial obligations has been so adequate that at no time within the past 75 years has there been any interruption in the ordinary flow of currency to the banks of the United States or to the public. This is an enviable record, of which the Secret Service may be justly proud, and for which we may rightfully commend it.

During its early years this Service was the general law-enforcement agency for the Federal Government, lending its trained investigators to the departments and bureaus which had need for them. These agents participated in the important investigations which broke up the infamous Whisky Ring, the Louisiana Lottery, the Beef Trust, the sugar-fraud cases, national-bank embezzlements, naturalization frauds, and many cases involving land grants in the Western States.

At the outbreak of the War with Spain, the War Department called upon the Secret Service to suppress the activities of foreign agents operating in this country. Probably the most important case during this war was handled almost entirely on Canadian soil. Spanish spies were recruited by a member of the Spanish Embassy in Canada, and sent to many points of the United States, reporting directly to cover addresses in Canada. The Secret Service broke up this enemy activity, arrested almost all the agents sent into our territory, and eventually secured enough evidence to convince the Canadian authorities that the Spanish diplomatic officials there were violating Canadian neutrality laws, resulting in their deportation and entirely suppressing the Spanish spy ring in North America.

During the Spanish-American War, the Spanish Government acted largely without accurate information, while this country, on the contrary, was fully informed of the proposed

operations of the Spanish Army and Navy. As an example, the decision of Spain to fight a naval engagement off the Philippines was known to our defense forces 3 months before it occurred.

Before the entrance of this Nation into the World War, saboteurs began to injure and destroy the vessels which were sailing to European ports. The Secret Service was instrumental in locating the responsible agents directing this destructive activity. The work it so brilliantly performed may be best illustrated by an example showing the high caliber of the personnel engaged.

In exposing these plots, its investigators found that Dr. Heinrich F. Albert was the most dangerous representative of an alien power within our borders. Prolonged inquiry disclosed that he received no less than $27,000,000 from his government during the period 1914–17 to hinder operations in munitions factories and encourage sabotage, his actions in general outraging the neutrality of this country.

On July 24, 1915, an agent of the Secret Service trailed Dr. Albert, secured possession of a brief case belonging to him, which was found to be crammed with incriminating evidence of all kinds. These papers showed that Dr. Albert expected to control and influence public opinion by purchasing newspapers and establishing news services; that he expected to publish books, to invade the Chautauqua circuit by professional lecturers, and to finance motion pictures which would improperly influence our citizens; that he expected to hinder operations in munitions plants; that he expected to corner the supply of liquid chlorine used for poison gas, to keep it from reaching his nation's enemies; that he expected to acquire the Wright Aeroplane Co. and its patents and use them for his country's interests; that he expected to cut off the American supply of cotton being shipped to enemy nations; and that he expected to organize a movement to put an embargo on shipments of munitions.

A prominent publisher, a compatriot of Dr. Albert's, said:

> The publication of the Albert papers was a catastrophe * * *. It was a veritable nest of intrigue, conspiracy, and propaganda that reposed placidly in Dr. Albert's portfolio. The inner workings of a propaganda machine were laid bare. The loss of the Albert portfolio was like the loss of the Marne.

I believe that this is the first time that the attention of the Congress of the United States has been called to the fact that the seizure of the Albert papers was the work of the United States Secret Service, and not the work of espionage agents of our later Allies, as was commonly reported at the time. As a matter of fact, the New York World was given the Albert papers in confidence by William G. McAdoo, then Secretary of the Treasury, who requested that the information be printed, but that its source be withheld; he did not reveal the circumstances surrounding this case until the publication of his memoirs, Crowded Years, in 1931.

Following the World War it became necessary for the President of the United States to attend the meetings held at the Versailles Peace Conference. It was the responsibility of the Secret Service, as it has been since 1901, to protect the President while making what was then an unprecedented departure from tradition. The arrangements and routines built up through the years were put to the test, resulting in a safe journey by the President to France and return.

Before and since 1919, Presidents of the United States have traveled hundreds of thousands of miles, every mile of which has been inspected by Secret Service agents before being traversed by the Chief Executive. In this work, the Service has always secured the most wholehearted cooperation from State and local law-enforcement agencies in carrying out its responsibility of guarding the President and his family. Even on his shortest trips the President is always accompanied by a well-trained group of Secret Service agents.

More than once Congress has called upon the Secret Service for assistance, notably in what is known as the Teapot Dome case. The discovery of this oil fraud was made by Congress. The investigating committee of the Senate conducted the inquiry, but much of the investigation through 2 years prior to the trial of the case was performed by the Secret Service under the direction of a special counsel, without any knowledge of its participation leaking to the public. Had it not been for a Secret Service agent who took the numbers of Liberty bonds in a New Mexico bank and mailed the list to himself at an address in a nearby city in order to prevent its recovery from him, the confessions of the conspirators would not have been secured. It took months of patient work on the part of Secret Service agents to trace these bonds from the time they left the Treasury Department until they reached the account of the Continental Trading Co. of New York and Canada, which evidence led to the collection of millions of dollars in income taxes from members of this syndicate.

While there are thousands of interesting cases in the files of the Secret Service, probably the most remarkable in the history of American law-enforcement agencies was "Count" Viktor Lustig, whose criminal career the Secret Service definitely ended in 1935. From 1907 until 1935, Lustig had thieved, embezzled, and operated confidence games and swindles in almost every State in the Union; at one time he was wanted by 42 different law-enforcement agencies, but managed to escape prosecution and conviction by every one. His mistake came when he decided that counterfeit money offered him greater rewards than his previously profitable confidence games. In association with William Watts, a photoengraver, Lustig produced more than a million dollars in counterfeit notes, and built up a distribution system which became the outstanding problem confronting the Secret Service investigators for more than a year.

Eventually, careful tracking located Lustig in New York City and Watts at the counterfeit plant in New Jersey, where a goodly portion of his counterfeit notes were seized before they could be placed in circulation. This man had been responsible for the suicide of victims of his confidence games, his criminal schemes caused the Secret Service to arrest and convict more than 400 passers of his worthless product, but finally, he was lodged in Alcatraz Prison, there to serve a sentence of 20 years.

The removal of Viktor Lustig, the master counterfeiter, immediately resulted in a great saving to the merchants and businessmen of our country; if he had not been caught at the time, his limitless ambition to flood this land with counterfeit currency would have succeeded.

Although Lustig was placed in prison some 3 years ago, the Secret Service is still engaged on cases growing out of his activities, and as late as April of this year, Frankie Parker, a well-known Chicago gangster, and accomplice of Lustig, was convicted for possession of $20,000 in counterfeit notes of the Lustig manufacture. These notes Parker had buried on a Chicago golf course. A secret map, the key to which was known only to a few people, after being decoded by the Secret Service, provided the information necessary for locating this cache of counterfeit notes. The seizure of these notes prevented their later appearance in the hands of passers and a consequent large loss to merchants.

A little-known but long-considered policy of the Secret Service has been its feeling that the protection of the currency of the United States is primarily a preventive job, and the agents strive very successfully to learn the intentions of counterfeiters long before their products are put into circulation. This policy was adopted early in the history of the organization, and to this day it is unchanged. It is only because of the never-ceasing preventive work of this Service that the currency we receive from day to day is genuine and not the product of an unconscionable counterfeiter. I have made inquiry and find that the chances of any citizen's receiving a counterfeit bill in a lifetime are exceedingly remote. This was not true during the Civil War, nor is it true today in many parts of the world, but it is true today in the United States.

Literally thousands of cases reflect the efficiency of the Service. Here is a typical one: In 1935 Peter Terhorst, an alien, was released from Lewisburg Penitentiary, where he had served a term for counterfeiting. He was deported, but

later smuggled himself into this country. In 1938 he renewed his counterfeiting activity, employing the most painstaking devices to conceal his operations, even from his closest associates. None of the criminals to whom he distributed the notes for sale even knew where he lived, and the plant which he had built was more thoroughly concealed than his home. His product was exceedingly deceptive, and passers experienced little difficulty in deceiving merchants and businessmen inclined to be careless in handling currency.

Before the circulation of Terhorst's notes had reached excessive amounts, agents of the Secret Service investigated and identified Terhorst as "the Dutchman," the successor of Watts, the partner of Viktor Lustig, the associate of criminal groups in New York, which made a business of handling not only counterfeit notes but were also engaged in other criminal activities. A printing establishment was bought by Terhorst, with the expectation that he would turn it into a fully-equipped counterfeiting plant; but before he could begin operations, Treasury agents raided the plant. He secured bail and failed to appear in court. Later, after several months of intensive investigation, he was again apprehended; his counterfeit plant, his plates, and all of his equipment were seized, together with $75,000 in cleverly executed counterfeit notes. Terhorst then made a confession involving his associates. He testified against them and the criminals who distributed his product. Within the last month all the members of the group were convicted.

Within the past 9 months, in New York City alone, substantial convictions and sentences have "salted away" more than 25 manufacturers and distributors of counterfeit money in the United States. With their elimination from the counterfeiting scene, the Secret Service can devote more time to its preventive campaign against counterfeit money.

Within recent weeks the State Department, in preparing for the reception of Their Royal Majesties the King and Queen of England, called upon the United States Secret Service for cooperation. The long record and successful experience of the organization in guarding the President of the United States had fully demonstrated that these agents were capable of handling the heavy responsibility involved in safeguarding the sovereigns of a friendly nation. The arrangements which were made by the State Department and the Secret Service for this historic visit began even before the King and Queen left England and continued until they had completed their tour of the United States and returned to Canada. The magnitude of this task was clearly demonstrated by the great throng gathered in Washington for that occasion. The enormous crowds which came to do honor to the royal visitors were orderly at all times. The United States Secret Service did not allow the protective work to become obtrusive, either to the people who had come to see the King and Queen or to the royal visitors themselves. After the successful completion of this assignment, it is worth while to note that the efforts of the Secret Service received high commendation from many sources. Chief Constable Canning, of Scotland Yard, who accompanied Their Majesties, wrote a letter on June 15 to Chief Frank J. Wilson, extending his congratulations "on the very efficient and effective manner in which the Secret Service protected Their Majesties during their visit to your country."

All these and other accomplishments of this Service are due to the high standards maintained and fine type of men employed. Applicants are subjected to rigid investigation. Those appointed must measure up to the highest qualifications and undergo long and arduous courses of training to fit them for their work.

The present Chief of the Secret Service, Mr. Wilson, has been a leading investigator for the Government for over 20 years. Prior to his present assignment he was with the Intelligence Unit of the Bureau of Internal Revenue, being the special assistant of Chief Elmer L. Irey in the investigation of the Linbergh kidnapping case, and also in the Al Capone case. It was the Intelligence Unit that insisted on recording the numbers of the ranson money as well as using gold certificates to enable easy identification.

Much credit for the organization's reputation today is due to the quality of leadership under Chief Wilson and Assistant Chief Joseph E. Murphy, men of long experience in law enforcement.

During the year just completed, the Secret Service established an all-time record for arrests and convictions, as well as for substantial reductions in the amount of losses to merchants through the acceptance of counterfeit money. This latter achievement has met with widespread applause from press and public alike.

The Service is not only concerned with the arrest of lawbreakers but has instituted studies in cooperation with the Bureau of Prisons, looking toward the rehabilitation of those unfortunates whom it has arrested and for whom there is hope of social redemption.

It works in close cooperation with the Royal Canadian Mounted Police and has furnished lecturers for their police schools. It works in close harmony with the banks of the Nation, seeking always to be helpful.

Quietly and efficiently, it goes about its daily business; a group of earnest, serious-minded men, patriotic and self-sacrificing, always keeping in mind two great objectives: The protection of the President and the safeguarding of the taxpayer's pocketbook.

The following supervising agents and agents in charge represented the field officers of the Secret Service at the annual conference at Washington, D. C., during the week of June 19:

District No. 1, Boston, Harry L. Barker, Alonzo H. Rice, Jr.

District No. 2, New York, James J. Maloney, John J. McGrath.

District No. 3, Philadelphia, William A. Landvoigt.

District No. 4, Newark, Fred W. Gruber.

District No. 5, Baltimore, Harry Cooper.

District No. 6, Atlanta, John C. Marsh.

District No. 7, Louisville, Alonzo A. Andrews.

District No. 8, Detroit, George F. Boos, Frank L. Holliday.

District No. 9, Chicago, Thomas J. Callaghan.

District No. 10, Houston, Forrest V. Sorrels.

District No. 11, Kansas City, William H. Davenport.

District No. 12, St. Paul, Charles Mazey.

District No. 13, Denver, Rowland K. Goddard.

District No. 14, San Francisco, Thomas B. Foster, Arthur F. Grube.

District No. 15, Seattle, William R. Jarrell.

District No. 16, White House detail, Edmund W. Starling.

The conference was addressed by officials of the Treasury Department and of other departments: Hon. Henry Morgenthau, Jr., Secretary; Hon. Stephen Gibbons, Assistant Secretary; Hon. Herbert Gaston, Assistant Secretary; Edward H. Foley, General Counsel; W. A. Julian, Treasurer; Elmer L. Irey, coordinator of Treasury Department enforcement agencies; James V. Bennett, Director of Bureau of Prisons; Alvin W. Hall, Director, Bureau of Engraving and Printing; William S. Broughton, Commissioner of Public Debt; Nellie Tayloe Ross, Director of the Mint; Dr. Carlton Simon, New York City; Thomas E. Darnall, Assistant General Counsel, Farm Credit Administration; David A. Holmes, Director of Finance, Works Progress Administration.

An important feature in the schedule of the Secret Service for the next fiscal year will be the extension of the educational program in the detection of counterfeit money which was started 1 year ago. This program will be intensified through the use of sound motion pictures. During the past year the educational program resulted in a marked decrease in the losses to the public through the acceptance of counterfeit money, and the broadened program is expected to bring forth still better results.

The United States Secret Service deserves the thanks and congratulations of the people of the country for the record it has established during the three-quarters of a century it has been in existence.

Attitude of the United States in the Orient

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, June 23 (legislative day of Thursday, June 22), 1939

ARTICLE BY JOHN T. FLYNN

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by John T. Flynn entitled "United States Should Steer Clear of China Row."

Many agree with Mr. Flynn's contentions. They do not feel that we should be a cat's-paw for the English Foreign Office. Behind most of the foreign concessions of the Far East is profit. They want our soldiers and our sailors to protect that profitable trade. We should steer clear of the row.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of June 23, 1939]

UNITED STATES SHOULD STEER CLEAR OF CHINA ROW

(By John T. Flynn)

NEW YORK.—What is going on now in and around Tientsin is a good example of how the thinking of a whole people can, by a series of easily accepted but false assumptions, get badly mixed up.

America is devoted to democracy. Therefore, what Hitler is doing in Germany and to peoples on the rim of the German lands excites the hatred of Americans. The same thing is true of Italy. fascism means the suppression of democracy among Italians. But also Italy engages in a war of conquest and ruthless invasion of the rights of Ethiopia. And Americans, the supporters of democracy, do not like it.

In the same way what Japan is doing in China arouses the indignation of Americans. But in the course of her campaign in China, Japan gets around to Tientsin. And there she runs into the British. But what are the British doing in Tientsin? Are they there as purely foreign residents peacefully trading with China? Of course they are not. It is the largest commercial city of northern China.

FORCED CONCESSIONS

In 1860 and thereafter, by a series of what are euphemistically called "treaties," the Chinese conceded certain rights to various foreign nations, chiefly Britain, France, Germany, Russia, Belgium, in Tientsin. These concessions were made in much the same manner as Albania recently made "concessions" to Italy. The foreign powers, chiefly Britain, have established themselves in China with arrogance and with no more right to be there than Japan.

On several occasions the Chinese have not behaved to the satisfaction of these foreign concessionaires. Once some Chinese made some unfortunate remarks about certain French nuns and they were promptly treated to a barbarous massacre—nothing else. Japan hardly has to her credit anything less reprehensible in China.

But now Japan seeks an excuse to oust the British from their ill-gotten position in Tientsin. Well, one may take sides in this any way he will. But what has this quarrel between England and Japan as to which one will remain perched upon China's property got to do with democracy?

CHINA HATES THEM

China has hated the foreign concessions for years. They were regarded as invasions of her sovereignty long before Japan began shooting up the Chinese. This is a battle between two imperialist powers as to which one will exploit China.

If one believes in imperialism one may have his favorite imperial power and root for it when it clashes with another. But the question of democracy does not seem to be involved in such a fight. Therefore, upon whatever pretext the American State Department gets itself involved in this fight, it cannot claim to be fighting the battle of democracy. And as for our own interests, it is hardly necessary to add that we are not among the foreign powers with concessions in Tientsin.

Not a Moratorium But a Period of Grace

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, today I introduced a bill to extend the time 90 days for doing the assessment work required annually by law on unpatented mining claims. Since it became evident that we could expect no moratorium on mining-claim assessment work this year, and since the time is up within a week, I felt that a few days' grace should be afforded the thousands of claim holders, many of whom have not done their work and some of whom may not be able to start their work by the 1st of July. I have attempted lately to notify my own constituents that there would very probably be no moratorium afforded at the last minute this year, as was done last year, and I have warned them not to expect such last-minute relief. However, in view of the fact that many of these men are out in the mountains of the West more or less out of touch with the press and other means of communication, I fear that there may be some who have not been adequately warned.

Assuming that it is wise national policy to bring to an end now the granting of an annual moratorium on mining-claim assessment work, after we have passed such moratorium bills for the past 7 years, it still seems reasonable that we should not change this plan too suddenly. For that reason, I feel that we can justly afford to extend a few days of grace for the protection of those who have their savings already invested and who have held claims and done a great deal of work on them through many years. I am told that during the World War an annual moratorium was granted and that it was rather difficult, then, as now, to end the granting of such relief, but that when it was done the claim holders were given a short period beyond the stated time in which to do this work or give up their claims. My bill, introduced today, aims to show that same leniency this summer for hard-pressed claim owners.

WESTERNERS APPROVE EXTENSION

At a meeting of western Congressmen, held this morning, I brought up this matter and several others for their consideration. Some Congressmen were present who had been very much opposed to granting a moratorium again this year but these same men were favorable to granting a short additional period in which the work might be done. In fact, I was authorized by unanimous vote of the western Congressmen present to introduce a bill granting a short extension of time for such work. On my own responsibility I extended the time in the bill from July 1 to October 1.

While discussing the matter some weeks ago with my colleagues who did not favor granting the moratorium again this year, it was said that claim owners who had something worth while but who had not done their work by July 1 would not necessarily lose their claims, as such claims could be immediately relocated. That may be true in certain cases, but I have letters from claim owners who are not only hard pressed financially but who are hundreds of miles from their claims. I cannot resist the belief that to shut them off on the 1st of July with no other safety for them excepting to relocate their claims would mean a loss to many deserving persons. According to my correspondence some of these claim holders are elderly people who have held claims not only for the last 7 years without work but two or three times 7 years with a great deal of work and outlay. To such holders the short period of grace extended may mean the saving of their claims.

SAME AMOUNT OF WORK REQUIRED

Certainly I do not want by this attempt to hold up mining development by moratorium provisions. One reason for insisting on ending the moratorium was to open up thereby for those who would really do some work a great deal of land held by those who had never done any assessment work during the past 7 years of moratoria. The enactment of my bill with its period of grace will not prevent such a result.

The press carried a report sometime ago from Secretary Ickes to the effect that mining claim owners must finish their assessment work by July 1, 1939, or get off their claims. I have talked with several men from the mining region who are lawyers and who declare that such is not the law. It is stated by these lawyers that if the claim holder begins his work by 12 o'clock noon July 1 and continues the work with due diligence until it is completed, the law is satisfied. I would not say what the law is but that is what I am told.

If we are unable to get the measure through by June 30, granting a short period of grace which my bill proposes, I do hope that claim holders who have not done their work as yet will be able to save their valuable property either by relocating the claims or by beginning the assessment work in a legally effective manner before the expiration of the time. I also sincerely hope that my colleagues will recognize the justice of this legislation granting a short period of grace and that the measure will be put through without delay. However, the uncertainty of getting this bill through within a week, if at all, is such that no claim holder should put off beginning his assessment work meanwhile.

The 4–H Clubs

EXTENSION OF REMARKS
OF
HON. EDWARD W. CREAL
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Friday, June 23, 1939

Mr. CREAL. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to call attention to the recent national meeting of the 4–H clubs at their convention in Washington.

No finer class of boys and girls exists in America than the members of the 4–H clubs. These young people who will be the homemakers of tomorrow will never give their Government any cause for alarm or be disloyal to the Government.

Only Members of Congress who have been reared on a farm, or who are thoroughly familiar with rural life, can properly appreciate these young folks and their work.

The Government is spending millions of public funds today in soil-erosion prevention, reforestation, conservation of water resources, eradication of insect pests, and the restoration of wildlife reservations. A large part of the present condition making these expenditures necessary is due to the fact that lack of foresight on the part of our forefathers made these conditions. I do not believe in the old adage "Where ignorance is bliss 'tis folly to be wise."

Knowledge is power and everyone in any occupation should endeavor to learn more of that occupation. These boys and girls have open, inquiring minds as to what is the best way to the job.

There are no losers in the prize-winning contest, for every boy and girl who earnestly participated in this work has been made stronger by the effort, regardless of where the blue ribbon was pinned.

Youth is ambitious, restless, and energetic, and the attention given to their projects in this work fixes a goal to work toward and is good mental discipline.

What they learn will be forever retained; it will be passed down to generations yet unborn, as well as be contagious to their neighbor observers.

Nearly 40,000,000 people, or one-third of the entire population of the United States, is engaged in agriculture or some branch of it.

The 4–H club members of America will represent the progress of the farm and home of tomorrow.

While reared in a rural community and having voted for each and every piece of legislation beneficial to the farm people, I wish there was something which might be done which would further the work of this particular organization in its great and enduring work.

And as they adjourn their national meeting in the Nation's Capital I take pleasure in calling attention to their presence and to the great uplifting work being done by that organization that will mean so much to farm life in America.

Fair Labor Standards Act

EXTENSION OF REMARKS
OF
HON. CLYDE H. SMITH
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Friday, June 23, 1939

Mr. SMITH of Maine. Mr. Speaker, not wanting to inject politics in the hearing now held by Elmer F. Andrews for wages for textile cotton workers, I wish to express my views on this subject:

Keenly realizing that it is facts rather than speeches that are desired on this occasion, will simply try to make some observations that came to my attention while our Labor Committee was trying to create the Fair Labor Standards Act.

President Roosevelt, about 3 years ago, asked the Congress for a wage and hour bill that would provide laboring men and women a living wage.

This progressive effort involved the increasing and leveling of wages by eliminating chiseling in business and selfish sectional interests. It was a big proposition for Congress when considering the diversified conditions throughout the Nation.

But it was accomplished. Already reports show human encouragement and business improvement. Likely, impartial, nonpolitical administration of Elmer F. Andrews is responsible in part for its success.

Of course, there will be repercussions from those who want to continue with unfair tactics, a condition that has seriously affected friendly relations between employee and employer, mitigating against cooperation and development.

It was necessary to begin with a low-minimum wage in order that employers could have a chance to adapt themselves to higher wages and less hours of work without interfering with their business.

Proposals to bring about this dream were offered by way of Black and Connery bills which were debated, discussed, dissected for weeks and weeks, and finally defeated by a small majority. This disappointment was in consequence of the fact that wages and hours of work were based on living and manufacturing costs existing in various sections of the country.

At this point it was my pleasure to become a member of a subcommittee, appointed to create another bill. For months and months hearings were held, evidence sought, facts determined, trying to be fair to all interests.

In due time recommendations were presented to Congress known as the Norton bill. The Rules Committee, however, refused to release the report for congressional consideration, thus making it necessary to obtain a petition of 218 names which was secured in record time. After due consideration the proposed legislation was passed by the House and Senate by overwhelming majorities.

The wage and hour bill has been in operation about 8 months, and, generally speaking, has given satisfaction.

If the President was justified in his demands for a fairer work day;

If members of the Labor Committee were justified in reporting the measure to Congress;

If Congress was justified in passing the Fair Labor Standards Act;

If Mr. Roosevelt was justified in signing the bill;

Surely, certainly, our Administrator would be justified in establishing a 32½-cents-per-hour wage for cotton-textile workers. This position can be definitely demonstrated by asking one single question, to wit:

Can the average-sized American family—whether in the North, South, East, or West—occupy a respectable home with some modern conveniences, enjoy nourishing food, proper clothing, medical attention, educate the children, and save a little something for old age with $13.65 per week? It is this very amount that is being contested today to determine whether manufacturers can pay this wage.

I defy, I challenge any man to present a Budget that will provide the normal, natural requirements referred to for the salary indicated. This cannot be done. Thus there is no rhyme or reason for setting up a minimum wage scale for less than 40 cents per hour as enacted into this bill.

Furthermore, I would have to be shown the way before admitting that there should be a varying wage and work hours in any section of the Nation, regardless of amount paid to employees.

It was claimed at Labor Committee hearing that certain States were handicapped by excessive freight rates. Charts, diagrams, and figures were offered to collaborate such contentions.

After studying, very carefully, these claims, my opinion is that the difference is so unimportant that it cannot be applied to a yard of cloth or a pair of shoes. It is generally conceded that if such barriers do exist the Government, now studying this matter, will give relief.

Other States complained about higher factory rents, hydroelectric power rates, more overhead expense, which, in my opinion, far transcends the claims for extra transportation costs.

Yet, wanting to be eminently fair in my discussion of this proposition, I would suggest that a disinterested committee make a thorough investigation of all manufacturing costs in each part of the country, and that differentials be applied wherever handicaps exist.

This brings us to the fly in the ointment—lower wages, more hours—existing in some sections of the Nation that naturally compromise working conditions and lower standards of living throughout the country, many times employers prospering by human privations.

Again I suggest, in the same spirit of fairness, that when underpaid sections accord the same advantages, privileges, opportunities to their employees that are enjoyed by their fellow workers in other parts of the Nation I will vote for working differentials, if they then exist, because there could be an economic issue involved that cannot and should not be disregarded.

Under present conditions I still believe that laboring men and women, wherever located, regardless of color, creed, or race, need and deserve more than 32½ cents per hour, if they are to enjoy those inalienable rights of comfort and happiness unhampered by dependency.

Administrative Law Bill

EXTENSION OF REMARKS

OF

HON. JAMES P. McGRANERY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

ADDRESS BY HON. FRANCIS E. WALTER, OF PENNSYLVANIA, JUNE 22, 1939

Mr. McGRANERY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. FRANCIS E. WALTER before the Philadelphia Bar Association at its annual meeting June 22, 1939, at Philadelphia, Pa.:

The Logan-Walter administrative law bill, now pending in the Congress (S. 915 and H. R. 6324), has been unanimously reported by the Senate Judiciary Committee, with recommendation that it become law; by the subcommittee of the House Judiciary Committee; and has been approved to date by the board of governors and house of delegates of the American Bar Association; by the State Bar Associations of California, Colorado, Illinois, Kansas, Nebraska, Ohio, and Oregon; and by the city bar associations of Boston, Chicago (in principle), Cleveland, Dallas, Phoenix, St. Louis, and this bar association of Philadelphia; by the committee on administrative law of the National Association of Women Lawyers; and by various associations and organizations of businessmen and laborers. The fact that this bill to date has received such Nation-wide approval by legal, business, and labor groups would seem to be sufficient to demonstrate that throughout the Nation there is a tremendous amount of sentiment for the proposed legislation.

Now just what is this need? It will be remembered that in Cohen against Virginia, Chief Justice Marshall stated it as the universal opinion that no suit could be maintained against the United States without its consent and except for a statute in 1824, which gave consent to the district court in the Territory of Arkansas to entertain suits against the United States by reason of French and Spanish land grants in that part of the Louisiana Territory—shortly thereafter extended to the district court in the Florida Territory—no general statutory consent was given by the Congress for suits against the United States until 1855. In the latter year the Congress established the Court of Claims, but it was more of a commission, without authority to enter final judgments against the United States, until 1863, and even under the amendment the judgments of the Court of Claims today must be certified to the Congress for an appropriation before they may be paid—except in internal-revenue cases.

During the long period extending from the establishment of our present system of government in 1789, to 1887, with the two minor exceptions I have mentioned, there was no right to sue the United States. However, during this period of approximately a century the courts worked out, on the basis of their general jurisdiction, adequate practice and procedure for the complete review of the principal administrative decisions of Federal agencies. The courts held throughout this long period that they had jurisdiction to entertain suits against Federal officials who illegally seized private vessels on the high seas; who illegally held possession of private property, such as the Arlington Estate; who had erroneously and illegally collected internal revenue or customs taxes; who had illegally seized private property of a decedent, claiming priority for the debts of the United States; and who refused to perform their ministerial duties—though the jurisdiction in the latter class of cases was limited to the courts of the District of Columbia which possessed, and now possess, in addition to their statutory jurisdiction, a common-law jurisdiction derived from Maryland which, as you know, once included the District of Columbia.

By such procedure arbitrary and capricious, as well as erroneous and illegal, administrative decisions were brought under the complete review of the courts—both on the law and the facts. Generally the facts were tried before a jury. When in the Arlington Estate case Mr. Justice Miller answered the contentions of Government counsel that such judicial reviews of administrative decisions in suits against officers of the Federal Government unduly interfered with the administration of the law, by pointing out in the course of the opinion that without such reviews the administration of government could and might develop into tyranny.

The Court knew whereof it spoke. In the earlier Milligan case, Mr. Justice Davis wrote the opinion striking down an administrative board, established without warrant of law, which tried, convicted, and sentenced to death a civilian residing in Indiana—far behind the military lines—for an alleged military offense, and it is not without significance that before that case reached the Supreme Court the alleged conspirators in the murder of President Lincoln were tried by such a military board, convicted, and hung. What happened once in the history of this Nation can happen again—just as it has happened in other places in the world. But you may inquire why it is that if the courts for a period of approximately a century reviewed administrative decisions on the basis of both the law and the facts, they do not today review such decisions on the basis of the law and the facts, and if they do not, why the necessity that they should do so in appropriate cases.

The answer to these questions is most interesting. As you know, only the Supreme Court of the United States had part of its jurisdiction defined in the Constitution and was established by name in the Constitution itself. All the appellate jurisdiction of the Supreme Court of the United States and all the jurisdiction conferred on that Court, and all the jurisdiction which is not named in the Constitution are of statutory origin, and as the Congress gives it in this respect the Congress may likewise take it away. Further, the circuit courts of appeals and the district courts are created and exist by virtue of statutes, and their jurisdiction is wholly statutory, to be exercised in accordance with the practice and procedure which may be prescribed for them. The result of

this is that at one time in the history of the Federal Government—when party feelings ran high—the Congress repealed the appellate jurisdiction of the Supreme Court as to certain classes of cases, one of which was then pending before the Court. Upon repeal of the statute, the Supreme Court dismissed that case, and there was no judicial remedy provided for the review of administrative despotism practiced in the Southern States under reconstruction and enforced at the point of the Federal bayonet.

This lesson was not lost on minority groups representing special interests when the complexity of the business and economic life of America became such, with the turn of the century, that Federal regulation and control had to be extended to many activities. The statute creating the administrative agencies, with the turn of the present century, did, in fact, provide in most instances for judicial review of administrative decisions. However, unlike the statute of 1851, creating the California Land Commission, which gave the courts full and complete jurisdiction to review—upon the administrative record—the law and the facts involved in each and every case, these statutes after 1900, creating Federal administrative agencies, sought to, and did, restrict the scope of judicial review. The courts were not given jurisdiction under such statutes to review the administrative decisions as these same courts had reviewed administrative decisions from 1789 to 1900, or as was provided in the act of 1851 for review of the decisions of the California Land Commission, and the Congress having spoken, the courts were no longer at liberty to develop their general jurisdiction in this respect.

On the contrary, all the statutes creating the new Federal administrative agencies—relating to regulatory and control matters in economic and social affairs of the people—provided in some instances that the decision of the administrative agency on the facts should be final and conclusive; in other instances that these administrative findings of fact should be final and conclusive if supported by evidence; and in a few instances that they should be final and conclusive if supported by substantial evidence. There was no uniformity of the scope of judicial review under the statutes creating these administrative agencies and little or no provision was made in any of the statutes as to the practice and procedure which should be followed by the agencies in conducting hearings and deciding controversies; that is, no uniform or any other procedure was required to be followed by such agencies in the exercise of their quasi-judicial duties and none of them was required to issue regulations interpreting the details of the statutes they were required to administer. The fact of the matter is that during the period when most of these agencies were being created the attention of the Congress appears to have been directed to the formulation of statutes, which would control the governed, and little or no attention was given to the setting up of machinery in the statutes so that the governors should be required to control themselves.

It is trite to state to a body such as this that the Constitution of the United States made a tripartite division of governmenal power—with the legislative power in Congress; the executive, including the administrative power, in the Executive; and the judicial power in the courts. Of necessity, the Congress must impose a certain measure of legislative, executive, and judicial powers on the administrative officers and agencies of the Federal Government in administering the law, but it was never intended by the proponents of such legislation that these administrative agencies should exercise the legislative, executive, and judicial power free of all restraint and regardless of the terms of the Constitution and constitutional limitations. It is no secret today that many of these administrative agencies believe—and they practice the belief—that they are above the law and that they consciously and deliberately disregard both the terms of the Constitution and the statutes under which they operate. Any extension or even continuation of such unlimited power in the hands of administrative officials must mean the end of constitutional rights and liberties in America.

With at least 1,200,000 officers and employees in the administrative branch of the Government, many of them spending public money appropriated for relief, for instance, to influence elections and retain or place in office persons believed to be favorable to their interests; with the unlimited power to reward or punish constituents of recalcitrant Members of the Congress; with power to make war, through hundreds of thousands of avenues, upon the courts; and with nothing to control them except their own selfish interests and the interests of the special groups, neither Presidents nor the Congresses can exercise any freedom of action when confronted by their united opposition.

I do not claim that my bill is a panacea for all ills which inflict the body politic, but I do claim—and I believe that it has been amply demonstrated—that the bill will return to the courts that degree of jurisdiction which they exercised from 1789 to 1900 over many classes of controversies between administrative officers and individuals and which they now exercise as to the older activities of Government except where their jurisdiction in that respect has been constricted as in the reviews of the Board of Tax Appeals, for instance. That is to say, my bill will permit the courts, in their discretion, to review the facts of all administrative decisions of all the agencies covered by the bill in the same manner and to the same extent that the appellate courts have long reviewed the decisions of equity and admiralty judges.

I appreciate that there is abroad in the country in some circles the belief that we have entirely too many administrative agencies of Government and that we should abolish them, thereby returning to the simple days of the past. In my judgment, such belief cannot be placed in practice because of political and practical reasons. These agencies have been created under both Democratic and Republican administrations, and it would be politically impossible to secure the repeal of the statutes creating them. The courts could not carry the burden of applying the law with private individuals doing the enforcement because the courts would be overwhelmed. I need do no more in this connection than to cite your attention to the state of the court dockets during the prohibition era and to remind you that these cases arose in the operation of but one bureau of one department of the Government with complete court enforcement. If you multiply that situation by more than 100 and consider that the Treasury Department decided approximately 603,000 cases, while all of the courts during a corresponding period decided only 141,000, you will have some appreciation of the tremendous volume of administrative decisions being ground out every day by approximately 100 administrative agencies of Government.

Furthermore, people of ordinary means and the poorer people are not able to take the burden of enforcing many of these regulatory and control statutes which adversely affect them. This is not mere theory, but is a fact amply proven by the history of both England and the United States. In my judgment, these agencies are here to stay, and therefore we must so streamline them that they can be compelled to dispose of the great bulk of controversies arising in the administration of the statutes entrusted to them expeditiously, and dispose of such controversies in a fair and reasonable manner and in accordance with the Constitution and the several statutes. The balance of such controversies—involving serious and hotly contested questions—should be brought—in the discretion of the citizens—before the United States circuit courts of appeals with such jurisdiction in the courts that they will give the administrative record the same searching examination and determination in their discretions that the courts have long given to equity and admiralty cases.

As a matter of fact, under such a procedure I honestly believe that there will be comparatively few cases which will have to go to the courts. The administrative agencies can, and doubtless will, determine the cases in a fair and reasonable manner and in accordance with the law if they know that their decisions may be subjected to judicial review—a review so complete that the entire matter may be searched and determined if counsel can show that there has been a miscarriage of justice.

Gentlemen, I could speak on this subject the entire afternoon, but that is unnecessary. There is much in print concerning the bill and much will be in print concerning it. I ask you to study the issue submitted, whether pro or con, and that you believe me when I tell you that we are spending every ounce of energy we have to the solution of this problem without fear for any political party or for any social, economic, labor, or other groups in the United States. It is our determination that the administrative procedure and judicial review shall be such that the rights and liberties of the people shall be protected and at the same time that the laws of the United States shall be administered without any unnecessary delay in doing so. There is no intention on the part of any one connected with this matter to "hamstring" the administration of the law by any administrative agency. If any law cannot be administered without running afoul of the Constitution of the United States that law is an illegal one and should not be administered, or if any administrative action is contrary to the Constitution and statutes authorizing such act, then the act is an illegal one and the avenues to the courts must be reopened to the end that administrative absolutism may not draw within its maw the rights and liberties, including the property of the American people, whether rich or poor, weak or powerful—as has been done in other countries and even in our own country in a few instances during temporary aberrations of the governing minds.

Shall We Go Totalitarian?

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, June 23 (legislative day of Thursday, June 22), 1939

EDITORIAL FROM WALL STREET JOURNAL

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Wall

Street Journal of the issue of June 23, 1939, under the heading "Shall We Go Totalitarian?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Wall Street Journal of June 23, 1939]

SHALL WE GO TOTALITARIAN?

President Roosevelt, in his letter to leaders in Congress, proposes to substitute State capitalism for the historic American free economy. He makes no pretense that this is "emergency" action—as, of course, it could not be—but frankly concedes that this "self-liquidating program" would represent a permanent policy under which the Federal Government would pour billions of public funds into enterprises which, throughout the country's history, have been the fields for private individual effort.

The President assumes that predetermined limits would be set within which these Government undertakings would be confined and that they would be in no way competitive with private enterprise. Both assumptions are false. No government which has embarked itself on state socialism has ever been able to go only just so far and there stop. Always the necessity has arisen for more and more far-reaching controls. If we should begin with a blueprint calling for only $3,000,000,000, the completion of the outlined structure, or the exhaustion of the sum authorized short of completion, will raise the insistent cry and create the seemingly logical case for doubling or trebling the ultimate expenditure.

Again, it is wholly contrary to the fact to say that these projects would not compete with private enterprise. Four of the six categories the President vaguely describes could not do otherwise than compete with or displace private enterprise. Some of the projects cannot be self-liquidating unless that term is given a new and more convenient definition. But there is no question but that the execution of such a program would enormously increase the power of the Central Government to order the existence of every community, every occupational group, and ultimately of every individual in the land.

President Roosevelt has often been accused—falsely accused, this newspaper has believed—of desiring to fasten upon the United States some degree or other of "totalitarianism," or even dictatorship. Whether he realizes it or not, he has now proposed that Congress take a long stride toward an absolutist state.

Not only do we believe that this proposal is unsound statesmanship, but we believe that it is equally bad from the standpoint of practical economics. One of its most discouraging features is that an administration in power for more than 6 years has produced, in its search for methods to combat long-continued unemployment, only another—and this time shopworn—white rabbit.

The basic idea antedates the New Deal itself. But year after year it has been examined and reexamined and then largely rejected on the grounds that there simply is no vast available outlet for public funds in projects which are truly self-liquidating and truly noncompetitive with private industry. Governments, generally speaking, do not perform functions and cannot discover functions which, on the ordinary standards of business, will pay for themselves in cash, and still avoid the actual fields of business.

On the other hand, the Roosevelt administration apparently fails to understand that the principle of self-liquidation which it seeks to apply to a field where it is generally inapplicable is the very principle which, if applied where it belongs, makes the American economic system work.

The self-liquidating projects which this country needs today—and simply must have if it is to attain sound recovery—are the self-liquidating projects of private enterprise. And the administration, instead of adding another to its series of stop-gaps, should above all else be seeking to remedy the difficulties which obstruct the flow of private funds into the all-important field of private investment.

Furthermore, it is a significant fact that the self-liquidating projects of private business—the self-liquidating projects which we believe to be the only sure answer to the question of unemployment—can to some degree turn out to be non-self-liquidating in actual practice, and the country can stand the result. It is not one of the cardinal rules of free private enterprise that every new venture must turn out successfully. But the Nation certainly cannot look forward with the same equanimity to unexpected but inevitable failures in the realm of public lending.

Government, or Government-guaranteed, securities must be paid, both interest and principal, in full or the very basis of the national economy crumbles. For the Government does not have the privilege—so indispensable though frequently painful in the realm of private enterprise—of sloughing off obligations which, in the very nature of things, cannot be carried.

In other words, the loans to finance projects outlined by the Chief Executive yesterday will have to be liquidated whether or not they prove in practice to fall within the category (regarded, somehow, as being almost magical) of self-liquidation.

The Wall Street Journal does not believe that the system of free private enterprise can be floated off the rocks of depression on a flood of Government credit no matter what new and obscure forms that Government credit may take.

We cannot believe that Congress will be either disposed or permitted to take this long step toward absolutism, now or ever.

The W. P. A. Appropriation Bill—The American Tragedy of 1939—A Death Sentence for a People's Art—A Blow at Plebeian Culture—A Move Toward Reaction

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EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 16, 1939

Mr. COFFEE of Washington. Mr. Speaker, it was with great reluctance that I finally concluded to vote for this bill. It is so circumscribed with restrictions, limitations, thou-shalt-nots, that it well nigh strait jackets the W. P. A. for purposes of practical and efficient operation.

The Nation, in its issue of June 10, 1939, says of the bill:

A House appropriations subcommittee has drafted an ominous plan for scuttling the W. P. A. which reactionaries hope to force through in the remaining weeks of Congress. The plan calls for the abolition of prevailing wages on W. P. A. projects in favor of a "security wage" well below present standards. An effort will be made to eliminate the highly useful arts projects altogether and to curtail other white-collar operations. No surer formula for plunging the country back into depression has been devised.

With the foregoing sentiment I am in hearty accord. The editorial in the famous liberal weekly was written prior to the debate upon the bill in Congress, but the gloomy prognostication made by the editor has come to pass.

The spectacle of today's 14-hour session will long linger in my memory. I thought of the Bourbons of France prior to 1789. I wondered what would happen to the hundreds of thousands of heads of families who by this bill are mercilessly added to the rows of poverty-stricken who now are knocking at the doors of relief depots for assistance. Not so long ago our President pledged to the people that this administration would not let the people down. I exonerate the President from responsibility for this measure.

Mr. Speaker, this legislation is a diabolically ingenious congeries of cleverly devised decrees and ultimata designed to tighten regulations about the W. P. A. to the point that a man is held up to the country as a suspect or guilty of reprehensible conduct if he accepts employment in that agency. Let me epitomize a few of the features of the bill to which I take decided exception:

First. The proposal to slice off $125,000,000 of the already inadequate appropriation and transfer it to P. W. A. This cute little proposition reduces further the amount for employment of the needy to such an extent that 154,000 bread winners are denied employment for a whole year. Yet the P. W. A. provision is so small, relatively, that it will obviate the possibility of P. W. A. itself functioning upon an efficient scale.

Second. The drastic reduction of $42,000,000 proposed in the National Youth Administration is a bitter assault upon the younger group of unemployed, whose morale and welfare are indispensable to the preservation of our Nation. While this section was improved somewhat by a compromise amendment that added some $17,000,000 to the amount designated in the bill, there yet remains a paucity of funds for reasonable expansion of this admirable agency and its laudable program.

Third. Even though that section of the bill ordaining a limit to W. P. A. construction of $25,000 per unit was changed on amendment to double that amount, the effect of the provision, even as amended, is to penalize municipalities in favor of rural areas, and to make impractical and unjustifiable many proposed construction enterprises. More than 50 percent of the W. P. A. construction of the past would have been interdicted by this provision. We are thus specifying a return to the period and method of leaf-raking and synthetic work captiously referred to as boondoggling by noisome critics.

Fourth. Even the majority leader took the floor to address himself as opposed to the committee's proposal of the three-man administrative board. This proposition goes directly contrary to the trend of the reorganization bills providing for the replacement of cumbersome boards and commissions by individual administrators. It is patent that this provision was intended to be a rebuke for Col. F. C. Harrington because the colonel had exhibited a breadth of view and a tolerant attitude which, to me, was highly praiseworthy, but which to the majority of the committee was apparently deserving of censure. I honor Colonel Harrington for his warmth of heart and for his unwillingness to condemn those who are the victims of social and economic injustices in our country.

Fifth. The proposal to eliminate all Federal projects provided in the committee's bill is an assault upon white-collar projects, evidently motivated by the committee's criticism of a few isolated individuals in these projects who have made questionable remarks or conducted themselves in foolish ways. Immediately the impression was given out to the press that the theater, music, arts, and writers projects were saturated with communism; that "red" Russia dominated the W. P. A.; that bomb throwers and destroyers of government were characteristic of all these agencies. Did the committee want to find these things out? Did they enter the investigation with the idea in mind that such was the case? Did they cherish a conviction beforehand as to these projects? The so-called investigation carried on by the committee bore the earmarks of a proceeding requiring that the person examined must prove himself innocent and the project under fire must demonstrate its purity. Disgruntled former employees were given wide latitude in denouncing erstwhile coworkers. Credence was attached to opinion evidence. The project or individual so condemned was denied the opportunity of refutation in the same forum. I insist that these white-collar projects have been among the greatest contributions of the W. P. A.; they have brought into being a people's culture and a people's art. We have lagged behind Europe and South America in this respect and these projects were bringing us to the attention of intellectuals abroad. I denounce the elimination of the theater project and the virtual sentence of death directed at the other white-collar projects because of the limitations as to sponsorship insisted upon in this bill.

Sixth. One of the most inexcusable provisions of the bill is the 60-day starvation period. Under this bill the head of a family who has been on the rolls for 18 months is, ipso facto, guilty of some kind of crime and must be laid off for 60 days, after which it is supposed, if he again proves his need, he may theoretically enter upon the rolls. The House modified this by exempting veterans and citizens over 45 from this harsh treatment. Yet the inhumane and heartless principles remain in the measure. This is a purge of the needy because they have been unemployed by private corporations for too long a period. It is callous, uncivilized, and outrageous thus to throw hundreds of thousands unwanted and forsaken into the streets with no hope of employment during the 60-day period. There is little prospect of the restoration to the W. P. A. rolls of those so dismissed. Evidently the subcommittee assumes that because of the 18 months W. P. A. work these men would be able to save up enough money from the handsome wages they have enjoyed to tide them over a considerable rainy day.

Seventh. The political provisions in the bill deny the W. P. A. worker the opportunity to exercise his prerogative of citizenship. If he holds a supervisory position in any capacity he must resign if he runs for any kind of political office, no matter how insignificant, even though the position sought is a nonsalaried one. He is likewise prohibited from serving as a campaign manager for a private citizen seeking a similar elective office.

The committee conducted a form of hearing which it permitted to be called an investigation. These hearings were marked by testimony of individuals and observations by committeemen to the effect that the Federal theater projects were a failure, were Communist-controlled, and were for the most part disgraceful. A devastating answer to that charge was sent to all Members of Congress by the foremost experts in the Nation on the subject of the drama—the dramatic critics of the New York Times, The New Republic, Forum magazine, The Nation, Life, Vogue, the Brooklyn Eagle, New York Daily News, New Yorker, New York World-Telegram, Cue magazine, the Catholic World, and many others. These critics declared their enthusiastic approval of the theater projects. If the committee had sincerely desired to ascertain the truth, why did not they summon the dramatic critics who were in the best position to discuss the matter? The Philadelphia Record in a recent editorial publishes a few pungent sentences which I quote:

It is up to the Senate to stand fast against this deliberate stampede, to rewrite the W. P. A. bill so that it makes sense.

Is it too much to ask for a decent, thoughtful, human approach to the lives of 2,500,000 families?

The summary W. P. A. rules adopted by the House affect these lives more intimately than almost any other legislation conceivable. They enter the home to distort and tangle the most intimate of family affairs; they affect every meal, every hour, every action. Is it irritation at having this responsibility that has made some of the Representatives so unthinkingly bitter toward the unemployed?

The House measure calls for forced retirement of all W. P. A. workers of 18 months' standing, except war veterans and heads of families over 45 years of age; it snatches $125,000,000 from the scanty $1,477,000,000 Works Progress Administration and limits Public Works Administration to that sum; it limits works-progress projects to a cost of $50,000 and Public Works Administration projects to a cost of $500,000, and is thus a sectional measure deliberately loaded for the South and against the more costly big-city projects; it abolishes the Federal theater project; it makes the Federal art project dependent on local support.

The inevitable effect of the bill will be to increase the local home relief burden. In most cities there are no funds to meet this increase.

Worse, the bill will frighten every W. P. A. worker, every marginal worker in private industry to whom W. P. A. has been the "ace in the hole," every industrialist who has looked to both W P. A. and P. W. A. as a source of business.

The stimulating effects of the spending program are psychologically reversed and canceled. By arbitrary and capricious regulation, the House makes sure that the money spent will be wasted instead of used.

Let the Senate throw the bill into conference with an amendment providing $300,000,000 for W. P. A. for the next 2 months, under present rules and regulations, during which time the Woodrum measure could be rewritten.

Let the Senate thereby halt the stampede and the fake relief crisis.

Let us not decide the most important Federal question of our day in the spirit of a post-midnight poker game.

Mr. Speaker, this bill is a modern tragedy. It provides for a return to apple-selling days. It is a repudiation of the New Deal. Its passage is made possible by a coalition of conservative Democrats and almost unanimous Republican support. I predict that misery and want, distress, and demoralization will be its sequel.

We have again flouted the unemployed. We have economized at the expense of those who suffer and are inarticulate. We have red baited. The House has been riotous and hilarious while the membership steam-rollered its way through the measure. The longer the House was kept in session, the less likelihood there was for patient consideration of salutary amendments which would have improved the bill.

So, I reiterate, it was with profound regret that I reluctantly cast my vote in favor of the measure, not because I approve of much of it, but because it was this bill or nothing—because a half a loaf is preferable to no bread.

W. P. A. Writers' Project—Workers Alliance—Shades of Burns, Carlyle, Thomas Chatterton, and Dr. Johnson

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EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. ALLEN of Pennsylvania. Mr. Speaker, out of the babel of tongues which befuddled the convention of the

Workers Alliance in Washington several weeks ago there emanated the following questionable observation:

The W. P. A. Writers' Project should be a continuing Government function to take care of novelists who can have published only one book every couple of years.

Page Margaret Mitchell. It has been at least 2 years since she wrote Gone With the Wind.

The above was spoken by one Emmett Gowen, an obscure newspaperman and inconspicuous author. Mr. Gowen's proposal would add to Uncle Sam's onerous burdens the subsidization of third-rate authors and the rearing of their anemic literary offspring. The taxpayers who refuse to patronize these literary hacks voluntarily will be obliged to support them by means of Government subsidy. Let us all become authors. In return for penning a few bad lines the United States Government will succor us. We will have to be cautious, however. If perchance our work should develop a favorable type, a private publisher might discover us and Uncle Sam's munificence would be withdrawn. We must preserve mediocrity in return for security. And then what? The dark age of literature lies before us.

Subsidization is the inevitable forerunner of regimentation and control. When a government through its bounty invades the field of literature, authors will not write what they feel or think, or what the Muse within them may inspire. Their work invariably will be composed to tickle the fancy of some appointed bureaucrat. Those who bestow the bounty will sit in the judgment seat. Real artists would prefer the chains of poverty to this sycophancy.

The fact that Gowen and his sheep would sponsor such a declaration clearly indicates that they are not artists in the true sense but mendicants prostrating themselves at the door of the Federal Treasury. No literary masterpiece will ever burgeon from such barren ground as this.

Isaac Disraeli, in his Essay on the Literary Character, writes as follows:

Poverty is a state not so fatal to genius, as it is usually conceived to be. We shall find that it has been sometimes voluntarily chosen and that to connect too closely great fortune with great genius creates one of those powerful but unholy alliances where the one party must necessarily act contrary to the interests of the other. Poverty is a relative quality, like cold and heat, which are but the increase or the diminution in our own sensations. There is a poverty neither vulgar nor terrifying, asking no favors, and on no terms receiving any; a poverty which annihilates its ideal evils; and, becoming even a source of pride, will confer independence, that first step to genius. The emolument will produce the industry which furnishes works for popular demand; but it is only the principle of honor which can produce the lasting works of genius.

Gibbon once observed of himself, "Perhaps the golden mediocrity of my fortune has contributed to fortify my application."

Even a literary tyro must realize that great masterpieces are the result of the authors' craving for literary expression. The craving springs from the free, unfettered mind. The mere emolument of security would be no inducement to creative authorship. On the contrary, it would probably arrest initiative and smother latent genius. A task writer never built a literary monument.

Out of the fertile soil of poverty and struggle grew the Scotch ballads of Robert Burns. In extreme discomfort and in penurious circumstances the great Carlyle wrote Sartor Resartus. Edgar Allan Poe, indigent throughout the greater part of his life, wrote his best works when his financial condition was most straitened. The Gold Bug and The Raven were the results. Samuel Johnson learned in suffering what he taught in song:

Slow but surely rises worth, by poverty depressed.

The great heights attained by these authors were the direct result of their victory over adversity and heartbreaking disappointments. No dole was offered to stultify their genius, nor did they seek it. I dare say that if any of the aforementioned masters had sought refuge on a writers' project their names would have become mere numbers among the musty records of some ancient bureau.

Unquestionably there are many in America who share Mr. Gowen's views. They flock to the wailing wall begging for the chance to sell out for a mess of pottage known as security. Our German brethren did that, and they got Hitler! We have seen from the experience of other peoples and other nations that governments cannot legislate away the natural impediments of life. Progress is preceded by difficulties. Nature planned it that way. Nature never intended that able-bodied men should be nursed from the bottle of doles and subsidies. Nature does grant to men, however, the right to earn a living and the opportunity to take care of themselves. It is on this latter fact our Government and our people should concentrate their attention today.

Peaceable Solution of International Problems

EXTENSION OF REMARKS

OF

HON. OSCAR YOUNGDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

EDITORIAL FROM THE MINNEAPOLIS TRIBUNE

Mr. YOUNGDAHL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Minneapolis Tribune of June 20, 1939:

[From the Minneapolis Tribune of June 20, 1939]

IT SHOULD BE POSSIBLE

Despite some renewal of tension both in Europe and the Orient, there are occasional promising indications that nations in disagreement can gather peaceably about the council table to discuss mutual problems. The Manchester (England) Guardian found one recently, rather dramatic in some of its particulars. Officers of the armies of Britain, France, and Germany sat around a table in London. There was no point in dispute among them. Rather, they were solemnly agreed. They were attending the fourth meeting of the Anglo-German-French Committee of the Imperial War Graves Commission. Under an agreement made in 1936, each country now exercises the right to maintain and inspect the resting places of its dead when found inside another's frontiers.

A significant remark was made by the German military representative at this last meeting. It was Vice Admiral Von Trotha, and he told his French and British colleagues: "In this work we have achieved a comradeship which, while deeply respecting each nation's military virtue and will to live, yet realizes that the nations are knit together by unbreakable bonds."

Where sources of international friction are continually emphasized, it is of decided interest to hear a military man talking about the "unbreakable bonds" which knit nations together. Of course, Vice Admiral Von Trotha was speaking primarily of the graves of fallen warriors. The dead of each nation formed the tie he had in mind. He did not forget to make reservations in his statement. He acknowledged mutual respect for "military virtue" and the "will to live." But there is a fundamental importance in the paradox of comradeship which he describes.

The comradeship is an affecting one, attained over the graves of those who fell as each other's victims. It could prompt a great many conclusions, including some which would emphasize the fact that the men in those graves really had no quarrel one with the other. An outstanding conclusion, however, should be this: If wartime enemies can find a bond of comradeship about the graves of their fallen, there should be genuine hope for the peaceable solution of other international problems about the council table.

Four Months Under the British Trade Agreement

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. REED of New York. Mr. Speaker, the trade agreement between the United States and the United Kingdom was signed November 11, 1938, and became effective on January 1, 1939. This agreement is the most all-inclusive one

thus far negotiated by the State Department, and, because of its importance, it is well to examine trade between the two countries for the first 4 months of the agreement.

In an article in the New York Times, of June 11, 1939, Mr. Charles Egan presents certain figures showing the position of trade under the agreement. It is necessary, however, to examine the data a little more closely in order to ascertain the real significance of the agreement.

In general, the agreement thus far has tended to favor the United Kingdom. United States imports from the United Kingdom have increased from $34,865,000 in the first 4 months of 1938 to $45,869,000 in the first 4 months of 1939, or by 31.6 percent. United States exports, however, have decreased from $189,794,000 to $157,325,000 over the same period, or by 17.1 percent—figures are from the New York Times of June 11, 1939.

Sharpest criticism of the treaty comes from the wool-goods interest, with dinnerware producers a close second.

Same source.

Wool-goods imports have increased from 1,876,958 yards to 3,853,298 yards, while exports of cutlery, hardware, and so forth, from the United Kingdom to the United States have increased from £67,635 to £89,549—accounts relating to trade and navigation of the United Kingdom, April 1939. Over this same period, total British exports of cutlery declined from £3,031,447 to £2,896,531—same. Thus, two of Britain's most important industries have shown substantial gains as a direct result of the agreement. The position of the United States will be examined in relation to a few of the more important concessions received.

The most-talked-of concession received by the United States is that on wheat on which the duty of 6 cents a bushel was removed and wheat placed on the free list. In a press release of November 11, 1938, the State Department predicted that "the granting of duty-free treatment for wheat should prove of marked value to American wheat growers." At first glance, this prediction seems justified, as American exports of wheat for the first 4 months of 1939 increased by 1,724,916 hundredweights—112 pounds—over the corresponding period in 1938. To attribute this increase to the trade agreement is, however, rather farfetched. From August 1938 to April 1939 the United States has subsidized the export of over 21,000,000 bushels of wheat to the United Kingdom. Obviously the reduced duty had nothing to do with England's acceptance or rejection of our subsidized wheat. The duty-free status does, however, have the effect of reducing the subsidy by 6 cents, but this can hardly be called a "normal" trade gain. The State Department, in a further comment on this concession, said:

A duty of this size applicable to wheat from some countries and not others often is sufficient to divert the trade. (Press release, November 11, 1938.)

Removal of the duty has tended to rectify the former diversion of trade, but unfortunately not in the direction of the United States. Under the extension of most-favored-nation treatment, the benefits of this concession were granted to all major wheat-producing countries. Thus, we find that British wheat imports from France increased from 6 hundredweights in the first 4 months of 1938 to 2,158,873 hundredweights in the first 4 months of 1939, while imports from Rumania increased from 26,413 hundredweights to 5,102,180 over the same period.

Imports of wheat by the United Kingdom

[In hundredweights=112 pounds]

	Total	United States	France	Rumania	All other countries
4 months ending April 1938	28,761,471	6,656,108	8	26,413	22,078,944
4 months ending April 1939	37,321,139	8,381,024	2,158,873	5,102,180	21,679,062
Percent change	+29.8	+25.9	+35,981,116.7	+19,216.9	−1.8

Source: Accounts relating to trade and navigation of the United Kingdom, April 1939.

The case of raw cotton is somewhat different. Our exports of short-staple cotton declined from 2,763,651 centals—100 pounds—for the first 4 months of 1938 to 774,714 centals for the first 4 months of 1939, a decrease of 1,988,937 centals. In explanation of this, Mr. Egan points out:

War uncertainties are blamed by foreign traders for the sharp drop in sales of raw cotton to England in the first 4 months of this year. (New York Times, June 11, 1939.)

A closer examination of the available figures indicates, however, that uncertainties in the United States are the prime cause for this tremendous drop. Total imports of raw cotton by the United Kingdom declined from 4,104,377 centals for the first 4 months of 1938 to 2,215,974 centals for the first 4 months of 1939, a decrease of 1,888,403 centals. When compared with the decline in imports from the United States, it is found that the United Kingdom has actually increased its imports from other countries by 100,534 centals.

That this situation exists is not surprising. The United States, through price-pegging operations, now holds approximately 11,500,000 bales of cotton. What to do with this huge surplus has brought forth many schemes, the most prominent being the export-subsidy plan. Thus, in spite of the necessity for large cotton reserves in case of war, England has been buying only for her immediate needs and will continue to do so until our surplus-disposal plan is definitely decided upon. In addition, the threat present in this carry-over has had a very depressing influence on world-cotton prices. This has accentuated the spread between the United States pegged price and the world price and is a further trade-diverting factor.

The State Department had high hopes that the reduction from 10 percent ad valorem to 4½ ad valorem in the duty on softwoods would result in increased exports of this product to the United Kingdom. It was pointed out by many, however, that Canadian softwoods still enjoyed duty-free status and that the 4½-percent preference precluded any marked rise. Four months under the agreement has substantiated this. For while British imports from all countries increased from 204,421 standards—1,980 feet board measure—in the first 4 months of 1938 to 231,587 standards in the first 4 months of 1939, or by 13.3 percent, imports from the United States declined from 13,583 standards to 10,074 standards, or by 25.8 percent, over the same period. Imports from Canada over the same period increased from 62,599 standards to 93,599 standards, or by 49.5 percent.

The State Department should not be overly criticized for its wishful thinking, but it should be criticized for making provisions for further concessions to Canadian softwoods on this basis. In the first agreement concluded with Canada the duty and the revenue tax on softwoods were reduced by the full statutory limit of 50 percent. In spite of the hardship to the American lumber industry, the charges were bound against increase in the new agreement. In addition, the quota on Douglas fir and hemlock was removed and provision was made for further concessions, pending action by Congress.

Because of the triangular nature of the Canadian and British agreements, American concessions to Canada were granted in exchange for British concessions to America. So far as has been shown, the British concessions have meant little to American lumbermen. The American concessions to Canada, however, have proven extremely beneficial to Canadian lumbermen. United States imports of softwoods from Canada increased from 127,531,000 board feet in the first 4 months of 1938 to 173,789,000 board feet in the first 4 months of 1939, or by 36.3 percent—office records, Forestry Division, United States Department of Commerce. Thus, once more we see the State Department willing to give more than it receives at the expense of American industry.

In conclusion, trade between the United States and the United Kingdom, after 4 months under the agreement, indicates that the United Kingdom is the principal beneficiary of the agreement. While trade over such a short period is not conclusive evidence, the statistics point to a continuation of this trend.

The Mississippi Becomes of Age

EXTENSION OF REMARKS

OF

HON. WILLIAM S. JACOBSEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

ADDRESS BY H. W. SEAMAN, OF CLINTON, IOWA

Mr. JACOBSEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I should like to include the following address delivered by Mr. H. W. Seaman, of Clinton, Iowa, on the occasion of the dedication of lock and dam No. 13, located on the Mississippi River at that city on June 18, 1939:

Completion of lock and dam 13 forges one more link in a chain of lakes that enables this marvelously fertile producing region to function economically for the Nation's welfare. The entire valley and this north-central section in particular is now, as never before, a going concern.

To capitalize upon these new-found facilities we must use them to the fullest extent. Never has any similar project met up with such an instantly favorable response. Cheap water transportation for the movement of bulk commodities provides a firm foundation for the prosperity of any section, region, or nation, and large-scale barge transportation such as we now enjoy forecloses all doubts as to the wisdom of Congress in authorizing the project and following through with funds for its completion. It is a peacetime blessing and a wartime necessity.

BETTER FARM CROPS

It will restore our idle acres to full-time production by marketing their surplus products abroad. The world is hungry. Teeming millions are starving for lack of food. By making commercial fertilizers and other farm requirements cheaper, it will not only increase our crop yields two for one, but will reduce the costs of living on the farm, so that by the sheer force of lower costs of production, coupled with lower costs of transportation to and from tidewater, our farmers can profitably undersell their less-favored competitors.

Riverside elevators at rail-crossing points will clean, grade, and insure their grains and provide the farmer with negotiable bonded warehouse receipts that can either be sold or that can be borrowed against at a very low rate of interest.

This plan far outweighs the storage of surplus grains on the farm; it makes the farmer independent.

Meat-packing establishments soon can place their freshly killed products into mechanically cooled barges and take them leisurely downstream, maturing them en route, and land them shipside to any refrigerated ocean vessel, or, later on, if, as and when the Florida canal is completed, take them all the way through protected channels to New York, Philadelphia, or other east coast consuming markets, at less cost and in better condition than by rail. Barges can be back loaded; the yellow meat cars never are. It is the return of these cars empty that eats into the farmers' profits.

MOVE RAW MATERIALS

The harnessed Mississippi system can now transport from their source of origin a great preponderance of the Nation's worth-while raw materials—its food staples; its cotton and wool; its iron ore, coal, oil, and gasoline, together with its copper, lead, zinc, and sulphur—a battery of human necessities such as are nowhere else produced under one flag.

It is a staggering comment to say that, by and large, the big volume of these key raw materials, especially foodstuffs and iron ore, all come from farms and mines directly tributary to our upper river. Until now this area has been denied water transportation to make those raw materials accessible for conversion purposes into finished products for domestic use or world export.

CLINTON TO BENEFIT

A sharp upswing in industrial employment is due for this section. The program of plant enlargement, recently announced by the Clinton Co., will soon be beyond the blueprint stage. The Continental Grain Co. is eagerly awaiting the construction of its elevator here, to be ready to move the fall crop. This will bring a daily visitation of farmers' trucks, and the resultant cash disbursements will find their way into local trade channels. The construction of our city docks will not only furnish needed local employment, but will appreciably lower our living costs and soon start Clinton on its road to back-country distribution of merchandise. This will stimulate the location here of distributing houses in no small way. Operation of the du Pont plant in the near future is a certainty.

The North Western before long will emerge from bankruptcy as an integral part of the Union Pacific system, which now virtually controls its operation. When the Union Pacific does get into action as a real instead of a paper owner of the North Western, then the Chicago shops will be moved back to Clinton.

The New York Central, North Western, Union Pacific, and Illinois Central roads are all controlled by one and the same interest, and they will soon consolidate into one system.

Clinton then will become a great division and shop point on the world's greatest railroad—the first transcontinental system in the United States.

SHADOW OF WAR

A big Government hold-over elevator, a string of riverside packing plants, and various other industrial establishments are bound to materialize. They belong here. When all or a goodly portion of these activities are in motion then things will hum in Clinton as never before. They are in the offing right now.

Because of war complications our Government is already moving into this deep interior its supply depots and munition plants. A vast number of industrial plants now concentrated along the Atlantic seaboard for the same reasons will move into our safety zone. It only remains for us to get our fair share of that migration.

Substantially all of Clinton's river frontage is already taken up. Beaver Island is a safety valve for future industrial expansion, either Government or private airport use, or for big-scale steel or manufacturing plants. It has 2,200 acres, and is more than twice the size of Arsenal Island. Surrounded as it is by navigable waters, it constitutes a remarkable location for future development.

CLINTON'S FUTURE

Clinton's geographical location, together with its unexcelled transportation facilities, by rail, water, and highway, gives it a preferred opportunity. Good city salesmanship will bring its reward in a big way.

Clinton can soon become the largest city on the upper river between Minneapolis and St. Louis. It now possesses all those advantages, geographical and otherwise, which it takes to make an industrial hub, and a great market town.

It will require a lot of hard work to realize upon such an objective, but I have faith that we have the talent to put it over. The Three Musketeers told the story when they adopted as their slogan "One for all and all for one." In other words, we must have unqualified support to the battle cry of "Let's put Clinton over."

AN EVEN BREAK

This is not mere crystal gazing. These are all plain deductions, mere matters of cause and effect. Do we accept the challenge? We do, and I am sanguine that a good harvest will be our reward. And it will all be due to the 9-foot channel development.

All we ask out here is an even break—an opportunity to grow. We claim the American right to utilize here in Iowa our unrivaled raw materials, by transforming them into useful articles of commerce. We want and soon will produce steel from our northern iron ore, flour from our wheat, sugar, starch, and alcohol from our corn; beef and pork from our cattle and hogs—in short, we claim the right, without Eastern interference, to enter not only our domestic but overseas markets with both raw and finished products from this incomparably black-soil region of Iowa and other valley States, as well as with the products of our mines. All this is no idle declaration. It is our bill of rights and if our brain and brawn are put to work we will, before long, realize upon these aspirations. The completed channel on the Mississippi provides us with a direct tidewater connection, through the New Orleans gateway.

AN AMERICAN AXIS

These are neither idle boasts nor unfounded prophecies. They are more than possibilities—they are probabilities—all grounded upon good business policy.

Nowadays we hear a great deal about the Berlin-Rome-Tokio axis. The United States is keenly interested in all that. Because it occupies the center of that ring, a strengthened, smoothly running axis is formed by the broad Mississippi, the keel of our ship of state. The Mississippi Basin is also physically the core of America. It holds the seeds—Nature's requirements for the future vitality of the Nation. This valley produces a great surplus of foodstuffs—plenty for us and plenty for export. Food is what Germany, Italy, and Japan lack. The Rock Island Arsenal and the Savanna Ordnance Depot, on either side of lock 13, are the main repositories of our war materials.

DEBT OF GRATITUDE

It is a trite saying that no army can fight on an empty stomach. When war does come, and it looks imminent, we cannot stay neutral. We will be traitors to humanity if we fail to send ample supplies of both food and munitions to our friends and deny them to our enemies.

Barges will transport these essentials to the Gulf of Mexico for overseas shipment. The Gulf is our one safe ocean front. It is the forebay of the Panama Canal, and the Gulf and the Caribbean are its vigilant outposts.

We owe a debt of everlasting gratitude to the stanch supporters of our waterway in and out of Congress that have made these works possible; to our honored President, Franklin D. Roosevelt, who, like all of his predecessors, so willingly signed our various waterways bills; and to the Secretary of War and his corps of Army engineers and their assistants, who have designed and built these enduring monuments.

This lock and its sister locks up and down the river are things of beauty as well as usefulness.

CHRISTENS LAKE CLINTON

But unlike Aphrodite, the Greek goddess of beauty, who sprang fully armed from the foam of the sea, such beautiful works of art as this were not just wafted here, fully fabricated, upon a mythical magic carpet and dropped into place. Their conception has grown step by step from crude beginnings, as steel, cement, and other structural materials have from time to time become the tools of our hydraulic engineers.

And now, Mr. Chairman and officers of the Engineer Corps, I assume the privilege as the godfather of this infant enterprise to christen the wide expanse of water impounded behind dam 13 as Lake Clinton.

May the commerce that moves over its broad expanse ever continue to increase and to add to this community and to the valley of which it is a part, a full measure of new power and the enjoyment of a prosperity that has long been deferred.

Reciprocal Trade Treaties

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

LETTER FROM MILLARD D. BROWN, PRESIDENT, CONTINENTAL MILLS, INC.

Mr. DITTER. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a letter to the Honorable Cordell Hull, Secretary of State, dated June 3, 1939, from Millard D. Brown, president, Continental Mills, Inc., Philadelphia, Pa., setting forth information with regard to reciprocal trade treaties.

I am making this request because Secretary Hull's letter to the Continental Mills, Inc., was placed in the RECORD and I would like to have the answer afforded that privilege as well.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONTINENTAL MILLS, INC.,
Philadelphia, June 3, 1939.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: Your letter of May 15 was received and studied with real interest. I thank you for such a clear statement of your position. There is no doubt in my mind as to the honesty or sincerity of your desire to aid the economic position of our people.

Unfortunately, however, your letter shows an erroneous conception of the factors affecting foreign trade, and a fallacious approach to reciprocal treaties, if we are to preserve our standards of living. In addition to that, I take exception to the accuracy of many of the statistics quoted by you and your interpretation of their meaning.

No inconsiderable degree of our difference of opinion arises from the fact that you have what seems to us an entirely wrong approach to the reciprocal agreements. I believe that all foreign trade and tariff policies should be based on what we need to acquire, rather than what we wish to sell. Under such a basis, we would approach the subject of what is desirable and necessary to import as the first and important consideration. Our second consideration, then, is how can we obtain these imports through agreements and gain exports by supplying other countries with the things they need and desire? This method of approach is just the opposite of your procedure, and would not be a detriment to our domestic economy.

Mr. Howard, of the National Foreign Trade Council, Inc., shows a far clearer grasp of the situation. Speaking at the World's Fair on May 25, he said: "Expansion of our exports must wait upon and can only be a byproduct of a great increase in production of goods and services for domestic purposes." We believe that Mr. Howard is right and we cannot help feeling that you have the cart before the horse.

I have been quite interested in your remarks on the Hawley-Smoot Act. It would seem that you are indicating that the depression starting in 1929 was caused by the Tariff Act of 1930. It is easy to assign the cause of the depression following 1929 to the Hawley-Smoot Act. To do so, however, is to admit to a very sketchy knowledge of the principles of world trade and of historical fact. Means of financing international trade broke down before what you call "trade barriers" were raised in 1929 and subsequently. The erection of these so-called trade barriers was in great measure a defense against the loss of gold—which was then still a medium of exchange. When many factors contribute to a result, it is difficult to assign proper values to each, but certainly there is no justification for your reference to "a general tariff policy (meaning the Hawley-Smoot Act) which destroyed a large part of our foreign trade." You must know that it was inevitable that that trade would decline drastically and it would have done so if no changes whatever had been made in the tariff rates in 1930.

It is possible to suggest numerous causes for that decline which are not even remotely connected with the tariff. In any event, it is hardly consistent to lay the blame for the depression of the 1930's on the Hawley-Smoot Act and thereby seek to justify reductions in the tariff rates which in three-fourths of the cases go below the rates in effect before the Hawley-Smoot Act was enacted. It is our opinion (and we admit that it is difficult to urge its soundness as it is to prove its error) that the experience of the 1920's and 1930's indicates that foreign trade is the result rather than the cause of satisfactory business in this country.

Your treaties with France and Belgium have had some very serious results to several industries in the United States. The treaty with the United Kingdom, however, is by far the most important one, because such a great quantity of our foreign trade is with England and her possessions. You indicate its importance when you make the statement that you have obtained specific concessions on American exports to them which amounted in volume to $875,000,000 in 1936.

We were amazed that you would permit a statement of that kind to go out over your signature. Apparently you made a clerical error, since your press release of November 17, 1938, gave the figure of $675,000,000 rather than $875,000,000. Even the figure of $675,000,000 was by no means what you said it was. That figure does not represent the amount of our exports of so-called concession items, as you claim, but it represents our exports of such items plus our imports of items with which the treaty concerned itself. Taking out the import figure, the total is reduced in round numbers to $326,000,000. Even this figure does not give the real picture, since there is included approximately $268,000,000 of items on which no concessions were granted, but on which the United Kingdom agreed to make no further increases. This reduces the figure to around $54,000,000. Thus, the statement should have been, "We obtained specific concessions on American products, exports of which to the United Kingdom, Newfoundland, and British colonies in 1936 amounted to $54,000,000"—not $875,000,000 as you claim in your letter. That you should make such an assertion and then accuse us of making "misleading claims and inferences" seems extraordinary.

Also, as an argument for your reciprocal treaties, you quote an increase in 1937–38 of 61 percent in exports to trade-agreement countries, and a 37-percent increase in exports to nonagreement countries. We cannot check these figures. I think there must be some mistake, and believe some of these figures refer to imports rather than exports. In the first place, comparison of the increases for the individual countries comprising the agreement and nonagreement groups shows that the increases in exports to many nonagreement countries exceed or equal those of the agreement countries. But there is a more fundamental defect in the figures. They include all exports to agreement countries which, in large measure, are made up of items receiving no more favorable tariff treatment after than before the agreements. For example, in the case of Sweden, the American Tariff League has determined that of a total increase in exports from 1935 to 1937 amounting to $26,000,000 or 69 percent, commodities granted reduction in duty accounted for less than $400,000, representing an increase of only 22 percent.

The second respect in which your figures give a distorted picture is in their inclusion of the exports of war materials to trade-agreement countries. You certainly cannot claim that the trade-agreements program, which you maintain is a powerful factor in promoting world peace, is to be credited with increasing our export of instruments of war. Yet, in effect, that is exactly the claim which your use of figures does make. It has, we believe, been established that except for certain shipments to Japan, most of our export of war materials has been to trade-agreement countries.

A third correction of the figures has to be made because of the fact that a by no means inconsiderable volume of exports listed as going to trade-agreement countries did not, in fact, go there at all. As illustrative of this may be mentioned large quantities of equipment for which licenses for export to Spain could not be secured, and which, therefore, were shipped to France and included in the figures of exports to that country. We cannot believe that these facts are unknown to the State Department.

Referring again to the treaty with the United Kingdom, it is interesting to compare the concessions given by the United Kingdom to us, and the concessions which we in turn gave them:

	United Kingdom gave us	We gave United Kingdom
Rates reduced	156	444
Rates bound	127	63
Rates bound free	25	60
Rates Empire preference	4	0

Equally interesting is a comparison of reductions of duties given by each:

United Kingdom reduced to us	Percent	We gave United Kingdom
		Rates
6 rates	100	0
9 rates	50	121
6 rates	40–49	68
15 rates	30–39	92
98 rates	20–29	74
7 rates	10–19	45
0 rates	(1)	10
15 rates	(2)	34
Total (156 rates)		444

[1] Below 10 percent. [2] Indeterminate.

This comparison needs no further comment.

You call my attention to the fact that the wool textile industry is better now than in 1938. We all admit that. Business in all lines is generally better than it was last year. However, reciprocal treaties are no more responsible for that than they are for the weather. Domestic business is never static. It rises and falls from time to time I have watched this happen over 40 years, and it is generally the wool textile industry that feels the upturn first, and it also generally feels the recession first

How long we can continue at our present level of operations is problematical. The percentage of rise in imports is very significant, and indicates much greater volume of low-priced competition as the months go by.

This rising tide of imports of wool textiles closely follows the history of the increase of imports of laces following the reciprocal treaty with France. The lace industry has made protest after protest to the Committee for Reciprocity Information, without result. Their mills are practically at a standstill; their employees are on the street. Are the 165,000 employees of the wool textile industry going to suffer the same way?

The great volume of imports which affects our wool textile mills comes in under paragraphs 1107, 1108, and 1109 of the Tariff Act. In these paragraphs you have reduced 10 rates of duty, varying from 11 percent to over 40 percent. Nine of these rates have been reduced below the rates contained in the Tariff Act of 1922.

When one realizes that in England textile operatives, on 48 hours per week, work for less than half of the pay American workers get for a 40-hour week, the outlook seems very gloomy for our American workers.

At the same time our imports from England and France are mounting; the English manufacturers are complaining of all-wool fabrics from Italy being sold in England at much less than they can make them. Under your favored-nation treatment our concessions in duties to the United Kingdom are also extended to Italy and all other nations excepting Germany. Italian wages are less than one-fifth of ours. How long can we expect to be free from Italian competition? Under the Tariff Act of 1922 Italy exported quantities of woolen goods to the United States. Under the 1930 Tariff Act these imports stopped. You have in most instances now cut the present protection to American workers below the 1922 levels.

Japan also gets the same concessions as the United Kingdom. Japanese wages are less than one-tenth those in the United States. Before her involvement in China, Japan was selling worsted yarns and certain fine worsted cloths in the United States, under the 1930 tariff rates, at 10 to 20 percent less than the cost in the United States. Now, when many of our duties are below those of the 1922 act, what are we going to face when Japan again enters the export market? Can our workers exist on the wages we can pay to meet such competition?

Less than one-fifteenth of our total production goes into foreign trade. Ninety-three percent of our income is produced by sales to our own people. Our consumers' market is the largest in the world, and the envy of every other nation. Each one of these nations wants to get in here on favorable terms, to take a piece of that market away from our farms and our factories. Are we, as in the old fable of the dog and the bone, going to continue our endeavor to grab foreign markets, only to find that we have lost them, and ruined our home market as well?

In 1933 we had 11,000,000 unemployed; in 1939 we have ten and a half million unemployed. In 1933 our National Government cost us $3,000,000,000; in 1939 our National Government expenses have risen to $9,000,000,000. Our national debt, in the meantime, has risen from twenty billion to forty billions dollars. The reciprocal trade agreements program does not appear to have made the contribution to recovery so confidently predicted for it when its passage was urged on the Congress.

It is not surprising that we failed to consult you before our statements were published. Our industry did consult you before hearings on the negotiations with the United Kingdom were instituted and requested that the duty on the raw material which we use be considered before or simultaneously with consideration of the duty on goods made therefrom. The request was ignored. Those of us who have attended various hearings have not been able to escape the impression that they were largely perfunctory and matters of form—an impression which has been strengthened by reports from countries with which you have been negotiating.

I appreciate your invitation to discuss these matters with you and would be glad to do so if you feel that there is any possibility of a revision of the treaty in the event we can convince you that our industry stands to be seriously damaged by these new rates. In view of your admission that you desire and expect larger imports of woolens, we are not sure we have any common meeting ground. If your program could have a beneficent effect upon all domestic industry, so that all workers buy more woolens (which we sincerely doubt), why is it not reasonable to expect that their new purchases would be of foreign woolens rather than domestic ones, now that the rates have been lowered?

Yours very truly,

MILLARD D. BROWN.

Let's Think

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

ARTICLE BY THORWALD SIEGFRIED

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks, I am pleased to include the following challenging article by Mr. Thorwald Siegfried, of Los Angeles, Calif.:

LET'S THINK

(By Thorwald Siegfried)

Most people can keep their attention on one subject for a few minutes at a time. They often fail to do that. That is why so much foolishness passes for wisdom.

Mr. Smith uses a dollar's worth of labor and material in making a pair of shoes. With another dollar's worth of work and lumber Mr. Cox makes a chair. They are neighbors. They swap shoes for chairs, and later do the same with other neighbors for cloth, food, iron, and other goods and work. Such barter can be used only in a limited way.

When Smith and Cox are not neighbors, indeed do not know one another, they must use money for the exchange. How much money is needed to enable Smith to buy the chair made by Cox, and Cox to buy Smith's shoes? Well, prior to 1909 bankers thought it was a good idea for producers to have some money of their own tied up in their deals, and so they never advanced credit for the full amount of their costs. For the sake of the illustration we may assume that they advanced 50 percent. Then Smith would have 50 cents and Cox would have 50 cents. Neither could bid $1 for the other's goods. Prices would fall and fewer goods would be made because producers could not get back their costs from the market. The market can deliver only those dollars that are paid into it.

The poverty, unemployment, debt, foreclosures, and misery of such panics as that of 1893 arose from the lack of sufficient cash or credit, like that just described. Klondike gold relieved it somewhat after 1897.

These days if Smith and Cox were good talkers they might both persuade their bankers that their products would sell for $2 each, although costing but $1 each. The banker might say to each of them: "If you will get me a trade acceptance or installment contract signed by the other man, we will accept it for 'deposit' as $2 so you can check on it." Except for a little interest to the bank, Smith could pay $2 for the chair and Cox $2 for the shoes. Prices would have doubled, but that would follow into a completed exchange only while all the money was issued to the producers and spent by them for goods.

It is generally not the worker, not the manufacturer if he is a small one, not the corner grocery keeper, who has the line of talk that gets the excess credit issued to him. Green paper for stocks and bonds, even Government bonds, national advertising programs, long-time contracts for rents and insurance and royalties—these take the place of the simple case involving Smith and Cox. They all represent the amount above the costs of production for which people think goods can be sold. The people who do that sort of thinking are, first, the promoters; second, the bankers who say "yes." When they say "yes," monetizing something more than costs, they do not say it to Smith or Cox. They still get their $1 each for their costs and somebody else gets the extra $2. Let us call him Mr. Peters.

Peters has $2 and wants a chair. He did not have to work for the $2, but got it with talk, hopes, blue sky, and arithmetic of the sort in which 1 plus 1 makes 4. As between Peters and Smith bidding for Cox's chair, Smith can only bid $1, unless he bids $2 and pays $1 out of the future.

Peters, however, can say, "I'll take it for $2, and here's your money." So prices double as they did when Smith and Cox each had $2 instead of $1; but Smith cannot buy chairs at $2 when he

only has $1, and Cox cannot buy shoes at $2 when he has only $1. Peters is one, where Smith and Cox are two, so Peters will be filled up with chairs and shoes and such things long before Smith and Cox would be, even if they had the money to buy. The sale of their product to Peters will cease, because he will not spend his money for goods he does not need. They cannot buy from one another, because the excess credit went to Peters. The issue of free money to a nonproducer for nonproduction has blocked exchange. Exchange can take place only where values, utility, human desires meet in a condition of free equality. The factor that decides the matter of equality is whether all money or credit was issued to all persons on identical conditions.

The poverty, unemployment, debt, foreclosures, and misery of the panics of 1929, 1937, and the predicted panic of 1940 spring from excess cash and credit, issued for expected profits, most of which were impossible of realization at any time. The economic house is too drafty for habitation, whether the wind blows in at the front door or at the back. Both must be closed. The misery of 1893 was more tolerable than that of 1939, because people did not know definitely, as we do now, that the issue of money and credit for something, or for nothing, decides whether we eat or starve. In their ignorance, banks have gone back further than 1893; where we supposed that they financed 50 percent of production costs for Smith and Cox, they now do almost no financing of industry. Only promoters like Peters, some of them with manufacturing as a side line, get recognition at the banks; and bondholders, of course.

When the Federal Reserve Act was passed in 1913 it was entitled "An act * * * to afford means of rediscounting commercial paper * * *." Banks have little or no commercial paper; almost none is discounted or rediscounted. That is why Smith and Cox cannot sell their products and are idle, and why they will remain so until the costs of production and distribution are again turned into check money, dollar for dollar, and no more. One dollar too little hurts somebody a dollar's worth; one dollar too much hurts everybody many dollars' worth.

While we have been thinking of these simple things, other ideas have tried to thrust themselves upon us, to divert attention. Each of them must be held in abeyance until the subject in hand is clarified and understood. After that, each of these others must be given the same rigorous treatment, one at a time.

Providence Naval Officer Perhaps Anticipated Bell

EXTENSION OF REMARKS

OF

HON. CHARLES F. RISK

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

ARTICLE BY HERBERT E. SLAYTON

Mr. RISK. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include an article written by Herbert E. Slayton and appearing in the Providence Journal on Sunday, last, telling the story of the late Hugh F. Finn, lieutenant, United States Navy, who died March 11, 1930. It portrays a life of honorable service in the Navy and a noble attempt during his last few years, despite his terrible suffering, to make one last contribution to his comrades in service.

[From the Providence Journal of June 18, 1939]

PROVIDENCE NAVAL OFFICER PERHAPS ANTICIPATED BELL—DEVICE THAT RESCUED SEAMEN FROM THE "SQUALUS" HAS CLOSE SIMILARITY TO APPARATUS ENVISIONED BY LIEUTENANT FINN SOON AFTER "S-4" TRAGEDY

(By Herbert E. Slayton)

Comparing the rescue of 33 seamen from the sunken American submarine *Squalus* with the rescue of but 4 men from the British submarine *Thetis*, 130,000,000 Americans assuage their grief for those who perished with the thought that the American Navy, put to the test in such a way, has again demonstrated its leadership.

To Mrs. Hugh F. Finn, of Brooklyn, N. Y., native of Rhode Island, comes added gratification, however, in the belief that her husband, the late Lt. Hugh F. Finn, United States Navy, formerly of Providence, perhaps was in a measure responsible for the saving of the 33 Americans, his former companions in service, through plans he devised and charted while he was mortally ill. In the files of the Washington Patent Office are documents that may prove her belief to be well founded.

The 33 men were rescued from the *Squalus* with a diving bell, or "escape chamber." On May 2, 1928, Lieutenant Finn applied for a patent on an apparatus similar in appearance and operation to that chamber, after offering it to the Navy. A certificate of patent was granted in 1931, after Lieutenant Finn's death, to Mrs. Finn as administratrix of his estate. A renewal, good for 17 years, was granted the following year.

"But it is not of the patent I am thinking," said Mrs. Finn while in Providence the other day. "It is to gain proper recognition of the last service my husband performed for the Navy, in which he saw long service and rose from the enlisted ranks to become a commissioned officer. Perhaps I'd better tell the whole story.

MECHANICAL INCLINATIONS

"My husband enlisted in the Navy in 1909, from Pennsylvania, his home State. Others say he was a 'mechanical genius,' and this his superiors in the service soon recognized. He was assigned to the machinists' department, and there won rapid promotions.

"He became known as an expert on turbine engines. When the turbines on the battleship *North Dakota* 'froze' and could not be started, civilian experts were called, at costs of $100 per day each and expenses. After they had given up, Mr. Finn and two enlisted helpers repaired the engines and got them going again.

"He was detailed to the Carnegie Institute in Pittsburgh as an instructor in turbine work and taught officers far superior to him in rank. He also was sent to the General Electric plant in Schenectady for special work. He saw service in the Far East, including the Philippine Insurrection, in Samoa, and in other places. In the World War he was assigned to transport service, as a lieutenant.

"Afflicted with cancer in 1917, Lieutenant Finn spent 8 years in hospitals before he finally came back home to die. During all this time I had worked to support myself and to aid him. Each night when I returned home I brought him the day's local newspapers.

"One night in 1927 I brought him a paper announcing the sinking of the submarine *S-4* off Provincetown. The story sent him into a high state of excitement. 'Maybe I know some of those poor fellows,' said he. 'What if I or my brothers (he had two brothers in service) had been aboard her? There ought to be some way of saving men trapped like that.'

HIS LAST CONTRIBUTION

"It was all he talked about for the next 2 or 3 days, and he wanted all the papers he could get to read what was being done to raise the sunken sub. One day he asked me to bring him a pencil and some large sheets of paper. 'I've got an idea,' said he. 'I want to see how it works out.'

"Two or three days later he showed me drawings of his proposed 'diving bell' and tried to explain to me how it would work. I couldn't understand it, but others whom I called in said it seemed to be a very feasible proposition. 'I'll offer it to the Navy,' said Lieutenant Finn, 'as perhaps my last contribution to the service. I know it will work.'

"The Navy Department kept the drawings and explanations a long time, but finally sent them back with a letter of thanks and the statement that it did not see fit to use them. Lieutenant Finn then filed an application for a patent. While action on this was pending, he died March 11, 1930. The original patent was granted May 5, 1931."

The Patent Office certificate describes the invention as a "submergible apparatus." It states that it is designed "for use in rescue work; for example, for rescuing the members of a crew of a sunken or disabled and submerged vessel, such for example as a submarine, and including means for coupling the apparatus to the vessel, and to place the room or compartment of said apparatus in communication with one or more rooms or compartments of the submerged vessel, to enable the crew of the vessel to pass from the submerged vessel into said apparatus for transmission to the surface of the body of water or to the salvaging ship or vessel."

The application and certificate also describe how the escape chamber was to be clamped to the surface of a sunken submarine and how water taken into the chamber, to cause it to sink, was to be blown out with compressed air, through valves to be controlled by those operating the device. In contour, the device pictured by Lieutenant Finn in his application for patent also closely resembles photographs of the escape chamber used in the rescues from the *Squalus*.

Mrs. Finn says, "If you had seen him wearing out his failing strength by working on his plans, and had heard him repeatedly affirm that his plan would work and that any other such device must follow the same principle, you could understand my present feelings and desire to have him get due recognition."

Mrs. Finn was born in Rhode Island. Her brother, Sidney G. Stamp, Jr., has long been a resident of Riverside, and she has other relatives here. In 1918 she and Lieutenant Finn, then in active service, had a home in Providence. They also lived in Newport for a time.

Bill to Hereafter Prevent Branch Banks Being Established

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

Mr. PATMAN. Mr. Speaker, Monday I expect to introduce a bill to restrict the establishment of branch banks or offices

by financial institutions chartered or insured under the laws of the United States. This bill defines "financial institutions" as follows:

The term "financial institution" shall include national banks, State banks, savings banks, trust companies, Federal savings and loan associations, savings and loan associations, building and loan associations, homestead associations, cooperative banks, Federal credit unions, or any institution doing a banking, savings, trust, savings and loan, or building and loan business.

The term "branch office" is defined as follows:

The term "branch office" shall include any additional office, branch bank, branch agency, branch place of business, or any place for the making of loans, or any place for the paying in or taking out of money.

Section 2 of the bill provides—

No financial institution chartered by or pursuant to any law enacted by Congress and no financial institution whose shares, accounts, investments, or deposits are insured to any extent by the United States or any agency or instrumentality thereof shall hereafter establish any branch office: *Provided, however,* That any State financial institution converting into a Federal financial institution may continue to operate any branch office maintained by it prior to conversion: *Provided further,* That where a financial institution, existing at the date of enactment of this act, which is lawfully maintaining any branch office or branch offices existing at the date of enactment of this act shall reorganize or be reorganized, whether by incorporation of a new financial institution or otherwise, or shall merge or consolidate with another financial institution or financial institutions, the reorganized, merged, or consolidated financial institution may continue to maintain and operate such branches.

The remaining section provides a penalty for a violation of the act.

Before the Federal Deposit Insurance Corporation was established there was no effective way for the Federal Government to prevent branch banking by State banks. Now, however, practically all State banks are members of the Federal Deposit Insurance Corporation, and to that extent are subject to Federal jurisdiction. Before the Federal Deposit Insurance Corporation was established, representatives of the national banks insisted that they should have a right to establish branch banks in States where State laws permitted State banks to have branch banks. The argument was a persuasive one, because at that time the Federal Government could not restrain the State banks, and the only way to eliminate this seemingly unequal situation between the two banking set-ups—State and Federal—was to allow the national banks to establish such branches in the same way and manner that State laws permitted State banks to establish them.

Since we now have an effective way of dealing with the problem of branch banks, it occurs to me that we should freeze them where they are and not permit any more to be established. The bill I have introduced is intended to accomplish that end.

It is my belief that we should encourage local ownership of banking institutions. In other words, the local bank should be owned and conducted by local people. It is reasonable to suppose that many sound loans are refused by representatives of an absentee-owned bank, since the directors in the distant city cannot view the situation as the man on the ground sees it.

They Would Fix the Medical Profession

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

EXCERPTS FROM THE BOOK ENTITLED "MEDICAL MUSSOLINI"

Mr. HOFFMAN. Mr. Speaker, the effort of the present administration to regiment labor and agriculture is well known, but the public has something else to learn when they hear of the plans of the yearling professors and screw dealers to socialize some of our best-established professions.

In this connection I desire to put in the RECORD extracts from an amazing book called Medical Mussolini, which has just come to my attention. It seems to put the finger on just what is wrong with the healing sciences, not the least item of which is Federal interference and a recent attempt to socialize the medical profession.

I quote from pages 115 and 116:

The Nation is now suffering an experiment in planned economy for agriculture. Labor is being regimented by the National Labor Relations Board. A $1,000,000 study of monopoly is under way, and the Department of Justice has "cracked down" on organized medicine and insurance companies. Whether the professions are to be socialized and the industries regimented is yet to be determined.

We do know positively that the yearling professors in Washington have set up, in their own minds at least, the machinery to regulate and proscribe everything in America. About all they want Congress to do is to set up a bureau of appropriations and a commissarriat for taxation. They will complete the job. The possibility of Congress failing to lay sufficient taxes to bankrupt the Nation into submission doesn't bother them in the least. Ways and means are something they can't be worried about, especially when they might disturb the greatest dream since Alice in Wonderland laid down and went to sleep.

In Italy Benito Mussolini's flair for showmanship created the "black shirts." Later in Germany Adolf Hitler aped the duce and dressed his regiments in brown shirts. A couple of would-be American Hitlers have tried to build up mushroom organizations of silver shirts and khaki shirts, but dictatorial methods do not go in the United States.

Now the new dealers—sometimes called "screw dealers" by the irreverent and "parlor pinks" by the more conservative—hope to regiment red-blooded Americans in pink—just pale vestee pink—a pastel shade. What about it?

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

ADDRESS BY HON. JAMES A. FARLEY, MAY 19, 1939

Mr. BUCK. Mr. Speaker, under leave to extend my remarks in the RECORD I include the following address by Hon. James A. Farley at a luncheon in Sacramento, Calif., on May 19, 1939:

Ladies and gentlemen, I am happy to be with you at this luncheon, because it gives me the dual pleasure of meeting new acquaintances and greeting old friends. Meeting people is a favorite diversion of mine, and nowhere do I find it more enjoyable than I do in this empire State of the great far West. In fact, having sampled your hospitality on prior occasions, I have come to the conclusion that the only product which can rival California climate is California courtesy.

This meeting has another distinctive quality about it that gives it a unique appeal. My fellow guests, I am told, are not all of one political persuasion, but constitute a happy blending of business, professional, civic, and political interests. In other words, this is a field that requires diversified cultivation rather than a generous application of undiluted party doctrine. In these brief remarks I shall try to bear that fact in mind.

I feel somewhat reassured by the presence here of your good Governor, Culbert L. Olsen, who carried the party banner to victory with conspicuous success in last fall's election. For many years now I have had the opportunity to observe his gradual and persistent rise to a place of prominence in the public affairs of this State. Governor Olsen's career is a splendid example of the fact that courage, tenacity, and integrity are given a high value by the electorate in its choice of public officials. He did not select the easy way in his rise to the top. Through long years of effort, very often marked by defeat of the cause in which he so passionately believed, Culbert Olsen remained steadfast to the basic tenets of his political creed. He never wavered because the road was rough and weary. Instead of yielding and giving ground he waited patiently until public opinion and his own beliefs had reached a common meeting ground.

I know that our Republican friends at this gathering will show a spirit of forbearance for a moment while I express the satisfaction experienced last fall by Democrats throughout the Nation when

word was flashed that California at last had elected a Democratic Governor. Forty years is a long time to wait—even in politics—but when victory is achieved after that lapse of time, it becomes all the sweeter. In the spirit of good fellowship, let me add that I hope our Republican brethren will be equally patient in their quest for victory in the field of national politics.

I know that Culbert Olsen possesses the qualities to make him an excellent Governor, and it is my sincere belief that the people of this State will never regret their course in electing him to the highest place they can bestow. It is a pleasure for me—here in the capital city—to wish him a prosperous and successful tenure of office.

While partisanship is bred deep in my bones, I am conscious of the truth that the two-party system of government is one of the real blessings of American democracy. It is a blessing because the biparty system is founded on division of opinion, and where there is no difference of opinion, then popular government is nothing more than a myth and a sham. The mistaken notion that the key to successful government lies in the will of an all-powerful ruler may take root in other lands, but it will never be accepted here, and it will never be accepted in any land the citizens of which have once tasted the joy of free living.

The administration at Washington was reelected to power by a margin of victory seldom equaled in a land where elections are determined at the ballot box and not on the field of battle. This wave of popular sentiment was reflected alike in the total vote cast and in the electoral votes of the various tSates. Yet no one assumed that because the majority had expressed its will in such positive manner the minority was to be crushed and its rights trampled upon. Quite the contrary. In keeping with a fine old American tradition, the minority became even more vocal than it was before the election and the chorus of criticism directed against the administration at Washington swelled to new proportions; and, regardless of whether we think this criticism is justified or unjustified, every citizen of the United States is proud of the fact that not a single effort has been made to abridge the basic rights of free speech, free assemblage, or freedom of the press. That is the American way, and it will continue to be the American way, no matter which of the two great political parties happens to be in control of the Federal Government. Neither the Roosevelt administration, nor any other administration, should be afraid of criticism. The opposition party has a definite function to point out mistakes and lapses, and whenever this type of vigorous and alert opposition is lacking, the government in authority is soon headed for decay. The surest way to court defeat is to listen to only one side of the story.

I think you will agree that those who dislike the course pursued by the Roosevelt administration have done a thorough job of making known their dissatisfaction to the general public. Certainly they have not lacked a forum for the spoken word or a press for the printed word. They dislike what President Roosevelt is attempting to do and very often they give the impression that they would still be unhappy, no matter what he did. In fact, I fear that frequently they become so furious that they lose their sense of humor—and that is always something to be regretted. I am reminded of a cartoon that appeared recently in a humorous publication. A wife walked into the breakfast room to find her husband slumped over the table gazing at the morning paper with an air of frenzied anger. Realizing the cause of his discomfort even without asking, she inquired, "Well, what has he done now?"

Being somewhat politically minded myself, and in view of the fact that the opposition has done very well in stating its case, I feel this is an appropriate occasion for me to say a few kind words for President Roosevelt. Let me hasten to add that it is not my purpose to do this in the spirit of partisan controversy. Rather, I should like to point out in a general way the problems which he has faced and the methods he has pursued in seeking to find a workable solution.

In the first place, it should be borne in mind that this is a period of change and adjustment all over the world. Every government on earth has been compelled to grapple with new and perplexing conditions brought about by changes in the social and economic order. A few nations have made this adjustment in a fairly successful manner, while others have toppled over into a state of affairs that can only be described as worse than the condition from which they tried to escape. The United States has not escaped from this general state of unsettlement. The need for revision was more than apparent when President Roosevelt assumed office about 6 years ago. The force of events had already demonstrated that to continue along the old road without making repairs was to risk the possibility of a permanent break-down.

President Roosevelt had to act, and he had to act quickly. The major task confronting him was to restore the economic security of millions of citizens who had been brought to the verge of destitution and poverty as a result of forces beyond their control. He had to revive business and rescue agriculture. He had to reopen the channels of trade and he had to find some means of giving a living to the army of unemployed. But, most of all, he had to restore the faith of the American people in the democratic form of government. If some of you here think that the picture is exaggerated, let me remind you that just before President Roosevelt assumed office a distinguished Senator stated publicly on the floor of the Senate that a dictator might be needed to restore the Nation to normal prosperity.

It is only human for individuals to dislike change, especially when it involves making personal sacrifices for the general welfare. I do not mean to imply that those who oppose President Roosevelt are moved solely by motives of selfishness or by lack of sincerity. Yet it is well to ponder on this fact: The major reforms of the Roosevelt administration were enacted during the first term of the Chief Executive. The American people had a chance to pass judgment on these enactments and they gave their endorsement by an overwhelming majority. Surely, in a democratic government, a program of legislation endorsed by the mass of voters cannot be wholly wrong. What better proof can we have of the need for new principles and new policies than this approval of the general electorate.

Uncle Sam was a very sick patient back in 1932. His illness was caused by deep-seated maladjustments in the economic order. Now if you were ill, which kind of physician would you prefer—a doctor who told you not to worry that everything would be all right? Or a doctor who had the good sense to diagnose the illness correctly and the courage to prescribe the proper course of treatment? The truth is that if President Roosevelt had lacked the courage to do what had to be done the task would have been turned over to someone else in 1936, because the job simply had to be done.

It is pleasant to recall that the people of the far West realized what the Chief Executive was trying to do and gave him their support in splendid fashion. You people are progressively minded; you are not afraid of change simply because it is change; you knew that the government which fails to protect the fundamental interests of all the people is no government at all.

A single objective has been the underlying factor in every step taken by President Roosevelt in his efforts to readjust the social and economic machinery of the American Nation. Despite the flimsy objections raised to many of his proposals, he has not tried to benefit one class of citizens at the expense of the other. On the contrary, he has tried to bring about a balanced economy, in which all shall have their just share, because no other kind of economy should be tolerated in this country. When the President seeks to raise the buying power of agriculture, he is not seeking to rob the consumer, but to better the condition of both. When he seeks to abolish sweat conditions and starvation wages, he is not seeking to destroy the basic rights of employers.

The administration has been called upon constantly to defend its policies and purposes. Now, in the spirit of fairness, I should like to ask a few questions of those who are dissatisfied with the administration efforts. What measure would they like to have repealed?

Would they repeal the banking laws under which there are scarcely any failures and go back to the old laws of the Hoover regime when banks crashed by the thousands, sweeping away the savings of the people?

Would they repeal the reforms of the stock market under which the investor knows what he is buying and go back to the old system of unregulated speculation?

Would they wipe out the Tennessee Valley project, which has given new life to a vast empire, and turn the Nation's heritage over to the exploitation of a powerful few?

Would they repeal the Wagner Act for collective bargaining and make human labor a mere commodity again?

We have set up a system which has saved hundreds of thousands of home owners of eviction and hundreds of thousands of farm homesteads from foreclosure; would they tear these down?

We have written the Social Security Act, the most humane and civilized piece of legislation in our history; would they wipe it out?

These things may be improved upon as experience dictates, but never will they be repealed. History will record that no administration since the time of Washington has been more conspicuous for constructive achievement for the good of man.

The question has been asked, What has the administration and its supporters in mind? What do we want? Let me emphasize the objectives of the administration in a few sentences.

We certainly want business to make a reasonable profit on its investments, because capital takes the risk.

We want labor to secure a wage that is sufficient to bring a sense of dignity and security and to have working conditions commensurate with the dignity of toil, for capital without labor would be as barren as money on a desert isle.

We want the farmers to reap rewards from their toil sufficient to lift or keep the mortgage from the farm and enough besides to leave a balance in the bank.

We want the banks to thrive and to use their hoarded gold to meet the needs of constructive industry and safely to finance the building of people's homes.

We want business to boom—but we want all America in on the business.

We want the aged worker free from the haunting fear of a twilight of misery and poverty, and the widowed mother to have a chance to rear her children at home, and the crippled child to have a chance to support himself in self-respecting toil. We want a reasonable provision to tide the worker over the occasional periods of unemployment—and these are the reasons we have written into the statutes the Social Security Act, which is the "emancipation proclamation" of the masses.

We want a free press, freedom of speech, and the right to worship God according to the dictates of conscience.

These, in brief, are the objectives of the Roosevelt administration. To those who like to say that the ultimate goal is still far from being realized, I should like to point out that under President Roosevelt the United States has gone further along that road than any other nation on earth. He has laid the groundwork and brought about necessary reforms which will endure as long as the United States endures.

I do not wish to suggest that the political foes of President Roosevelt should forego their constitutional right to protest and to op-

pose, but I do wish to emphasize that in this period of international unrest and uncertainty the basic need now is for national unity.

In view of the perilous conditions throughout the world, the time has come for all Americans to work together as Americans and to end the internal feuds that rest on nothing more substantial than spites and prejudice and foolish hates. We have seen too many unseemly hates, and our great American family has engaged too bitterly in family feuds that only tend to threaten the existence of the common heritage of the fathers.

Let the Amercan people lay aside all backbiting and bickering and let us present a united democracy as an example to the world. Liberty and freedom can never be extinguished while the torchlight of Jeffersonian democracy is held aloft by the citizens of this Republic.

Let us cherish the great heritage that has come down to us from worthy leaders of the past and let us hand down to our children the blessings and benefits of a united national family. Let us persevere with a common determination that no matter what befalls in less fortunate lands we will make the American family, as Jefferson had planned, the most united, the most contented, the most tolerant, the most prosperous in all the world.

That was the dream of the mighty men who founded the American Republic.

That is the ambition of Roosevelt.

And that must be the common vision and the common aspiration of us all.

Tribute Levying by Means of the N. L. R. A. and Through the Activities of the N. L. R. B.

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. HOFFMAN. Mr. Speaker, here are one or two instances of some of the things that are happening because the N. L. R. A. is unamended, because of the manner in which it is being administered by the N. L. R. B.

I quote an editorial from the June 22, 1939, issue of the Somerset (Pa.) Daily American:

BATTLEGROUND

It appears that the Public Works Administration in Washington has decided to make a Somerset County relief project a battleground between the American Federation of Labor and the Congress of Industrial Organizations.

High hopes are entertained that it may change its intentions.

When the American Federation of Labor decided to monopolize the jobs on the Pennsylvania Turnpike the State employment service refused to supply labor from relief rolls and the unemployed workers of Somerset County were at the mercy of the federation racketeers, who demanded $15 initiation fees and from $1.50 up per month as dues from all who expected to obtain jobs.

The Somerset County workers rebelled. They halted work on the jobs already in progress and drove the American Federation of Labor representatives out of the county. They formed their own organization, because the Wagner Act made such action necessary. They incorporated as a labor organization. They signed contracts with two construction contractors.

Now comes the word from Washington that P. W. A. will not recognize Somerset County Independent Construction Workers' Association as a bona fide labor organization.

The Pennsylvania Turnpike Commission has recognized the Somerset County Workers' Union, but the P. W. A. will not.

Meanwhile the Congress of Industrial Workers has not been idle. It has thrown a group of its organizers into Somerset County. Meetings held Sunday afternoon and Tuesday night indicated the extent of their achievements. At both meetings, United Mine Workers (C. I. O.) from the northern end of the county were in evidence both as to numbers and vocally. But for its incorporation, the Somerset County Union would have been swept into C. I. O. at either of these meetings.

The primary issue remains as it was 2 months ago:

Shall workers on relief jobs be required to yield to the blackmail of labor racketeers?

The Congress of Industrial Organization has offered cheaper rates than the American Federation of Labor, but experiences of our mine workers warn of higher dues and assessments in the future.

Between five and six thousand Somerset County workers have signed up with S. C. I. C. W. A., not because they believe that relief workers should be required to join a labor union but because the Wagner Act leaves them no freedom in the matter, and they prefer an association of their own to one managed from a distant point.

The American Federation of Labor has assailed the Somerset County workers in the courts. The Somerset County equity court and the Federal district court in Pittsburgh have denied it injunctions against the Somerset County workers' union.

The Congress of Industrial Organizations has been more subtle. Its agents have wormed their way into the very heart of the independent organization.

The Battles of Concord and Lexington and Bunker Hill opened the Revolutionary War, but there came a time when the French were called in, much to the disgust of many patriots. The sentiment prevailed in New England that it would be better to lose the war for freedom to the British than to win it with the aid of the French.

The workers of Somerset County feel about the conflict between A. F. of L. and C. I. O. that they would sooner lose their own controversy than pull hot chestnuts out of the fire for either union.

The Government at Washington has raised its hands against Somerset County workers. It maintains the infamous Wagner Act on its statute books. It licenses the great labor unions to prey upon the jobless workers. It denies Somerset County workers the rights which the Wagner Act was presumed to grant them.

Of the five or six thousand members of the S. C. I. C. W. A. not more than 500 attended either meeting held this week at which time a proposal to affiliate with C. I. O. was an issue. This is a token by which it is estimated that not more than one-fourth of the members of the independent union would go into C. I. O. if the proposal to affiliate were to be approved.

The issue raised in Somerset County is Nation-wide. There is a strong sentiment throughout the Republic that relief workers should not be required to pay tribute to labor unions, yet many of those who thus hold are willing that the impositions of labor unions shall be permitted to bar willing workers from jobs in private industry.

The Wagner Act seems to have definitely denied the American wage earner the right to sell his labor in the highest market as a free man. It requires that he shall obtain a license from John L. Lewis or William Green before he may earn his bread by the sweat of his face even on relief projects.

The Wagner Act goes further.

In the event of the inability of either A. F. L. or C. I. O. to find sufficent prey in Somerset County to man the jobs, the threat to Somerset County is that it will be overrun by transient workers who lack the responsibilities of homes and families, brought in by either A. F. L. or C. I. O.

The battle for liberty begun by Somerset County workers has fed the ambitions of the organizers. They care nothing for the people of Somerset County. They want the income that 6,000 construction workers might supply them.

The joy inspired by the coming of the turnpike has been curdled by the vinegar poured upon it by those in authority.

I now read a letter received from the president of the California Gas & Electric Employees Union, Inc., of Sacramento, Calif.:

JUNE 20, 1939.

Hon. CLARE E. HOFFMAN,
United States Representative from Michigan,
House of Representatives Office Building, Washington, D. C.

HONORABLE SIR: On behalf of the thousands of members of the California Gas & Electric Employees Union embracing a majority of 12,500 employees of the Pacific Gas & Electric Co., which serves a territory larger than the whole of New England, we call your attention to the fact that after waiting over a year and a half for certification as bargaining agent by the National Labor Relations Board, last week's Labor Board decision nullifying our election furnishes complete confirmation of statements in the Senate that the Board invariably refuses to certify an independent union and shapes its findings to that end.

Last week's decision reaffirms rulings that the California Gas & Electric Employees Union is a labor organization within the meaning of the Wagner Act. Thus, again, the gossip that ours is a union fomented, dominated, and financed by our employer is refuted. Yet the decision treats such hearsay as evidence, with strong indications that it influenced the findings.

In setting aside the overwhelming vote of the December 1937 election in which we defeated the C. I. O. union, the Board said that the company "interfered with, restrained, and coerced its employees in the exercise of the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining and other mutual aid and protection as guaranteed in section 7 of the act."

The shoe is on the other foot. The record should read that the N. L. R. B. is guilty of doing these very things. Its conclusions are based on every conceivable form of inadmissible evidence, including hearsay, unsupported, trivial, frivolous, irrelevant, and immaterial, to say nothing of incompetence. The only evidence perceptible in the decision is the evidence of the Board's bias against independent unions and its prejudice in favor of the C. I. O. It even goes so far as to denounce union organization activities on company premises. This is a complete about face on the Board's decision in *Protective Motor Co.* (1 N. L. R. B. 639): "So long as efficiency is unimpaired, to discuss union problems on the company's premises, and in an orderly manner to urge nonunion men to join, is wholly permissible. It follows from the premise that the employer is under a duty not to interfere with the self-organization of his men; that he may not try to protect his nonunion labor from the persuasions of the union employees. To this principle the act recognizes no exception based upon allegations of friendship or supposedly fortunate conditions of employment."

You will find in the decision that pages 23 to 27, inclusive, covering "events during May, June, and July 1937" (the organizational period of our union), are devoted to so-called evidence regarding ordinary organization activities. This "evidence" is so far-fetched

that any court would rule it out without hesitancy. Largely these pages disclose our exercise of the right to organize under the Wagner Act. At variance with the facts is the statement on page 6—re hearing before Examiner Lindsay at San Francisco—that "full opportunity to be heard, to examine and cross-examine witnesses, and introduce evidence bearing on the issue was afforded all parties."

The right to cross-examine was denied repeatedly and arbitrarily. The decision admits that "no claim was ever made of irregularity at the polls." Also, nowhere in the record was there any evidence or claim that the alleged coercion and intimidation had influenced a single vote, yet logic shows that hundreds of votes would have had to be so influenced to give us our majority of 3,550 votes to the C. I. O.'s 2,250.

We cite some examples of the testimony upon which the Labor Board nullified its own election. Page 21, a witness said another employee "as much as said 'he felt they could not hope to gather much from belonging to the C. I. O.'" Page 22, "Burkhead, a general line foreman in San Jose, told one Adams, an employee under his supervision, that he believed the employees of the San Jose division would be doing the wrong thing in affiliating with the C. I. O." In spite of the fact that Burkhead had no power to hire or discharge, the Labor Board said, "We find the company by the above activities has interfered with, restrained, and coerced its employees in the right guaranteed them in section 7 of the act."

On page 23 (during our organization period), "R. P. Mace, an employee and one of the incorporators of the California union, traveled to various places and urged employees to organize locals." Again the Board holds this to be an unfair labor practice.

If there was ever any question that the power and discretion of the Labor Board should be redefined and limited, this decision should settle it. Unquestionably it is the Board's practice to fix its findings to fit a predetermined decision. This communication is addressed to you, first, because of your awareness of the misadministration of the Wagner Act by the Labor Board, and, second, because, although the C. I. O. could not and never will muster enough votes to defeat our independent union, we fear the Labor Board's statement that it will not hold a new election "until such time as we are satisfied that the effects of the respondent's unfair labor practices have been dissipated sufficiently to permit a free choice of representative" can only mean that they hope to stall us into disintegration. They have failed to accomplish this in the last year and a half, but human nature can only stand so much injustice.

We request that you read this communication to your distinguished colleagues, and thereby let the country know that promises of self-correction of abuses of authority by the Labor Board are being violated even before Congress adjourns.

G. T. JONES, *President.*

The following is a copy of a letter directed to the Secretary of Labor, sent me by Mr. Harry Strom, of Moline, Ill.:

MOLINE, ILL., *June 21, 1939.*

SECRETARY OF LABOR,
Department of Labor, Washington, D. C.

DEAR MME. SECRETARY: I wish to enter a protest against the procedure adopted by the Labor Employment Offices in placing men in employment.

About the middle of April of this year the Labor Employment Office in Rock Island, Ill., had a call for several millwrights. The demand was greater than their supply of registered millwrights. So the employment office requested radio station WHBF to announce the opportunity for employment for several millwrights. So much, so good.

I was unemployed and have had considerable experience as a millwright and as a millwright foreman.

I have not filed as unemployed with the employment office for over 2 years, so my name was not in their files.

I went to the Rock Island office and tried to find out who it was that wanted the millwrights but this information was refused me because I was registered.

I was then requested to fill out a registration card and a man employed there began to ask questions and fill out the card. There was not one question asked regarding my qualifications as a millwright.

This work comes under the jurisdiction of the carpenters, and I have worked at that trade for over 40 years.

In filling out this card this man wanted my entire work record covering over 40 years of employment in several States. It was impossible for me to furnish this information. I finally became disgusted and told him to "tear up the card. I have lived nearly 64 years without your help, and I can live the rest of my life without help from a labor office."

It makes any red-blooded citizen see red when he begins to see the trend, which is. It will not be long until every employer in our land will be forbidden to employ a worker other than through a Federal employment office.

Us workers will then find that we will be given employment only at the pleasure or whim of some clerk in the Labor Office. Unless I belong to the right political party and vote right (according to the employees of the employment office) there will be no work for me.

I want to ask you in all fairness: What business is it of the employer or the Government who my parents were and where they were born; if I am married and how many dependents I have?

I have employed hundreds of men, and the only thing I was interested in was their qualifications for the work they were doing. Certainly, married or single-blessedness; religion and paternal ancesters are not qualifications for citizenship in the United States of America under our Constitution, and these should not be used in favor of, or opposition to employment.

Why not change those questions so as to make some effort to furnish the employer with competent labor instead of political preferment?

Young men just completing an apprenticeship need only answer back that far, which is generally 3 or 4 years. Why should any citizen be required to go back any further? Are we not supposed to be equal before the law?

Some of the questions are humiliating. They might be proper in a divorce court, but for the purpose of seeking employment are of no economic value either to the employer or the Government.

This protest will not doubt fall upon deaf ears, but I must get this off my chest to inform you that at least some of us workers are getting plenty tired of our Federal Government meddling in the economic field as respects the interests of employers and employees. We are aware of the trend of leading us piecemeal into a communistic dictatorship.

Yours for more freedom in America.

HARRY STROM,
2630 Fourth Avenue, Moline, Ill.

Tacoma Light and Power Rates Compared With T. V. A. Rates

EXTENSION OF REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 3, 1939

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I insert a statement of the Public Light & Power System of the city of Tacoma, Wash.

I hope every Member of the House, and everyone else who reads this RECORD, will study this statement carefully. It is a complete answer to every criticism that has been lodged against the T. V. A. yardstick rates for electric lights and power.

You will note that the residential rates at Tacoma, as shown under schedule A–1, are as follows:

Cents per kilowatt-hour	
First 20 kilowatt-hours	4.5
Next 400 kilowatt-hours	1.0
Over 420 kilowatt-hours	0.5

Minimum charge, 50 cents per month.

NOTE.—For house-heating purposes the second or 1-cent step of the above rate is increased 25 kilowatt-hours for each kilowatt of heating capacity installed in excess of 10 kilowatts.

The T. V. A. yardstick residential rates are as follows:

Cents per kilowatt-hour	
First 50 kilowatt-hours	3.0
Next 150 kilowatt-hours	2.0
Next 200 kilowatt-hours	1.0
Next 1,000 kilowatt-hours	0.4
Excess over 1,400 kilowatt-hours	0.75

Thus you will see that the T. V. A. residential rates are considerably higher than the Tacoma residential rates.

Tacoma is a town of about 110,000 population, and has an investment of $26,953,292.51, which it has paid down to $4,563,000. By 1951 this indebtedness will be entirely paid off and then the rates will be dropped to the irreducible minimum.

Now, let us take the commercial rates. The Tacoma rates as shown under schedule B–1, are as follows:

Cents per kilowatt-hour	
First 100 kilowatt-hours	3½
Next 400 kilowatt-hours	2½
Next 1,000 kilowatt-hours	1½
Over 1,500 kilowatt-hours	1

Minimum charge 67 cents per kilowatt of connected motor load, but in no case less than 50 cents per month.

The T. V. A. yardstick rates for commercial consumption are as follows:

Cents per kilowatt-hour	
First 250 kilowatt-hours per month	3
Next 750 kilowatt-hours per month	2
Next 1,000 kilowatt-hours per month	1
Excess over 2,000 kilowatt-hours per month	.8

So you will see that the Tacoma commercial rates are about equal to the T. V. A. rates.

A comparison of the industrial rates will show about the same ratio.

I know it has been said by friends of the private power interests that public power plants pay no taxes. You will note from this statement that Tacoma in 1938 paid taxes in the amount of $248,391.05. That is more than the average private power company pays in any city the size of Tacoma.

Remember also that private power companies never amortize their indebtedness but will continue to charge interest as well as dividends on it throughout all time to come if permitted to do so.

I am inserting this Tacoma annual statement in full, and, as I said, I invite each and every one of you to study it carefully and then join us in our efforts to place electricity in every home, in every business establishment, and on every farm in America at these rates. By doing so we would reduce electric light and power rates to the American people by approximately $1,000,000,000 a year, and would make this country a richer, a brighter, and a better place in which to live.

The statement referred to follows:

1938 FINANCIAL STATEMENT AND OTHER GENERAL INFORMATION—CITY OF TACOMA, DEPARTMENT OF PUBLIC UTILITIES, LIGHT DIVISION

Annual income, profit, and loss, year ending Dec. 31

	1936	1937	1938
Current annual income:			
Operating revenues	$2,359,964.91	$2,546,314.88	$2,473,734.27
Less operating expenses	494,075.76	605,248.70	706,401.09
Gross operating income	1,865,889.15	1,941,066.18	1,767,333.18
Less depreciation	460,352.68	467,604.87	474,084.63
Operating income	1,405,536.47	1,473,461.31	1,293,248.55
Miscellaneous revenues and expense	(8,788.27)	(7,665.94)	31,266.66
Gross income	1,396,748.20	1,465,795.37	1,324,514.61
Deductions from gross income:			
Interest	319,791.87	284,597.30	248,610.31
Amortization of debt discount	13,259.41	11,616.32	11,368.20
Taxes	236,411.42	256,833.54	248,391.05
Total deductions	569,462.70	553,047.16	508,369.56
Net annual income	827,285.50	912,748.21	816,145.05
Profit and loss:			
Current annual period	(1,571.16)	(19,860.58)	2,621.47
Prior periods	794,718.88	3,067.11	110,948.21
Income profit and loss, total	620,433.22	895,954.74	929,714.73
Less appropriations to bond redemption reserves	679,333.34	714,333.32	745,833.34
Add bond redemptions	678,000.00	713,000.00	744,000.00
Income profit and loss balance to unreserved surplus	1,619,099.88	894,621.42	927,881.39

Comparative balance sheets, Tacoma Light Division

	1936	1937	1938
ASSETS			
Plant and equipment	$23,524,317.96	$23,896,330.84	$24,429,241.93
Sinking funds	394,269.38	398,111.88	400,438.35
Current assets:			
Cash	404,256.92	460,686.03	477,387.54
Loans receivable	115,500.00	110,500.00	23,250.00
Consumers' deposits	82,669.18	85,421.75	90,289.46
Accounts receivable	495,156.86	510,713.67	724,121.99
Materials and supplies	309,726.42	401,021.24	409,378.94
Other current assets	7,632.00		
Unadjusted debits	414,099.67	482,760.70	399,184.30
Total	25,747,628.39	26,345,546.11	26,953,292.51
LIABILITIES			
Capital liabilities	6,018,000.00	5,307,000.00	4,563,000.00
Current and accrued liabilities:			
Warrants payable	48,350.02	37,594.61	33,660.86
Consumers' deposits	82,669.18	85,421.75	90,289.46
Other accounts payable	13,155.76	19,073.26	18,061.36
Other accruals	25,984.59	22,625.84	21,252.28
Deferred liabilities	7,423.09	5,990.33	18,209.50
Depreciation reserve	4,599,702.21	5,054,196.36	5,487,000.41
Other reserves	648,370.03	656,099.28	634,559.23
Sinking funds	370,333.34	371,666.66	373,500.00
Surplus	13,933,640.17	14,785,878.02	15,713,759.41
Total	25,747,628.39	26,345,546.11	26,953,292.51
Current assets	1,414,941.38	1,568,342.69	1,724,427.93
Current liabilities	170,159.55	164,715.46	163,263.96
Net current assets	1,244,781.83	1,403,627.23	1,561,163.97

System load data

GENERATED KILOWATT-HOURS

	1936	1937	1938
Nisqually power plant:			
Gross	104,199,000	128,465,000	107,104,000
Self consumed	1,357,942	1,414,708	760,703
Net	102,841,058	127,050,292	106,343,297
Cushman No. 1 power plant:			
Gross	85,154,000	93,985,000	111,110,000
Self consumed	1,377,330	1,418,007	1,063,728
Net	83,776,370	92,566,993	110,046,272
Cushman No. 2 power plant:			
Gross	126,929,000	151,778,000	129,900,000
Self consumed	1,299,560	1,328,166	1,179,061
Net	125,629,440	150,449,834	128,720,939
Steam plant No. 1:			
Gross	610,400		
Self consumed	96,770	41,766	36,949
Net	513,630	(41,766)	(36,949)
Steam plant No. 2:			
Gross		5,714,000	
Self consumed	319,000	928,000	261,000
Net	(319,000)	4,786,000	(261,000)

SYSTEM ENERGY TRANSACTIONS, KILOWATT-HOURS

Net hydro generated	312,247,168	370,067,119	345,110,508
Net steam generated	194,630	4,744,234	(297,949)
Received from Seattle	221,000	27,000	5,000
Total generated and received	312,662,798	374,838,353	344,817,559
Delivered to Seattle	19,654,000	2,692,000	53,000
Net system requirements	293,008,798	372,146,353	344,764,559
Self consumed, line and transfer losses	48,456,645	58,521,046	56,956,926
Total energy sales, excluding Seattle	244,552,153	313,625,307	287,807,633

GENERATING PLANT PEAK, KILOWATTS

Nisqually power plant	25,000	24,000	22,000
Cushman No. 1 power plant	40,000	40,000	40,000
Cushman No. 2 power plant	48,000	52,000	45,000
Steam plant No. 1	4,000		
Steam plant No. 2		12,000	

MAXIMUM LOADS, KILOWATTS

Total generation	71,000	78,000	76,000
System peak	62,000	69,000	73,000

YEARLY LOAD FACTORS, PERCENT

Total generation	50.1	54.85	51.8
System	53.8	61.56	53.9

SEGREGATION OF ENERGY BILLED, KILOWATT-HOURS

Residential	48,522,830	52,307,632	57,291,532
Commercial	20,142,964	31,922,528	33,622,719
Industrial	141,256,809	203,014,370	170,095,544
Municipal street railway	1,134,395	1,116,460	716,000
Municipal street lighting	7,138,946	7,158,538	7,086,987
Municipal and other public sales	10,013,798	10,982,066	11,093,397
Sales to other utilities except Seattle	6,342,411	7,063,713	7,901,454
Subtotal	244,552,153	313,625,307	287,807,633
Sales to Seattle	19,654,000	2,692,000	53,000
Total energy billed	264,206,153	316,317,307	287,860,633

AVERAGE NUMBER OF BILLINGS

Residential	30,068	30,848	31,763
Commercial	3,756	3,773	3,797
Industrial	1,130	1,099	1,045
Municipal street railway	1	1	1
Municipal street lighting	1	1	1
Municipal and other public sales	251	258	256
Sales to other utilities except Seattle	11	11	11
Subtotal	35,218	35,991	36,874
Sales to Seattle	1	1	1
Total energy billed	35,219	35,992	36,875

[1] Decline due to combining of meters.

RESIDENTIAL SERVICE DATA FOR 1938

	Tacoma	National average (E. E. I. report)
Average revenue, cents per kilowatt-hour (1938)	1.56	4.23
Kilowatt-hours per customer (1938)	1,804	853
Average revenue per customer (1938)	$28.22	$36.08

Operating revenues

	1936	1937	1938	1938, average [1]
Residential	$804,871.77	$848,651.96	$896,295.01	1.56
Commercial	507,503.03	498,088.36	515,428.95	1.53
Industrial	740,227.31	971,100.27	852,566.08	.50
Municipal street railway	6,541.19	6,487.38	5,252.60	.73
Municipal street lighting	72,141.05	72,416.34	71,574.23	1.01
Municipal and other public sales	83,798.41	84,817.94	84,243.52	.76
Sales to other utilities, except Seattle	40,539.78	43,999.41	48,403.98	.61
Subtotal	2,255,622.54	2,525,561.66	2,473,764.67	.86
Sales to Seattle	98,270.00	15,327.50	265.00	-------
Total energy billed	2,353,892.54	2,540,889.16	2,474,029.67	-------
Miscellaneous revenue and adjustments	6,072.37	5,425.72	(295.40)	-------
Total operating revenue	2,359,964.91	2,546,314.88	2,473,734.27	-------

[1] Cents per kilowatt-hour.

Operating expenses

	1936	1937	1938
Production	$127,277.14	$185,781.39	$184,346.18
Transmission and transformation	72,705.27	91,211.38	124,122.55
Distribution	96,679.57	129,080.27	149,736.10
Utilization	23,184.96	26,973.47	59,930.25
Commercial	83,288.10	93,477.46	110,216.08
General	90,940.72	78,724.73	78,049.93
Operating expense	494,075.76	605,248.70	706,401.09
Depreciation	460,352.68	467,604.87	474,084.63
Total operating expenses	954,428.44	1,072,853.57	1,180,485.72

Taxes—direct and indirect

	1936	1937	1938
Gross-earnings tax, State	$64,824.63	$71,313.87	$68,229.06
Gross-earnings tax, city	171,586.79	185,519.67	180,161.99
Gratuitous work	1,226.85	1,667.58	442.12
Hydro, gas, and miscellaneous taxes	35,296.89	21,064.70	31,585.53
Total	272,935.16	279,565.82	280,418.70
Percentage to gross operating revenues	11.57	10.98	11.34

The light division also pays to the city of Tacoma general fund for services rendered 30 percent of all salaries in the following city offices: Treasurer, controller, attorney, city clerk, civil service, and city purchasing agent, as well as rental for quarters occupied. This expense for last 3 years amounted to: 1936, $18,004.97; 1937, $19,665.01; 1938, $21,554.26. See further explanation under Revenue Dollar.

Fixed assets—plant—Dec. 31, 1938

	Ratings		1938
	Horsepower	*Kilowatts*	
Unit No. 1, Nisqually power plant	32,000	24,000	$2,107,893.49
Unit No. 2, Cushman power plant No. 1	50,000	36,000	4,363,486.83
Unit No. 3, Cushman power plant No. 2	75,000	54,000	6,360,346.27
Unit No. 4, steam plant No. 1	12,000	9,000	397,970.32
Unit No. 5, steam plant No. 2	33,500	25,000	1,935,271.79
Transmission system			1,762,822.61
Distribution plant			6,907,192.57
General plant			594,258.05
Total	202,500	148,000	24,429,241.93

CONDENSED RATE SCHEDULES

Residential rate

Schedule A–1: The residential rate for lighting, cooking, heating, and incidental single-phase power is as follows:

Cents per kilowatt-hour

First 20 kilowatt-hours	4½
Next 400 kilowatt-hours	1
Over 420 kilowatt-hours	½

Minimum charge, 50 cents per month.

NOTE.—For house-heating purposes, the second or 1-cent step of the above rate is increased 25 kilowatt-hours for each kilowatt of heating capacity installed in excess of 10 kilowatts.

Commercial light and power rates

Either one of the following rate schedules is available for nonresidential lighting, cooking, heating, and incidental power:

Schedule B–1: *Cents per kilowatt-hour*

First 100 kilowatt-hours	3½
Next 400 kilowatt-hours	2½
Next 1,000 kilowatt-hours	1½
Over 1,500 kilowatt-hours	1

Minimum charge, 67 cents per kilowatt of connected motor load, but in no case less than 50 cents per month.

Schedule C–1: The kilowatt-hours used per month up to 100 times the billing demand measured in kilowatts are charged for according to part I below and the remaining kilowatt-hours according to part II below.

Cents per kilowatt-hour

Part I:	
First 1,000 kilowatt-hours	3½
Over 1,000 kilowatt-hours	2
Part II:	
First 2,500 kilowatt-hours	1
Excess	½

Minimum charge, 67 cents per kilowatt of connected motor load, but in no case less than 50 cents per month.

General power rate

The general power rate is available for commercial heating and cooking, industrial and general power service.

Schedule E–1: The kilowatt-hours used per month up to 70 times the billing demand measured in kilowatts are charged for according to part I below, and the remaining kilowatt-hours according to part II below.

Cents per kilowatt-hour

Part I:	
First 5,000 kilowatt-hours	2
Over 5,000 kilowatt-hours	1
Part II:	
First 20,000 kilowatt-hours	.5
Excess	.3

Minimum charge, 67 cents per kilowatt of billing demand, but in no case less than $2.50 for polyphase service per month.

The connected load is taken as the billing demand for connected loads up to 15 kilowatts. A demand factor is used on connected loads of from 15 to 30 kilowatts to determine the billing demand. The billing demand for connected loads of over 30 kilowatts is determined by means of demand meters.

Contract power rates

Contract power rates that provide for a lower step in the rate than quoted above are available to large consumers who maintain a power factor of 90 percent or better; provided, however, that each contract is approved separately in writing by the commissioner of public utilities and the city council.

1938 revenue dollar

	Percent
Operating expense	47.1
Commercial utilization and general	9.9
Distribution	6.0
Transmission	4.9
Production	7.4
Depreciation	18.9
Deductions from gross income	20.3
Interest	10.4
Direct taxes [1]	9.9
Net income	32.6
Appropriated for bond redemption	29.7

[1] Direct taxes include gross revenue taxes paid to State and to city only. The total taxes amount to 11.34 percent of the total revenue, and are detailed below:

State of Washington:	
Public utility, tax 3 percent	$69,965.10
Business activities, sales, and compensating taxes	6,048.13
Auto licenses and gas tax	3,514.55
Power license fees	2,966.66
Total State of Washington	82,494.44
Mason and Pierce Counties:	
Mason County schools	4,442.98
Pierce County schools	3,500.00
Total counties	7,942.98
City of Tacoma:	
Gross earnings tax (7½ percent)	180,161.99
Inspection services	9,377.11
Gratuitous work	442.12
City of Tacoma	189,981.22
Total	280,418.64
Additional contributions and services to the city of Tacoma:	
Street lighting energy (1938) unpaid	69,613.04
Street lighting operations and maintenance (1938) unpaid	41,460.40
30 percent general fund office expenses [a]	21,554.26
Additional to city of Tacoma	132,627.70

[a] Contributions to offices of city controller, department of public finance, city clerk, board of contracts, and awards, and the Civil Service Commission.

Statement of bonded debt Dec. 31, 1938

Name of bonds	Date of issue	Amount of issue	Interest rate	Amount outstanding	Purpose of issue
Light and power general bonds	1909	$300,000.00	4½	None	Nisqually light and power.
Electric light and power refunding bonds	1913	250,000.00	5	None	Refunded part of water and light bonds, 1893.
Do	1913	60,342.79		None	Nisqually light and power.
Electric light and power revenue bonds	1910	1,700,000.00	5	None	Construction of Nisqually plant.
Do	1919	300,000.00	6	None	Purchase of Cushman power site.
Electric light and power revenue bonds, series A	1924	4,000,000.00	5½	$500,000	Construction first Cushman unit.
Electric light and power revenue bonds	1926	200,000.00	5	None	Plant improvements, Commerce St.
Electric light and power revenue bonds:					
Series B–1	1929	1,000,000.00	5	None	Construction second Cushman unit.
Series B–2	1929	1,500,000.00	4¾	816,000	Do.
Series B–3	1929	1,350,000.00	4¾	1,350,000	Do.
Series "C"	1930	500,000.00	4¾	322,000	Construction third Cushman unit.
Electric light and power revenue bonds	1930	2,000,000.00	4¾	1,575,000	Construction steam plant No. 2.
		13,160,342.79		4,563,000	

Plant investment, $24,429,241.93. Bonded debt, $4,563,000. Balance of cost of plant paid for from earnings of system. Final bond payment on present indebtedness will be paid on Apr. 1, 1951.

North East Air Base

EXTENSION OF REMARKS

OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

LETTER FROM THE WILLIAMSPORT COMMUNITY TRADE ASSOCIATION, AND ALSO A STATEMENT OF FACTS RELATIVE TO LOCATION OF THE NORTHEAST AIR BASE AT WILLIAMSPORT, PA.

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

WILLIAMSPORT COMMUNITY TRADE ASSOCIATION,
Williamsport, Pa., June 19, 1939.

Hon. ROBERT F. RICH,
House Office Building, Washington, D. C.

MY DEAR MR. RICH: In his special message to Congress on national defense, January 12, 1939, President Roosevelt declared:

"I have called attention to the fact that 'we must have armed forces and defenses strong enough to ward off sudden attack against strategic positions and key facilities * * * essential to insure sustained resistance and ultimate victory.' I have said, 'We must have the * * * organization and location of those key facilities so that they may be immediately utilized and rapidly expanded to meet all needs without danger of serious interruption by enemy attack.' * * * I repeat that 'there is new range and speed to offense.' * * * 'Therefore, it has become necessary for every American to restudy present defense against the possibilities of present offense against us.'"

In conformity with the request of the President we are addressing your personal attention to a highly "strategic defense position" that would prove of the greatest possible military and tactical value in defending "strategic positions" and "key facilities" against "sudden offensive attacks by enemy aircraft," so ably described by the President.

In response to the Presidential request, the Committee on Appropriations has now favorably reported H. R. 6791 from that committee. In that bill provision has been made for the construction of new air-defense bases and the enlargement of existing corps bases. These include the building of the northeast air defense base, the location of which has not as yet been decided upon either by the War Department or the Congress of the United States.

Now comes the Williamsport Community Association to point out to the President and Members of Congress, as well as to the War Department, the almost invulnerable strategic position available for defense air-base development, coupled with the highest natural defense values which could characterize such a base if constructed adjacent to the city of Williamsport. This, because of peculiarities and uniqueness of physiography, topography, climatology, and transportation and facilities, as well as other characteristics equally essential and necessary to peacetime trainings as well as wartime operations. These are existent and now available at Williamsport.

The city of Williamsport, located in the center of Pennsylvania, one of the North Atlantic States, lies behind the Blue Ridge Mountains and nestles on a plateau on the Allegheny front.

To locate the northeast air defense base on this plateau would enable United States defense forces to avail themselves not alone of strategic location of a base from which to launch an offensive attack, but, by virtue of the surrounding mountain terrain, it would afford the highest type of defensive protection against any and all surprise attack by enemy aircraft. The northeast air defense base located at Williamsport would be located in the center of America's industrial and chemurgic industries, and transportation systems and would permit of the highest degree of defensive action brought to the aid of more than 50 percent of all United States wartime activities, comprehending those of mining, manufacturing, transportation, and finance.

Its location would enable effective defense in less than 1 hour of flying time to engage any, or all, military action against the Nation's Capitol in Washington; the seaports of New York, Philadelphia, Baltimore, and Boston; the lake ports of Buffalo, Erie, and Cleveland; the industrial cities adjacent to these ports; the great chemical industries of New Jersey; the mining industries of Pennsylvania; the steel-producing areas of Bethlehem, as well as those of the Monongahela and Allegheny Valley. Pittsburgh, Wheeling, and Youngstown would be less than 1 hour by fast plane, while Rochester and Albany, N. Y., Trenton and Camden, N. J., Springfield and Boston, Mass., Wilmington, Del., Hagerstown, Md., and to scores of other areas and industries, all of which lie within a limited 200-mile radius of the city of Williamsport.

Twenty-five percent of the population of the United States, embracing more than 33,000,000 of our civil workers, could be effectively defended against foreign attack by Army or Navy planes and bombers, roaring out of hangars, located on the Allegheny front, adjacent to the city of Williamsport. The defense facilities themselves would be land-locked and mountain-protected by various ridges of the Allegheny system which would encompass their location. Please find attached factual and statistical data in support of our proposal to locate the northeast air defense base in the Lycoming Valley of the Susquehanna.

Thanking you to give consideration to Williamsport, Pa., in the location of this most important of all strategic defense bases, and for your every courtesy in this matter, we are

Very truly yours,

WILLIAMSPORT COMMUNITY TRADE ASSOCIATION,
C. E. NOYES, *Secretary.*

The city of Williamsport, which is virtually the industrial and chemurgics center of the great industrial East, numbers among its many industrial operations the Lycoming Motors Co., the Aviation Corporation, the Piper Aircraft Corporation, and other small industries engaged in the manufacture of aircraft and aircraft parts.

Several of these concerns are at this very moment working on Government air defense contracts embodying tests upon special appliances, engines, and instruments of great value both to the Army and to the Navy of the United States. Almost every hour of the day and night, test planes making use of the municipal airport are in the air testing various aircraft and parts.

The interest of the citizenship of the city of Williamsport in aviation is indeed an interest of long standing. It found its expression in part by the establishment several years ago of an accredited course in aviation and aircraft mechanics by the board of education, which course is now given as part of the public school educational system.

The Williamsport Vocational Training School, its faculty, and curricula are nationally known and recognized throughout the entire country. The National Youth Administration, as well as the C. C. C., are at present availing themselves of the splendid facilities afforded by the Williamsport vocational training course for aviation mechanics, at which school at present there are conducted both day and night classes.

More recently, moreover, a group of prominent Williamsport civic air-minded citizens have been conducting incursive researches at their own expense with a view to interesting the War Department in locating an air-defense base adjacent to and directly south of the Williamsport municipal airport.

This committee has no profit motive, is thoroughly disinterested in the location of the proposed northeast air defense base, and * * * has no land to sell the Government. * * * In fact, the members of the committee have themselves personally subscribed a sum upward of $30,000 with which to purchase the existing municipal-airport land, and, after having acquired the same, donated it to the city of Williamsport. In addition thereto they later contributed additional sums for the further development of the Williamsport civil-airport facilities, and this municipal airport, now about completed, will rank among the finest civil airports in the country.

The committee is now addressing its attention primarily to securing in behalf of the Nation's defense the establishment of a northeast national air base, and second to that objective is that of securing for the city of Williamsport such economic benefits as might accrue from the establishment of a national air defense base adjacent to the city of Williamsport.

From a standpoint of strategic location the committee is authoritatively and reliably informed that there is probably no site in the North Atlantic States which is so admirably and highly suited, nor is there any other site or location which so readily lends itself to economic improvement as would the development and improvement of this location in the west branch Susquehanna, Valley of Lycoming.

The site herein proposed lies inland behind the Blue Ridge chain of mountains, is situated across the boundary, and on a plateau of the Allegheny front. The northeast air defense base located on this plateau would not alone enjoy a maxima of concealment against discovery but would inherently enjoy natural defense aids through mountain protection, against any and all surprise attack from enemy aircraft. In effecting defense tactics, it affords impregnable defense action in behalf of practically 50 percent of America's wartime industrial activities.

The location itself affords splendid flying conditions throughout the year. Recent tests have been made over the last 6 months which comprehends the worst flying weather period of the year. These tests and observations disclosed the fact that there was but 1 single day when the Pennsylvania Central Air Lines had to fly over this area and over the municipal airport due to local "Williamsport weather conditions."

Although virtually surrounded by mountains, it is accessible through a pass to the west through which the Susquehanna enters on to the south through which it leaves the valley. The rail lines follow the river. The site itself is on an average of 560 feet above sea level. It is slightly more than 1 hour by air in fast planes from the Nation's Capitol in Washington, the Atlantic seaports of New York, Philadelphia, Baltimore, Boston, as well as from the Great Lakes ports of Buffalo, Erie, and Cleveland. The cities of Rochester, Syracuse, Pittsburgh, Wheeling, Hagerstown, all of which are to be found on the periphery of a 200-mile circle drawn about the city of Williamsport would likewise be less than 1 hour from the northeast air defense base if located at Williamsport.

A fleet of defense bombers and pursuit planes roaring out of Army and Navy hangars located at the proposed northeast air defense base, if located at Williamsport, could within 1 hour give an effective air defense against enemy aircraft to more than 33,000,000 of our civilian population, all of whom are located and live within a 200-mile radius of Williamsport.

From the standpoint of accessibility by air as well as by highway and rail lines and from the standpoint of existing educational, recreational, housing, hospitalization, religious, and other economic and social factors, they are already available and existent. The committee is reliably assured that there is no other location possessing the necessary characteristics for effective training in peace as well as effective defense in war-offensive operations that is comparable to the facilities existent and available adjacent to the site proposed for development at Williamsport.

The West Branch Susquehanna forms the western boundary of the area. Landing bases for the receipt of seaplanes could quickly and economically be developed by damming up any of several live streams at any one of more than a dozen dam sites on the properties for receipt and dispatch of seaplanes. Large areas of practically flat lands would lend themselves to development as landing and flying fields for landplanes. Federal highways of great military and strategic value radiate from the entrance and exit to the valley and the site to all points north, south, east, and west.

The Pennsylvania Railroad system, a highly developed line with double-track roadbed, as well as the Philadelphia & Reading Railroad skirt the site to the west. These afford rapid and quick rail transportation to practically every important strategic location on the eastern seaboard as well as all inland cities.

Vast acreage of mountain lands are available at low cost. These are highly suited to the development as air-bomb and machine-gun ranges. They could be located with absolute safety and convenience in the surrounding hill country.

What is virtually a plain of gently rolling and billowy plateau lands with thousands of acres of rich alluvial soils, large areas of which are cleared and now under cultivation to various field and row crops. The soils are predominantly of a gravelly silt loam to depths below the low level of the adjacent Susquehanna. These soil types afford most excellent natural drainage and aeration facilities.

Being warm soils, the frost penetration is at a minimum. The temperature in the valley is notably moderate. The winters are comparably mild, the temperatures averaging 10 degrees less on the plateau than in the surrounding mountains. Snowfall on the plateau and in the valley is comparably light, as compared with the snowfall in the surrounding hill lands.

Local fliers, pilots, and military men have advised this committee that, from a strategic, tactical, air, and military defense standpoint, no base for a second line of defense can be found anywhere in the North Atlantic States equal or comparable.

There is an abundance of good potable water as well as of building materials in the shape of sand, gravel, and building stone accessible and subject to quarrying operations with a minimum of expense now upon the project site. The right-of-way of an abandoned railway bisects the land. The culverts and bridges of this road, but recently abandoned, are in fairly good shape, ready to receive new rails.

Concrete highways, with county macadam roads, are already constructed, so that the War Department could develop at this point the Northeast Air Base with a minimum of expenditure, compared to the cost of developing such a project upon raw lands attended by a complete lack of transportation, educational, recreational, religious, and commercial facilities.

The splendid educational, recreational, religious, financial, and commercial facilities afforded by the city of Williamsport are close at hand. Williamsport is possessed of one of the finest hospitals in the State of Pennsylvania. The area is served by high-tension power lines powered by the Pennsylvania Electric Light & Power Co., which utility has ample generative reserves upon which the Government could readily draw. The hard- and soft-coal fields of Pennsylvania are close at hand.

It was only after the most incursive analysis had been made into meteorology, climatology, topography, soils, drainage, educational, sociological, and recreational conditions and facilities, coupled with a knowledge of the local transportation, finance, and trade conditions, that the Williamsport Community Trade Association decided to submit to Congress and the Government this highly suited location for the northeast air defense base.

As a Member of Congress, the Williamsport Community Trade Association submits to your consideration the fact that there is no such centrally located point in the North Atlantic States which is so highly suited from tactical, strategic, and militaristic and aeronautical standpoints as is the Lycoming Valley of the Susquehanna for the development of this powerful defense arm, which is a base designed primarily to defend the North Atlantic States and the industrial area of the United States from foreign air attack.

Relief Program

EXTENSION OF REMARKS

OF

HON. CHARLES O. ANDREWS

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

RADIO ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON, JUNE 25, 1939

Mr. ANDREWS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the very able address delivered over the radio on June 25, 1939, by the junior Senator from Washington [Mr. SCHWELLENBACH] on the all-important subject of the relief program.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

To fully discuss the question of unemployment relief would take many hours. My time tonight is 12 minutes. Therefore, I must limit my remarks to a few of the fundamentals involved in this very complicated problem.

The first question confronting us is whether, in a democracy, government has the responsibility of assisting those who, through no fault of their own, are unable to find employment in private industry. This may have been debatable when President Hoover was arguing that Government funds should only be used to help the railroads and the banks. It is not even a subject of dispute today.

In this morning's issue of the New York Times one of the financial editors says: "Virtually everyone will agree today with the general proposition that the Federal Government must spend whatever is necessary to keep those who are unemployed from serious privation. There are even supporters among the biggest Wall Street bankers of the theory that in hard times government should make compensating expenditures to help stimulate a revival."

My good friend from Kansas, Senator CAPPER, has, by his record during the past several years, indicated his acceptance of the proposition.

To those who view problems with sympathetic understanding, an appeal only to humanity is necessary. To those who insist upon some selfish reason for their motive, an equally potent answer can be given. If our present economic system is to be retained it must have the support of our democratic system of government. We cannot maintain our democracy if our Government refuses to recognize responsibility to its people. Men submit to the limitations of government in order to secure protection against foes within and without. Privation, starvation, sickness, and despair constitute as much a threat to the people of the Nation as do the armed forces of any foreign foe. Men have always demanded protection against them. When their governments failed in that protection they have turned upon those who

ruled them. Revolutions come when people starve. It was the starving unemployed in Russia who made possible Lenin and Trotsky. It was the starving unemployed in Italy who paved the way for Mussolini's march upon Rome. It was the starving unemployed in Germany who gave Hitler his Nazi power. We want none of that here. The unemployed of America must know that their democracy will not fail them.

There are, however, those in this country who say that this responsibility rests with the States and counties and the cities to administer any program of relief. They would limit the Federal Government's activity to furnishing the money to be handed over to the local authorities for expenditure. They would overlook the fact that such a system would result in several thousand different systems and different standards both of qualifications and pay. They would have you overlook the fact that if the money was administered by the States, programs would have to be laid out on a 2-year basis because State legislatures only meet biannually or that repeated calls for special sessions of legislatures would be required.

These advocates of local administration say it would be cheaper. The facts don't bear out this contention. Assuming the monthly payment to unemployed workers would not be changed, the only saving would come in a reduction of administrative expense. The States and local units today are administering expenditures for direct relief to unemployables. The administrative costs of this operation certainly should be less than the administrative costs of the more complicated task of the Federal work-relief program. Yet the percentage of administrative costs to total expenditures by the States and local units is 16 percent, and with the Federal program it is less than 3½ percent.

Our opponents say that better projects would be secured under local administration. The fact is that today the selection of the projects rests exclusively with the local units. Can anyone seriously contend that we can secure a better selection by a board of county commissioners simply by ha. ding it a lump sum coming from the Federal Government than we have today, when they choose the projects, subject to a check thereon by representatives of the Federal Government.

The advocates of local administration say that it will eliminate politics. I make no claim that Works Progress Administration has been perfect so far as the question of politics is concerned. On the other hand, without casting any reflections on county commissioners, I ask you if you know any place in the country where you'll find more politics than the average county courthouse? The great political machines of the country, many of the leaders of which are now residing in penitentiaries, have been local political machines. Can anyone imagine a State legislature or a board of county commissioners or a city council placing the restrictions on political activities upon any of their workers such as the Congress places upon the administrative employees of W. P. A.? The law provides that campaign contributions cannot be solicited from W. P. A. workers. Employment, compensation, or other benefit can neither be promised, given, or received as a consideration of favor or reward of political activity for the support or opposition of any candidate or political party in any election. No person may be deprived of or threatened with the loss of work on W. P. A. because of the way he votes. The violation of any of these sections is a felony, subject to a thousand-dollar fine and a year in the penitentiary. Furthermore, ever since the Federal relief program started the selection and certification of those entitled to work relief has been done by the States and local units. The Federal Government has never had anything to do with that part of the task.

This last fact also answers the argument that a better selection would be made and that more worthy people would receive jobs if administration was in local hands. The selection would remain precisely where it is now. If the Federal Government is to collect the money from all the people in the country to finance the work program for unemployment, it not only has the right but the duty to all the people to see that the same relative standards are maintained in all parts of the country. That would never be done under a purely local administration.

The other alternative proposed is that we should abandon work relief and go to what is politely called direct relief. I say "politely called direct relief" because the real name for it is the dole. The argument for it is that we could save money. I will admit that it would seem that the administrative costs should be cheaper when we are simply handing out monthly checks than when we are going through the elaborate process of a work program for which those checks are given. But, as I said a few minutes ago, the facts are that administrative costs for direct relief for unemployables are 16 percent as compared with 3½ percent for work relief for employables.

I will admit that money could be saved under the dole system. It would be much easier to justify drastic reductions in the amount paid to each individual when he doesn't work for it than when he does work for it. The conscience of those industrialists whose incomes under the first 6 years of this administration were about twice what they were under the 4 years of the Hoover administration probably would be much eased in forcing starvation on a nonworker than on one who added to the wealth and resources of the Nation; that is, of course, assuming that they have a conscience. For myself, I think a dole is entirely out of place and will never be accepted by democratic America.

I know some of the cruel stories that are told about W. P. A. workers. I know they are accused of leaning on a shovel. Maybe a few of them do lean on shovels. I prefer to have them lean on a shovel under a democracy here than to have them lean on a rifle as they do under dictators in Europe.

According to our Republican friends, men get lazy after they get on W. P. A. and don't want to get a job. On that point, let me read from the United States News, published by David Lawrence, who certainly cannot be classified as a New Deal supporter. Mr. Lawrence says: "Contrary to popular belief, the relief population is a shifting one. W. P. A.'s personnel is constantly changing, with a turn-over of approximately 8 percent a month or 100 percent a year. The average worker spends 12½ months in continuous W. P. A. employment, but as one worker leaves another usually applies for his job."

We have passed through dangerous times in this last 6 years. Governments all over the world have changed in their forms. Men and women almost everywhere have sacrificed liberty and the rights for which their people have fought through the centuries. Yet we here maintain a system of government with democratic rights, liberties, and privileges. In my opinion, the most powerful weapon we have used in defense of these rights is the fact that since March 4, 1933, the people of the country have known that they had a government in Washington which had enough understanding of them and their problems to give them a chance to work and keep the wolf of starvation from their doors.

Furthermore, the work program has brought concrete results in the form of actual assets belonging to the Federal, State, and local governments which never would have come through the dole system. I could continue on indefinitely reading lists of useful projects which have been constructed. Let me give you just a few: Seventeen thousand new public buildings have been constructed and 46,000 public buildings have been repaired; 279,000 miles of highways, roads, and streets have been constructed; 153 airports have been constructed, and 1,483,000 air beacons; 6,000 miles of water mains have been installed. These and hundreds of other similar projects stand as a monument to the effectiveness and the industry and the willingness to work of those who are today being made the butt of poor jokes about W. P. A. labor.

A work-relief program has not only made it possible to furnish to each worker the difference between starvation and food for himself and his family, but the payment of this difference has increased the value of the assets belonging to all of the people of the country in the form of projects of which even the most tight-fisted budget balancer should be proud.

At first, they objected to W. P. A. as a leaf-raking operation; now that it is actually producing tangible and valuable results, they want to convert it into a starvation dole.

Last week over this same program I warned against the danger of whipping up social and religious hatreds. These are the seeds which ripen into revolution. The unemployed, the starving, the desperate, those in despair furnish fertile fields for this ripening process. It is to prevent this that your Federal Government furnishes a program of employment to the millions of unfortunates during this period of world economic crisis.

Odd Fellows' Memorial Service at the Tomb of Unknown Soldier

EXTENSION OF REMARKS

OF

HON. M. M. LOGAN

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO, JUNE 18, 1939

Mr. LOGAN. Mr. President, on June 18 of this year the Senator from Colorado [Mr. JOHNSON] delivered an address at the Odd Fellows' memorial service at the tomb of the Unknown Soldier. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is well that our grateful fraternity has set aside a day in which to pay honor not only to our country's military heroes but to indicate our eternal devotion to our own sisters and brothers who have finished their earthly assignment. All of them have well earned this poor tribute which today in deep humility and sweet recollections we offer. We have chosen an especially fitting place—our Nation's most impressive shrine, the Tomb of the Unknown Soldier—for this sincere ceremony.

BROTHERHOOD THE ANSWER

Our great and good fraternity recalls on this day set aside for that purpose our debt to the brothers and sisters of mankind who

have finished life's course. They fought a good fight against ignorance, hate, intolerance, and selfishness; they ran a good race against great obstacles; and like the revered St. Paul, they kept the faith. We cherish their blessed memory. When they lived their warm hearts formed a barricade against the pointed darts of inhumanity and injustice.

It is fitting that the Independent Order of Odd Fellows make this solemn pilgrimage to this beautiful hallowed spot to render tribute not to war but to peace. Our fraternity lives to promote peace. Our wise founders discovered long ago that the cause of all violence is selfishness, and that the cure for it is brotherhood. We believe that when men everywhere will band themselves together in a universal brotherhood of love and friendship, then, and then only, will strife, wars, and violence be no more.

WAR AGAINST SELFISHNESS

Indeed today's pilgrimage is not made to pay tribute directly or indirectly to war. Odd Fellows are not pacifists; we are realists and know that wars are sometimes forced upon a peaceful people with no other choice than armed defense, but since it has been our privilege to experience the perfect understanding of brotherhood, we know that there is a better way than fighting. Human selfishness is the demon that causes every war. Odd Fellows have sworn an unrelenting, bloodless war of education and persuasion against this ugly monster. Many courageous fraternal soldiers have already fallen in that long conflict which we have undertaken and we are met here today to do their memory loving honor and to show our gratitude for their patient leadership and service.

THE UNKNOWN SOLDIER

While we most earnestly believe that God in His infinite goodness has not forgotten the grave of a single American soldier wherever he may be taking his long sleep, we recall now that in the World War we buried 1,600 heroic lads without knowing who they were or from whence they came. All we know is that 1,600 torn and broken bodies—all that remained of these life-loving American boys who had answered their country's command to "go over the top" and bare their naked breasts to the murderous shrapnel, bursting bombs, and cannon fire of the enemy as they climbed through entanglements of barbed wire and floundered over ghastly shell holes carrying the Stars and Stripes forward—all we know, I repeat, is that these 1,600 were buried in unidentified graves across the Atlantic. It was not possible for our officers in charge of burial to identify these poor mangled bodies, and so they entered the silent legion of unknown soldiers—America's human sacrifice to the god of war. We also recall now that in the War Between the States there were 156,000 such graves. In the next war—and I pray to God there will never be another American war—there will be even a greater proportion of unknown soldiers, because modern munitions are becoming more and more adept in the destruction of human bodies.

HE IS OUR BROTHER

One from among the patriots who were slaughtered in France was selected to receive in this hallowed spot the tears and the tributes which America richly owed to the whole 1,600. The lad who rests here may have been a farm boy from the West or a tradesman from the North or a student from the East or a planter from the South. He may have been a college man, talented, cultured, well-bred, or he may have been of very humble origin, having had only meager opportunities. He may have been a Protestant, a Jew, or a Catholic. Ah, but he is everyone of these, for he represents here the whole 1,600.

Many of the gallant 1,600 were active, enthusiastic Odd Fellows—that we know—and we therefore have every right to pay our fraternal tribute today to the immortal American who rests here. He is our brother. I love to think of the Unknown Soldier as a typical happy-go-lucky American boy suddenly vaulted into mature manhood by his very grave responsibilities. I like to think of him as one who had had the privilege of the wholesome doctrine of Odd Fellowship and who as a brother had received it with a firm determination to make it the guiding light of his life. I can see now the older members of his lodge exchanging glances of approval during his initiation as he pledged his undying allegiance to the good cause, for they saw in him good fraternal material and a new brother of great promise. I like to think of him as the joy of his home, bubbling over with happy enthusiasm and full of the sparkling energy of youth, ready for any adventure the world had to offer him—however dangerous—the pride of his father, the love of his mother, the hero of his sisters and brothers and the soulmate of his young sweetheart.

A LASTING PEACE

Every Memorial Day should fortify the natural inclination of the American people to keep out of war, for on this day we forget its glories and in deep sorrow consider the human sacrifice incidental to it. This monument to the Unknown Soldier is the most eloquent plea for peace possible; it drives home the horrors of war as nothing else can drive them home. In the cold silence of the tomb the Unknown Soldier has become the Nation's most eloquent speaker in behalf of a lasting peace. He is a constant reminder of the folly and futility of armed conflict. He proves over and over and over that wars settle nothing and points out to all who will listen that when the killing is finished statesmen do what they should have done in the first instance—gather around the conference table and determine upon terms of peace. He demonstrates again and again that the god of war is not only a cruel bloodthirsty god who would destroy all humanity but that he is a false god as well. This silent brother teaches us that the God of love is the true and only God. Let us resolve here and now as fraternalists that insofar as we are able there shall never be another grave of another unknown American soldier in Flanders Field or in any other place.

MORAL EDUCATION

May we, therefore, preach the brotherhood of man and the fatherhood of God with every ounce of energy which we possess; teach it and live it and labor for it; for it alone will save mankind from men. The world today needs, more than it needs anything else, a course in moral education that will bring about a moral rearmament to end war. Our inspired fraternal leader, the grand sire of Odd Fellowship of the world, the Honorable Burton A. Gaskill, whom I have the great honor to represent today, started a movement for moral education the hour the purple robes of his high office were placed upon his broad shoulders. Moral education, as conceived by him, is the forerunner of the moral rearmament movement now growing so rapidly on both sides of the Atlantic. The time, is indeed, at hand for humanity to espouse in a vigorous manner such a cause.

"For our country, home, and flag we die"—some on the bloody battlefields of physical combat, others in humbler places along life's peaceful pathways. There is a patriotism of peace just as there is a patriotism of war. The patriotism of peace is splendidly exemplified in the loving service which fraternity has contributed to make life for every human being in all the world better and finer.

Cotton-Rubber Exchange

REMARKS

OF

HON. STEPHEN PACE

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. PACE. Mr. Speaker, on behalf of the cotton farmers of the South I want to publicly express my appreciation of the efforts of the Department of State in negotiating an agreement for the exchange of 600,000 bales of surplus cotton for a like amount in value of rubber. I sincerely hope that this will prove to be only the first of similar exchange agreements, for not only do we now have an enormous surplus of cotton on hand but this Nation is in immediate need of an adequate supply of tin, tungsten, and manganese for purposes of national defense. In fact, the supply of rubber acquired by the present agreement would be consumed in a few months, while we should have a minimum stock pile of all four of these strategic materials sufficient for 2 years. That is the recommendation of the War Department.

It is also very necessary for improvement in the economic condition of the cotton producers of the South that we make early disposal of some of the surplus on hand. May I briefly outline the situation at this time?

We have on hand the smallest amount of free cotton, subject to sale, that we have had for many years—less than 3,500,000 bales. This is 42 percent less than this time last year and 34 percent below the last 10 years' average. And American cotton in foreign warehouses is only about two-thirds of what it was last year and only about one-half of the 10-year average. Unofficial estimates indicate that only about 25,000,000 acres have been planted in cotton this year, and we should have only a normal crop of not over 12,000,000 bales this fall. So that much of the picture is all right.

But in addition there are 11,317,860 bales in our warehouses covered by Government loans totaling $560,894,986. If we could just dispose of the extra 6,000,000 bales produced in 1937, our supply would be reduced to nearly normal. All this year I have been trying to get the Government to permanently set aside two or three million bales of this for military purposes and to swap or exchange three or four million bales for these needed metals and materials for national defense—that is, manganese, tungsten, tin, and rubber.

We must face the fact that we now have on hand, free and under loan, a total of nearly 15,000,000 bales of cotton, with another crop of 12,000,000 bales in the field, or more than 2 years' supply. On top of that, our exports or foreign

sales have dropped from the annual 10 years' average of 7,880,000 bales to less than 3,500,000 bales. In addition, production of cotton in foreign countries is rapidly increasing, and they are taking our foreign markets. Exports from Egypt in April were 48 percent larger than in April last year. For the first 8 months of the season exports from India were 54 percent larger than last season, and during the first 7 months exports from Brazil were 25 percent larger than last season and the largest in its history.

For example, for April, during the 10 years, 1923 to 1933, we sold Germany 99,000 bales of cotton; this April we sold Germany 15,000 bales of cotton. The average sales to England in April during the same 10-year period was 98,000 bales, while this April we sold them 20,000 bales. The same reduction is true as to our sales to France and Italy. But during the same period the monthly sales by Egypt to England increased from 37,000 to 78,000 bales; by Egypt to Germany, from 9,000 to 14,000 bales; and, by Brazil to Japan, the monthly sales increased from less than 1,000 to over 30,000 bales.

Mr. Speaker, it should therefore be readily understood how important it is that we not only seek exchange agreements similar to the one just concluded with Great Britain but that every agency of this Government participate in a vigorous fight to recapture our foreign cotton markets.

Mr. Speaker, I ask unanimous consent to extend and include in these remarks the text of the agreement just concluded between the United States and Great Britain.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

The text of the agreement referred to follows:

Agreement between the Governments of the United States of America and the United Kingdom for the exchange of cotton and rubber:

1. The United States Government will supply to the Government of the United Kingdom, delivered on board ship, compressed to high density, at New Orleans, La., and at other Gulf and Atlantic deep-water ports, to be agreed upon between the two Governments, 600,000 bales of raw cotton of grades and staples which will be specified by the Government of the United Kingdom. The United States Government will make available in adequate quantities for such purpose cotton from the stock on which the United States Government has made advances to growers.

(A) The price will be fixed on the basis of the average market price as published by the Bureau of Agricultural Economics for Middling seven-eighths inch cotton during the period January 1–June 23, 1939, for spot delivery at New Orleans, plus 0.24 cent per pound for cost of compression and delivery on board ship with adjustments in price for other grades and staples according to differences above or below Middling seven-eights inch quoted in that period.

(B) The cotton will be inspected to determine its classification in accordance with the universal cotton standards for grade and the official standards of the United States for staple, and will be accepted by experts appointed by the Government of the United Kingdom. Any disputes which may arise will be settled by boards of referees constituted of three members, of whom one shall be nominated by the Government of the United Kingdom.

WILL BE INVOICED

(C) Samples representing the cotton of the grades and staples specified by the Government of the United Kingdom will be made available for inspection and acceptance during a period of 6 months, beginning 15 days after the entry into force of this agreement, and such inspection and acceptance will be made within a reasonable time after the cotton is so made available. Delivery at the warehouse at the port of sailing with provision for free delivery on board ship at high density will be made within 15 days after inspection and acceptance, and storage and insurance charges will be borne by the United States Government for a period of 2 weeks, but no more, after delivery at the warehouse at the port of sailing.

(D) All cotton will be invoiced and accepted on gross weight at the time of delivery.

2. The Government of the United Kingdom will supply to the Government of the United States, delivered on board ship at Singapore and, by agreement between the two Governments, at other convenient ports, rubber in bales, of the grades which will be specified by the Government of the United States, to a value equivalent to that of the total value of the cotton to be supplied in accordance with paragraph 1 of this agreement. In determining such equivalent value, the rate of exchange between Straits Settlements dollars and United States dollars shall be deemed to be the average of the buying rate during the period January 1–June 23, 1939, in the New York market, at noon, for cable transfers payable in Straits Settlements dollars, as certified by the Federal Reserve bank to the Secretary of the United States Treasury and published in Treasury decisions.

CALCULATED ON AVERAGE PRICE

(A) The quantity of rubber will be calculated upon the average market price, as published by the department of statistics in the Straits Settlements, for No. 1 ribbed smoked sheets, during the period January 1–June 23, 1939, for spot delivery at Singapore plus 0.25 Straits Settlements cent per pound for cost of baling and delivery on board ship, with adjustments in price for other grades according to differences quoted in that period.

(B) The rubber will be inspected and accepted by experts appointed by the United States Government. Any disputes will be settled in accordance with the normal custom of the trade.

(C) The rubber will be made available for inspection and acceptance by experts appointed by the Government of the United States during a period of 6 months beginning at a date to be agreed upon by the two Governments, and such inspection and acceptance will be made within a reasonable time after the rubber is so made available. Delivery at the warehouse at the port of shipment with provision for free delivery on board ship will be made within a period of 15 days after inspection and acceptance, and storage and insurance charges will be borne by the Government of the United Kingdom for a period of 2 weeks but no more after delivery at the warehouse at the port of shipment.

3. If either Government should find that delivery in accordance with the arrangements specified in paragraphs 1 and 2 is likely to restrict supplies available to commercial markets unduly or to stimulate undue price increases, the two Governments shall consult with a view to postponing delivery or taking other action in order to avoid or minimize such restriction of supplies or such price increases.

WILL BE STORED FOR 7 YEARS

4. The intention of the United States Government and the Government of the United Kingdom being to acquire reserves of cotton and rubber, respectively, against the contingency of a major war emergency, each Government undertakes not to dispose of its stock (otherwise than for the purpose of replacing such stocks by equivalent quantities insofar as may be expedient for preventing deterioration) except in the event of such an emergency. If, however, either Government should at any future date decide that the time has come to liquidate its stock of cotton or rubber, as the case may be, it may do so only after (a) consulting the other Government as to the means to be employed for the disposal of such stock, and (b) taking all steps to avoid disturbance of the markets. In no case may either Government dispose of such stocks, except in the case of a major war emergency, before a date 7 years after the coming into force of this agreement.

5. The Government of the United Kingdom will use their best endeavors to secure that the export is permitted under the international rubber regulation scheme of an amount of rubber approximately equivalent to the amount of rubber which would under normal operation of the scheme be released to meet current consumption needs.

6. Each Government undertakes, in shipping to its own ports the stocks of cotton and rubber, respectively, provided for in this agreement, so far as may be possible, to distribute the tonnage equally between the ships of the two countries, provided that the shipping space required is obtainable at reasonable rates. Consultation for the purpose of giving effect to this paragraph shall be between the board of trade and the Maritime Commission.

7. Should the United States Government, before the delivery is completed of the cotton provided for in paragraph 1 of this agreement, take any action which has the effect of an export subsidy, they will deliver to the Government of the United Kingdom an additional quantity of cotton proportionate to the reduction in price below that provided for in paragraph 1 of this agreement caused by such action.

8. This agreement shall come into force on a date to be agreed between the two Governments.

Done in London in duplicate this 23d day of June 1939.

[L. S.] JOSEPH P. KENNEDY.
[L. S.] OLIVER F. G. STANLEY.

Ten Percent Reduction in Appropriations

REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. MARTIN of Massachusetts. Mr. Speaker, the country is shocked by the record of appropriations of this session of Congress. Despite much talk about economy, there has been no action to that end because the administration and its spokesmen in Congress have refused to cooperate with the

earnest efforts of Republicans and a small group of patriotic Democrats, in the House, to curb unnecessary spending.

This session of Congress, it now appears, will appropriate approximately $13,000,000,000, including permanent appropriations and trust funds. This sum is almost 20 percent of the income of all the American people estimated for this year. On top of that, the President now urges legislation authorizing the issuance of Treasury-guaranteed bonds totaling another $3,860,000,000.

Republicans in the House have insisted that a start should be made toward reducing our swollen Budget so that eventually Federal revenues and expenditures may be brought into balance. The country is disturbed and economic recovery is being prevented because nothing whatever has been done toward this end.

With that thought in mind I propose to introduce in the House of Representatives tomorrow—Monday—a bill calling for a reduction of 10 percent in all appropriations made by this session of Congress that are properly susceptible to such a reduction, except those for social security and relief of distress. This bill contains flexible provisions in order to avoid undue hardships and specifically exempts from its provisions appropriations for relief, old-age pensions, war veterans' pensions and benefits, interest on the public debt, and other fixed charges. But, even excluding such items, this bill, if adopted, would result in economies totaling at least $500,000,000.

Small though the amount saved might seem compared with the funds appropriated this year, the action would be interpreted by the country as a step in the right direction, and would give new hope to millions in business, in industry, and on the farms that at last their Federal Government was turning toward a sound financial policy.

With the exceptions which I have noted, this year's appropriations for various departments and agencies can be reduced 10 percent without curtailing efficient operation of any function the Federal Government is now carrying on. Indeed, appropriations for the next year which starts next Saturday are substantially larger than the actual expenditures during the current year.

This is a sound and constructive proposal. President Roosevelt himself in July 1937 instructed the heads of all executive departments and establishments to impound not less than 10 percent of funds appropriated to them susceptible of such treatment. Mr. Roosevelt said he undertook that step in an effort to effect savings of approximately $400,000,000, which he asserted would have resulted in a "layman's balance" of the Budget.

Unfortunately this proposal proved to be only a gesture. Like so many proposals started with a fanfare of ballyhoo by the New Deal, it was soon forgotten. At all events, the total expense, exclusive of debt retirement, for that fiscal year reached the gigantic sum of $7,626,000,000, with a net deficit of $1,384,000,000.

We are now completing a fiscal year with a net deficit in the neighborhood of $3,500,000,000. We face a deficit at least that large in the coming fiscal year. Before us is the prospect of a national debt of $45,000,000,000 on June 30, 1940, with six or seven more billions guaranteed on the side. Surely if what the President proposed in 1937 was feasible, such a step is more practical and urgent today.

By writing a 10-percent reduction into the law, it will be made mandatory on all New Deal departments and agencies and thus what Mr. Roosevelt promised can really be achieved. If this is done, our Government will take a major step toward economic recovery and reemployment in private industry at decent wages of our 11,000,000 unemployed men and women. Such an act as this represents a real, sound step in the direction of putting America back to work.

Together with millions of my countrymen, I am seriously disturbed over our financial situation. During the last 5 months Republicans and patriotic Democrats have fought hard to impress the gravity of the situation on the House. We all know that the Federal Government cannot continue, year after year, to spend billions in excess of its revenues. I sincerely believe that unless this tendency is checked now there will be destructive consequences for this country. It is for that reason that I am moved to make the last possible effort before the next fiscal year begins to help avert what may be an overwhelming disaster.

Financial Aid to South America Good Economic Policy

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. CELLER. Mr. Speaker, arrangements made recently with Brazil and Paraguay providing for the extension of credit to the southern Republics by the United States Government, and plans for similar deals with other Latin American republics, are being subjected to a certain degree of criticism in various quarters, particularly those who do not see their way clear, even mildly, to endorse the administration's foreign policy. Attention is being directed to the fact that it was under the Roosevelt regime that foreign loans, sold to the extent of hundreds of millions of dollars in the American market, have been the subject of a senatorial investigation, in the course of which the Chief Executive was led to describe many of the foreign loans as worthless.

Under date of June 5, an editorial, entitled "Pump Priming a Hemisphere," was published in the New York Herald Tribune, where the administration is taken to task for reported plans to make possible an expansion in the commercial relations between the United States and the nations south of the Rio Grande. I think one might, to advantage, remind the paper and its readers that not so very many years ago, when American banking firms were in the process of negotiating Germany's orgy of lending, the late President Calvin Coolidge in an address before the members of the Associated Press made the following observations:

> I trust that private American capital will be willing to participate in advancing this loan. * * * It will benefit our trade and commerce, and we especially hope that it will provide a larger market for our agricultural production. * * * Besides this there is the humanitarian requirement, which carries such a strong appeal, and the knowledge that out of our abundance it is our duty to help where help will be used for meeting just requirements and the promotion of a peaceful purpose.

It is a thousand pities that President Coolidge could not live to see his prophecy fulfilled and to note the extent to which Germany has been meeting her "just requirements"; and the extent to which American money loaned to Germany had served the "promotion of a peaceful purpose."

It is erroneous to compare the nature of the Brazilian and Paraguayan deals and that of similar arrangements expected to be entered into with other Latin-American republics with publicly floated Latin-American obligations. It was not the foreign loan as such which was criticized, but, rather, the circumstances which in some instances surrounded the origination and distribution of loans. Had all foreign issues floated in the American market been employed for strictly constructive and revenue-producing purposes, defaults would not have occurred with the distressing frequency of which so much has been said and written. Nevertheless, despite many defaults, even the most outspoken critics of America's foreign loans are obliged to admit that only a very small percentage of the publicly floated foreign obligations were issued under what one might term irregular circumstances.

The opinion unfortunately prevails that most Latin-American issues were sold at exorbitant profits to the underwriters and that the money derived from the sale of all went into nonproductive channels. All this was the result of a most unfortunate publicity, to combat which no steps have been

taken by those prominently identified with the sale of the bulk of foreign loans.

It is admitted that the credits established on behalf of Brazil and Paraguay will be employed for productive purposes which are bound to benefit not alone the recipient but the lenders as well.

According to opinions in well-informed quarters, Chile, Colombia, and Nicaragua are next in line for accommodations. One commentator points out that "Whatever may be said for advances to Chile and Nicaragua, our relations with Paraguay have been so modest as hardly to warrant the proposal." This observation appears to be in accordance with the facts, as is evident from statistics relative to American trade with and American investments in the southern republic.

	1938	1913	Increase
			Percent
United States exports to Paraguay	$644,000	$480,000	34.16
United States imports from Paraguay	1,095,000	11,000	9,854.54
Total United States trade with Paraguay	1,739,000	491,000	254.37
United States investments in Paraguay	15,250,000	3,000,000	408.33
Balance in favor of Paraguay	451,000		
The same in percent on investments	2.96		

It will be noted from the above that America's trade with Paraguay is still modest, even though American imports from the Republic have shown a spectacular increase compared with the pre-war figures. In terms of actual value, the increase is less impressive. However, is it not fair to assume that a credit to Paraguay, if properly employed, may do a great deal toward increasing America's commerce with the Republic? The latter has a favorable balance of trade with the United States, which suggests that Paraguay may be in a position to take care, in a modest way, of whatever aid she may succeed in obtaining in the United States.

In view of recent developments in Bolivia and the possibility of far-reaching consequences of German penetration, is it not reasonable to assume that the arrangement made with Paraguay, Bolivia's neighbor, might go a long way toward neutralizing the effects of recent developments in Bolivia?

A Worthy Official of Veterans' Administration

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. PATMAN. Mr. Speaker, recently there appeared in a column known as the Federal Diary, in the Washington Post, published in Washington, D. C., an article on the Honorable George Henderson Sweet, who is Personnel Director of the Veterans' Administration. It is as follows:

As director of personnel for the vast Veterans' Administration, George Henderson Sweet is confronted with problems possibly unique among those enjoyed or borne by his compatriots who share elbow space at the big table over which the Council of Personnel Administration tries to iron out Federal personnel difficulties.

Director Sweet is one of the most retiring of men. He is perfectly sincere in his attitude that publicity and himself are incompatible. He has a great love of what he is doing, dealing in the human quantities, and the success he finds in the work suffices him. The public's smile doesn't particularly engage him. His pleasure, again, seems to be entirely in doing a good job—and despite all the talk about such matters, this attitude of Mr. Sweet's is an extraordinary one. He is the good public servant.

And his job is unique. Approximately 38,000 men and women work for the Veterans' Administration. Many of these are in the Administration's facilities, where disabled veterans are seeking health. These employees must have very specialized training. There can be nothing haphazard about it. All of this goes, in one detail or another, across the desk of the personnel director. That much is obvious. It also is, obviously, a day full. Then, too, he has the usual functions to attend to, those familiar to the other directors, for there is a large number of employees here in Washington in the Administration, and the responsibility for their efficiency is on the director.

He was born in Washington on August 17, 1894; was educated in local public schools and at Georgetown University. He has an LL. B. degree. He has been in Government service approximately 22 years, and began work in personnel administration in the Veterans' Bureau in September 1922. He has been assistant and chief of personnel, and was appointed director of personnel on February 1, 1939.

Now he is especially engaged with the question of periodic promotions for employees and the movements for a development of the merit system.

This slight, thumbnail sketch embodied in the two preceding paragraphs was actually all that Director Sweet was willing to say for himself. But the interviewer, leaving his office, came on an official of the Administration who was more open on the subject of the Director.

"You have just been talking to one of the most efficient men in the service. And with his efficiency he keeps human. Everybody likes him here." This statement from the necessarily anonymous source is the high point in this record.

Having served on the World War Veterans' Committee of the House of Representatives for a number of years and having worked with Mr. Sweet, I know that this statement is no exaggeration and that he is highly regarded by all the Members of Congress with whom he has come in contact.

Shall Constitutional Government Prevail?

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. THORKELSON. Mr. Speaker, it is my desire to call attention to an article which was published in the Pathfinder of June 24, on page 15, which to me clearly revealed the character of those who own or manage the paper. True to their stripes, and similar to all Communists, the editors of the Pathfinder evidently disapprove when Members of Congress respect their oath of obligation. These editors are no doubt of the variety which prefers the protocols of Zion to the Constitution of the United States. I am rather amused when this obnoxious tribe begins to spit its communistic venom for it can only end, as it has before, in endless wandering.

It is the first time the Communist Defamation League has made a personal attack upon me, and I hope it will be the last time, for I want to be charitable. Thousands of real patriotic Americans in all classes of society are very well aware that character destruction or smearing is a Communist stock in trade, but the cloak is now worn and frayed.

The gentleman from Illinois [Mr. SABATH] is quoted in this paper as having said:

The gentleman from Montana has time and again stuffed the RECORD with column after column of material generally of a highly obnoxious and bigoted nature. At the same time, while the extended remarks were never made on the floor of this House, they appear as having been actually spoken here. * * * I will object to any intolerant and ridiculous dissertations calculated to promote prejudice and class hatred.

I shall refrain from criticizing the most venerable gentleman from Illinois, for he is only his master's voice, wailing in the wilderness of communism. When the venerable gentleman blows warm, he glorifies the President. When he blows cold, he reviles an ex-President, Mr. Hoover. This, I observe, is the extent of the venerable gentleman's statesmanship.

In replying to the Pathfinder's observations on cost for inserts in the CONGRESSIONAL RECORD, I can say such expense will be a mere bagatelle as compared to the cost of internal strife and revolution which is now contemplated and financed by the same people who financed the World War, the Russian revolution, and the Spanish revolution. As a matter of fact, if every Member in Congress would stand forth in the protection of the constitutional rights of the people, communism and its allied creed would find no place in the United States.

I am, however, delighted to find that the writer of the article in the Pathfinder compares me with General Moseley, for the general is, indeed, a stanch American, and so recognized in the United States Army, in which he served with distinction. He is also recognized as a loyal American by Congress, for he has been decorated twice for distinguished service to the country. His clarification of an issue before the Dies committee again entitles him to further national distinction for his service to the Nation.

The venerable gentleman's objection did not prevent my remarks from being placed in the RECORD, as the Pathfinder's article implies, for my remarks will be found in the issue of June 19, and I shall ask the editorial staff of the Pathfinder to read them.

I am not upset about the international press, as implied in this article, except in its abject submission to the rulers of the invisible government, and in its betrayal of the people whom it is supposed to serve with truth.

I am not looking for, neither do I desire mention in any publication of the international subsidized press, or in the Pathfinder, and it is indeed unfortunate that it took the liberty of mentioning me in the manner it did, for it has now classified itself.

I can only say that the press is using good judgment in remaining silent upon patriotic activities, a quality which the Pathfinder should observe, for unjust criticism might entail danger. When 120,000,000 people discover how they have been sold down the river by those who swore to preserve, protect, and defend their rights and liberties, it is possible that reprisals may result.

I also note in the June 26 Times-Herald that the Washington Merry-Go-Round labels myself and two others "Nazis." This is not strange, for when anyone speaks on the constitutional rights of the people and opposes communism one of the wailing prophets sticks out his head and shouts "Nazi."

The capitalistic barons who are financing the "red" activities in the United States may believe that their agents have a stranglehold on American labor, but they might find themselves mistaken in that, for as I know labor, they are stanch and patriotic American citizens. During my campaign, when I talked on communism and on constitutional government, the greatest appreciation was expressed, not by the white collar group, but by the real workers, or the men that I, as a doctor of medicine, called upon in their private homes. It was these men who said, "We heard you over the radio. When are you to speak again?" And it was these people who expressed their firm belief in the Constitution of the United States. It was our so-called professors and educators who were slightly pink or even "red" in their expressions. It is this same group of professors, economists, and educators that are now attempting to run the sovietized Government of the United States, and their lack of ability is clearly evident in the condition in which we find ourselves today.

When the American working people realize that they are used as stooges by the money changers, and the international Communists who are now promoting and paying for the cost of such activities in the United States, I am sure that they will wash their hands of this deadly communistic poison, and rally to the colors, as all patriotic citizens of course will do.

The plan to sovietize the United States should be clear to everyone, for it is now coming to the front in its true light. Congress has been an instrumental aid in bringing this thing about by bestowing greater and greater powers on one man. He, having the power to appoint and place anyone he chooses in key positions in the governmental departments and forces, may, of course, provide people upon whom he can depend to support him in consummation of whatever plan he has in mind. There is an advantage in having good Communists in key positions, and I do not deny that this is a part of the Soviet plan. It should be clear to all. If the Government intended to adhere to the Constitution, Congress would not be requested to mutilate the document by bestowing power on individuals contrary to what is set forth in the Constitution itself. There is no purpose or reason for breaking constitutional government down unless it is to be replaced by some other form, and the people should ask themselves just what the President intends to do.

Conversion of our Government can easily take place without the public being aware of such intrigue, and this is particularly true when those who are supposed to represent the people fail to maintain the commanding power of Congress itself. I am now dealing with cold facts, and I challenge Congress to prove that we are not departing from sound constitutional principles.

If the President of the United States had the interest of the people at heart, why did he allow the money changers to take charge of all the gold and establish ownership of it? If the President had the interest of the United States and the welfare of the people at heart, why does he not order the Army, Navy, and the F. B. I. Intelligence Services to bring in and apprehend all Communists and those who are advocating destruction of our Government? Is it to the interest of the United States to allow military secrets to be revealed to foreign nations, particularly to Russia? Is it to the interest of the Nation to destroy business and replace it with Federal-owned corporations similar to many of those now operating contrary to the Constitution itself? Is it to the interest of the people that we maintain the Export and Import Bank? Is this all for the general welfare of the people, or is it for the general welfare of those who are anticipating taking charge of the Government?

Is it for the general welfare of the United States to loan money to South America when it is already indebted to us, to be used in competition with our own agriculture and manufacturing industries? Is it for the general welfare of the people to import agricultural products when the same can be produced in the United States? Is it for the general welfare to destroy our own agriculture and balance international trade by the sale of war machinery? Does unsound and unsecured hocus-pocus money bring about business confidence; and are excessive taxes an aid to business?

These are questions that someone—maybe the Pathfinder—can answer.

If the President is interested in sound constitutional government, it may be well for him to follow the Constitution, because he has assumed the same obligation that I and other Members of Congress have assumed. I am trying to live up to mine. Let the others do the same, and the people and the Nation will be well protected.

We must have a premise or fundamental basis from which we may set our course. In the United States it is the Constitution, and we must use this as it was given to us—namely, as a point of departure. Sovietizing this instrument, as has been done in the past, can only lead us off the course, and the plight we are in today is sufficient evidence to anyone that there are breakers to the lee of us.

Marine War-Risk Insurance

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mrs. ROGERS of Massachusetts. Mr. Speaker, the taxpayers of the country will undoubtedly be surprised to learn of a new spending measure now being considered by the House Committee on Merchant Marine and Fisheries. I say this with consideration, realizing that the American taxpayer during the last 6 years has become so inured to watching the Federal Government squander his money on unheard-of projects that it takes a great deal to surprise him.

The measure to which I refer is the so-called Bland bill (H. R. 6572) to provide for marine war-risk insurance. Under

its provisions the Federal Government would be permitted to insure not only United States ships and cargoes but those of any foreign country "not an enemy of the United States," but engaged in the foreign or domestic trade of this country. No mention is made of belligerents, so apparently this Government, as a supposed neutral, would be empowered to take the risk of insuring ships and cargoes of countries which might be at war, just as long as they were not at war with us.

In the first place, the measure is ill considered and embodies a striking departure from standard wark-risk insurance practices. No country in the world insures the ships of other nations, and why in the name of common sense should this Government go into the business of insuring foreign ships?

In the second place, the bill takes very lightly the matter of spending the people's money. It does not attempt even to guess how much money the Treasury would have to supply for the project, but, in line with New Deal philosophy, it authorizes the appropriation of "such sums as may be necessary."

It is a blank check, in that it would leave the administering agency, the Maritime Commission, free to spend the sums appropriated with very little guidance from the statute. The money so spent, nevertheless, would come out of the pockets of the people.

From the point of view of international peace, the bill has extremely dangerous potentialities. For it would give the Commission discretionary power to decide who should be insured, bound only by the specifications that no enemy of the United States is eligible. Could not discrimination, then, be interpreted as the Commission's expression that some particular country is an enemy of the United States? And are these provisions not in circumvention of the cash-and-carry provisions of the Bloom neutrality bill? And is not the situation with regard to neutrality delicate enough without giving to a Government agency power to insure foreign ships on a basis involving decision as to who is our enemy?

The committee has scheduled hearings on the bill, beginning tomorrow, Tuesday, June 27, and I sincerely hope that interested persons who are alert to the dangerous and far-reaching effects of the measure will voice their protests.

Banquet of House Pages

EXTENSION OF REMARKS

OF

HON. WILLIAM A. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

REMARKS BY EDMOND E. WALSH AT THE SEVENTH ANNUAL BANQUET OF THE PAGES

Mr. ASHBROOK. Mr. Speaker, our faithful pages on both sides of the aisle had their seventh annual banquet at the Mayflower Hotel last night, thanks to the generosity of our genial and generous colleague the gentleman from Missouri [Mr. SHANNON], who has become the godfather and Prince Charming for these boys who daily so splendidly look after our wants here on the floor of the House. If a man's heart is right there is usually not much wrong with him, and anyone who believes Congressman SHANNON's heart is not just right had best not give expression to that opinion in the presence of any of our forty-odd pages who idolize our lovable colleague.

Mr. Speaker, Edmond E. Walsh, one of the pages, made some reminiscent remarks at the banquet Sunday night which I ask unanimous consent to insert in the RECORD:

Mr. Chairman McCabe, Mrs. Deveney, Mr. Sovey, Chief Page Ashbrook, Colonel Emerson, Overseer Martin, and fellow pages, the custom of holding an annual dinner for the pages was inaugurated by Congressman SHANNON 6 years ago. Each year since then, as the final adjournment of Congress has approached, Mr. SHANNON has given us a dinner. This dinner has now become a yearly custom.

Little is known of the first and second dinners except the dates and places where they were held. The first dinner took place at the Raleigh Hotel in 1933; the second dinner was held on Sunday, June 10, 1934, on the terrace of the Shoreham Hotel. These dinners were very much like Topsy—just grew; these dinners were just held.

But at the first session of the Seventy-fourth Congress H. R. 1935 was introduced in the cloakrooms of the House of Representatives by Mr. SHANNON, of Missouri, and referred to the pages. This bill provided for an adjournment dinner for the pages. It was passed unanimously and without amendment and attested by Chief Pages Roher and McCabe. The provisions of the act were carried out fully on Sunday, August 18, 1935, on the terrace of the Shoreham Hotel.

In 1936, under the authority of the act of 1935, Mr. SHANNON issued a proclamation. This proclamation designated Sunday, the 24th of May 1936, as the day; the Shoreham Hotel, Washington, D. C., as the place; 7 o'clock p. m. as the time, when, and where each and every page of the House of Representatives shall meet and assemble in happy and hungry mood for their fourth annual adjournment dinner. The proclamation was attested by Chief Pages Martindale and McCabe and ravenously fulfilled.

The fifth annual dinner was held on Sunday, July 25, 1937, in the garden room of the Mayflower Hotel. There was no official paper providing for this dinner as it was believed that the act of 1935 was constitutional. The dinner was served and eaten whether it was constitutional or not.

In 1938 a resolution was introduced in the cloakrooms of the House of Representatives and referred to the pages. It provided for the sixth annual dinner to be held on Sunday, the 15th of May 1938, at the Pan American room of the Mayflower Hotel. The resolution was adopted unanimously by the pages, attested by Chief Pages McCabe and Ashbrook, and its provisions carried out to the letter.

Each of these dinners was begun with prayer, and after dinner there has been some entertainment. Speeches, dancing, music, and plays have been given. It has been primarily for Mr. SHANNON that this entertainment has been given as a gesture of thanks. The past 3 years, however, he has not been present and we have missed him.

Two other items are worth mentioning in connection with the history of this dinner. One is the nearness of the dinner to the time of the adjournment of Congress. The second item is the publicity which has been given to the dinner in past years. It has favorable and extensive notice and it is hoped that the press and radio will this year again do their duty.

Mr. SHANNON is in Kansas City tonight, but we are honored to have his family represented. His daughter, Mrs. J. F. Deveney, and her son, Robert, who was a page here this year until May 15, are here with us. We wish that Mr. SHANNON were also here, but we are glad that he is so well represented.

Tonight we are writing another chapter in the history of these banquets. This is the seventh annual Shannon pages' banquet. Let us hope that this custom will continue and that our future banquets will be as pleasant and successful as those in the past.

The Right to Vote in California

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 20, 1939

ARTICLE BY ANDRAE B. NORDSKOG

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following major portion of an article appearing in the Independent Review (Los Angeles) and written by Mr. Andrae B. Nordskog. His discussion of the significance of recent Supreme Court decisions is certainly food for thought.

[From the Independent-Review of Los Angeles, Calif.]

CALIFORNIA CONSTITUTION AFFECTED

Section 1, article 2, of the Constitution of California provides that "* * * no person who shall not be able to read the Constitution in the English language and write his or her name shall ever exercise the privileges of an elector in this State: *Provided*, That the provisions of this amendment relative to an educational qualification shall not apply to any person prevented by physical disability from complying with its requisitions, nor to any person who had the right to vote on October 10, 1911 nor to any person who was 60 years of age and upwards on October 10, 1911; * * *."

WOMEN DENIED RIGHTS

On October 10, 1911, woman's suffrage was adopted, so that this "grandfather clause" creates the same discrimination against the women of California as did the Maryland and Oklahoma laws against the Negroes.

In reviewing the case of Lane against Parks, Wilson, and Moss, the Supreme Court said that the so-called "grandfather clause" in the Oklahoma Constitution had previously been declared to be unconstitutional as being violative of the fifteenth amendment to the Federal Constitution, because it permitted discrimination in favor of descendants of those who had the right to vote prior to January 1, 1866. That opinion was handed down by the Supreme Court in the case of *Guinn* v. *United States*, June 21, 1915 (238 U. S. 347). Reference was also made by that high Court, in reviewing the Lane case, to the decision of the circuit court of appeals in the case of Anderson against Myers in Maryland, October 28, 1910, wherein it was decreed that the plaintiff was entitled to damages from the election officials for having refused to permit him to register and to vote because of the discriminating features of the election laws of that State, wherein that court said that "though such acts did not provide a race or color disqualification in terms, it nevertheless effectually disfranchised and discriminated against Negroes," and was therefore unconstitutional as violating amendment 15 of Federal Constitution. The Maryland law contained a "grandfather clause" similar to that of the Oklahoma Constitution, except that in Maryland descendants of those entitled to vote prior to January 1, 1868, should enjoy said rights under the new law, whereas the Oklahoma Constitution provided such franchise for descendants of those entitled to vote prior to January 1, 1866.

ENTIRE AMENDMENT INVALID

In the case of *Guinn* v. *United States*, the Supreme Court, when considering the "grandfather clause" which fixed a certain date prior to which time all persons and their descendants were given privileges not accorded those who attempted to qualify after that date, held that "Certainly it cannot be said that there was any peculiar necromancy in the time named which engendered attributes affecting the qualification to vote which would not exist at another and different period * * *." And the Supreme Court held that because the "grandfather clause" was unconstitutional and was not separable from the remainder of the amendment to the Constitution of Oklahoma of 1910, the amendment as a whole was invalid.

Section 1, article 2, of the California Constitution was amended November 6, 1894, and for the first time since 1849, when the original constitution was adopted, made provision for a literacy test affecting only those attempting to qualify as voters after that date discriminating in favor of those who had a right to vote prior to that date, November 6, 1894. This section was again amended October 10, 1911, this time moving the literacy test down to a period following that date instead of 1894. The amendment of 1922 carried the same provisions for a discriminatory literacy test beginning in 1911, and the amendments of 1924, 1926, 1928, and 1930 carried the same provisions.

CALIFORNIA LAW QUASHED

The original section 23 of the California primary election law which made provision for voting privileges for all native-born citizens "who since the last general election have become of legal age, and who have been legal residents of the county for 30 days prior to election," and required naturalized citizens to have lived in the county 90 days prior to election, was declared by the California Supreme Court to be discriminatory, and that law was held to be unconstitutional and therefore void; and it has never been enforced since that time. (See *Spier* v. *Baker* (1898) 120 Cal. 370.)

IS CONSTITUTION UNCONSTITUTIONAL?

The provisions of section 1, article 2, of the California constitution, are just as discriminatory as were the outlawed provisions of section 23 of the California primary law in that they grant immunities and privileges to those who had the right to vote prior to a certain date while denying those immunities and privileges to those who attempted to qualify for voting after that certain date. In the language of the United States Supreme Court in the case of *Guinn* v. *United States*, "Certainly it cannot be said that there was any peculiar necromancy in the time named which engendered attributes affecting the qualification to vote which would not exist at another and different period." That high court has held that these discriminations are improper and that such provisions in State constitutions and laws are invalid and therefore void.

ENTIRE AMENDMENT AFFECTED

Under the caption of "Right of suffrage," section 1, article II, appears in the California Constitution; and this section contains one continuous sentence without a period, excepting at the close of the section; and the provision relating to the literacy test to be applied after a certain date is part and parcel of the entire amendment and is not separable therefrom; and, as the United States Supreme Court said in the case of *Guinn* v. *United States* that such "grandfather clause" being unconstitutional, "and not being separable from the remainder of the amendment to the constitution of Oklahoma of 1910, that amendment as a whole is invalid."

The literacy test in our California constitution is in the nature of a "grandfather clause" in that it confers on certain grandfathers immunities and privileges in matters of voting not granted to others; and the attempt on the part of the California Legislature to grant such special privileges in section 23 of the primary law to native sons as against naturalized citizens was held by our own California Supreme Court to be discriminatory and therefore unconstitutional; and it would seem that any person being denied the right to register or to vote in California because of the restrictions contained in the "grandfather clause" in our State constitution would be entitled to damages as provided for in the decision of the United States Supreme Court in the case of *Lane* v. *Parks, Wilson, and Moss*, which opinion was handed down on the 22d day of May 1939.

In event of a test of the validity of section 1, article 2, of the California constitution, should the United States Supreme Court logically hold that our "grandfather clause," like that of Oklahoma's constitution, was invalid, it would follow that the entire section affecting our right of suffrage would be stricken out, owing to the fact that the "grandfather clause" is inseparable from the entire amendment as it stands today; thus leaving us without a constitutional guide as it affects our privileges relating to registration and voting.

LEGISLATURE TAKE NOTICE

While we have before us the prospect of a special election in California to determine the proposal for a $30-every-Thursday pension constitutional amendment, it would seem proper to suggest to the members of the legislature, now in session, that an amendment to section 1, article 2, of our State constitution, be submitted to the electors at such special election in order to eliminate the discriminations now existing in our fundamental law; discriminations which, when found in constitutions and laws of other States, have been outlawed by the United States Supreme Court.

Does the Seventy-sixth Congress Represent the Thought of a Majority of the People of the United States?

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. BURDICK. Mr. Speaker, I am alarmed over the action of this Congress in its failure to relieve suffering among so many millions of the people of this country. I do not know whether it is the complete arrogance of Congress or whether the Members are registering the thought of their constituents. As a general rule, the action of Congress represents the thought of the people, but I hope that is not the case in the present Congress.

Mr. Speaker, if what this Congress is doing represents the wishes of a majority of the American people, then I say there is little hope of our ever getting out of this depression, and finally we shall head into a depression that will make all past depressions look like waves of prosperity. When this happens the vital question then will be how to save this Government from absolute collapse. If such a situation ever comes in this country, the Paul Reveres who will make midnight rides to arouse the people to the defense of their Government will be the same ones who refuse now to hear the voices of the distressed, the miserable, the weak, the defenseless.

When this Congress deliberately refuses to feed those who are hungry; when it refuses to provide clothing to cover the nakedness of poor people; when it refuses to provide jobs for those who are willing to work to provide the plain necessities of life for themselves and families; when this Congress deliberately destroys jobs as it has done in taking away adequate W. P. A. funds; when this Congress begrudgingly appropriates for the Youth Administration and will actually cut the appropriations to a point where our young people must be turned away, I say the Congress is "fiddling while Rome burns." This attitude of Congress is either due to the consummate indifference of the Members or it is due to the prevailing sentiment in the United States. If the latter is true, and I trust it is not, we are headed down the last road to the destruction and ruin of this once great democracy.

Whatever it is that actuates Congress, there seems to be a complete feeling of certainty and confidence amounting to arrogance written on the faces of those who vote to deny relief. These Members become much alarmed when the

word "communism" is mentioned, and they immediately launch into a tirade that this vicious "ism", or whatever it is, must be immediately stamped out, root and branch. There is no party division in this movement; or I may better say, hysteria. The Members who are willing to stand still or move backwards are perhaps better classified as "reactionaries", "standpatters", or "Tories." We have seen example after example of this action on the part of the House of Representatives. The leadership of the House is, of course, in the hands of the Democrats, but the vicious committee system under which we have for years misrepresented and misgoverned the people, permits party betrayal and disaster to the people and the country. When the relief bill was before Congress a few days ago, the gentleman from Virginia, because of this committee system, was in charge of the bill for the Democratic Party. He is also a Tory. On the Republican side were some 160 votes, and practically all of them followed the leadership of a Republican Tory, the gentleman from New York. The gentleman from Virginia, in denying relief to the needy, had every advantage. The Republican Party stood at the snubbing post to which the Democratic chairman could and did tie his rope on every occasion. He was always sure of 160 votes, and as many Tory Democrats as he could muster, and because of his position and the mental make-up of other Democrats, he had the votes, and rode over all opposition roughshod. Every amendment was voted down. If this chairman thought too much debate would convince the House against him, he moved to shut off debate, and the Republican snubbing post held fast. Motions to adjourn and give the Members a chance to see what a Tory frame-up was being enacted were lost in a veritable howl of "noes." So the relief bill was passed, and the only hope now the people who are suffering have is the Senate.

Many more bills could be cited to show this Tory alinement, but a full understanding of this relief line-up will be enough to show which way the wind is blowing. Why was this done? Surely these Congressmen know that there are millions in distress; surely they know that if the bill becomes law as they wrote it, 700,000 now working will have to quit for at least 2 months. The W. P. A. never granted any wages except just enough to keep soul and body together. What will happen to these families dependent on Government work? The philosophy of this majority is substantially as follows: Balance the Budget and let the people shift for themselves; save money on relief but squander billions on war preparations; let the aged slowly starve, but do not tax a Congressman; contrive to cut down production of food and then advise the poor to hunt through garbage cans for something to eat. The State relief office at South Pasadena actually issued and circulated a bulletin telling the people to pick up what the farmers left after preparing their vegetables for market.

Everyone knows it is hard on everyone to have to pay the tax load of relief, but is it not much harder for those who have to accept relief? Balancing the Budget in figures is a mathematical process; starving people in a land of plenty or directing them to live off garbage is murder.

These Tories are determined to balance the Budget and stamp out communism. Very few, if any of them, would know what communism is if they saw it. They do not understand what builds communism and the action they have taken is the surest way to build that particular "ism." Communism never shows up anywhere unless there is a failure of Government to protect the people in their inalienable rights. If we today were able to say to every citizen, "you have been guaranteed life, liberty, and the pursuit of happiness in our fundamental law, and you now enjoy it," there would never be mentioned the name of communism. When people are hungry, down and out, with no job in sight, and have hungry families, what do they care about a Constitution that permits such results? Naturally they cannot revere a government of that sort. When any other plan is presented that promises them food, clothing, and shelter, can they be prevented from entertaining the "ism" that has some hope in it?

These Tories do not know this, or if they do they ignore it. Their program is to make the people more hungry, more homeless, more jobless, and thereby stamp out communism. Communism will be here or some worse "ism" just as long as we deny our citizens what they are entitled to as a matter of law and as a matter of right.

I wonder if it ever occurred to the Tories that today we are paying close to a billion and a half in interest on the public debt, all of which would be unnecessary if Congress by a resolution took over to itself the power to issue money and regulate the value thereof—as provided for in the Constitution. Instead of issuing bonds drawing interest, we could issue currency or greenbacks drawing no interest and save this billion and a half in interest annually. No, sir; the Tories believe in this practice because the private-bank machine and the interest system would be denied their usual profits, and too many Congressmen come from districts where the banking system is powerful.

I wonder if these Tories know that through this private control of the Nation's credit the interest system on private loans is sustained and encouraged. Do they know that interest works while farmers sleep their 6 hours from their labors? Do they know that interest works right along, although a laborer be out of a job? Do they know that finally the interest system will take the farmers' homes and the laborers' homes? Do they not know that drama is being enacted right here before us at this moment?

Do they know that there is demand enough for all we can produce in this country and much more too, if the people who actually want our products could buy them. Money is useless unless it circulates. Today the banks are full of money but there is no circulation. Small-business men will testify to that. They will say that many times they are required to pay unconscionable rates of interest in order to borrow. Money must circulate in such quantities as will supply a medium with which people can exchange their production. Could North Dakota use any cotton? If the people of North Dakota had any money with which to buy, they could use, as a matter of necessity, cotton in the value of $13,000,000 before a standard of actual decency could be obtained. What is true of North Dakota's population of 680,000, is true of the 132,000,000 people in the United States. It would take the expenditure of $2,560,000,000 in cotton at 15 cents per pound to establish the people of the United States with the necessary cotton products for clothing. Remember also that this expenditure would bring the standard up to the present, and if maintained, we would never have a surplus of cotton with 50 percent of the present importations maintained. We cannot relieve the cotton farmers and cotton pickers because there is no money in circulation. Cannot everyone see that money is the key to the exchange of goods? Why leave this key in the possession of the money changers—those who can raise or lower the prices of all commodities by increasing or diminishing the circulation of money.

What is true of cotton is true of wheat. If all the people in the United States were eating all the bread they should eat to maintain a decent standard of living, according to the Department of Agriculture, there would be no surplus and the question of exports and imports would be eliminated. Hungry people cannot buy bread, and farmers cannot stave off bankruptcy, because there is no money. They cannot sell to the hungry, because the hungry have no money; the farmer cannot buy the products of labor because he has no money.

Corn occupies a similar position. Essentially a stock-feeding product, the farmer cannot sell his beef and pork because the hungry have no money; the hungry—former laborers and dispossessed farmers—cannot buy meat because they have no money. Here again money is the key. What there is actually in existence does not circulate because the banking trust circulates money on security only—and the security is all gone among 62,000,000 people in this Nation.

Still these Tories insist that this "key" to prosperity and life be left with the Banking Trust, and whenever a voice is raised

to smash this unjust system that has made slaves of over half of our population the Tory shouts, "Communist," and by the use of that word frightens Members of Congress into following the program of the invisible government—the Money Trust of the United States and of the world.

When the Townsend recovery program was before Congress the Tories united as they never united before. They saw what the plan would do. They saw that this plan was not essentially for the protection of the aged of the United States, but a plan to revive all business in the United States by forcing the circulation of money. That would have done effectively the following things: First, the Money Trust would have lost its power to control circulation; they could not arbitrarily send up or down the price of commodities by the automatic withdrawal of money. In spite of them and all their past control of money, that necessary medium of exchange would be circulating, and with that circulation idle men would go back to work; idle factories would open; bankrupt farmers would gradually extricate themselves from the mire of debt through the rise in price of their products; laborers would save their homes; professional people would save their homes; distributors would save their homes; because the increased business activity would create work. Secondly, gambling in food products and bond manipulations would have been destroyed root and branch, because the tax on repeated transactions would consume the gamblers' money. This last result was clearly foreseen, because the boards of trade, the chambers of commerce, the Banking Trust—the father of them all—violently revolted against the plan. The newspapers and magazines, which are supported by and are the servile tools of the Banking Trust, sent forth tons of literature condemning the plan and everyone who was for it.

This propaganda had tremendous effect—so much that Congressmen who had promised the voters on bended knee that they would stand by the people deserted the people in their stampede before this organized campaign of "money against the people." Members who had signed their names to promises of support and obtained the votes of the people because of it treated their promise and signature as a scrap of paper and joined the "money crowd." Some of the most able of these deserting Congressmen were also induced to actually make speeches against the plan on the floor of the House. These able Congressmen became abject tools of the "money crowd" when the time came for them to stand up and be counted. These Congressmen made a disastrous mistake. The people have lost confidence in them, and those whom they served instead have no respect for them, because the "money crowd" knows these men can be had at any time, any place. They have forgotten that Benedict Arnold was cast aside by the British after he had served them through treachery.

I am not in a position to know what the general sentiment of the people of the United States is. I do not know whether Members of Congress are obeying the voice of the people in their districts or not. If it is the will of the majority of the people of the United States to maintain this Money Trust at the expense of a daily increase of distressed people, then I say this great democracy is headed for absolute ruin and destruction. If the people of the United States love liberty, they should remember the words of Patrick Henry, "Eternal vigilance is the price of liberty."

If the people will sleep on their rights and let the mouthpieces of the money press do their thinking, we shall soon see that our democracy is gone and in its place will be established a more dreaded feudal system than Europe ever knew—a money feudalism that will consume all liberty and leave the people of the United States the abject vassals whose very lives will depend upon the barons of industry. As I look around me and see the results of this system—foreclosures and dispossessions, millions unemployed, other millions living on substandard foods, clothing, and shelter, millions of our youth without a chance to work and without hope for the future, with other millions living daily from what they have saved for generations—I feel that a great awakening in the United States is near at hand. I cannot believe freemen will permit themselves to be yoked to slavery. It may be that they must be punished more before there will arise in this country a clear-cut conception that will be widespread, that we all live in a land of plenty; God has granted us unlimited natural resources, enough to sustain countless millions more than we now have; we are capable of producing and consuming a national income of $150,000,000,000 and all will find work, peace, and happiness. We are capable of making the words in the Declaration of Independence literal truths. Why do we not do it? We do not because the majority of the American people have been lulled to sleep by the propaganda of special privilege and because too many public officials and industrial leaders are afraid to stand up against the power of credit unlawfully and unconstitutionally lodged in the hands of the private banking trust. As long as that power remains in their hands our great democracy is in danger of destruction; unless we destroy this power financial feudalism will continue to develop in this country until all liberty is destroyed. Will sons of freemen, sons of patriots, remain complacent while the shackles of slavery are being forged for their absolute subjugation?

W. P. A. Befriends Aged and Youth

EXTENSION OF REMARKS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. RABAUT. Mr. Speaker, I should like at this time to partially examine the work and achievements of one of the most extensive Federal undertakings ever attempted, one that provides work for approximately 3,000,000 men and women, and all the more important to the general welfare of the Nation in that it functions at the same time as a means of keeping up the general morale of those on its rolls, besides contributing greatly to the solution of the grave problem of national recovery.

The Works Progress Administration, to which I allude, since its establishment by Presidential Executive order in May 1935, has an on-the-whole outstanding record for aiding both the national wealth and material well-being and the general happiness and national loyalty of the citizens of our Nation in a time of serious economic distress. Judged from a purely cultural standpoint, perhaps no other agency has contributed so much to the preservation and development of those skills, both in the arts and crafts, upon which the significant achievements of our American civilization rests.

In approaching this matter, I think it is well to recall to mind the events which preceeded and led up to the establishment of the W. P. A. as an emergency measure some 4 years ago. The Federal Government, it will be remembered, first undertook the task of caring for the needy jobless in 1933 when this country was in the throes of the bleak days of the depression. The National Government carried on this work of direct relief for 2 years, but after several methods had proved both inadequate and inefficient, it was decided that it would be best to direct Federal funds to provide work for those unemployed who were able to earn relief pay. Through this new policy of work relief, which was substituted for the dole, the Government found that it would not only provide the economic relief that was so sorely needed in this time of emergency but that it would also accomplish many other desired ends, among them the maintenance of acquired skills which the unemployed worker stood in danger of losing, the realization of many valuable public improvements, and the erasure of the feeling of stigma and inferiority which was undermining the character of many who had been forced to accept direct relief. Further, it was realized that this program of the W. P. A. would serve as an important stimulus to employment in most of the major industries, putting men to work on the many jobs needed to supply materials, tools, and machinery to be used on its projects.

These facts, I think, should be well in mind when we approach the problem of the W. P. A. today. That the agency in question has made mistakes is not to be denied, but I would point out that in so large an enterprise a certain percentage of error is always to be expected and is understandable. I am not one who would defend the mistakes that have been committed, but it is necessary in fairness to notice that as soon as these errors have been discovered, the Administrator has taken swift steps to prevent a recurrence of them in the future. Above all, it is important to consider that the many notable achievements of the W. P. A.—the roads, new schoolhouses, and library buildings, sewer lines and water mains, parks and playgrounds, city streets and sidewalks, and many others—all stand as ample testimony to something upon which the vast majority of the people are agreed, namely, that the program of work relief is a much better policy from all aspects than that of a direct dole.

My record as a member of the Committee of Appropriations shows that I am not deaf to the cries of economy that are in the air. However, my record further reveals that I believe the economies can, and should, best be effected by warring upon waste and inefficiency and not through sacrificing our humanitarian duties to our fellow man. The W. P. A. not only provides the very means of life itself to millions of men and women who have felt the boot of circumstance, but it is also contributing greatly to our national wealth, raising our standard of living, and stimulating our whole business structure.

Figures cited by its Administrator show that the administration of the W. P. A. has been a relatively efficient one. The administrative expense of this agency for the current fiscal year up to April 1, 1939, has been only 3.5 percent as opposed to the authority to expend up to 5 percent for administration costs. Further, W. P. A. administrative salaries average only $1,581 a year, which is $290 under the average for the regular Government service. That is an enviable record in itself, but when it is remembered that 86 percent of the entire expenditure of W. P. A. is going directly into the hands of those on its rolls in the form of wages, we begin to realize a little more fully what a great part the W. P. A. is playing in our national recovery. Nearly all of this money is in a revolving fund, since 95 percent of all W. P. A. workers have been taken from certified relief rolls and must spend their wages for their basic necessities of food, clothing, and shelter. Further, in addition to the countless businessmen who profit from the spending of W. P. A. salaries in their establishments, the other 10.5 percent which W. P. A. spends for materials and equipment for its projects has provided jobs for millions of other men and women in factories, plants, and the agricultural industries.

With these many achievements in mind, I now wish to point to a few concrete contributions which the W. P. A. has made to the city of Detroit. I shall call attention only to one phase of W. P. A. work, the construction or rehabilitation of public buildings at a total cost in excess of $25,000 per unit, and I am so limiting myself because the vast additional service which the W. P. A. has rendered both to Detroit and the State of Michigan in the form of roads, streets, sewer lines, sidewalks, water mains, parks, landscaping, playgrounds, and airports is by far too large to be cited at this time.

Among the larger undertakings in the city of Detroit of the type to which I have referred are the following: New State police post, $45,474; new State naval armory addition, $143,278, as well as an additional $160,317 for reconstruction work; new police radio station, $25,776; repairs on the Detroit Public Library Building, $276,975; rehabilitation of Herman Keifer Hospital, $41,019; alterations and modernizing of the Wayne County Building, $307,412; and rehabilitation of the Fort Wayne Military Reservation, $450,900.

These, then, are a few of the valuable results of W. P. A. emergency relief jobs. To look beyond them and into the hearts of the 3,000,000 men and women who have worked on the projects of this agency is to find written there in indelible letters a new hope for America and a reaffirmed belief in the greatness of democratic government. This is especially true among the aged and the youth of our Nation, and it was with their interests in mind that I offered my amendment to the W. P. A. bill for the next fiscal year—an amendment which the Members of this body saw fit to adopt. This amendment, which exempts heads of families over 45 years of age from the automatic suspension—60-day lay-off—provision, I deem to be in keeping with the basic spirit and intent of W. P. A., as I also regard the amendment appropriating additional funds for the National Youth Administration.

Today, more than ever before, we need a realistic vision in dealing with the complex affairs of Government. We have before us the serious problem of wiping out our national debt and of stimulating business to the point where it will be able to reemploy most, if not all, of those now compelled to look to the Government for their very subsistence. Almost all of us at Washington are concerned with these matters, but we must not forget the fact that we do have millions of needy citizens and that experience has proven that the method of work relief as exemplified in the W. P. A. is a much better system of caring for their wants than that of the dole. The W. P. A. assists all; it befriends the aged and youth; its abandonment would stifle hope; its destruction would be disastrous.

The Attempted Purge of Kenneth F. Simpson—Mr. Dewey's Political Fate Is in the Balance on This Issue

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EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. CULKIN. Mr. Speaker, the ground gained by the Republicans in the 1938 congressional and State elections seemed to indicate that the party of Lincoln was on the way to victory in 1940. These encouraging signs are now being offset by the acts of certain alleged leaders who are again attempting to get control of the party and drive out all who think in terms of a progressive Nation. In recent months certain gentlemen who regard themselves as leaders of the Republican Party in New York State and in the Nation have been openly making plans to remove Kenneth F. Simpson as Republican leader in New York and as national committeeman from New York State. They already have been able to prevent his election to the executive committee of the Republican National Committee. This stupid performance brought a vigorous protest from the Young Republicans and gave much joy to the new dealers now in the saddle in Washington.

On behalf of the millions of American men and women who will return to the fold of the party if it shows a decent, progressive liberalism, I wish to sound a warning against this procedure which in my judgment spells certain defeat in 1940.

These gentlemen who are warring on Simpson represent the Old Guard of the Republican Party which has been repudiated by the people in two national elections and in many State elections in New York. They are the group which wishes to move time back in its course and restore the conditions and abuses of days which are gone forever.

Let us see what these men did to the Republican Party in New York State. From 1922 to the present there has not been a Republican Governor in the State of New York, and in only two of the elections in that period was the contest close. It should be noticed that from 1922 to 1930 the Republican Party was dominant in the Nation. In 1924 and 1928 the Republican national ticket swept the country, including New York State, but in New York the people already

had turned against the "old guard" and were defeating its candidates by a wide margin.

REPUBLICANS LOSE POPULAR TOUCH

It is easy to see why this happened. Despite the fact that during this period they controlled both houses of the State legislature, seldom, if ever, did the Republican leaders propose any reform legislation. Gradually the farmers, who are the backbone of the party in New York, and the mechanic and toiler in industry went over to the democracy in State elections. The people of the State came to believe that the Republican leaders recognized only the influence of special interests and not that of the people as a whole. The "old guard" leaders made little or no effort to disabuse them of this belief. Their only ambition seemed to be to gain control of the legislature so they and their patrons could maintain a stranglehold on legislation. No serious effort ever seemed to be made to capture the gubernatorialship.

CONTINUED DEFEAT

The well-meaning and even able gentlemen who carried the Republican standard were severely restricted in the campaign issues which they were allowed to discuss, and even when these candidates fulfilled all the requirements there was no real serious effort made to elect them to office. It almost seems as if these gentlemen were afraid to elect a man who, once he obtained office, might not be so easy to control. As a result the Democratic plurality in each election grew larger and larger, and at one time going over a million votes. In 1932 the Republicans lost control of the State senate but retained control of the assembly. As long as they could retain control of the assembly these gentlemen seemed satisfied.

THE DEWEY CAMPAIGN

In the 1938 campaign the Republicans nominated Thomas F. Dewey for Governor. Simpson's influence and intelligent leadership, be it said, brought about Dewey's nomination and election as district attorney of New York County. Everyone expected that after the convention was over Mr. Dewey would subside in the usual half-hearted efforts made by Republican candidates for the past 18 years, with the exception of a blast or two at the National Democratic Party as a whole. Instead he waged a vigorous campaign, recognizing that certain liberal reforms had been made in the structure of the State government and that those would have to be retained. He castigated graft and corruption which had entered into State politics and promised real relief for the beleaguered New York State dairy farmer. Dewey was defeated by only 64,000 votes. It was even suggested that he was counted out. His predecessors had been defeated by upward of 400,000 votes. In the same campaign it will be noted that John Lord O'Brien, Republican candidate for the Senate, who waged an able campaign but solely on a conservative basis, was defeated by the usual 400,000 plurality.

RANK AND FILE LIKE SIMPSON

The Republicans of New York State have come to have confidence in Simpson's leadership. Under his leadership the standing and reputation of the party at Albany and elsewhere has been completely restored. He has brought to the front a group of young, clean, and vigorous leaders. He represents a group, to put it in his own words, who believe that "since 1932 a lot of water has gone over the dam and some of it is not going to go back." It may be that Mr. Dewey today is listening to the siren calls of some of the more reactionary leaders of the party, but the fact stands that the 1938 campaign was waged on substantially the platform that Mr. Simpson stands for. To abandon this platform now by throwing Simpson to the wolves of reaction would relegate both Dewey and the Republican Party to the position in which we stood in 1936.

If Simpson is discarded because he sought the votes of labor for candidates who were pledged in advance to decent local government defeat of the Republican Party in the 1940 campaign is certain. It will certainly cost the party several hundred thousand votes in New York State.

Mr. Simpson is also accused of allying himself with the American Labor Party to obtain the election of Fiorello H. LaGuardia as mayor and Thomas E. Dewey as district attorney in the city of New York in 1937. In joining with the Labor Party in 1936 he was merely doing what his predecessors had done in 1933 when Mr. LaGuardia was first elected. The American Labor Party represents a group of liberals and radicals with whom Mr. Simpson does not agree on national issues, but he and all right-thinking New York citizens happened to agree with them on local issues. Labor and Simpson, by this alliance were able to prevent the return to power of a political machine with all its vice and corruption. It is strangely significant that a good many of the Old Guard Republicans favored an alliance with Tammany Hall in preference to an agreement with the Labor Party which, on the issue of city government at least, stood for honest and fair nonpolitical municipal government.

Mr. Simpson has time and again asserted that he has no intention of maintaining an alliance with the Labor Party. He insists that his and their views on National and State issues widely differ. This is clearly shown by the fact that in the 1938 New York election the Labor Party vehemently opposed the candidacy of Mr. Dewey and by their activity were undoubtedly able to elect Governor Lehman.

The country east and west is watching this preliminary battle between the progressive and reactionary groups in the Republican Party with intense interest. More than Mr. Simpson's career is at issue in this fight. This fight, in my judgment, involves the very existence of the Repubican Party as a potent force in American political life.

The great independent liberal vote of the country now estimated at 10,000,000 strong, will not follow this old leadership. This group is, of course, nauseated with the pseudo liberalism and endless demagoging of President Roosevelt. For years the middle western farmer supported the Republican Party, relying upon vague promises, but finally after years of nothing but promises, in 1932 and 1936 they tore loose from their moorings and supported the New Deal. They are now ready to return to the roof trees of their fathers but only if this reactionary leadership is cleaned out.

These people will never support the Republican Party as long as it has the type of leadership which leads only to defeat and special privilege. They want a real house cleaning in party leadership nationally and replacement with sound thinking, progressive leaders of the Simpson type. They showed that in 1936 despite the fact that the Republican candidate was a middle western liberal. He was overwhelmingly defeated, even in his own part of the country. The people liked Governor Landon, but could not brook many of his fellow travelers.

WHAT SIMPSON STANDS FOR

Nationally the Republican Party must come to recognize that the conditions facing the Nation today are far different from those which faced it 50 years ago. At that time this was an expanding country with a frontier which could take up the shock of economic and social abuses. The need for developing the country was such that those abuses could be tolerated. Today we have a different story. Today our Nation is much more interdependent and the economic woes of one group of the population are reflected in all the others. The opportunity for national expansion is no longer existent. Each group, whether city or rural, must be made to recognize the rights of the other.

Capital must recognize the rights of labor and labor must not conduct itself in disregard of the rights of capital. Marketing monopoly must be taken off the backs of the farmer. There must be some control of the national financial system and no longer can we allow ruthless financial manipulators to play with the finances of trusting and inexperienced people. Relief must be provided for those of our population who are unfortunately out of work. Proper social security should be provided for those who are either too old to work or unable to work.

These are the objectives that Simpson fights for. Because he stands for these things his political scalp is demanded. The past 8 years have produced certain reforms along these lines and the great mass of the people have come to regard them as absolutely essential in American life. Any party which sets itself against these reforms is doomed to defeat

and perhaps extinction. It may be said that the 1938 election indicated a swing of the pendulum toward the conservative. That, of course, is true, but it is not a step toward the type of conservatism that the old crowd represents. It is a conservatism which recognizes the needs of the future and does not attempt to encase itself in the shell of the past. The vote in 1938 was an expression of discontent with the gross inefficiencies and experimentations of the New Deal; that the people are tired of the expanding national debt, which will place a vast burden upon them and their descendants. They are growing tired of the great mass of political graft and corruption that has sprung up in Washington in the past 6 years. But the people will not go back to the old jungle days. The people want a progressive liberal government that stands for full opportunity and an America free from special privilege.

CONSERVATISM NOT REACTION

True conservatism does not mean reaction. All the great leaders of the Conservative Party in England and the Republican Party in the United States have been men willing to break with the traditions of the past when it seems necessary for the future. In 1866 Disraeli, the great British Prime Minister, sponsored a bill which greatly expanded the suffrage of that time. Ever since that time the position of the Conservative Party in England has been constantly growing stronger, with the result that since 1920 the party has only been out of power about 4 years. In the past 20 years, despite the fact that for a considerable portion of that time England was plunged into a depression resulting from the war, the British Conservative Party has constantly sponsored broad social legislation that has bettered the lot of the English working men and women. Through some economic changes, combined with a liberal social philosophy, the British Conservative Party has been able to lift England to the foreground of those countries recovering from the great depression. Republican leadership everywhere would do well to study and consider the English procedure.

CONSIDER LINCOLN AND THEODORE ROOSEVELT

Abraham Lincoln and Theodore Roosevelt, the two greatest Republican Presidents, both were willing to break with the past when they felt it necessary. The first Roosevelt especially stood for opposition to the great combination of wealth which would stultify the economic condition of the people. The people of New York and the country believe that Kenneth Simpson stands for the principles of Lincoln and Theodore Roosevelt. To kick him out now at the behest of men whose leadership means certain defeat would be a disservice to the Republican Party and the country. Again, as in 1912, the party of Lincoln is at the parting of the ways. Which path will it follow?

Increase In Collective Bargaining Contracts

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ARTICLE BY DAVID J. SAPOSS AND SARA GAMM

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Rapid Increase in Contracts," by Mr. David J. Saposs, chief economist, and Sara Gamm, associate economist, National Labor Relations Board. The article shows the increase in the number of collective-bargaining agreements entered into under the National Labor Relations Act, and is taken from the Labor Relations Reporter.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAPID INCREASE IN CONTRACTS—NUMBER AND EXTENT OF WRITTEN COLLECTIVE BARGAINING AGREEMENTS HAVE INCREASED WITH RECORD SPEED IN RECENT YEARS, ACCORDING TO STUDY BY LABOR BOARD COVERING INDIVIDUAL INDUSTRIES AND UNIONS—CHANGE IS SEEN AS EVIDENCE OF EFFECTIVENESS OF WAGNER ACT AND IMPROVED LABOR RELATIONS

(By David J. Saposs, chief economist, and Sara Gamm, associate economist, National Labor Relations Board)

Since the purpose of the National Labor Relations Act is to encourage collective bargaining, one measure of its achievement is the increase in the number and coverage of written trade agreements during recent years.[1]

The extension of collective bargaining may be attributed to many factors, and it is not presumed that the operation of the Labor Board is solely responsible. However, the growth in trade agreements is indicative of the effectiveness of the act and the new spirit engendered by its operation.

"In less than 5 years the picture of employer-employee relations has markedly changed. By expanding first in industries only partially organized and then to the mass production industries, collective bargaining through trade-union agreements has grown to the point where it has now become the accepted procedure in establishing wages, hours, and working conditions in a considerable part of American industry."[2]

Although this development cannot be measured, there is sufficient evidence to indicate a tremendous growth in the extent of collective bargaining, measured in terms of written trade agreements. The most spectacular gains have been in the mass-production industries where there was little or no collective bargaining—steel, rubber, flat glass, automobile, and electrical manufacturing—but equally significant gains have been made elsewhere. (See table at end of article.)

STEEL INDUSTRY

The phenomenal progress of collective bargaining in the steel industry is well substantiated by its record of trade agreements. During the period 1913–35, 41 was the highest average number of companies with which the Amalgamated Association of Iron, Steel, and Tin Workers had agreements; generally the figure was much lower.[3] During the N. R. A. years the number was unchanged. The union began the code period with written agreements covering 13 companies (all small but one) and ended the period with recognition from 15 small companies. In addition there were numerous examples "of the informal open-shop bargaining arrangements so widely used during the Recovery Act period."[4] These arrangements were usually haphazard, having been reluctantly granted by employers and accepted by weak labor organizations. The picture changed radically during the next few years. Not only did the number of agreements increase by leaps and bounds, but a carefully constructed machinery providing for continuous bargaining was established for a considerable portion of the industry.

INCREASE IN AGREEMENTS

In midsummer of 1937, the steel workers organizing committee[5] had more than 350 agreements; only 50 of these, however, were with companies classified under the iron and steel industry.[6] The following year substantial progress was recorded in written agreements covering 532 steel manufacturing, processing, and fabricating plants, ranging widely in size and covering more than 400,000 workers.[7] By September 1938 the number of plants covered by written agreement had increased to 541. More than three-fourths of the basic iron, steel, and tin-producing industry was under S. W. O. C. agreement; in addition, agreements extended into twenty-odd allied metal fabricating and processing industries where agreements cover from one-fourth of the entire industry to four-fifths.[8] In December, the number had increased to 565, covering practically every State in the Nation and many Canadian provinces as well. During the year, agreements had been signed with 57 steel firms which had never before operated under union

[1] U. S. House of Representatives, Committee on Labor, report to accompany S. 1958 (No. 1174), 74th Cong., 1st sess., p. 20.

"The fifth unfair labor practice, regarding the refusal to bargain collectively, rounds out the essential purpose of the bill to encourage collective bargaining and the making of agreements.

"* * * collective bargaining is not an end in itself; it is a means to an end, and that end is the making of collective agreements stabilizing employment relations for a period of time, with results advantageous both to the worker and the employer."

[2] U. S. Bureau of Labor Statistics, Labor Information Bulletin, November 1937, p. 7. Since the completion date of this study, April 24, 1939, the authors state that a large number of additional agreements have been reported.

[3] Table, p. 944, C. R. Daugherty, M. G. de Chaseau, and S. S. Stratton. The Economics of the Iron and Steel Industry, 1937, vol. II.

[4] Ibid., pp. 1037–1038.

[5] Acting on behalf of the old union.

[6] J. N. Harbison, Collective Bargaining in the Steel Industry, 1937, industrial relations section, Princeton University, p. 6.

[7] The number of workers refer to those employed under normal working conditions. Steel Labor, July 15, 1938.

[8] Letter from H. Ruttenberg, research director S. W. O. C., September 27, 1938; in the files of the Division of Economic Research.

contract.[9] Evidence that collective bargaining is becoming a continuous process in steel is given by the fact that more than 130 of these agreements were renewed upon their expiration dates; cases of renewal include important subsidiaries of the United States Steel Corporation (Carnegie-Illinois, American Steel & Wire, National Tube, American Bridge, et al.), Allegheny-Ludlum Steel, Jones & Laughlin Steel, and Crucible Steel.

AUTO INDUSTRY

Another illustration of an increase in trade agreements is given by the automobile industry, where written agreements and collective bargaining were practically nonexistent before 1933. In the summer of 1937, 270 agreements had been negotiated, the largest number with manufacturers of automobiles and auto parts.[10] By June 1938, the number had increased to 537, distributed as follows: [11]

Assembly and manufacturing plants	37
Automobile parts	429
Automobile dealers	12
Garages	12
Aircraft	5
Farm implements	6
Miscellaneous	36

These agreements cover all the large manufacturing companies with the exception of Ford Motor Co.

ELECTRICAL INDUSTRY

"The manufacture of electrical equipment, including radios, was one of the important mass-production industries almost untouched by union organization before the National Industrial Recovery Act of 1933." At present, the United Electrical, Radio, and Machine Workers of America has signed agreements in about 500 plants. (Note No. 12.) Collective bargaining was initiated with a written agreement covering the Philadelphia Storage Battery Co. (Philco) in 1935. Between that year and 1938 all of the company unions in the larger establishments were displaced, "frequently after an election held by the National Labor Relations Board."

Agreements have now been secured with all the larger companies except Westinghouse.[12] These include General Electric (covering 7 plants and approximately 30,000 employees), Radio Corporation of America (covering 12,000 employees), and Allis Chalmers (covering approximately 1,500 employees). During the past year, 45 new agreements were secured and 78 were renewed. Practically all agreements have been renewed upon their expiration.[13] In addition, there are numerous agreements negotiated by the International Brotherhood of Electrical Workers. Examples are agreements with the Crosley Radio Co. and National Electric Products Co.[14]

RUBBER INDUSTRY

The rubber industry provides additional illustration of the tremendous growth in collective bargaining. Because a special study has been made for this industry,[15] it will be possible to indicate the growth more fully than in other areas. P. W. Litchfield, president of Goodyear, wrote in 1928: "Although efforts have been made at various times to organize a rubber workers' union, the industry generally is open shop." [16] Today there are 73 agreements covering more than 40,000 rubber workers. Table 1 shows the growth in the number and coverage of agreements from 1932 to 1939. A substantial majority of the total number (55 out of 73) were secured in 1937 and 1938; these cover approximately 58 percent of all workers under agreement.[17] The difference in time period is more sharply indicated in table 2. Of the 73 current agreements, 29 (40 percent) were signed prior to April 12, 1937,[18] and 44 (60 percent) were signed after that date. In terms of number of workers, 82 percent were covered by agreements signed during the later period. It is significant that most of these have been renewed one or more times.[19]

TABLE 1.—*United Rubber Workers' local agreements signed and workers covered, from July 1932 to March 1939* [1]

Year	Number of agreements	Workers covered by agreements	
		Number	Percent
1932	1	85	0.13
1933	0	0	0
1934	6	2,706	6.11
1935	2	308	.69
1936	8	2,650	5.99
1937	38	19,850	44.78
1938	17	17,718	39.97
1939	1	1,014	2.29
Total	73	44,331	99.96

[1] Includes only signed agreements in effect as of March 1939.

TABLE 2.—*United Rubber Workers locals under signed agreements, and workers covered—1932–39* [1]

	Number of contracts	Percent	Number of workers under contract	Percent
Contracts signed prior to Apr. 12, 1937	29	39.73	7,920	17.87
Contracts signed after Apr. 12, 1937	44	60.27	36,411	82.13
Total	73	100.00	44,331	100.00

[1] Of the 73 contracts in effect only 2 questionnaires were incomplete as to the number of workers under contract. Both locals are very small.

GLASS INDUSTRY

The Federation of Flat Glass Workers was organized in 1934. Today it has a membership of 22,512, almost entirely covered by an agreement with the Independent Fourcault Window Glass Manufacturers Association and several agreements signed with individual companies.[20] A detailed picture of the growth in written agreements is given in the accompanying table.

TABLE 3.—*Written agreements in the flat-glass industry* [21]

Year	Number of agreements	Number of firms	Number of workers
1933	2	5	5,000
1934	2	9	14,000
1935	4	31	19,000
1938	[a] 128	186	22,850
1939	130	138	[b] 21,683

[a] Including agreements with 100 small New York City mirror shops, employing 250 people.
[b] As of February 1939.

All of the agreements have been in existence by renewal or modification since their first signing.[21] The agreements with the Pittsburgh Plate Glass and Libby-Owens-Ford Co. were renewed in 1936 and again in 1938; that with the Fourcault Association, in 1937 and 1938. Territorially the agreements cover New York, Ohio, Illinois, Indiana, and Pennsylvania.[22]

The industries discussed above represent the more spectacular developments in collective bargaining. There are many other industries in which written agreements have been introduced almost for the first time during the past few years: Aluminum, cement, canning, petroleum, and metal mining. The agreement of the Aluminum Co. of America is additional illustration of large-scale production only recently covered by union contract. Other examples of similar character are the agreements which have been negotiated with several Sinclair Oil companies, the Anaconda Copper Co., and the American Smelting & Refining Co. These and other agreements are outlined in table I.[23]

Discussion beyond this point will be limited to the extension of collective bargaining in industries and trades that were substantially organized before 1933: Clothing, coal mining, maritime, and printing, with passing mention of a miscellaneous group.

[9] Steel Labor, December 23, 1938.

[10] Agreements entered into between International Union, United Automobile Workers of America and Employers in the Automobile and other Industries, May, July, and August 1937.

[11] U. S. Bureau of Labor Statistics, Labor Information Bulletin, June 1938, p. 7.

[12] U. S. Bureau of Labor Statistics, Monthly Labor Review, July 1938, p. 67.

[13] Convention proceedings, United Electrical, Radio and Machine Workers, 1938, pp. 25–26.

[14] Files of the Industrial Relations Section, U. S. Bureau of Labor Statistics.

[15] A typewritten manuscript in the files of the Division of Economic Research.

[16] In Representative Industries in the United States, edited by H. T. Warshow, 1938, p. 592 ff.

[17] Date of validation.

[18] Organization began earlier, but it was not until the Supreme Court passed on the validity of the N. L. R. A. that the major employers accepted the Labor Act as a law which the Court would require them to comply with.

[19] Detailed figures are given in the special study noted above.

[20] U. S. Bureau of Labor Statistics, Monthly Labor Review, May 1936.

[21] Tabulated from information given in letter from I. L. De Shetler, secretary-treasurer, Federation of Flat Glass Workers, August 3, 1938; contained in the files of the Division of Economic Research.

[22] File of Written Agreements, Industrial Relations Section of the Bureau of Labor Statistics.

[23] The information is incomplete in most instances.

CLOTHING INDUSTRY

In the clothing industry collective bargaining has a long history, but prior to 1933 organization was confined to certain areas and sections of the trade, principally the large cities producing men's and women's outergarments. Since that time organization and collective bargaining have been extended both geographically and industrially.[24] The garment centers have become entirely organized, and there have been significant extensions in cleaning and dyeing establishments, in the cotton-garment industry, the shirt and neckwear industries, laundries, and textile employments.

The men's garment industry in New York City has been entirely organized, and for the first time in the union's history a national agreement was signed in 1937.[25] Written agreements now cover 1,200 alteration tailors and 2,000 custom tailoring and retail clothing establishments. Equally significant increases have been effected in other sections of the men's clothing industry. In the cotton-garment and shirt industries organization has reached into the South and the Middle West, as well as into the nonunion fringes remaining in the East.[26] Approximately 40,000 shirt workers are now covered by union agreements. Laundry workers in New York City are now organized in the number of 27,000. Nearly 500 contracts exist in the larger laundries, and several thousand workers in and about 1,400 hand laundries are under written agreement.[27]

Although no figures of increase are available for written agreements in the women's garment trade, other statements indicating a development in the type of relations under collective bargaining in the dress industry are relevant to this discussion. Recent negotiations between the union (International Ladies' Garment Workers, Union) and four employer associations resulted in new agreements "assuring peace in the industry for the next 2 years." Unlike many earlier agreements, these were secured without resort to strike. More than 100,000 workers in the metropolitan area are affected by the agreements, "which constituted a renewal of the old 3-year contract expiring January 31." More than 2,000 dress-manufacturings firms, producing 85 percent of the total output of dresses in the country, are covered by the agreements. They contain provisions for technical reforms in the interest of stabilization and greater uniformity in the enforcement of labor standards. Agreements are also being extended to cover nonunion areas outside of New York City. One example is a recent Boston agreement, signed with a firm that had opposed the union for 18 years.[28]

TEXTILE INDUSTRY

The textile industry is another area that has experienced an unusual growth in unionism and collective bargaining. Organization proceeded rapidly "as agreements were negotiated with key firms in woolen, silk, rayon, cotton, carpets and rugs, and braids, in the various producing regions, including the South." [29] Agreements have been secured covering the bulk of workers in the highly integrated rayon and carpet and rug industries and in the silk weaving and throwing industries. An agreement with the American Viscose Corporation covers 20,000 workers and 36 percent of domestic output; subsequent agreements carried the total to 60 percent; 75 percent of the silk and carpet and rug sections of the industry are covered by agreement. In the South there are agreements covering 25,000 workers. "A significant feature of the southern drive is the increasing number of elections," [29] conducted by the National Labor Relations Board to determine collective bargaining units. These often precede the negotiation of a written trade agreement.

SHOE INDUSTRY

Substantial progress in collective bargaining has occurred in the shoe industry. In 1937 the United Shoe Workers of America was formed; an organizational drive brought the membership from 16,000 to the present total of more than 50,000. The union now has signed agreements with three branches of the industry; component parts manufacture (lasts, leather findings), shoe manufacture, and repair shops, covering 149 firms and employing approximately 22,000. Most of the agreements provide for continuous bargaining with "definite termination dates and provisions for negotiation of a new contract." In addition, there are many cases of automatic renewal.[30] Additional agreements are found in plants organized by the Boot and Shoe Workers Union.[31]

COAL INDUSTRY

Collective bargaining has functioned in the coal industry for many years.[32] However, from 1927 until 1933 the bituminous branch of the industry operated largely on a nonunion basis. Following the National Industrial Recovery Act the union regained its strength, and collective bargaining was considerably extended, although some areas continued to be unorganized.

"The general recognition of the U. M. W. A. and the signing of contracts by nearly all important producers did not remove all of the elements of instability to collective bargaining in the bituminous coal industry. In a few instances important employers held out in their opposition to the union, and many of the smaller truck and wagon mines continued to operate on a nonunion basis. In Harlan County, Ky., a number of operators persisted in combating the U. M. W. A. by discharging and discriminating against its members, by interfering in various ways [33] with organizing activity, and by refusing to recognize the union as the representative of the miners." [32]

The National Labor Relations Board found, after hearings, in the Clover Fork Coal Co. case that the Harlan County Coal Operators' Association had exerted its power against unionization, restraining and coercing the miners to prevent organization. The informal settlement of this case is highly significant; the association signed its first agreement with the union,[34] thus extending the field of collective bargaining to cover the entire industry. The total experience in coal is summarized in the following terms:

"These factors (conditions within the industry), with the encouragement afforded by Federal legislation, help to explain the phenomenal success of the organizing campaign of the U. M. W. A. in 1933. A new interstate bargaining device, the Appalachian agreement (was adopted). This inclusion of the formerly nonunion areas within the scope of the basic contract promises greater stability of contractual relation and more freedom from strikes than under contracts based on the central competitive field." [35]

The Harlan agreement, signed after this writing, extended the bargaining system to cover the entire industry.[36]

MARITIME INDUSTRY

Prior to 1934, written agreements were at an ebb in the maritime industry. After the war period "collective bargaining, for all practical purposes, had disappeared and the crews found themselves virtually helpless in the face of the employers' ultimatums and pronouncements. * * * The unredressed grievances and the unexpressed hatreds of these years go far toward explaining the chaotic outbursts and the hotly contested strikes of the period after 1934." [37] Since that date agreements have been negotiated to cover a large section of the industry.

The seamen on the Atlantic and Gulf coasts are covered by 52 agreements, affecting passenger, freight, tanker, and collier companies. Included among these is an agreement with the American Merchant Marine Institute covering 210 ships and 20,000 men.[38] "Collective bargaining elections held under the supervision of the National Labor Relations Board have resulted in contracts covering more than 30,000 seamen." [39]

Other unions covering the unlicensed seamen on the Pacific and Gulf coasts have written agreements affecting their members. Among the licensed personnel, the marine engineers provide an illustration of increase, having secured 54 new agreements during 1938.[40] The longshoremen have also increased the coverage of their written agreements during the past few years. Directly as a result of a Board election, the longshoremen on the Pacific coast secured a coastwise bargaining unit; [41] their agreement, negotiated with the Waterfront Employers Association of the Pacific Coast, covers 12,000 workers in all Pacific coast ports.[42]

PRINTING AND PUBLISHING

In the newspaper branch of the printing industry where organization has always been widespread, the number of new and renewed agreements in 1936 (347) was larger than the corresponding figure

[24] Sources of information for the detailed account of the development in men's clothing are: (1) Documentary History, Amalgamated Clothing Workers of America, 1936–38, 1938; (2) a letter from Joseph Schlossberg, secretary-treasurer, Amalgamated Clothing Workers, July 27, 1938, contained in files of the Division of Economic Research.

[25] Documentary History, Amalgamated Clothing Workers of America, 1936–38, 1938, p. 17.

[26] Documentary History, Amalgamated Clothing Workers of America, 1936–38, 1938, p. 26.

[27] In Documentary History, 1938, the number is reported as 10,000 in the linen supply division and 15,000 in the power laundry division, p. 33.

[28] Cf. Justice, Mar. 15, 1939, p. 2.

[29] Documentary History, op. cit., p. 58.

[29] Documentary History, op. cit., p. 58.

[30] U. S. Bureau of Labor Statistics, Monthly Labor Review, November 1938, pp. 1001 ff.

[31] Numerical data are not available for this group.

[32] Cf. National Labor Relations Board, Bulletin No. 2, The Effect of Labor Relations in the Bituminous Coal Industry Upon Interstate Commerce, 1938.

[33] According to the testimony before the Senate Civil Liberties Committee, these methods included hiring of spies and gun thugs, violence and threats of violence, and violation of all fundamental civil liberties. See United States Senate Subcommittee of the Committee on Education and Labor, Violations of Free Speech and Rights of Labor. Hearings pursuant to S. Res. 266, 75th Cong., 1st sess., pts. 9, 10, 11, 12, and 13. Harlan County, April–May 1937.

[34] See note No. 32, Labor Relations Reporter, September 5, 1938, p. 3.

[35] Natiocnal Labor Relations Board, op. cit., p. 48.

[36] See agreement in United Mine Workers Journal, October 1, 1938.

[37] Elmo P. Hohman, Maritime Labor in the United States, International Labor Review, September 1938, p. 381.

[38] Pilot, October 8, November 4, 1938; New York Times, January 1, 1939; Pilot, January 13, 1939.

[39] Mimeographed release, C. I. O. Maritime Committee, February 14, 1939.

[40] Union News Service, January 20, 1939.

[41] 8 N. L. R. B., p. 1002.

[42] New York Times, September 16, 1938.

for any previous year and more than double that for 1934.[43] The following year, the number had increased to 570, thus more than doubling the corresponding figure for any previous year. The total number of written agreements in 1937 was 629, representing an increase of 47 over 1937.[44] In 1938, the metal engravers reported that the number of their agreements had increased 100 percent over the previous year.[45] In addition, a new field has been organized under the Newspaper Guild. The union had 77 agreements in 1938. The following comment describes the extension of collective bargaining among newspaper writers and office workers:

"Not only has the volume of contracts increased, the number of conditions covered—and hence the number of provisions—has greatly increased in the aggregate." [46]

OTHER INDUSTRIES

In a miscellany of other trades and crafts, many of which were partially organized, there has been a similar extension. The machinists have more than 4,000 written agreements, 2,000 of these representing additions or renewals during 1938. Many of them were secured in industries previously unorganized; aircraft, automobile repairs, office equipment, petroleum, aluminum.[48] The teamsters have recently secured an agreement covering 17 truck companies which operate "in 12 States extending from northern Kentucky to Nebraska." [47] In lumber and woodworking there have been substantial increases. The International Woodworkers, for example, had an agreement covering approximately 25 of their locals in 1938, 1 year after their formation. In addition they had a written wage scale covering two-thirds of their membership (given as 100,000).[48] Other unions have secured written agreements in related fields.

Several extensions have been made in the service industries, including retail trade and office employment. Major hotels in Kansas City, San Francisco, and New York have recently been covered by written agreement. During the past year 10,000 workers in retail and wholesale trades were similarly covered.[49] A recent agreement between the retail meat dealers and the amalgamated meat cutters and butcher workmen "includes uniform provisions for 30,000 retail meat dealers on all points except wage rates, which are negotiated locally by the unions and meat dealers' associations." [49] Agreements were negotiated for the first time in 1937 to cover the local transportation system in New York City.[50]

ISOLATED AGREEMENTS

Finally, there are a few cases of isolated agreements representing important extensions of collective bargaining. One of these, signed by the Golden Eagle Life Insurance Corporation and the United Office & Professional Workers, is "noteworthy as one of the first contracts executed between an insurance company and a labor union in behalf of industrial insurance agents in the company's employ." [51] An agreement between the Postal Telegraph-Cable Co. and the American Communications Association covering 13,000 employees followed a certification by the National Labor Relations Board.

"It covers the company's entire continental system, with the exception of certain offices for which the Commercial Telegraphers Union has contracts." [51]

IMPROVED RELATIONS

In addition to this evidence of numerical increase there are many statements indicating an improvement in industrial relations concomitant with the extension of collective bargaining and written trade agreements. These statements are made by students of collective bargaining and by employers. A few sample statements are included here. The steel industry:

"By 1938, however, it was evident that the transition had been made much more easily than had been expected, and both groups expressed satisfaction with the progress made. The union representatives, on the whole, believed in the good faith of the managements in accepting and dealing with the union, while management, on the whole, testified to the responsibility, honesty, and intelligence of the union representatives, both national and local. There had been no problem of union violations of the contract or interference with efficiency in the mills. The year's experience had built up unexpected reserves of mutual respect and confidence." [52]

* * * * * * *

"The impact of New Deal legislation has stimulated a notable change in the attitude of steel managements toward collective bargaining. While most companies were lukewarm to any type of group relations during the twenties, after 1933 outspoken steel executives have praised the 'collective cooperation' and the 'two-way channel of communication' offered by employee representation plans. Formerly opposed to dealing with any outside labor organizations, many executives now seem acquiescent to national collective bargaining with a responsible union." [53]

The following is an excerpt from a report describing a director's meeting of the United States Steel Corporation. The bulk of the statement is in the words of Myron Taylor, chairman of the corporation:

"The union has scrupulously followed the terms of its agreement and, insofar as I know, has made no unfair effort to bring other employees into its ranks, while the corporation's subsidiaries, during a very difficult period, have been entirely free of labor disturbances of any kind. The cost of a strike—to the corporation, to the public, and to the men—would have been incalculable.

"The officers of the company urged upon me and upon the board of directors, late in 1936, that we make a written contract embodying wage changes which would be made effective after negotiations with employee representatives, and that it be coupled with a sliding-scale arrangement based upon changes in the cost of living."

His remarks on labor policy were applauded, and a resolution * * * was adopted unanimously expressing approval of the corporation's labor policy.[54]

The automobile industry:

"To local union officers and the rank and file of union members, appraising their experience, however, the gains through the union seemed very substantial. Control of speed and better enforcement of seniority rights were among the most important. Better working conditions were frequently mentioned, and even more often a reduction of discrimination and favoritism by foremen, and generally better treatment in the plant.

* * * * * * *

"The representatives of management also frequently admitted abuses under the old system, especially of favoritism, difficult to control in huge organizations. The pressure for production had undoubtedly in some cases gone too far at the expense of the men. One plant manager, although on the whole very critical of the union, summed it up in the words, 'The union does keep supervision honest.'" [55]

[43] Editor and Publisher, March 24, 1937, pp. 18, 114. The figures given here apply to the most important printing crafts.

[44] Letter from Conrad Woefel, secretary-treasurer, October 10, 1938; in files of Division of Economic Research.

[45] A survey of agreements prepared by International Executive Board Employer Relations Committee, published at international headquarters, New York City.

[46] Convention Proceedings, International Association of Machinists, 1936, pp. 9–11; letter from A. O. Wharton, international president, July 12, 1938, contained in files of the Division of Economic Research.

[47] U. S. Bureau of Labor Statistics. Monthly Labor Review, March 1939, p. 506.

[48] Letter from H. J. Pritchett, international president, July 20, 1938, contained in files of the Division of Economic Research.

[49] Letter from J. V. Cooney, United Retail and Wholesale Employees, April 17, 1938, contained in files of the Division of Economic Research.

[50] U. S. Bureau of Labor Statistics, Monthly Labor Review, March 1938.

[51] Labor Relations Reporter, October 3, 1938, p. 8.

[52] Labor Relations Reporter, October 3, 1938, p. 8.

[53] Emily C. Brown, The New Collective Bargaining in Mass Production; Methods, Results, Problems, Journal of Political Economy, February 1939, p. 40.

[54] J. N. Harbison, Collective Bargaining in the Steel Industry: 1937. Industrial relations section, Princeton University (p. 26).

[55] New York Times, April 5, 1938.

[55] Brown, op. cit., p. 53.

TABLE I.—*Written agreements in several newly organized trades*

Industry and union	Date	Territorial coverage	Companies involved	Number of workers	General statement of increase
Aluminum,[1] Aluminum Workers of America.	1938	Illinois, New York, Pennsylvania, Tennessee, North Carolina.	6 plants, Aluminum Co. of America.	[2] 17,000 [3] 30,000	First formal negotiations, December 1936.
Cement,[4] American Federation of Labor.	1938	Throughout the country	47 agreements		"Marked increase followed the formation by the American Federation of Labor of the National Council of United Cement Workers."
Cannery and agricultural:[5]					
Congress of Industrial Organizations.	1938	Alaska, Texas, Colorado	Over 200 contracts: Salmon, pecans, beets.	40,000	
American Federation of Labor.	1937	California	California Processors & Growers, Inc.	60,000	

[1] Sources: Convention Proceedings, Congress of Industrial Organizations, 1938, p. 36. Monthly Labor Review, February 1937, p. 425. Letter from union Aug. 1, 1938.
[2] Written agreement.
[3] Working rules and regulations.
[4] Source: Monthly Labor Review, October 1938, p. 785.
[5] Sources: Convention Proceedings, Congress of Industrial Organizations, 1938, p. 36. Report to executive board, Cannery, Agricultural, Packing and Allied Workers, April 1938 (mimeographed). American Federation of Labor Weekly News Service, May 14, 1938. Congress of Industrial Organizations News, Oct. 17, 1938. Convention Proceedings, American Federation of Labor, 1938.

TABLE I.—*Written agreements in several newly organized trades*—Continued

Industry and union	Date	Territorial coverage	Companies involved	Number of workers	General statement of increase
Petroleum: [6]					
American Federation of Labor, metal trades department.	1936	National agreement	Sinclair companies and Shell Petroleum; Sinclair companies negotiations on national basis.		More than a hundredfold increase in membership of Oil Field, Gas Well, and Refinery Workers Union since 1933.
Oil Workers International Union	1938		6 Cities Service plants; 5 Shell Oil; 2 Standard Oil subsidiaries; 7 Texas Co.; 3 Pure Oil numerous independents.	75,000	
Metal mining:					
Mine, mill, and smelter workers [7]	1938	Spread: Perth Amboy, N. J. to Juneau, Alaska.	97 Anaconda Copper; American Smelting & Refining.		1933: Membership only 1,500.
American Federation of Labor building and metal trade unions [8]	1934	Montana	Anaconda Copper		1934: Tenfold increase in membership. 1937: Most rapid increase in history of union.

[6] Sources: Convention Proceedings, Congress of Industrial Organizations, 1938, p. 36; Convention Proceedings, I. A. M., 1936, p. 11; Monthly Labor Review, February 1937.
[7] Sources: Convention Proceedings, Congress of Industrial Organizations, idem, Monthly Labor Review, September 1938, p. 591.
[8] Sources: Convention Proceedings, American Federation of Labor, Metal Trades Department, 1934, p. 89.

The Jefferson National Expansion Memorial in St. Louis a National Disgrace and Unlawful Diversion of Public Funds Voted for Relief

EXTENSION OF REMARKS

OF

HON. WILLIAM P. LAMBERTSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. LAMBERTSON. Mr. Speaker, as the final act in the consummation of that national disgrace known as the Jefferson National Expansion Memorial in St. Louis, the National Park Service, acting through the United States district attorney in St. Louis last week, by court order obtained title to 40 blocks of business and industrial property in the heart of downtown St. Louis for the memorial the real-estate promoters have been working on for more than 5 years.

After 4 years of pressure 307 of the buildings in the area are still occupied by firms, to whom moving will be not only a great expense but for some it will mean the end of their business. Yet the Government has given these employers but 60 days to get out.

The St. Louis Post-Dispatch, a fearless newspaper, which contributed much to the exposure of the frauds behind this memorial promotion, last Monday reports the realty men thick on the river front as moving day nears. Quite a fitting climax to the brazen advertisement of one of their number, who in 1935 advertised "Salesmen wanted, river-front project going through."

As previously mentioned on several occasions, this project is being carried forward, solely by authority of an Executive order allocating $6,750,000 of funds appropriated by the Emergency Relief Appropriation Act of 1935 to the project, under the guise of preserving historic sites which long since have passed out of actual existence.

If we are to allow the Presidential order to go unchallenged what is to prevent the next Executive order from reading much like this:

WILL THIS BE THE NEXT EXECUTIVE ORDER?

Allocation of funds to the Secretary of the Interior for the acquisition and development of a historical site to be known as the New Amsterdam National Memorial

Whereas the act of August 21, 1935, Public, No. 292, Seventy-fourth Congress, declares it to be a national policy to preserve for public use historic sites, buildings, and objects of national significance for the inspiration and benefit of the people of the United States; and

Whereas the Secretary of the Interior through the National Park Service has determined that certain lands situate on the east bank of the Hudson River at and near the site of old New Amsterdam, possesses exceptional value as commemorating or illustrating the history of the United States and are a historic site within the meaning of the said act, since thereon were situate the site from which Hendrick Hudson began his voyage of exploration and discovery up the Hudson River as the result of which this territory was claimed for the Netherlands, the home of Peter Minuit, who in 1625 purchased the entire island of Manhattan from the Indians for trinkets to the value of $24, the building where the Dutch East India Co. opened the first trade between the Dutch and the Indians, the home of Peter Stuyvesant who was the first great administrator of the new Dutch colony, the site where in 1655 Peter Stuyvesant embarked upon his campaign against the Swedish settlements along the Atlantic, the place where in August 1664 the Dutch governor surrendered New Amsterdam to the British, the place where in 1755 Sir William Johnson organized his expedition to march against the French and the Indians, the site of the ancient house on the Bowerie where Wilhelmus Kieft, in 1634, assumed the governorship of Nieu Amsterdam, the home of Hans Renier Oothout the famous explorer, and Wynant Ten Brecches, the land measurer; the place where Adrian Van der Douck reported the discovery of gold in the colony; the place on the Battery where the Dutch burghers swapped stories and products with each other. The place where George Washington took the oath of office as first President of the United States; the building in which the First Congress of the United States assembled; the home of Samuel Osgood, first residence of any President of the United States, and many other incidents and places associated with the development and expansion of our Nation from the shores of the Hudson River to the Pacific Ocean; and

Whereas, the city of New York has agreed to contribute $1 for the purpose of acquiring and developing the said site which is but a small fraction of the amount to be expended for such purposes; and

Whereas I find the said project will provide relief, work relief, and increase employment:

Now, therefore, by virtue and pursuant to the authority vested in me by various emergency relief appropriation acts of Congress (ibid) I hereby allocate to the Secretary of the Interior from the funds made available by said acts, the sum of $300,000,000 which together with the sum of $1 to be contributed by the city of New York and accepted by the Secretary of the Interior under authority of the said act of August 21, 1935, will make available for the said project the sum total of $300,000,001; and the Secretary of the Interior, through the National Park Service, is hereby authorized and directed to expend the said sum of $300,000,001 in acquiring the said property and in developing and preserving it for the purposes of the said act of August 21, 1935, if and when the city of New York shall make the said sum of $1 available to the Secretary of the Interior for such purposes.

WASHINGTON, D. C.

This would be an ideal chance to drive the money changers out of the temples in Wall Street and carry Mr. Strauss' slum-clearance projects to final perfection.

Now, there is no Member of Congress who will not agree that Manhattan Island is the most historic spot on the North American Continent. It is all historic ground. It has been not only the center of intrigue but also the scene of exploits of bravery unexcelled in our colonial history.

It would be far more appropriate to preserve historic sites on the island of Manhattan than on the western banks of the Mississippi River. But there was no real-estate pressure coming from New York City and there were no political debts to pay in this way there.

MONEY WOULD REVERT TO THE TREASURY UNLESS SPENT BY JUNE 30, 1939

The funds allocated by the President to this project would revert to the Treasury on June 30 if this scheme to evade the

will of Congress had not been concocted by the memorial promoters. Whether or not the plan will succeed remains to be seen. If the General Accounting Office follows the procedure established by the United States statutes this memorial will be laid low. If the laws of the United States are strictly observed, and not winked at as many other laws too frequently have been winked at, the Government will protect the interests of the people by halting this nefarious scheme very quicky now.

Section 627, title 31, U. S. Code, provides:

No act of Congress passed after June 30, 1906, shall be construed to make an appropriation out of the Treasury of the United States, or to authorize the execution of a contract involving the payment of money in excess of appropriations made by law, unless such act shall in specific terms declare an appropriation to be made or that a contract may be executed.

If Congress and the courts insisted upon the integrity of this act there would be no question about this memorial. If Congress and the courts insisted that the act which provides all funds shall be deposited with the Treasury of the United States, the registry of the district court in St. Louis would not be set up as a disbursing agency for the Government to evade the will of Congress and to prevent this relief money from reverting to the uses for which it was appropriated.

Mr. Speaker, mere words cannot describe the lengths to which the National Park Service has cooperated with the memorial promoters in their attempt to put this rotten deal and this unlawful diversion of public money to the use of the real-estate promoters and the politicians of St. Louis. This memorial is not a work-relief project—it will put men permanently out of work in St. Louis and destroy many small firms. The superintendent in charge of the project for the National Park Service filed an affidavit in the Appellate Court of the District of Columbia 2 years ago in which he stated the project will provide employment for only 600,000 man-hours of skilled and unskilled labor. This able superintendent now declares that the 486 buildings on the site can be wrecked and the site cleared for $250,000.

When I recall the fact that it cost the W. P. A. $1,440,000 to demolish 647 small buildings of an average size of one story and a half in Chicago, I wonder just what kind of wrecking experience this park superintendent has had.

LAND APPRAISEMENTS

The site for the proposed memorial has recently been appraised at $6,985,000. This sum exceeds the entire Federal allocation, yet the agents of the Government have deposited but $5,970,000 into court for settlement of claims against the Government. Where the extra million dollars or more will come from is no mystery to me. Every year we will be called on for appropriations to make up these deficiencies.

WHAT WILL WE DO ABOUT IT?

Mr. Speaker, Congress has never voted a dime for this project. In fact, as late as this April the Clark amendment to the Interior Department Appropriations Act of 1940 was rejected by the conferees. The only strength behind this memorial scheme is political strength. The only necessity is political necessity. Within the strict meaning of the law it is neither a useful project nor a public project, for it has not been adopted as such by Congress.

Mr. Speaker, the city of St. Louis is broke and cannot afford this expensive bauble. The deficit last year in St. Louis was $3,332,000. The city has dug deep into the Federal Treasury heretofore for assistance. St. Louis has received $52,705,608 in Federal funds during the last 4 years for local projects yet has been able to contribute only $3,100,000 in sponsorship for these projects. The mayor ought to explain to his people where he can dig up $2,250,000 to contribute to the building of this memorial when he cannot find funds to balance the city's budget and feed the hungry people of St. Louis.

Mr. Speaker, the Federal Government is also about broke. Our national debt will be over the $45,000,000,000 limit next year. Our contingent liabilities mount into the billions. We cannot afford this memorial any more than can the city of St. Louis. If we are to allow this expenditure to go unchallenged and without investigation, who can object if an Executive order taking over Manhattan Island would bob up some day?

Mr. Speaker, are we mice or are we men? Are we to sit here in idle complaisance while another precedent is set and bureaucracy marches on? Are we to permit the further loss of legislative powers by Presidential usurpation? Are we to permit constitutional liberty to sink into the lost horizons of a Roosveltian dictatorship? When the final day of reckoning comes, I trust that I shall not be alone in this fight to preserve our congressional prerogatives and our congressional integrity. We have a duty to the American people to protect the Federal Treasury against raids of this character. This money is being spent, not for relief, not for work relief, not for the increase of employment, but principally for the relief of the memorial promoters and the Dickmann machine in St. Louis. The time has come to quit paying political debts with relief money. This should be another job for our new crusading Attorney General, the Honorable Frank Murphy. In the words of a famous Federal judge, the time has come to move on the higher ups behind this memorial scheme.

Royal Samuel Copeland

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 26, 1939

ARTICLE BY ERNEST RISLEY EATON

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tribute to the memory of the late Senator ROYAL SAMUEL COPELAND by Ernest Risley Eaton, of New York City:

[From the Journal of the American Institute of Homeopathy, September 1938]

A TRIBUTE TO THE MEMORY OF ROYAL SAMUEL COPELAND

Children liked him; boys felt friendly toward him; young men admired him; working people hung upon his word; many people grown old in years found comfort in what he said to them. He had an alert sympathy and understanding of human problems which drew people to him. In these bewildering and harassing days that have befallen us it does not seem quite right that we shall no longer have the benefit of his honest, kindly counsel and broad insight into our Nation's needs.

ROYAL SAMUEL COPELAND, A. M., M. D., F. A. C. S., achieved the highest distinctions attainable in the medical profession. Eminent specialist in diseases of the eye, dean of the New York Medical College, noted lecturer and author, he was not content to be a physician to the exclusion of all other aims. From the time he was my preceptor in a medical school many years ago I watched him grow in mind and soul under the heavy responsibilities of affairs of state which he so willingly assumed. He was an unusual combination of physician and statesman, and I believe that his commendable career as a statesman can be traced directly to the fact that he was a successful physician.

When COPELAND practiced medicine he looked upon his patients as living human beings. To him the disease exhibited was secondary. Practitioners of medicine recognize the importance of personally meeting the patient and understanding his needs. Text books of medicine, published long before the commercialized scientific phase came into vogue, intimate how much can be learned from a study of the patient. This stands out in contradistinction to complicated procedures, many of which have proved to be no better than an armory in which there are a thousand rifles, not one of which can be used to fire a single shot. COPELAND regarded the patient as a person—the patient who is forgotten today—and knew how to meet him, when as a stranger he came to him professionally.

COPELAND did not have to read books on how to make friends; instinctively, he made them. His voice, his courtly manners, his obvious sincerity, his open-mindedness and frankness of manner won him a myriad of friends who never forgot him. He possessed fine bedside manners, and met people easily. They liked him on first glance and immediately took him into their confidence. Keeping abreast of medical knowledge is not difficult, but for the physician to have real understanding of the patient is a difficult

problem. COPELAND understood this important function, and talked about it to his students in the classroom. In his contribution on refraction, he says: "It would be presumptuous to add to the large and growing list of excellent and exhaustive treatises on the subject of refraction * * * it is important for the student to supplement studies by verification on the patient himself." COPELAND was well qualified to thus admonish his colleagues.

When COPELAND became a statesman he chose a career which he thoroughly liked, as he often affirmed, and one in which he knew that he could be useful to others. It is true that on the road to statesmanship he passed through byroads of politics, but for him politics was a means and not an end. I recall an answer he gave me one day to my question as to why he belonged to Tammany: "Eaton," he said, "man is a social being and cannot work without cooperation. Organization is a necessity, and my organization is Tammany. Tammany has many fine qualities deserving of admiration of Democrats and Republicans alike." His conversation on this occasion implied that the party system of this country is a necessity, but must be confined within normal limits.

COPELAND started his political career in Michigan, where he was born in 1868. He was active in civic, educational, and religious affairs of Ann Arbor, of which city he was made mayor in 1901. It was not many years after coming to New York that he found opportunity to increase his capacity for work on behalf of others. This was largely made possible by the position he held as dean of the New York Medical College and Flower Hospital during the most noteworthy period of this institution. He resigned as dean to become commissioner of health in 1918.

In 1903 COPELAND was elected president of the American Institute of Homeopathy upon which organization he exercised a far-reaching influence for good. He was elected United States Senator in 1923 after filling with distinction the office of commissioner of health of New York City. He passed to his rest suddenly on June 17, 1938.

People who met COPELAND swore by him, and whether a newspaperman, a farmer in upper New York State, a city dweller, or a suburbanite—they were his friends. He become personally known to them and enlisted their loyalty. He was like Franklin D. Roosevelt in this respect. His was the radio voice of a persuasive personality, impelling loyalty. Perhaps for the reason that in many respects he was too much like Roosevelt he was constantly in disagreement with Roosevelt and his political policies. There could not be two Roosevelts or two COPELANDS.

People did not think that a truant doctor could be a good statesmen, and they smiled as they shook their heads and said so. COPELAND proved that the training and experience of a physician is the best foundation for building a political career, spent in significant service on behalf of others. One naturally led to the other. People always depend on the doctor—the person with the common cold, the young man with pneumonia, the father with high-blood pressure, the mother half-crazed for fear her child will die—they all crave comfort (fortis, strength), and COPELAND prescribed this in politics. He was depended upon as a statesman, and he did his best to fulfill his obligations even among the most simple folk.

Many men in politics make favorable first impressions which are not always easy to live up to. Most men mean well, but with COPELAND it was more than that. He meant more than what he said at the time, and did his utmost to carry out his promises. As time went on he did more because he could do more. His magnificent personality was not a failure. Plimsoll's Mark was never submerged with COPELAND. He knew his own political handicaps, and as he grew older he promised less and was able to accomplish more. He did not make the mistake, as many do, in offering strength of feeling for strength of manhood. He made friends and kept them.

He was highly esteemed by those who knew him and came to him. As he grew older the imperative need for earning money grew less, and this enabled him to devote more of his time to better things which he had really wanted to do. I can recall very well, just as though it were yesterday, his dignified and cordial friendship with professors and students alike, as dean of the New York Medical College and Flower Hospital. He struggled to make this medical college second to none, drawing students from all parts of the country. He was happy in the thought of this rising school and the men who made its success possible. With ample resources, which the city of New York afforded in money and sick people, his was the only medical school available for students that had an attached hospital for bedside study; he himself was an able lecturer, with decision of thought in opinions he offered at the bedside in surgical clinic and classroom. Even at that time his large practice, writing, hospital work, and executive duties, did not absorb all of his time, and he could be found in his office in the morning, the operating room at noon, and later preoccupied with the duties of college administration. He still found time to write, read and farm. He paid attention to medical jurisprudence, and as a lecturer he was interesting and popular. He was a friend of the student in every sense of the word.

One of the reasons why this country suffers today is because we have forgotten that the world at large is more indebted to Socrates than to Croesus; to William Cullen than to political plunderers of provinces; to the Great Teacher, rather than to the money changers in the temple. Too little time has been spent in cultivating the ideals and aspirations taught us by all the great teachers. The historian of the future will measure our advancement not by the height of our skyscrapers but by the results teachers have attained in the true education of man; and it is my firm belief that COPELAND, during the period he presided over his medical school, left there a clear imprint of the truth. One student, I well remember, who sought to secure a medical education was helped even to the extent of being loaned money out of COPELAND's meager salary.

Among many positions he held was that of health commissioner of New York under Mayor O'Brien; and an interesting story is told as to how COPELAND came to be appointed. The health commissioner had suddenly resigned that day. In the neighborhood of the city hall subway station the mayor met Commissioner Coler of the department of charities, who, in introducing COPELAND, said, "Here is a real commissioner of health for you." The mayor, visibly impressed at once, offered COPELAND the position. COPELAND accepted the appointment, and the three walked over to the office of the mayor where COPELAND was sworn in.

With his many attainments, he had a horror of undue flattery. Many years ago, upon being introduced as speaker of the evening in rather extravagant terms by the superintendent of a downtown Sunday school, COPELAND said, "You know, I am reminded of the story of the farmer who attended an agricultural show wearing a large medal upon the lapel of his coat. When asked by a neighbor how he got the medal, he replied, 'My cow won it in the self-same show 1 year ago.'" COPELAND said, "Please don't pin any cow medals on me."

This was natural for one who was accorded love and respect such as few men receive. His common sense could not accept such high-sounding phrases. In speaking to the children and parents he lamented the absence of patriotism and chivalry which give championship and protection to the weak, and to enemies mercy. He took for his life text the words—the immortal words of the ancient Hebrew prophet—"Love mercy, do justly, and walk humbly with thy God."

With his knowledge of the classics, science, and wonders of the microscope and spectroscope, his heart and the Bible blended well together. He knew that because truth was above reason it was not necessarily contrary to reason. He believed the Bible, and he knew it perhaps better than any other book, and he was continually quoting its passages. He did not have to be a physician to know that this is a sick world and that government for the people and by the people has not yet been able to solve the problems created by itself. He saw America in danger and knew that the man who doubted it was blind.

There is no topic of inquiry more completely baffling to the statesman than the attempts to discover means of preventing crime and punishing criminals. Discussions regarding the right to punish offenders and the disposition of them have filled many books. COPELAND was the first statesman who believed in stopping crime before it begins by educating the children correctly in the first place. This is an old philosophy of truth, but not a philosophy of statesmanship, and it is a long stretch from deportation by ships as discussed in politics 100 years ago to COPELAND's plan—the most correct code so far advocated by any lawmaker.

COPELAND had vision extending far beyond other statesmen, when, in straight and simple fashion, he sought to solve, through the children, the problems of crime. His sympathy was big enough to try to save city people in a better way than by redeeming their losses. To teach children is a solution by prevention, not reconstruction but construction; saving folk before, not after the commission of a crime. He tried to give his aid to the solution of a problem he knew well, and he focused on the kiddies as offering ways and means by which it could best be accomplished. In his kindly, sympathetic manner, it was as if he placed his hand on the forehead of a symbolic sick child and said: "We will not let you suffer; we will prevent your pain and suffering, now and forever."

In a letter I received from him on April 8 of this year he said: "You will be astonished to learn that for 2 or 3 years I have had it in mind to write a book on education for character. As chairman of the Senate Committee on Crime I became imbued with the idea that America's greatest social problem is juvenile delinquency. Of course, if the home and the church can do the right kind of a job, we would not have to leave the solution of the problem to the public school. As it is, however, that seems to me to be about the only place to look for relief," and after a personal request he writes: "What I am seeking is to find an individual church that is helping the kids to stay in the straight and narrow way. What can you tell me?" I completed the study of the problem he asked of me and the results were mailed the day the announcement was made over the radio that Senator COPELAND had come suddenly to the dusk of his days.

Apparently firm in health, honorable in his dealings, having no petty quarrels with his brethren, not envious of the success of others, uniting courtesy with independence, determined, but not bigoted, he worked hard in the field of endeavor, made large by his own broad interests—a field in which he gave of himself so vigorously that he was stricken down before his time; yet in sight of multitudes of men he still is living in their praise.

"Glory of Warrior, glory of orator, glory of song,
Paid with a breath flying by to be lost on endless sea;
Glory of virtue to fight, to struggle, to right the wrong—
Nay but be aimed not at glory, no lover of glory he;
Give him the glory of going on and still to be."

—*Ernest Risley Eaton.*

Vesper Flag Service

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ADDRESSES BY HON. ALBEN W. BARKLEY, OF KENTUCKY, CHAMP CLARK, AND DENIS E. CONNELL

Mr. CAPPER. Mr. President, on Sunday, June 11, the holy Sabath preceding Flag Day, it was my good fortune to witness on the east center steps of the National Capitol a colorful and inspiring patriotic ceremony. The event was the climax of the National Patriotic Revival, culminating in Flag Week, which was so successfully conducted by the United States Flag Association, a patriotic society headed by the President of the United States as honorary president general, and whose active head is a distinguished retired Army officer, Col. James A. Moss.

Three excellent addresses were delivered at the vesper flag service: A Message to the Youth of the Nation, by our distinguished colleague, Senator ALBEN W. BARKLEY; Station Y-O-U-T-H is calling Station E-L-D-E-R-S, being an appeal for peace by Champ Clark, the 15-year-old son of another one of our distinguished colleagues, Senator BENNETT CHAMP CLARK; and The Spirit of Lincoln Speaks Today, by Denis E. Connell.

I ask unanimous consent to have these three addresses printed in the CONGRESSIONAL RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

A MESSAGE TO THE YOUTH OF THE NATION

(Delivered at the vesper flag service of the United States Flag Association, Sunday, June 11, 1939, by Hon. ALBEN W. BARKLEY, of Kentucky)

Ladies and gentlemen, throughout America today there arises before the portals of every school and every university a serious question mark; and the graduates of these institutons are anxiously scanning the horizon for an answer.

This question may be couched in two words, Whither America? To the youth of this Nation is perhaps given the task of finding the answer; and it will not be phrased in optimistic terms unless youth clings to the faith which inspired our forefathers who have passed this great heritage on to us.

The first article of this political creed is courage. It required dauntless will and rugged character to erect in America a new commonwealth dedicated to "life, liberty, and the pursuit of happiness" and to the equality of all men.

It was a courage that counted not the cost of the sacrifice, a courage which has been immortalized in the whole epic of American history.

This Nation has grown to greatness by the labor and the inspiration of men and women who not only endured but laughed at misfortune and adversity.

From the days when adventurous pioneers founded a new nation at Jamestown, Va., to the breathless moment when Lindbergh blazed a new trail along the skyways, America has been the habitation of men and women who dedicated the sum total of their lives to the advancement of this land of opportunity.

To these men and women of the yesteryears barriers that seemed insuperable served as a challenge to their determination and success. National skies were often overcast, and the thunders of impending disaster at times rolled across our continent; but our forefathers never doubted that these storms were necessary to clear the atmosphere for the enjoyment of brighter days.

At Valley Forge the American soldier, in his bare feet and pitiful rags, saw the glowing vision of a strong and united nation, in which religious and political freedom would move forward in unison with social security and economic opportunity.

In the dark days of the Civil War, when the great heart of Lincoln was depressed with doubts and fears, the courage of the common soldier and his faith in a reunited country in which now we all rejoice were indispensable contributions to the victory at Appomattox.

American history is a pageant of constant progress, made glorious by the conquest of bitter adversity.

The "home front" has borne its burdens with the same spirit which has typified the fighting forces.

To weld a nation out of the fragments of 1789, and to keep that nation strong and militant and united since that day, have required an unextinguishable fire of zeal and devotion.

Our steps have been pursued by economic disaster no less than by foreign and domestic warfare. Business depression has alternated with periods of great prosperity. The hard times following the Revolution were banished by the financial wisdom of Hamilton, Madison, and other great souls, while the crisis that followed the War of 1812 was solved by the genius of young America, as typified by the youthful Henry Clay and a strong group of his compatriots.

In 1837 a great panic swept over America that paralyzed commerce and caused business to languish for nearly a decade until the gold from the hills and valleys of California formed a new foundation for hope and economic stability.

Some of us can dimly remember what are called the "gay nineties," but which to those of that period constituted "the heartbreaking nineties."

During that period the expenditures of the National Government rose to a billion dollars per annum, amid the moans of the faithless and the pessimistic to the effect that our country was headed for national bankruptcy. Speaker Thomas B. Reed gave the crushing answer when he uttered that cryptic sentence, "America is a billion-dollar country."

By the exercise of courage and determination such as this America surmounted the difficulties that beset her during the decade before the turn of the century; and the panics or depressions or recessions of the pre-war and post-war years were met without serious difficulty by the Government of the United States, because the people had faith in that Government.

Following, and it may be in part because of, some of our previous excesses, we have for nearly 10 years suffered from economic and social maladjustments which cannot have escaped the attention and consideration of patriotic and devoted men and women. These problems will be solved. We are not less courageous than our forefathers, if we are worthy of them. We must continue to have faith in our country, in our Government, in our fellow men. Under the aegis of this system of government and social progress which we call the American system we have become a great power, and that power must be exercised for the advancement of American life, for the preservation of honorable relations among the nations of the earth, and for the efficient and faithful exercise of the functions of democracy in a world of chaos. The battles of the past inspire us. The battles of the future beckon us.

AN APPEAL FOR PEACE FROM THE YOUTH OF THE NATION

(Delivered at the vesper flag service of the United States Flag Association, Sunday, June 11, 1939, by Champ Clark, son of Senator and Mrs. BENNETT CHAMP CLARK, of Missouri)

This is station Y-O-U-T-H calling station E-L-D-E-R-S. Station Y-O-U-T-H calling station E-L-D-E-R-S.

I have a message for you, station E-L-D-E-R-S. It is an appeal from the Youth of the Land.

In every one of America's wars the elders have planned and guided while the youth of the land have suffered and sacrificed, fought and died on the field of battle. Thus will it ever be, for this is in the natural order of things.

In the Civil War, for example, Grant and Sherman, Sheridan and McClellan planned and guided, but it was soldiers between the ages of 17 and 20 who did nearly all the fighting that won the war.

In the World War Pershing and Harbord, Liggett and Bullard planned and directed, but it was the youth of the Nation who fought and won the battles. In every war it is the flower of the youth of the land that is decimated—not the maimed, the halt, and the blind. What a terrible sacrifice the god of war demands. Every war leaves its scars, which, like scars on the body, remain indefinitely. It was the great English historian, Edward Freeman, in the latter part of the nineteenth century, who said the scars of the Norman Invasion, 800 years before, were still visible. And how plainly do we of today see the scars of our Civil War of three quarters of a century ago.

In the destruction of life and property, in suffering and sorrow, in modern war the price of victory is so great that the victors lose as do the vanquished.

It is the elders of the Nation who send to war the youth of the land, who have no voice in the matter.

We, the youth of America, appeal to you, our elders, not to send us to war, to suffer and sacrifice, to fight and die. Let us live in the enjoyment of life and die natural deaths; do not have us, in the glow of youth, killed or maimed for life. Do not misunderstand us, elders: while we, the youth of the land, want peace, we do not want it at any price. We want peace with honor.

If you do send us to war, we will, of course, answer the call of the flag as did the youth of yesterday—and we will suffer and sacrifice, we will fight and die, as they did.

But please, oh please, elders, do not send us to war. There must be some honorable way of avoiding war—there must be some way for nations that claim to be civilized, to settle with honor their differences without resorting to mass human carnage—to untold suffering and sacrifice, untold sorrow and destruction.

May we, the youth of America, suggest to you, our elders, that tolerance among men—tolerance in all things—in religion, race, business, and other matters would make possible the settling of differences among nations without resorting to war, as tolerance makes possible the settling of differences among individuals without resorting to violence?

Again, elders of the Nation, do we, the youth of the land, appeal to you, please, please do not send us to war.

This is station Y-O-U-T-H signing off.

THE SPIRIT OF LINCOLN SPEAKS TODAY

(Recited by Denis E. Connell, the leading actor of the Nation's Capital)

Eight score and three years ago our fathers brought forth upon this continent a new Nation, conceived in liberty and dedicated to the proposition that all men are created equal and that the people shall rule.

Now, you of today are engaged in a war with anti-American forces and influences, testing whether that Nation, or any nation, so conceived and dedicated, can endure. Though these forces and influences be moral, they are as dangerous and as deadly as any physical ones that have ever threatened the life of the Nation.

Your fathers who, through their trials and tribulations, their sufferings and sacrifices, created this Nation, in passing to the Great Beyond threw the torch from falling hands to future generations, of which you of today are one. Be yours to hold it high—otherwise ye shall break faith with your fathers.

Let you who are now living dedicate yourselves to the task of preserving the great heritage left you by those of us who have gone before; let you renew your allegiance to the ideals symbolized by the flag we gave you, among them being national unity, patriotic cooperation, and racial and religious tolerance. Let you reaffirm your faith in the institutions of democracy embodied in the Declaration of Independence and the Constitution of the United States we bequeathed you, among them being freedom of speech, freedom of the press, freedom of religion, freedom of assembly, and personal liberty. Let you highly resolve that we, your fathers, shall not have suffered and struggled, sacrificed and died in vain; that this Nation, under God, shall have a new birth of freedom—freedom from class hatred; freedom from materialistic greed; freedom from contention between capital, labor, and government; freedom from racial and religious intolerance; and that, with malice toward none, with charity for all, a government of the people, by the people, and for the people shall not perish from the earth.

Oh, you Americans of today, who, without having undergone sacrifices and privations in creating or saving the great Republic under whose flag you are enjoying such blessings of life, we, your fathers now in the realm of the Great Beyond, beseech you to awake to the dangers which are menacing you, your homes, your children. Awake and unite, cooperate and tolerate before it is too late!

Tennessee Chapter of National Association of Postmasters

EXTENSION OF REMARKS

OF

HON. TOM STEWART

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ADDRESS BY HON. JAMES A. FARLEY

Mr. STEWART. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address delivered by Hon. James A. Farley, Postmaster General of the United States, at the annual convention of the Tennessee Chapter of the National Association of Postmasters, held at Chattanooga, Tenn., June 5, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is good to be in Chattanooga today and I want you postmasters of Tennessee to know how much I appreciated the invitation which was extended to me to be here with you today on the occasion of your first annual convention.

In the 6 years that I have been associated with your distinguished senior United States Senator, my good friend, KENNETH MCKELLAR, chairman of the Senate Committee on Post Offices and Post Roads, I have come to know a great deal more of the sterling character, the industry, and the loyalty of the people of this splendid State. In fact, Senator MCKELLAR himself is the living embodiment of the fine quality of citizenship of which Tennessee is so proud, and which is one of the brightest jewels in the crown of American democracy. I and everyone in Washington share the high esteem and sincere affection in which Senator MCKELLAR is held by the people of this State.

And well may you be proud of him, because no living person in these times of difficulty at home and chaos abroad has done more in the Nation's Capital to promote the welfare of his country and to preserve its noble traditions. It is my earnest wish personally and as Postmaster General and chairman of the Democratic National Committee that Divine Providence will spare his health and continue to bless him with unlimited success in his great and good work.

And may I pay tribute also to your excellent Governor, Prentice Cooper, and his splendid administration. I am sure he will go down in history as one of the best men who has ever occupied the office of chief executive of Tennessee. I wish him and his associates continued success.

This State is also to be congratulated on its selection of your new junior United States Senator, TOM STEWART. He has already won his spurs in the United States Senate and the people of this State will never have cause to question their good fortune in choosing him as the teammate of Senator MCKELLAR.

Here in Chattanooga, may I also publicly acknowledge the good work and outstanding achievements of Congressman SAM D. MCREYNOLDS. He is a credit to his people, his State, and the Nation, and is one of the most valuable Members of the House of Representatives.

I always welcome an opportunity to talk with postal people and enjoy contacting the postmasters, supervisors, clerks, carriers, railway postal clerks, and rural carriers. It gives me an opportunity to get first-hand information from you who carry on this great business day in and day out. Your viewpoint is of great value to us in the Department and helps us in formulating our policies. At the same time these meetings enable me to keep you more directly informed concerning our plans and the progress we are making in the solution of many perplexing problems.

It is through you that we carry out our administrative policies. It is through you that we present to the public our messages of service. It is through you, and by you, that we operate this vast business. It is, therefore, obvious that the efficiency of the service, the welfare of the employees, and the economical and businesslike conduct of the Service is dependent in a large degree on your capacity as business executives, your honesty, your sincerity of purpose, your willingness to help us, to help the patrons, and to help the employees. I can say to you in all frankness that a great majority of the postmasters are living up to the high standards set for them by the Department, and I would be most ungrateful if I failed to acknowledge publicly my appreciation. I do thank you most sincerely for your splendid cooperation. You should not feel, however, that we have reached, or as a matter of fact, even nearly approached, a state of perfection in the Postal Service that would justify a relaxation of our efforts to improve. Eternal vigilance is required if we are to meet our obligations to business and to the citizens generally. It is along these general lines that I want to talk with you today.

At the outset, all of us should bear in mind that we are the servants of the public. Great care is exercised in the selection of our officials and in the selection of our personnel. You can be justly proud of the appointment you hold. It is an honor you should cherish. At the same time you should feel quite humble and thankful to your fellow citizens and to your Government for the opportunity you have been given to serve them. By the faithful performance of your duties you justify the confidence reposed in you.

Your first duty as postmasters is to see that the mails are safeguarded; that dispatches and deliveries are prompt and regular; that schedules of service are such as to meet the ordinary requirements of your community. Regularity is most important. The Department insists on performance based on rigid schedules. The public has a right to expect punctual and uniform deliveries. Of course, there are occasional delays due to unforeseen transportation difficulties caused by storms and wrecks, but those interruptions are relatively few and under such conditions the public is most tolerant.

Next in importance is courtesy. There is an old saying that courtesy, kindness, and thoughtfulness always have their reward. The need for politeness is more pronounced in the post office than in most other public services. It is fundamental and an important part of what we term efficiency. If a patron of a private business is rebuffed or treated with scant consideration he can retaliate by withholding his patronage from the offender. Such is not the case with us. To a large extent we enjoy a monopoly—at least insofar as the transmission of a letter is concerned. Therefore, the patron is compelled to bring his business to us regardless of his wishes in the matter. The fact that we alone can render this service, which is so necessary to all, should make us feel all the more our responsibility for its faithful performance. I do not want postmasters and postal employees to be servile, neither do I want them to be condescending in their attitude toward the public. By all means I do not want them to become ridiculous in their efforts to be polite and courteous.

I do not think that the patron is always right. Many times a disappointed and complaining customer is entirely in the wrong. The annoying incident of which he complains may be due to his own negligence or to the negligence of others outside the Postal Service. However, you should be patient and polite. Hear him out, then tactfully explain the requirements. Express your regrets over the annoying incident, and in most cases the complainant will become a friend of the Postal Service. On the other hand, if the Service is at fault due to the carelessness of an employee, admit the error. Be entirely frank about it. Take immediate steps to prevent a recurrence. Apologize for the error, and you will have made another friend for the Postal Service.

Cultivate a quiet, courteous manner in all your dealings with the public and the employees. Encourage those around you and under your supervision to do likewise. Be firm when occasion demands,

but never harsh. Urge the window clerks and others contacting the public to acquire the habit of saying quickly but quietly, "May I help you?" and "Thank you." Then observe what generous return your office gets in good will from the patrons. Good manners also require that those serving the public be careful of their personal appearance. See to it that you and your staff meet that requirement. In all your official conduct simply treat others as you would like to be treated.

Courtesy and efficiency also go hand in hand in the dispatch of your correspondence with the public and with the Department. All correspondence should be answered promptly. A simple, clear, direct form of expression should be used. Letters should be prepared carefully and neatly. Often the person receiving your letter has no other means of judging you. Your letters speak for the Service and for you. See that they are truly representative. You may be sure that you will promote the best interest of the Service if you keep before you always the necessity for courtesy.

Next in importance, I would say, is the welfare of the employees. I am greatly interested in that. You should be, and I am quite sure you are. It has often been said that the post office renders a personal service to everyone in our country. That is true, and for that reason our employees should have every consideration in the matter of working conditions and hours of employment, in order that they may reflect in the performance of this personal service the policies of a progressive government.

This administration has proven the wisdom of offering greater opportunity to the man who works. Its policies are exemplified to a greater degree in the Postal Service than in any other public or private establishment. I have believed for a long time that good wages and good working conditions are essential to good business. I had that in mind when I approved the 40-hour-week law for postal employees and directed that it be generously applied.

With reference to the welfare of the employees, I think all postmasters and supervisors know by this time, but it will bear repetition, that I have followed a policy of straight, fair dealing with the employees. Of course, we can do no bargaining with any group regarding rates of pay, as the rates are fixed by Congress and the President. We do, however, receive the employees and their representatives. They present their requests and grievances in a business-like way. We have a free and open discussion with them, and after considering all the elements involved we make our decisions. The officials of the Department and the officers of the organization do not always agree. It would be strange indeed if they did.

The frank discussions of the employee's problems are helpful and we have not had, to my knowledge, a single instance where bad feeling was shown in these discussions. This is to the credit of all concerned. Postmasters will find it most helpful if they follow this practice with their local groups. You do not surrender one iota of your authority when you receive representatives of postal organizations for a proper discussion of their grievances. Some of the grievances presented are probably imaginary or greatly exaggerated. But even in those cases it is better to hear them.

Try to settle your local problems at home. By doing so you will render a real service to the administrative staff in Washington. By all means bring to our attention the things we should know, particularly matters relating to policy, and ask for help from us when you feel you need it. But in the main, run the post office within the scope of the Department's regulations and within the limits of your authorized allowances as you would run your own business. In every proper action you can be assured of our whole-hearted support. Use good judgment and common sense, and we will back you to the limit.

My primary purpose in coming here was to address this postal gathering, but in view of the fact that many persons here are not connected with the postal organization, I feel that a few general observations on national affairs may be of interest.

This has been a period of change and transition, not only in the United States but throughout the world. The old order disappeared in the financial and industrial crash that had its beginning in 1929, and with its passing there came a realization of the fact that the so-called expansion period which followed the World War was based on riotous speculation and other unhealthy economic conditions. It was an artificial prosperity, and because it was artificial, the task of rebuilding on a sound basis was made doubly hard.

It was only natural that those who had made huge profits under the old order desired its continuance. They opposed every single effort made by the administration at Washington to remedy evils and to restore the spirit of order and justice to the economic and social condition. They fought against the insurance of bank deposits, against aid for agriculture, against the regulation of the stock markets, against the enactment of social-security legislation.

Yet despite their heated protests, these wholesome reforms were written into law and today they are accepted as a basic part of the American system. The test of their merit is disclosed by the fact that even the Republican Party is ready to concede that these reforms were not only necessary but long overdue in their enactment.

A single objective has been the underlying factor in every step taken by President Roosevelt in his efforts to readjust the social and economic machinery of the American Nation. Despite the flimsy objections raised to many of his proposals, he has not tried to benefit one class of citizens at the expense of the other. On the contrary, he has tried to bring about a balanced economy, in which all shall have their just share, because no other kind of economy should be tolerated in this country. When the President seeks to raise the buying power of agriculture he is not seeking to rob the consumer but to better the condition of both. When he seeks to abolish sweat conditions and starvation wages he is not seeking to destroy the basic rights of employers.

The question has been asked, What has the administration and its supporters in mind? What do we want? Let me emphasize the objectives of the administration in a few sentences.

We certainly want business to make a reasonable profit on its investments, because capital takes the risk.

We want labor to secure a wage that is sufficient to bring a sense of dignity and security, and to have working conditions commensurate with the dignity of toil; for capital without labor would be as barren as money on a desert isle.

We want the farmers to reap rewards from their toil sufficient to lift or keep the mortgage from the farm and enough besides to leave a balance in the bank.

We want the banks to thrive and to use their hoarded gold to meet the needs of constructive industry and safely to finance the building of people's homes.

We want business to boom—but we want all America in on the business.

We want the aged worker free from the haunting fear of a twilight of misery and poverty; and the widowed mother to have a chance to rear her children at home; and the crippled child to have a chance to support himself in self-respecting toil; we want a reasonable provision to tide the worker over the occasional periods of unemployment—and these are the reasons we have written into the statutes the Social Security Act, which is the emancipation proclamation of the masses.

We want a free press, freedom of speech, and the right to worship God according to the dictates of conscience.

These in brief, are the objectives of the Roosevelt administration. To those who like to say that the ultimate goal is still far from being realized, I should like to point out that under President Roosevelt, the United States has gone further along that road than any other nation on earth. He has laid the ground work and brought about necessary reforms which will endure as long as the United States endures.

I do not wish to suggest that political foes of President Roosevelt should forego their constitutional right to protest and to oppose, but I do wish to emphasize that in this period of international unrest and uncertainty, the basic need now is for national unity.

In view of the perilous conditions throughout the world, the time has come for all Americans to work together as Americans and to end the internal feuds that rest on nothing more substantial than spites and prejudice and foolish hates. We have seen too many unseemly hates, and our great American family has engaged too bitterly in family feuds that only tend to threaten the existence of the common heritage of the fathers.

Let the American people lay aside all backbiting and bickering and let us present a united democracy as an example to the world. Liberty and freedom can never be extinguished while the torch light of Jeffersonian democracy is held aloft by the citizens of this Republic.

Let us cherish the great heritage that has come down to us from worthy leaders of the past, and let us hand down to our children the blessings and benefits of a united national family. Let us persevere with a common determination that no matter what befalls in less fortunate lands, we will make the American family, as Jefferson had planned, the most united, the most contented, the most tolerant, the most prosperous in all the world.

That was the dream of the mighty men who founded the American Republic.

That is the ambition of Roosevelt.

And that must be the common vision and the common aspiration of us all.

Our Challenge to the Prophets of Doom

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ARTICLE FROM PUBLICATION OF FRATERNAL AERIE OF EAGLES

Mr. MALONEY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an interesting foreword which appeared in a publication of the Fraternal Aerie of Eagles issued in connection with its State convention held in Connecticut last week. I think it most appropriately sets forth the patriotic views of the membership of a great patriotic fraternity at a time when we need to be fortified with expressions of courage and confidence.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR CHALLENGE TO THE PROPHETS OF DOOM

The world has entered upon age of hate. It is aflame with war and the threats of war. In Europe there is hatred among classes, among religions, among races, and among nations. Hatred is abroad even in our country. Labor is arrayed against labor. Capital is suspicious of labor and Government, and labor and Government are in turn distrustful of capital.

It is no wonder, then, that prophets of doom are abroad in the land. They paint a dark picture of the future. They ring the knell of Americanism, of democracy, of free enterprise among men, of freedom of thought and speech, and of freedom of worship. Will dissension born of hatred ultimately engulf us? Will internal strife born of ignorance destroy us in the end?

The answer is emphatically "No." It matters not how dire the problems of our day may seem. If we have the will to do so, we can master them. No one who knows our history can doubt the ability of Americans to triumph over every obstacle.

The United States was born 150 years ago under the most disheartening circumstances. The nations of Europe waited hourly for the collapse of the new nation. We had no money. We had no credit. That was a century and a half ago. Today the United States is the most powerful nation in the world. The little Nation which could get no credit 150 years ago, is today the creditor of practically all the countries of the world. Nations vie with one another for our trade. No other people on earth have a higher standard of living. In no other country are workingmen paid better wages. We are by common consent the leaders in education, in industry, and in science.

We've gone a long way in so short a time. Why? Because each generation solved in the best possible way the problems that confronted it. One generation had to conquer the pirates at sea. Another had to subdue the terrors of a vast unknown continent. Another had to face the possible breaking up of the Union. In each instance, Americans faced their particular problem squarely in the face, tapped their ingenuity for a workable solution, and won.

The problem of this generation is unemployment. If we solve the problem presented by the shut-down and lay-off signs, we shall have routed the forces that today are working against our "going forward together" in peace and harmony. Offer a self-respecting man a place in the breadline instead of an honest job, and you've sown the first seeds of rebellion and perhaps anarchy in his heart. A man without a job who sees his family starve while all around him are evidences of wealth and plenty—such a man cannot but be an easy prey to propaganda subversive to American democracy. History proves that wherever anarchy has overthrown existing government, the basic reason was economic rather than political.

Unemployment—millions of men out of work in a land where there is so much work to be done—that's our problem. And we can solve it. Ten years ago the Fraternal Order of Eagles drew up a plan for its solution. That plan is embodied in our Eagles-Ludlow bill for the stabilization of employment. This bill calls for the creation of a Federal industrial commission which will watch business trends and call for such legislation as will keep our economic system on an even keel and prevent depressions and wholesale laying off of men. The commission is to work toward one end: To protect the right of the American workingman to work continuously at a saving wage, and to protect the right of the investor to reasonable returns on his investment.

In a free country, anyone can propose a plan of action. The weight of a proposed plan, therefore, depends upon two things—its inherent soundness and the soundness of the proposer. The Eagles' plan to stabilize employment is sound because it is based on justice. It seeks to give the workingman the fruits of his labor, and at the same time it grants capital its due—a reasonable return for the money it has invested to give the workingman the opportunity to work. As to soundness of the proposer—the Fraternal Order of Eagles—we have but to unfold the record of our achievements over the past 30 years.

The Fraternal Order of Eagles wrote the first mothers' pension law. A member of the Fraternal Order of Eagles wrote the first workmen's compensation law. And the Fraternal Order of Eagles wrote the first constitutional old-age pension law in the country. We have always been on the side of wisdom, reason, and sound foresight. Whatever movement we have originated and sponsored, the time has always proven wise and sound.

And so, too, with our Eagles-Ludlow bill. Leaders of government and business are beginning to see the wisdom of our plan. Only recently President Roosevelt asked Congress for an appropriation of $250,000 to be used by the Secretary of Commerce, Harry Hopkins, "to hire business experts to advise him on industrial economics." The administration hopes that this group of business experts will be the nucleus of a projected bureau of industrial economics which will become "a vast and vital storehouse of data to assist operations of American business and guide businessmen in planning their future courses."

We urged this same plan 10 years ago. The Fraternal Order of Eagles has always claimed that "the United States, with its unparalleled wealth, possesses business, political, and labor leaders capable of reorganizing production and consumption so as to reduce unemployment to a minimum." But we have not as yet achieved our ends. Why? Because Government, business, and labor have been at each other's throat. Any advance made by one group is immediately attacked and nullified by the other. What we need is cooperation between the three. Eventually we shall get it. For certainly, in the interest of our country, unselfish and patriotic men in Government, business, and labor should be able to bury the hatchet and work together to reduce unemployment to the desired minimum.

This, therefore, is our challenge to the prophets of doom: Protect the right of every American adult to work continuously at a saving wage. Protect the right of the investor to receive a reasonable profit. Stabilize employment, and you will have eliminated the greatest threat to our democracy—the existence of a vast number of helpless, unemployed, starving people who prove fertile ground for discontent, unrest, and ultimate anarchy.

You Can Make Your Government Save

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ARTICLE BY WILLIAM HARD

Mr. BYRD. Mr. President, there has been published in The Forum magazine an article entitled "You Can Make Your Government Save," by William Hard. This article has so much worth-while information, and contains such valuable suggestions, that I ask unanimous consent to have it inserted in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YOU CAN MAKE YOUR GOVERNMENT SAVE

(By William Hard)

I begin here to try to interest the home-town citizen in governmental economy as far away as Washington, D. C. I hope to be able to show him that economy by Washington must begin in his own home town.

The question is not a partisan one. The Republicans began our present experiment in extravagance.

In the fiscal year 1927 our national governmental expenditures were a bit under $3,000,000,000. In 1929 the depression arrived. In the fiscal year 1932 the Republicans raised expenditures to $4,500,000,000.

In 1933 we got the Democrats. They at first intended to reverse the Republicans and go in for economy.

But what happened? Some people say that the President listened to "theorists" who wanted "spending for recovery." He did. But there is a much more powerful explanation than that.

The citizens were at that time demanding spending. I was in Washington. I saw and heard their representatives. I saw and read big heaps of their letters and telegrams. They had never heard of John Maynard Keynes or other spending-for-recovery "theorists." They knew simply that business was bad. Thereupon—butcher and baker and candlestick maker—they demanded spending to help business and give employment.

The Democrats decided that if they were going to do it they would do it right. In the fiscal year 1934, they spent $6,000,000,000. In the fiscal year 1936, they spent $8,500,000,000. In this current fiscal year of 1939, they are spending $9,500,000,000.

And the depression seems to like it. We have more unemployed today than we had 4 years ago. We have more people on relief and work relief and unemployment relief today than we had 4 years ago.

Why? I say it is because of certain things that we have done to capital. And I say that governmental spending turns out to be one of the worst of those things.

It takes at least $4,000 of capital to equip a job for a worker.

In 1928 new capital was going into private enterprise at an average monthly rate of $446,000,000. Last year, the average monthly rate was less than $70,000,000. That was not enough to modernize the equipment of the workers now working. It represented a minus quantity for really new equipment for really new workers.

In 1928, 75 percent of our new capital went into private enterprise, and 25 percent of it into governmental expenditures. Last year less than 20 percent of it went into private enterprise, and more than 80 percent of it into governmental expenditures. Twenty percent into jobs which produce the wherewithal to pay taxes. Eighty percent into jobs which consume taxes.

There is only one end to such a road. It is a government apparently richer and richer and a population actually poorer and poorer.

THE ADDING MACHINE BROKE DOWN

Most citizens really see that fact today. The polls of public sentiment show that most citizens have now gone over from favoring extravagance to favoring economy. But why, then, does economy fail to happen?

The chief reason is that the citizens, though favoring economy in the polls, uniformly fail to demand economy of their Representatives in Washington. And, particularly, they fail to demand it in the case of one huge item of Government expense that concerns them directly in their own home towns.

That item is the $1,250,000,000 we are spending annually for public works.

I pass over the other billions being spent—to relieve the plight of the unemployed, of the farmers, of war veterans. The possibility of savings here—of eliminating graft, inefficiency, extravagance—has been repeatedly urged and widely discussed. But here, since we are dealing with human needs and suffering, economies must be achieved gradually, discriminatingly.

Not so with public works. Here is spending at its purest. These expenditures are not aimed with any directness or marksmanship at citizens in distress. They are aimed in blunderbuss fashion at citizens in general and at large. We need no discriminating surgical instrument to cut these expenditures down. We can cut them down with an ax. And we, the citizens, have it in our power to do it promptly by our own action.

I say so with humility. I believed once in public works for recovery's sake. I can see now that they are not helping. I am cured. Here is the cure:

Public-works expenditures, 1931, $421,000,000; 1933, $472,000,000; 1935, $766,000,000; 1937, $1,100,000,000; 1939, $1,250,000,000.

Faster and faster to nowhere. In 9 years now we have spent approximately $7,000,000,000 in public works—and recovery is still behind the clouds. And that figure does not include the Works Progress Administration. It includes only nonrelief public works.

There may be something to looking for a pot of gold at the end of the rainbow; but I am sadly driven to think that there is nothing at all to planting a pot of gold and then expecting the rainbow.

I suggest earnestly that the citizen's first duty in Federal governmental economy is to unplant that pot of gold—right in his own locality.

MOBBING THE TROUGH

I will now detail the contents of the public-works pot.

1. Federal aid to public roads; estimated expenditures this year: $232,000,000.

This aid covers the country like a drizzle. At first it extended only to roads between municipalities. Now it extends also—in millions of dollars a year—to roads within municipalities.

Till lately it extended only to main roads. Now it extends also to feeder roads. Last year, for feeder roads: $5,000,000; this year: $20,000,000; next year: $25,000,000.

Till lately it did not extend to the elimination of local grade crossings. Now it does. Last year, for grade crossings: $10,000,000; this year: $40,000,000; next year: $50,000,000.

I should like to see a letter to a Congressman from a local chamber of commerce saying: "We will improve the pavements of our town or we will leave them unimproved; but we want the Federal Treasury to start going solvent."

It would shake the Capitol from cellar to dome.

2. Rivers and harbors improvements; estimated expenditures this year, $83,000,000.

These expenditures range from $10,000,000 for the Fort Peck Dam, in Montana, to $4,300 for Cypress Creek, in Maryland. They cover some 168 projects in, or affecting, 36 States. Only 12 States are left out.

When the improving of a stream is complete, then comes the maintaining of the improvement. This year, besides spending $83,000,000 on improvements, we are spending $43,000,000 on maintenance.

There is always the Ocmulgee River, for instance. It is in Georgia. For a hundred miles from its mouth it is as much as 2 feet deep. We began improving it more than half a century ago. Every year we now spend several thousand dollars maintaining it. In the last full year of record, it carried 5,000 tons of freight, to a total value of $15,000.

We used to improve only navigable streams. Then we began to remove snags from tributaries to navigable streams. We limited the cost to $1,000 per year per tributary. The new rivers and harbors bill just introduced into the Congress proposes to raise that limit to $3,000 per tributary.

Never yet has any Congressman received a petition from citizens resident on the banks of a tributary saying: "We can remove our own snags from our own sub-sub-creeks."

Some of these rivers and harbors improvements are purely political. Some are commercially necessary. Others, while not necessary, are worthy. I could concoct worthy projects to improve various transportation facilities that would cost this country a billion dollars a year, if only we could afford it.

The National Economy League uttered a solemn truth the other day. It said that the problem was not merely "wastes." It said: "If we really want governmental economy, there are many expenditures for worthy purposes that will have to be drastically curtailed."

3. Flood control, estimated expenditures that year: $98,000,000.

A worthy purpose indeed. And watch it grow.

For flood control in 1932: $28,000,000; in 1938: $61,000,000; this year, $98,000,000.

The Federal Government was at first asked to control interstate floods. Now it has to control them wholly within States or even wholly within counties.

This year we are spending $11,600,000 of Federal money on flood control in California, wholly within Los Angeles County. That project, before it is finished, will cost $70,000,000.

Then there are also little projects as, for instance, $15,000 this year to control floods at Penny Slough, on the Rock River in Illinois.

Our projects this year for flood control at Federal expense are distributed to some 131 spots in 36 States. I said that 12 States this year are left out of rivers and harbors improvement projects. Eight of them are embraced in flood-control projects. That leaves only four now really out in the cold.

4. Reclamation, estimated expenditures this year, $93,000,000.

Another worthy purpose—very worthy. But is this just the time for so much of it?

In 1933 we began paying farmers to remove land from cultivation. Ever since then we have spent more and more money every year on reclamation projects in arid and semiarid regions to bring land into cultivation as follows: In 1934, $25,000,000; in 1938, $65,000,000; in 1939, $93,000,000.

The Bureau of Reclamation says: "Reclamation projects now being constructed will add 2,500,000 acres to our cultivated area."

The Bureau reclaims an acre from the desert. A farmer plants it to sugar beets. The A. A. A. pays him for not growing too many. Thus we arrive at a perpetual circular motion of expense. Couldn't we slow it up just a bit?

I shed a tear a few paragraphs back for the four States that this year get neither river and harbor improvement projects nor flood-control projects. I can now stop weeping for them. All four are blessed with reclamation projects. Our Federal Government this year is doing something—something—for the waters of all 48 States. This shows that Congressmen are efficient. It even more conclusively shows that constituents who want expenditures make themselves heard.

5. Federal public buildings: Estimated expenditures this year, $60,000,000 in more than 700 American cities and villages.

6. Grants to local governments for structures wholly non-Federal, wholly local: Estimated expenditures this year, $392,000,000.

These projects in 48 States cover pretty nearly the whole possible range of local public cultural aspiration—grants for school buildings, dormitories, zoos; for hospitals, laboratories, nurses' homes; for viaducts, street lights, traffic signals; for police stations and jails; for sewers, water mains, drains; for bird farms and fish hatcheries; for gymnasiums, stadiums, bathhouses, swimming pools, parks, country clubs.

The Public Works Administration does not have to wrestle with citizens to accept these gifts. The citizens wrestle with the Public Works Administration to get them. The citizens' latest list of "applications" covers 5,807 proposed projects which would cost $778,163,800.

I note Monroe County, N. Y. It is a strong Republican county. Its big city, Rochester, is already getting a grant of $400,000 for a sewer.

But is Rochester satisfied? Are its surrounding communities satisfied? They are not.

Rochester now wants a grant of $1,233,121 for a city hall. Henrietta wants $148,500 for a school. Honeoye Falls wants $53,100 to improve its streets. Irondequoit wants $54,000 for a town hall. Fairport wants $17,659 for an incinerator.

I said at the start that this is not a partisan question. I say it again. Republican localities are just as voracious for Federal funds as Democratic localities.

LET THE GOVERNMENT DO IT

This concludes the contents of the Public Works pot of gold. The trouble with these expenditures is not waste in their administration. The true trouble is the expenditures themselves. The true trouble is the tendency to go to Washington and strike the Federal rock for bigger and bigger gushes of supposedly costless money.

That tendency is on its way to destroying two things: one, the citizen's character and, two, his pocketbook.

Last year New England had a very destructive hurricane.

In the old days, New England would have struggled through the consequences by herself. In these days, she demanded—and got—a Federal appropriation of $5,000,000 to clear fallen logs off private land—not public land; private—and she also induced the Federal Government to adopt a plan for buying the fallen logs at its own risk. The Government pays the owners a price. It then resells the logs. But note. If there is a profit on the resales, the profit goes to the owners. If there is a loss, the Government takes it.

This plan involves some $15,000,000. Not all New England, not all her six proud, self-reliant States, not all her ancient and historic financial institutions, not all her great private fortunes could organize a local $15,000,000 timber-salvage deal. The Government at Washington had to undertake it.

An equal destruction is on the way now to the citizen's pocketbook. The citizen can no longer flatter himself that the Federal gratuities to his home town are getting paid for by the ultrarich.

The ultrarich are commonly defined as those citizens who have incomes of more than $100,000 a year.

In 1929 we taxed their incomes at a rate that worked out to a mathematical average of 15 percent and collected $653,000,000 from them.

In the last year of complete record—1937—we taxed them at a rate that worked out to a mathematical average, not of 15 percent, but of 50. And we extracted from them only $432,000,000.

The ultrarich are flickering out fast as a source of first aid to the Treasury. Their place is being taken by all of us. The Government's taxes this year on the people as a mass—taxes on drinks, on pay rolls, on tires, gasoline, candy, matches, radios, refrigerators, sporting goods, sugar, etc.—will amount this year to some $2,500,000,000.

YOU TELL THEM

Federal gratuities to the localities are sapping the citizen's self-reliance and are on their way to sapping his means of self-support. He now begins to realize it. He now begins to tell the polls of public sentiment that he wants governmental economy. He wants it principally in the Government's administrative expenses. But what does he do even about that?

I will quote from one of our most astute politicians, Senator ASHURST, of Arizona:

"During the years I have been a Member of the Senate, I have received upward of 30,000 telegraphic dispatches. Many thousands of them have urged me to vote in favor of appropriations. Only three or four have urged me to vote against appropriations. When the taxpayers cease sending telegrams requesting Congress to provide unnecessary appropriations, the taxpayers will obtain relief from high taxes."

I go a bit further than Senator ASHURST. I am convinced that citizens must not merely refrain from sending telegrams for extravagance. They must send telegrams and letters and postcards against it. And not against it simply in general. No; against it in particular, in some specific instance, in their own States and preferably in their own cities, towns, villages.

At the time of the American Revolution we had committees of correspondence throughout the Thirteen Colonies writing to their fellow citizens and to their outstanding leaders on behalf of the American cause. We need local committees now to ferret out unnecessary local Federal expenditures and to write to Washington and to one another, protesting against them. If in every county in this Nation we had a citizens' committee against Federal extravagance in that county and if these committees cooperated with one another in vigorous representations to Washington, we should begin to see the sproutings of economy in Washington absolutely on the instant.

There is no such pressure on Washington today from the localities. Many citizens are still demanding expenditures. Virtually no citizens are demanding elimination of expenditures.

The citizen pushed Washington into extravagance. Only he can push Washington back into economy.

Don't try to alibi yourself by talking about "spending theorists" and radicals and bureaucrats. Begin to talk about the people who are really responsible: you and your neighbors. The Federal Government, if it is ruining itself on nothing else, is ruining itself on what it is doing for the neighborhoods. Each neighborhood now says: "Every other neighborhood is getting its. We must get ours."

Some neighborhood must lead the way out of that suicidal swirl. Why not yours? Why not start Federal economy county committee No. 1?

When such committees tell Washington to save, believe me, it will.

Cost of Production, Etc.

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

RADIO ADDRESS BY EDWARD E. KENNEDY, JUNE 24, 1939

Mr. FRAZIER. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD a radio address delivered by Edward E. Kennedy, Washington representative of the National Farmers' Guild, during the National Broadcasting Co.'s Farm and Home Hour on Saturday, June 24, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow farmers and friends, my listeners join with me in thanking the National Broadcasting Co. for granting me the privilege of replying to Mr. Vesecky.

This Farm and Home audience and myself are friends of long standing. I have spoken to you on this hour some 50 times within the last 8 years, 1931 through 1936. At that time I was national secretary of the Farmers' Union, of which Mr. Vesecky is now president. I am now the Washington representative of the National Farmers' Guild. The guild is composed of more than one-half the members who were formerly members of the union. The guild members dissolved the bond which connected them with the union and have assumed among the national farm organizations the separate and equal station to which they are entitled. The fundamental issue causing the separation and the issue being discussed today are the same.

On May 27 last, on this same program, Mr. Vesecky saw fit to attack me, and to condemn the nonpartisan cost-of-production farm bill, S. 570, and to challenge the integrity and patriotism of the 18 liberal United States Senators and the 16 Representatives in Congress who sponsored the cost-of-production bill, S. 570, and companion House bills.

In my reply I shall take but a few moments to answer Mr. Vesecky and the "associates" to whom he refers, and I shall then discuss the cost-of-production bill itself, its application, its principles, and what it will do for the farmers and the Nation.

On the whole Mr. Vesecky's speech on this program a month ago was a futile defense of what seems to be an abandoned trust. Mr. Vesecky complains that he was not consulted and that he was not asked to help frame or sponsor the legislation. He complains that Edward E. Kennedy, your speaker today, did everything that he could to put the officers of the Farmers Union on record as opposed to legislation of the S. 570 variety—all of which is ridiculous.

This legislation was first introduced in Congress in 1931 by Senator ELMER THOMAS and Congressman Swank, both of Oklahoma, and has been before the Congress from that day to this. It was voted on in both the House and the Senate in 1933 and again in the special session in 1937. It was advocated and supported by the National Farmers Union under the leadership of the late John A. Simpson and his successor, E. H. Everson, of South Dakota, while they were national presidents and during the years that I was national secretary.

Mr. Vesecky was in Washington during, at least, several of the days that the hearings on S. 570 were in progress. He was asked by Senators and he was asked by Congressmen who were sponsors of the bill, whether he would testify on the legislation. On several occasions I asked him myself. He said that they had not made up their minds what he and his associates would do. He had 8 weeks to make up his mind—there were 8 weeks of hearings. The Senate Agricultural Committee reported the bill, S. 570, out, unanimously, with a strong recommendation that the bill be passed. The House Agricultural Committee was considering taking similar action. Success seemed assured. Five days before the House committee was to vote on the legislation, Mr. Vesecky and his associates sent one letter to the members of the House Agricultural Committee, attacking the bill. Then they sent another similar letter to the Members of Congress.

The letters criticized the bill but nothing was offered in its stead. The evident intention was to confuse the issue. We have every reason to believe that the National Farmers Union officers would never have made this move if the vote of the Senate committee members had not promised to indicate passage. As it was the House committee by its vote tabled the cost-of-production bill, and at least one of Mr. Vesecky's associates boasted that they were responsible for denying the farmers the cost of production.

Now, there is just one other chapter concerning Mr. Vesecky and his associates. I have one letter from Mr. Wallace, dated May 31, 1939, and another from his Acting Secretary, Mr. Wilson, dated June 1, 1939. These letters reveal that at least five of Mr. Vesecky's associates who sent the two letters to the Members of Congress held formal appointments under the Department of Agriculture, where their traveling expenses to and from the Department of Agriculture would be taken care of. Some of them received a per diem and subsistence. Under such appointments they had the use of the franked envelope in the transmission of their official correspondence for the Department of Agriculture of the United States of America. And this—during the time that they held their positions as officers of the Farmers Union organization.

Far be it from me to assume that Mr. Vesecky or his associates were in any way influenced by having their transportation paid when on official business of the Department of Agriculture, or per diem and subsistence where such was allowable or the use of the franked envelope for the transmission of correspondence on official business of the Department of Agriculture. I have some difficulty, however, in understanding how they can serve two masters and serve them both faithfully. I may not understand the modern technique of deception, but I see farmers in the Wheat Belt selling wheat for 60 and 61 cents per bushel, cotton farmers selling cotton for 8 cents a pound, corn at 47 and 48 cents, and other farm products selling at comparable prices—which is less than one-half of the cost of production.

Mr. Vesecky made one desperate attempt to give respectability to his argument which he thought it otherwise did not possess when he said: "I believe that our departed leader, John A. Simpson, were he alive now, would disclaim not only the parentage of such a child as is S. 570, but under present world conditions would have entirely changed his viewpoint as to the kind of legislation needed and desired by the farmers."

If this statement had come from a man or his associates who were friends of Mr. Simpson and his principles while he lived, we might give it some weight. But such was not the case. Mr. Simpson had qualifications that set him apart from those who

would use his name in defense of the ill done. He was courageous, he was honest, he was competent, he was loyal to the farmers he represented, and he was a true patriot.

I have a letter from Mrs. John A. Simpson that answers Mr. Vesecky in this respect, dated June 20, 1939. The letter, in part, I quote:

"Dear Ed: * * * I am sure John would be for S. 570. Mildred and I have read it over and have studied it. We consider the attacks made are not fair, and are deceiving * * * John has been gone 5 years. I consider it an improper use of his name by saying he would be for or against any bill introduced now. However, from his writing, speeches, and legislative work, and knowing my John, we have a right to believe he would be for S. 570. * * * (Signed) Mother Simpson."

THE COST-OF-PRODUCTION PRINCIPLE

There is nothing new in the cost-of-production bill. The cost-of-production principle is as old as business and industry. Business cannot survive on less than the cost of production and neither can farmers stay in business when they receive less than the cost of production.

The nonpartisan cost-of-production farm bill calls into use the same Federal power and applies it in the same manner to the aid of agriculture as the same Federal power has been used in the aid of business, labor, and industry. Its application to the aid of agriculture is new, but the principle and the use of the principle in Federal legislation is old.

We have the example in the Interstate Commerce Act. We have the example in the Packers and Stockyards Act, the Patman-Robinson Act, and the Federal wage and hour law. All of these acts of Congress employ the Federal power to regulate the rates of transportation, the minimum rates of services, minimum wages to be paid by those doing business in interstate commerce.

S. 570 AND COMPANION BILLS

Now, let us briefly examine the provisions of S. 570 and companion House bills:

S. 570, in section 1, provides that all agricultural products of 1 year, having a value of $10,000,000 or more should not be sold in the domestic market for less than the cost of production for that part consumed within the United States.

There will be no practical difficulty in administering the bill because the first year's cost of production will be based upon conditions as they exist at this time which will not vary greatly from year to year. The experience of the first years will lay the foundation for a permanent program and for any changes that may be needed.

Section 2 provides the rules and the formula for ascertaining the cost of production. The efficient farmers will not be penalized nor the inefficient farmers favored because this section sets out the factors to be used in computing the cost of production. The Secretary of Agriculture is given no new powers, but he is given certain definite and specific duties to perform.

Section 3 provides that the Secretary of Agriculture shall estimate (1) the volume of production and (2) the volume required for domestic consumption. The actual volume will not vary greatly from the estimated volume nor will the actual consumption vary greatly from the estimated consumption. When the consumers have the funds, they will not buy inferior substitutes.

Section 4 provides (1) that the Secretary of Agriculture shall announce the cost of production as determined by section 2; (2) that buyers and others shall have to secure licenses to operate; (3) that production in excess of the domestic requirements shall be received for warehouse reserves or for export; that in the case of cotton the excess shall be marked as excess and may be used to fill the producers' quota for domestic consumption the following year.

The farmers in every section of the Nation producing any of the 50 major agricultural products should be for this bill 100 percent because it gives them more protection than any other proposal that has thus far been made. The producers of the other commodities will prosper when each group is assured its cost of production for the new wealth produced in this country.

Section 5 provides that all warehouse reserves and export quantities shall be delivered to the Secretary of Agriculture, who shall not sell any of them for domestic consumption except in the case of a shortage but may allow withdrawals for processing for export purposes.

This provision will prevent dumping, market slumps, manipulation, and gambling in the price of farm products. This will also prevent bootlegging, because certainly the Secretary of Agriculture, who administers the act, would not bootleg farm products to defeat the act which he is required to administer.

Section 6 provides that the holders of the excess receipts may be paid at the local post offices. This will prevent the long delays the farmers have experienced under the previous Agricultural Acts and will reduce the cost of administration.

Section 7 provides that the Secretary of Agriculture shall administer the act. He shall license the dealers and handlers, except producers, and prescribe the necessary regulations.

Section 8 provides a moderate but adequate penalty for any dealers paying the farmer less than the cost of production.

Section 9 provides that all warehouse reserves and export surpluses shall be disposed of only in accordance with the provisions of the act. This includes agricultural products now or hereafter owned by the Federal Government. This closes the loopholes against speculators and chiselers.

Section 10 provides that the tariff on foreign-grown products, sold or produced for less than our products cost, shall be raised so the landed cost will equal the cost of production plus 10 percent. This will stop enriching the foreigners at the expense of the American farmers.

Section 11 as amended provides that the act shall apply to 1940 production.

Section 12 provides that this act shall not affect the soil conservation, crop insurance, loans on agricultural commodities, and certain parts of the A. A. A. that do not conflict with the cost-of-production bill.

This bill is a protection to agriculture in general. It may work some hardship on the large producer, but for the average farmer it will do the job. The average farmer operates the family-sized farm. This is America. The average or family-sized farm in Iowa is 154 acres, in Wyoming it is 1,610 acres, in Nevada it is 970 acres, in Maryland it is 98 acres, in North Dakota it is 462 acres, and in Alabama it is 71 acres. This bill is a farm bill. It is not a social-reform bill. It takes farmers and farms as they are and is intended to make them prosperous by assuring them the cost of production.

This bill will enable the farmers to produce freely and abundantly without restrictions, to supply the home market, producing as much or as little as the farmers choose to produce.

It provides the simplest machinery possible, with no cost to the Federal Government. No restrictions or regimentation of the farmer; the total cost of administering the act would be charged to the proceeds from the sale of exportable surpluses and assures cost-of-production prices to the farmers of this Nation for products consumed domestically.

This bill, when enacted into law, will give the farmers of the Nation a stable, annual cash income of approximately $15,000,000,000. This is double what the farmers received in 1938. It represents the essential difference between prosperity and depression for the entire Nation.

This is an American bill advocated and supported by American citizens, introduced and sponsored by 34 patriotic, liberal Members of the United States Congress who believe in the "American principle" of Government as set forth in the Declaration of Independence and the Constitution of the United States.

We who have supported this measure believe in the agrarian principle that the prosperity of the Nation is dependent upon agricultural prosperity; that when agricultural cash income increases, within a few months there is a corresponding increase in retail sales, in industrial production, in factory employment, in industrial pay rolls, and in general prosperity; and an increased national income is the result of the increase in the incomes of the American farmers.

On the other hand, when the cash farm income declines and falls, within 3 to 6 months there is a corresponding decline in retail sales, in factory production, in employment of labor, in industrial pay rolls and national income, resulting in general business stagnation and depression throughout the Nation.

The cost of production bill (S. 570) will bring prosperity to the farmers and that in turn will bring prosperity to the Nation. It is sound legislation that is written within the framework of the Constitution of the United States and in accordance with our American principles of government.

When Mr. Vesecky and his associates set themselves up as the opponents of the cost-of-production bill they are fighting the farmers whom they pretend to represent. They are fighting against prosperity. They are fighting against the welfare of 130,000,000 American citizens. When Mr. Vesecky and his associates fight this kind of farm legislation they are giving aid and comfort to the gamblers and the manipulators of farm prices in the market places. They are giving aid and comfort to the farmers of foreign nations, instead of to our own. They are giving aid and comfort to the enemies of the agrarian principle of prosperity. They are defending the status quo. They are giving aid and comfort to the enemies of home ownership among the farmers and our urban friends.

It is not necessary for me to offer a defense on behalf of the 34 Members of Congress who have introduced and sponsored this legislation. They need no defense. Some of them are new Members, many of them have a long and honorable record in the Congress of the United States. They have a record of supporting honest legislation in behalf of the farmers and for the welfare of the Nation.

It is not necessary for me to offer a defense on behalf of my associate here in this fight, Mr. Louis B. Ward, for he needs none. His record over the years in support of liberal legislation speaks for itself. Neither need I offer a defense for the organized farmers whom I represent. Their intelligence in supporting this legislation and my work speaks for itself.

In advocating and supporting this legislation, I represent organized farmers in 24 States, some by special appointment, most of them through the National Farmers' Guild, and, in addition, the cost-of-production clubs composed of farmers and local businessmen, organized in Illinois, Michigan, Pennsylvania, and other States.

The farmers who are not in the employ or on the pay roll of the Triple A know that nothing less than the cost of production is the remedy. They know that they cannot continue in business, receiving less than it costs them to produce, any more than a busi-

nessman can operate at a loss and continue in business. Some of the more intelligent leaders in business and industry and labor are beginning to appreciate and understand the agrarian philosophy that the road to their own prosperity and the prosperity of the Nation depends first upon the prosperity of the American farmer.

Labor, business, and industry must therefore be as vitally concerned with agricultural prosperity as are the farmers themselves. Every real patriot must be vitally concerned with agricultural prosperity and stability whether he be a farmer or not.

If you believe the legislation embodied in S. 570 should be enacted into law, you should write to your Representatives in Congress, both in the Senate and the House of Representatives, and insist upon him voting for this bill in this session of Congress. If you want this legislation you must work for it. There is probably a month or more remaining in this session. There is yet opportunity to work, organize, and support this legislation, for the benefit of the farmers and for the benefit of the 130,000,000 people of this Nation.

Copies of this address may be had by writing to me at Washington, D. C. You may address your letter to Edward E. Kennedy, 109 First Street NE., Washington, D. C. If you forget the address, just address it Edward E. Kennedy, Washington, D. C.

There Is a Difference Between Levying Taxes and Paying Them

EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

STATEMENT BY STATE SENATOR HARRY W. BOLENS, OF PORT WASHINGTON, WIS.

Mr. KEEFE. Mr. Speaker, I am pleased to be permitted to incorporate in the RECORD a statement by State Senator Harry W. Bolens, of Port Washington, Wis., addressed to the people of Wisconsin on the subject of taxation. What he says can be read with interest and profit by Members of the Congress as the ever-mounting and crushing burden of State and Federal taxes menaces the present and future welfare of every citizen in the Nation.

The legislator who votes for tax bills usually sings high about the amount of money he will make available for this group and that group, but he sings very low about where it comes from. He, very naturally, tries not only to make the taxes painless but to make them invisible to the 1,129,000 employable group who pay them.

It is customary to point out that taxes are levied upon the "big fellows"—the business corporations, banks, railroads, and manufacturing concerns——because he tells them that they can carry the load. He never tells them that they do not pay these taxes, nor that they are levying the taxes on the 1,129,000 employable group. The businessman, whether he is a corporation executive or a partner, or an individual storekeeper, must charge these taxes in his costs to the people to whom he sells his goods or he wouldn't be in business. That means he charges them to the consumer.

What happens when taxes are levied upon corporations, upon partnerships, upon small business enterprises? The producer of the raw materials charges them to his costs and passes them on to the converter or manufacturer. He charges all taxes to the wholesaler and the retailer; and the retailer must put them in the price of his goods.—there they stop—finally in the hands of the consumer. The 1,129,000 of the employable group who support 710,000 families, maintain 624,000 dwellings, and support 455,000 little children under 10 years of age must take the taxes out of his daily wages. Out of $62,000,000,000 of national income earned by 42,000,000 gainfully employed in the United States last year there will be taken this year or in the future, from the employable group, across the United States, for Federal and State taxes $16,000,000,000, leaving $46,000,000,000. That means the Federal Government and State will spend $16,000,000,000 out of the $62,000,000,000 of money earned "by the sweat of the brow" or a present and future annual tax burden on the employable group of 26 percent of their annual income.

Just how can legislators look the employable group in the eye when they take, jointly from Federal and State standpoint, taxes amounting to 26 percent of income by direct and indirect taxes from the gainfully employed group in the United States?

The overwhelming portion of our taxes are levied at the top by unthinking politicians, but are paid at the bottom, no matter where they are collected—95 percent of them are taken out of the sweat of the brow of the employable group of the State and Nation. Hidden, concealed, taxes.

In conclusion, I am sending out to the 500 newspapers of this State, daily and weekly, my document of last Friday and this one of today, and I am pointing out that $35,000,000 of highway funds are in the hands of a small, political-minded, public-servant class, known as the highway commission, and its employees, who are listening to three great pressure groups: (1) Producers of cement and other materials; (2) road contractors; and (3) producers of road machinery.

I have proposed that the legislature of the people take over (a) the highway commission and (b) motor taxes as part of the general taxes of the State, and (c) lay out a permanent policy of future road improvement for the State comparable with the economic power and capacity of the 1,129,000 employable group to pay for it.

What value is it to the farmers of this State, the private-forest landowners, and the public-forest lands, comprising 32,729,000 of the 35,364,000 acres of land in this State, to have a glorified, uncontrolled expenditure on an unorganized highway system passing through this vast farm and forest district?

(1) While 13 percent of the homes of that district were sold for taxes last year;

(2) While 720,000 family heads in that State are in financial wage distress trying to support 455,000 children under 10 years of age;

(3) While 624,000 owners and occupants of little homes on the farms, in the villages, and cities are endeavoring to make both ends meet a heavy real-estate tax as well as heavy hidden taxes;

(4) While the stockholders of corporations throughout this State, big and small, are receiving but few dividends, with most of them "in the red," causing these corporations to build their extensions in other States, to the loss of the merchants in the cities and the dairy farmers in the State;

(5) While the dairy farmers in this State are going broke because of a failure to find a market for their products, even at the ruinous prices, because a large part of the parents of 720,000 families cannot buy it for their small children—26 percent of their income is taken by "the tax spenders"—carelessly, ruthlessly, and without regard to either "the employable group" or their children; and, finally,

(6) While the Nation and the State stagger midst a great national depression, why destroy the farmers and the rest of the employable group as well as the manufacturers, the doctors, the dentists, and "the ministers of God" by back-breaking hidden taxes—these are the great forgotten groups in this State—forgotten by the legislature.

Do we legislators believe that we are kings—that we can carelessly and ruthlessly press down on the backs of the 1,129,000 employable group further tax burdens that will destroy all of us?

In view of the fact that the Governor of our State has repeatedly stated that "he is only an office boy"; that he has no power to create a just basis of economic tax reform in the State; and, in view of the divergence of opinion, due to pressure groups, now acting upon the legislature, I will move on next Tuesday (1) that the legislature recess until September 15 so that the Governor and the members of the legislature "may take the advice and get the consent of the governed" before we put an additional burden of $22,000,000 on the employable group; (2) that the legislature pass an omnibus bill fixing all State taxes as they now are until November 1, 1939, and prohibit any further commitments by the highway commission until further action by the legislature. This can be done in a few days.

Let the people rule. Let us put aside personal and political prejudice once and for all—drive out class hatred from our midst. Let us put aside the desire of private or political gain and find out whether we should place on the backs of 1,129,000 employable group an additional $22,000,000 for the next 2 years. Let us find out whether the time has not now arrived to cut the size of the State government to the economic ability of the people to support it. Let us not further be ruled by tax eaters and tax spenders, whether within or without the public service.

What gain to the proud, intelligent people of this State to destroy the machinery of production on farm and in factory, which provide the tools of industry for the 1,129,000 employables, and break our ability to maintain homes for our children and our children's children in an insane method of taxation?

Shall the courageous people of Wisconsin, in this, their hour of danger, become disheartened in the belief that they cannot stop this foolishness at Madison? Have they the energy and will to follow the example of the Revolutionary hero, Israel Putnam, who cut the traces off his plow horse, left the plow standing in the field, and rode off to the call of his country? Will the courageous, intelligent, thinking men and women arise to this crisis in the State's affairs? Will they, too, leave their farms, factories, and desks and move now upon Madison?

I now appeal to the people of the State, by letter, phone, personal contact, and by public meetings, to support my request that sane action in laying taxes for the next year may prevail.

The State needs honest help right now—start discussions before your Rotary, Kiwanis, Civitan, Tax Alliance, lawyers', and doctors' clubs. Invite in your senator and assemblyman. Visit them and discuss the real issue.

Let them know how you stand. In 1 week an aroused citizenry in this State can protect itself with a sane policy of tax spending and tax laying.

Respectfully submitted.

HARRY W. BOLENS,
State Senator, Port Washington, Wis.

Archibald MacLeish

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

EDITORIAL FROM THE NEW YORK WORLD-TELEGRAM

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD an editorial from the New York World-Telegram of June 8, 1939, referring to the nomination of Archibald MacLeish to be Librarian of Congress.

There being no objection the editorial was ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram of June 8, 1939]

GOOD FOR MACLEISH

Almost the last berth that one might have thought of for Archibald MacLeish was to be Librarian of Congress, and yet there is a fine appropriateness in his appointment which potshot objectors cannot obscure.

Notably versatile in college, a bright student and fair athlete, with special promise for literature, he became a lawyer and during the war a captain of artillery. Sixteen years ago he forsook the law to give himself to poetry, and there proved himself not only as a prize winner but by particular originality and strength of manner and by pioneering in radio drama. His poetic themes were the most burning of contemporary problems, while in prose he earned his way as an editor of Fortune.

This vigorous background doesn't indicate that Mr. MacLeish could be calmly laid upon the shelf in any cloistered library. But in praise of the Library of Congress it must be noted that it does not in any way follow a shelf-sitting or dust-gathering policy. It is vital aid and stimulant to living literature.

The President has made a valuable contribution to the Library, in line with its superb tradition, by sending to it the incisive mind and leaping imagination of Archibald MacLeish, while the appointment itself is graceful recognition to literature.

The Townsend Old Age Pension and National Recovery Plan

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, AT THE NATIONAL CONVENTION OF THE TOWNSEND CLUBS OF AMERICA AT INDIANAPOLIS, IND., JUNE 23, 1939

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert the address which I delivered before the national convention of the Townsend Clubs of America at Indianapolis, Ind., June 23, 1939.

The address is as follows:

Mr. Chairman, Dr. Townsend, distinguished guests, and delegates to this great convention, under our revised bill, H. R. 6466, which was voted upon in the House of Representatives, we propose to prorate among the pensioners past 60 years of age who cease gainful employment and agree to spend the pensions within 30 days the proceeds from a 2-percent transaction tax on retail sales and a one-half of 1 percent tax on the gross revenues of all producers, manufacturers, wholesalers, and jobbers.

NATIONAL GROSS BUSINESS TURN-OVER—INCOME—REVENUE

Nobody knows to a certainty what the present national gross business turn-over and total business transactions amount to, but Dr. E. A. Goldenweiser, Director of Research and Statistics of the Board of Governors of the Federal Reserve System, who is probably in a better position to make a reliable estimate than anybody else in the country, has estimated the total for 1938 at $553,000,000,000. Dr. Robert R. Nathan, chief economist for the Bureau of Foreign and Domestic Commerce, has estimated the gross revenue and income of the Nation for 1936, the last year for which the figures have been compiled and are available in his office, at $449,000,000,000. From these estimates, which both authorities declare to be conservative, Mr. Louis C. Silva, deputy tax commissioner of the Hawaiian Islands, our tax expert, has made a further deduction to be on the safe side and remove all grounds for any argument by our opposition that we are inflating our figures and further making a very liberal allowance for all exemptions, and has placed his estimate of the present national gross income under this bill at $360,000,000,000. Mr. Silva estimates that one-third of this sum can be figured as derived from producers, manufacturers, wholesalers and jobbers, or $120,000,000,000 subject to a tax of one-half of 1 percent and yielding $600,000,000 per year. This would leave the remaining two-thirds, or $240,000,000,000, for all retail transactions, business and professional activities of all kinds, subject to the 2-percent tax with an annual yield of $4,800,000,000. The aggregate total yield, therefore, would be $5,400,000,000, this sum to be divided among 8,000,000 pensioners of the age of 60 years and past and amounting to $56.25 per month for the first year and, of course, certain to increase commensurate with the increase in money circulation, velocity, and turn-over and consequent increase in gross business turn-over and business transactions until the full maximum of $200 per month is attained.

TAX FORMULA OF THE TOWNSEND PLAN

This form of tax is in the nature of a pyramided turn-over or sales tax and is superior to the ordinary sales tax levied only against the retailer. We propose to tax each stage as the article or commodity passes from the producer to the manufacturer, then to the wholesaler and to the jobber, levying at each stage a tax of one-half of 1 percent, and finally 2 percent on the sale by the retailer to the ultimate customer.

STATE SALES TAXES

It is regrettable that Members of Congress and newspaper writers have never taken the time nor made the effort necessary to familiarize themselves with the operation and effects of the sales taxes in force in 27 States and in New York City.

HAWAIIAN GROSS REVENUE AND INCOME TAX

It is even more regrettable that they have not studied the history of the gross revenue or gross income tax in the Hawaiian Islands, which was introduced at 1¼ percent and proved so successful that it was soon reduced to 1 percent and later to nine-tenths of 1 percent, as a result of which the Government was lifted out of the red, balanced its budget, and went upon a cash basis.

INDIANA GROSS SALES AND INCOME TAX

Nor has proper consideration been given by these people to the experiences and outstanding success of the State of Indiana during the past 6 years with its tax of 1 percent on gross receipts from sales to consumers (retail sales); one-fourth of 1 percent on gross receipts from wholesale sales, and 1 percent on gross receipts from professional services, salaries, sales of real estate, investment of capital, etc.

TRANSACTIONS TAX IN FRANCE—EXPERIENCE OF GERMANY AND HUNGARY

They should study the French turn-over tax in operation since 1920, and which is at the rate of 1.1 percent at the present time, as well as the experiences of Germany and Hungary. Germany, with a tax of one-half of 1 percent on wholesale transactions and a general tax of 2 percent on retail transactions, has successfully financed her system of old-age pensions, health insurance, public works, low-cost housing, and national defense.

GROSS BUSINESS TURN-OVER TAX IN RUSSIA

I do not consider Russia an especially good example, owing to the fact that the profit motive and credit capitalism are in the discard. However, something can be learned from the fact that in 1937 the general sales or turn-over tax yielded in revenue the stupendous sum of 67,795,459,000 rubles, or $15,360,000,000 in our money, or approximately 83 percent of all the money raised to defray the entire cost of the Soviet Government. In 1938 the revenue collected amounted to the stupendous sum of $17,000,000,000, much of which was returned to the citizens in the form of old-age pensions, social security, education, public-sanitation measures, housing, and other public benefits.

GROSS BUSINESS TAX ADVOCATED BY BIG BUSINESS IN 1921

No one can read the testimony of some of the leading businessmen, manufacturers, and financiers of the Nation before the Committee on Finance, United States Senate, in 1921, when there was under consideration a 1-percent gross turn-over tax, and not be impressed by the logic and soundness of their views and the unanswerable arguments presented by them, which are just as applicable and revelant today as they were then.

SIR JOHN AIRD RECOMMENDED TURN-OVER TAX

I have repeatedly called attenton to the opinion expressed by one of the greatest financiers and authorities on the subject of government finance and taxation in Canada, the late Sir John Aird, who, when he recently passed away, was eulogized in the Canadian press as the "grand old man of banking." He was for many years president of the Canadian Bank of Commerce, and at the annual meeting of shareholders held at Toronto, Canada, January 14, 1936, he uttered these significant words:

"It is now quite generally agreed that continuous borrowing to cover deficits and to maintain social services on the present scale cannot go on indefinitely, and therefore that the most rigid public economy and higher taxation must be faced. Intensive study

should be given to the problem of establishing a broader and more equitable basis of taxation. In this connection I again advocate a nation-wide turn-over tax as more likely than any other new form of levy to meet the need for a balanced budget."

MORGENTHAU RECOMMENDS TURN-OVER TAX OR TRANSACTIONS TAX

Why did Secretary of the Treasury Henry Morgenthau 3 years ago recommend to President Roosevelt as an alternative tax proposal a "1½-percent turn-over tax?"

CONGRESSMAN BARTON FAVORS NATIONAL TRANSACTION TAX

As recently as April 15, 1939, in an article published in Collier's Weekly, Congressman BRUCE BARTON, of New York, recognized as one of the ablest and clearest thinkers in Congress and in private life a leading member of one of the foremost advertising firms in the United States, handling the advertising accounts of some of the largest industrial and business corporations in the Nation, made this significant statement:

"We must, in my opinion, broaden the income tax base and enact some sort of a national transaction tax; distribute the burden of taxation widely."

DISTRICT OF COLUMBIA BUSINESS-PRIVILEGE TAX

As I pointed out preceding the vote on H. R. 6466, even the District of Columbia has imposed for the last 3 years upon business here in the National Capital a percentage tax based upon gross receipts at approximately the same rate as is proposed by the Townsend plan. This tax has been repealed by the House but its renewal was restored in the Senate.

TIME FOR HONEST, SERIOUS, FAIR-MINDED STUDY

Isn't it about time, my friends, that all the Members of Congress and our friends in the newspaper profession put aside their preconceived notions and prejudices, undoubtedly arising out of the original demand for $200 per month, and make an honest, serious, and open-minded study of the taxing feature of the Townsend plan, and join with us in perfecting it legislatively so that we can make use of the meritorious and beneficial ideas which it obviously contains?

The experience of the numerous States with their sales taxes, our experience with the gasoline and cigarette taxes, the experience of the District of Columbia with its business-privilege tax based on gross receipts, the experience of the various nations which have adopted this form of taxation, all refute and absolutely disprove the claim that as low a tax as is proposed under the Townsend plan would raise prices unreasonably or be inflationary. There is nothing fantastic or absurd about our proposal excepting the expressed views of those who discuss it and write about it without apparently ever having made any study or investigation of the subject matter nor the factual information relating to it.

ONE-THIRD ARE ILL-FED—WHY?

My friends, we are living in a wonderful but also a strange period of American and world history.

During the past two decades scientific, inventive and technological developments have progressed to such an amazing degree that we now have surpluses of almost every known commodity, product, and article required for the sustenance, comfort and happiness of the human family. This is especially true in our own country and the opinion is frequently expressed by the most eminent agrobiologists, chemists, and physicists that if we were to apply the very latest discoveries for the chemical processing and treatment, the fertilization and increased productivity of the soil available to agriculture, we could here in America raise enough foodstuffs with which to feed the world. Yet we are constantly reminded of the fact that one-third of the population of the United States is ill-fed; indeed, the percentage is probably much more than that, for it has been established by Government reports that even in the halcyon year of 1929 approximately 42 percent of our people subsisted on a substandard and wholly insufficient diet and did not enjoy "a decent or healthy standard of life." What a paradox, what a travesty, what a tragedy.

ONE-THIRD ARE ILL-CLAD—WHY?

Our country is by far the richest in lands, in natural resources, in raw materials, in skilled manpower, in electrical energy, in inventive genius, in our agricultural and industrial facilities of any nation on earth. Although we possess only one-sixteenth of the population and one-twentieth of the area of the earth, we produce 45 percent of the iron, 35 percent of the coal, 50 percent of the copper, 65 percent of the oil, 60 percent of the cotton, 23 percent of the wheat, 50 percent of the corn, and 33 percent of the tobacco, and recently W. J. Cameron, of Detroit, Mich., broadcasting for Henry Ford, made the interesting and significant statement: "Five-sixths of all the wheels that turn on this earth are in the United States, and where the rest of the world have one wheel of any sort, this country has five," as evidence of our superior mechanical and industrial development and progress as compared with the other nations of the earth, notwithstanding the fact that most of the other important nations are also rapidly becoming industrialized and mechanized to a phenomenal extent. We possess the raw materials, the wool, the cotton, the rayon, the cellulose (wood pulp), the hides, the fibers of every description to clothe from head to foot in regal fashion every man, woman, and child in America and still have a huge surplus sufficient to clothe many millions of our fellow men in other lands less fortunate than our own. Yet be it said to our humiliation and everlasting shame that one-third of our own citizens are ill-clad, and again it must be repeated that the percentage is undoubtedly higher than that, according to every survey made by our Government.

ONE-THIRD ARE ILL-HOUSED—WHY?

We have made extraordinary strides in recent years in the development and perfecting of building materials of every character—fireproof, waterproof, and stormproof—impervious to all the elements of nature and acts of man—woods chemically treated, plywood, veneer, plastics, metals, glass, air conditioning, cooling and heating apparatus, marvelous lighting, ventilation, and sanitation, so that we could house in comfort and even in luxury every family in America and still have a large surplus of these multifarious building materials to export and ship abroad to less-favored peoples in other parts of the world. Yet we are assured that one-third of our own people are ill-housed, which again is a very conservative statement, for it is only a few years since a survey made by the Home Owners' Loan Corporation disclosed the fact that there were over 11,000,000 families living in quarters that were dilapidated, improperly plumbed, without proper sewer connections, with leaking roofs and sagging foundations, insanitary and unhealthy, many of them infested with vermin and overrun with rats, and unfit for human habitation.

THE TERRIBLE PECUNIARY LOSS TO THE AMERICAN PEOPLE

To keep these submerged one-third or more of our population existing under these disgraceful and shameful conditions of hunger and rags and hovels is costing the America which we love a fearful price. These unfortunate and unhappy victims lack the money tokens and the purchasing power with which to acquire the comforts and luxuries of food, apparel, and housing which could be furnished to them in such profusion and abundance. Consequently, countless farms and factories are idle and labor and capital are unemployed, causing a terrible pecuniary loss to the American people.

The conservative Brookings Institution has estimated the direct loss of wealth which could have been created since 1929 at $200,000,000,000. Witnesses before the Temporary National Economic Committee at Senate hearings have estimated the loss at $178,000,000,000. What these sums represent in loss of physical, moral, and spiritual values, in human misery and suffering, in stark poverty and blighted hopes and ambitions cannot be measured in terms of mere dollars. What a crime against childhood and the millions of innocent children whose bodies have been undernourished and whose physical and mental growth have been stunted beyond repair, of whom a few years ago the Secretary of Labor declared that there were probably 7,000,000 who suffered from malnutrition. The loss to our entire citizenry and the damage to the future of America is incalculable, and the sad pity of it all is that it could have been and still can be avoided by the intelligent cooperative utilization of our natural, mechanical, and human resources. J. Edgar Hoover recently declared it to be his opinion that we could probably cut our annual crime bill of $15,000,000,000 in half and save seven and one-half billions per year by bringing about better social and economic conditions among our people, many of whom are driven into careers of crime by poverty.

WHY A LACK OF MONEY AND PURCHASING POWER WITH SIXTEEN BILLIONS IN GOLD?

I referred a moment ago to a lack of money and purchasing power. Gold is piled high in the Treasury of the United States—nearly $16,000,000,000 worth—two-thirds of the whole world's supply. The precious yellow metal is the orthodox base for currency, credit, and reserves. In 1929 the Nation held $3,900,000,000 in gold, and based thereon was $58,474,000,000 in bank loans and investments. In other words, about $15 in credit was based on each $1 in gold, a ratio which had prevailed for many years. The action reducing the gold content of the dollar resulted in gold stocks that had totaled four billions becoming by Government edict $6,800,000,000.

Since then over $9,000,000,000 more of gold has flowed into the Treasury from the four corners of the earth. However, the volume of credit has substantially decreased until today over sixteen billions of gold support but $48,929,000,000 in loans and investments and the ratio that has been normally 15 to 1 between gold and credit is approximately 3 to 1. If loans were to get back to the 15 to 1 ratio, loans that today are forty-eight billions could increase to two hundred and forty billions. Indeed, 3 years ago, in 1936, Roger W. Babson, conservative New England business analyst and statistician, declared it to be his opinion that at that time, when we had only ten billions in gold, this was gold adequate to expand available credit to two hundred and fifty billions. We possess the largest potential supply of credit that this or any other nation has ever possessed in the history of mankind.

A FACT OF TREMENDOUS IMPORTANCE TO THE AMERICAN PEOPLE

Aside from this enormous reservoir of potential credit to finance upon a sound basis a program of reconstruction and modernization of our social and economic structure in accordance with the latest developments of science and invention, and thereby give employment to every idle, able-bodied citizen in the Nation for several decades, I desire to point out briefly another fact of tremendous importance to the American people.

For many years in the past our currency had a 40-percent gold and silver base, as compared with 10 percent underlying the British pound sterling during the past 100 years, the soundness of which was never questioned.

USE IDLE GOLD AND SILVER TO FINANCE TOWNSEND PLAN

Today, if we were to pay off the member banks of the Federal Reserve System the $134,000,000 they have invested and thereby extinguish their lien on our gold store, we could issue against the

nearly sixteen billions of free gold and the silver of nearly two billions, upon the old conventional 40-percent basis, sufficient sound currency which would be in a class by itself as the soundest currency in the civilized world, to the maximum amount of $45,000,000,000 and gradually retire the national debt, finance the Townsend old-age pension and national-recovery plan, public-works and national-defense disbursements, and do it all on a cash basis without interest. This could be accomplished gradually and just as rapidly as the new wealth would be created and produced in productive enterprise through the employment on the farms, in the factories, mills, and workshops, the mines and the forests, of those millions who are now idle and through no fault of their own are nonproductive. Consequently, the money tokens issued, in addition to having the gold and silver backing which they have had during our previous history, would also have behind them the plethora of foodstuffs, clothing, and housing necessary to raise the living standards of the unfortunate submerged one-third of our population and increase to the extent of their value the national income.

INCREASE THE NATIONAL INCOME TO ONE HUNDRED BILLIONS AND MORE

In this connection, it is worthy of note that our leading manufacturers, engineers, and economists are agreed that due to the far-reaching technological improvements in the past decade our full productive capacity has increased to such a degree that in this year of 1939 it is probably 50 percent greater than in 1929. The enormous extent to which we could increase our national income is indicated by the estimate of the Brookings Institution that in 1929 when it was ninety-four billions in goods and services we only utilized 81 percent of our capacity—allowing 19 percent to remain unused—we could readily have produced twenty billions more, or one hundred and twelve billions of goods and services instead of ninety-four billions. The Government's national survey of potential production capacity shows that in 1929 we could have produced one hundred and thirty-five billions, or forty-one billions more than we did.

ABOLISH POVERTY, DISEASE, AND CRIME

Our national income this year will probably be about sixty-eight billions, as compared with the figure of eighty billions envisioned by President Roosevelt and the one hundred billions which Senator McNARY, of Oregon, recently declared to be possible. Estimates of possible national income run as high as one hundred and fifty billions by some of the most eminent engineers, scientists, architects, and builders living today, based, of course, upon the assumption that we would utilize upon a sound economical basis our full productive capacity by producing first and foremost a maximum of foodstuffs, clothing, and housing for all our people and then proceed to provide slum clearance, superhighways, airports, flood control, health and sanitation, antistream pollution, river and harbor improvements, reforestation, irrigation, reclamation, and armed and equipped with the products of the test tubes and crucibles in our laboratories, by adopting the Townsend old-age pension and national-recovery plan, abolish poverty, disease, and crime in America.

Can the Country Stand a Third Term?

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. PLUMLEY. Mr. Speaker, as I see it President Roosevelt is an avowed candidate for a third term in the White House.

This new $3,800,000,000 spend-lend program is but another desperate attempt to achieve an appearance of business recovery in time to influence the 1940 Presidential election.

This new program is a public confession that the Roosevelt policies of the last 6 years have failed to bring recovery. Since 1933 the New Deal has spent more than $55,000,000,000, yet this new scheme acknowledges that we still have more than 10,000,000 unemployed. It acknowledges that there are billions of idle capital in our banks awaiting investment when national confidence is restored. It acknowledges that 6 long years of wanton waste, shameful extravagance, and hysterical experimentation have not brought peace, progress, or prosperity.

If a business manager reported month after month for 6 years that he could not get things going, he would be dismissed. The President is the Nation's business manager. Yet he is now asking the people to embrace once more his discredited theory of pump-priming.

REVIEWS FAILURES

If the Roosevelt deficit to date were to be paid off at the rate of $500,000,000 a year, the Nation by the end of 1980 would have the national debt back to the point at which Roosevelt took over in March 1933. At that time the Federal debt was roundly, $20,000,000,000. Today it is a little more than $40,000,000,000.

This means that reducing at the rate of $1,370,000 a day, it would take more than an entire generation to pay off the Roosevelt deficit already created—and the New Deal spendthrifts still have 18 months to go on their second term.

It is easy to imagine what a third term would mean to the people—billions and billions more of deficits, and a crippling burden of taxation for a century to come.

The attempt in 1937 to pack the Supreme Court was the first omen of the third-term campaign, now in full swing.

The will to subjugate the Supreme Court to the personal commands of the President gave us Roosevelt's real conception of constitutional government. His third-term campaign now reveals his deep contempt for the fundamental spiritual traditions of the Republic.

Recent test polls of public opinion by the National Republican Congressional Committee indicate that the people want a change.

Real recovery will begin when Roosevelt leaves the White House, not before.

Another Spending-Lending Program

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

EDITORIAL FROM THE WASHINGTON POST

Mr. MASON. Mr. Speaker, the following editorial taken from the Washington Post expresses more completely and effectively than I can my thoughts concerning the new spending-lending program that has been recommended by the President to the Congress. I think it is worthy of very serious consideration by the Members of this House on both sides of the aisle and to the country at large, and for that reason I believe it should be placed in the RECORD.

[From the Washington Post]

ANOTHER SPLURGE

Toward the end of the session, when a weary Congress will find it the more difficult to examine the implications involved, the President tosses into the legislative pot a grandiose pump-priming scheme involving governmental expenditures of $3,060,000,000. This without inclusion of an $800,000,000 extension of the borrowing power of the United States Housing Authority, discussed elsewhere on this page today.

The excuse seized upon for making this proposal, vaguely foreshadowed for some weeks, is Senator BYRNES' inquiry as to the President's attitude on the $125,000,000 earmarked for P. W. A. in the relief bill as passed by the House last week. Mr. Roosevelt shows clearly that he does not like this modest endeavor to combine public works and relief. He believes "there is a better way to accomplish the laudable purposes of this bill." The "better way" is the spending program now advocated.

The program, as sketched by the President in his letter to Senator BYRNES, has six parts, each one of which deserves, and must receive from Congress, the closest scrutiny. If this is given, sharp modification of the plan may be expected.

For non-Federal public works an expenditure of $350,000,000 over 2 years is suggested. There is certainly scope for development of this sort in most American municipalities, although the P. W. A. has already filled many of the obvious needs. It is much more dubious that new projects under this heading will prove, as the President optimistically suggests, "self-liquidating."

This is even less likely with the second classification—road building. While the national highway system is still susceptible of broad improvement, such construction is very unlikely to pay for itself. Toll roads and bridges might do so, but these are anathema to Congress.

The third part of the program anticipates governmental purchase of $500,000,000 worth of rail equipment over 3 years, to be leased or sold to the carriers. As a matter of policy this step would be open to grave doubts even if the R. F. C. did not already possess authority to lend money to the railroads for equipment purchases.

The fourth category, of expanded rural electrification, seems subject to less criticism. Possibly the same is true of the proposal to expedite farm-tenant purchases through the Farm Security Administration. It does seem questionable, however, that $500,000,000 can be spent constructively in this way in 2 years if security of the loans, and consequent repayment, is regarded as important.

The sixth and last part of the proposed program is perhaps the most subject to criticism. It suggests $500,000,000 to be spent in 2 years in extending governmental loans to foreign countries "for the purpose of promoting our foreign trade."

Such loans, current examples indicate, would probably be much more political than economic. They should never be considered as part of a "recovery program." And the amount suggested is wholly out of the picture in view of the fact that this Congress has already limited the Export-Import Bank to a $100,000,000 outlay for loans of this type.

In balance it is impossible to regard this program as "self-liquidating." If half of the proposed advances were returned to the Treasury the Government could consider itself lucky. It is as a spending program, as a heavy addition to current deficit financing, that the plan must be considered.

Once bit, twice shy. Undoubtedly the $870,000,000 extra fillip asked for the next fiscal year would be achieving some temporary reemployment next summer, as the presidential campaign gets into full swing. But skepticism is wholly in order as regards any fundamental and permanent improvement from this further development of the merry game of playing ducks and drakes with public funds.

Help Wanted: One Kipling

EXTENSION OF REMARKS

OF

HON. EVERETT M. DIRKSEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

ARTICLE BY HARLAN MILLER

Mr. DIRKSEN. Mr. Speaker, a recent column by Harlan Miller, which appeared in the Washington Post on Sunday, June 18, 1939, under the caption "Help Wanted: One Kipling," is so timely that it is worthy of republication in the CONGRESSIONAL RECORD.

It reads as follows:

OVER THE COFFEE

(By Harlan Miller)

HELP WANTED: ONE KIPLING

America needs a Kipling. An hour spent in the Senate gallery, or at gabfests of the sheepish leftists, or in any House committee room, or with a rich man at the Treasury wailing wall, or in the company of any Washington official makes it painfully clear that this Republic sorely needs a Kipling to massage its weary muscles.

America needs a Kipling to remind it that patriotism is not a shameful thing, but means national courage; to remind us that Americans can fight harder, run faster, build taller buildings, spit farther, eat more, jump higher than anyone else.

Americans need a Rudyard Kipling of their own to remind them that they can lick their weight in wildcats; that their women are lovelier, their men braver, their children smarter, their history more dazzling, their future rosier with romance and glory now than it was 100 years ago.

America needs a Kipling to rewrite all the nervous, jittery, suspicious, pusillanimous speeches uttered on Capitol Hill and tell our countrymen that they can dig more out of the soil, fly faster through the sky, organize better, produce more, sing louder, shoot straighter, and buy more groceries than the next one.

Americans need a Kipling to remind them that one American soldier can lick two of any other kind; that we build a bungalow or a school for every outhouse that any dictator builds; that we pay a W. P. A. road worker enough so he can live better than a skilled mechanic who makes machine guns elsewhere.

America needs a Kipling to wipe its tears away, to pat the heaving shoulders of the tremulous rich, to convince them that their children will do very nicely, thanks, even if they don't inherit from their fathers a hundred times as much as their fathers inherited.

America, if you listen to conversations, speeches, harangues, and the keening in the Capitol, desperately needs a Kipling to blow its nose and tell it there aren't any boogermen hiding in the grass that isn't growing in the streets, and that we can sleep later, crawl slower, sob louder, view with greater alarm than our own maiden aunts.

America is crying for a Kipling to tell her that nothing much can be wrong with a land where workmen getting $13 for a 7-hour day have the audacity to go on strike to get $14 for a 6-hour day, or maybe $15 for a 5-hour day.

America needs a Kipling.

It doesn't need a lot of male Louisa Alcotts or Katherine Mansfields, or a lot of third-rate Menckens to make 100-percent Americanism unfashionable or funny, or a lot of journalistic Spenglers mourning in daily columns the decline of the east or west, or a lot of melancholy Leonard Merricks weeping for the good old days.

America needs a Kipling to fill her full of prune juice and vinegar and remind her of her glorious destiny.

Meditating an hour in the Senate press gallery, I realized how badly we need him.

Fraudulent Neutrality

EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. BOLLES. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD and use the text in part of a speech that I made to the Veterans of Foreign Wars at their State convention of the Department of Wisconsin, Friday, June 23, as follows:

As an honorary member of this body of virile American citizens I am proud to greet you.

In this hour of world and national crisis wherein you occupy so strategically, an important place, this new army of an old army has a great campaign laid out ahead. It is the battle for America, bloodless, but nonetheless important. It should be decisive.

If America is to be dominant you cannot be dormant. You have to be a living, moving, mobile army. If you thought that just to be a veteran of other days you were through you were mistaken. If you thought you were through fighting you were wrong. You have just begun to fight.

Peace hath her victories no less than war. You are still climbing San Juan Hill. You are still in the Argonne. You are not using bullets. You still have the ballot.

If America is ever destroyed, if this Nation ever disintegrates it won't come from outside attack; it will be from within. If the facade of the temple of liberty is marred or thrown down it will not be from foreign invasion, it will come from enemies within our gates. And to protect that temple of liberty, to save it, to save America, the Veterans of Foreign Wars will be at the right of the column.

We have become jittery over a possible war—some war somewhere. We began this Nation in war. And then we started the great struggle for peace. We erected a beacon of liberty; we called upon the world to come and enjoy its light. We dedicated it to individual opportunity. We followed the teachings of George Washington. We kept out of foreign entanglements. We minded our own business. We maintained neutrality under international law.

What is international law? It is the outgrowth of the conflict of nations in recent centuries, the slow but steady development and triumph of justice and the principles of humanity over tyranny and force resulting in the amelioration of the horrors of war and the greater reign of reason. The world has not always abided by this law; it has been frequently violated by international outlaws. We have some in the present decade.

The United States from its birth made itself the champion of a freer commerce, of a sincere and genuine neutrality operating without a congressional law, not set down by statute; of respect for private property in war of the most advanced ideas of national rights and justice; and its existence of 160 years, by its example and its persistent diplomatic advocacy in spite of violation, has exerted a greater influence in the recognition of these elevated principles than any other nation in the world.

So, says John W. Foster, great diplomat, once Secretary of State.

But we face the present—this moment—a worried and bewildered world, with bullies carrying chips on the shoulder, Goliaths defying all nations.

Is there any reason why we should be involved? There have been a score of wars in Europe, little and big, since we became a nation. We did not get into them. Nations have been partitioned, territories changed, new boundaries set up, new kingdoms built since the Constitution was adopted. Did we get into any of those sanguinary conflicts? No; we maintained the principles set down by Washington and kept the strict neutrality as of international law.

We saw Germany take over Alsace-Lorraine after the Franco-Prussian War. We made no protest and wrote no sharp letters to

Bismarck; nor did we put our fingers into Europe when Schleswig-Holstein was taken from Denmark.

Now what do we propose to do? We plan a neutrality law. It isn't a law for peace, it is a law for war. We propose by statutory enactment to get into all these conflicts in Asia and Europe. We have such a bill called the Bloom bill. I hope to get back to Washington in time to vote against it. It is a fraudulent neutrality. It invites war. I have not time here to discuss it in detail. Suffice to say that when we name an aggressor nation we become that nation's war enemy and the ally of the defense nation. When we name belligerents we are between both. If we maintain the old policy which kept us from war so many years when Europe was in turmoil and the kind of neutrality of those days, we need not worry over war.

For we are not going to war. If anybody comes over here to land on these shores, we shall be ready to meet them even as the minutemen of Concord and Lexigton met the red coats in 1775.

Wars do not decide. Nations fight to exhaustion and halt only to get breath. It has been that way for centuries. The visions of Alexander became the dreams of Rome; the dreams of Rome became the hope of Napoleon. Each coined these ambitions into military action. We are not concerned with how the World War began, how it came that we entered it, or how criminal it was to start it. But we are deeply concerned that we shall have no other like it and no other war at all. It may not have settled which army or which nation fought the best. But it impressed the world with terror. It appalled the world with its frightfulness. It has made the ambitious hesitate and caused statesmen to look for some way out of international differences other than the arbitrament of arms.

If that war told us anything, it was that we were a nation of boys and young men who became supermen when the time came—when the clock struck the hour and the answer for American manhood had to be given. If that war told us anything, it was that we never wanted another either like it or of any kind whatsoever.

There is no glory in war. It is a fiction of the timid. Imperishable deeds? Yes. Sacrifice? Yes. Glory? Yes; if cheering mobs and brilliant words and tears of joy and shouting and tumult make glory. But in the final answer they are meaningless and only half sincere.

The crowning glory of the American soldier is that he came home—those who came—and went to work.

That is the highest type of manhood. Such a life is worth living; such a manhood is imperishable and everlasting.

Yesterday the stamping feet of marching men, hungry and footsore, going into the doors of hell, whistling and singing, doing the drudgery of camp uncomplainingly. Today the commonplaces of occupation.

There is such a thing as mass bravery. There is less of the individual bravery. The American soldier was an American citizen. All his life he had been trained in individual responsibility. That is why, in 6 weeks, he became a soldier. And he gave his life, or his body over to wounds and his brain and his health in that rendezvous with death or to camp training and its drudgery as a something expected of him.

For 10,000 years or more there has been a struggle between liberty of the individual and authority of the few. We gained that liberty in war 160 years ago. We have spent that 160 years in a struggle for peace. We set a new plan for a war-torn world. We never raised any sons to be professional soldiers. The few who went to school for military training we kept busy at engineering or policing the West against the Indians. And while we have deviated a few times from the course set down by the fathers of the Republic, we have never forgotten that we were the apostles of peace and freedom.

If the World War meant anything at all, it meant that we should never again be unprepared.

The New Spending Program

EXTENSION OF REMARKS

OF

HON. HARRY SANDAGER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

EDITORIAL FROM THE PROVIDENCE (R. I.) JOURNAL OF JUNE 23, 1939

Mr. SANDAGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Providence Journal of June 23, which warns against the dangers of the President's new $4,000,000,000 spending program. The editorial is as follows:

[From the Providence (R. I.) Journal of June 23, 1939]

A DANGEROUS PROPOSAL

Mr. Roosevelt's new spending program was dispatched to Congress yesterday, and it is, far more than anything the administration has done in many months, a threat of national disaster. It is rooted, of course, in his oft-repeated pledge to do something for the unemployed and to restore recovery. It abounds in easy talk of self-liquidating projects to be financed out of Government revolving funds, which, he says, will cost the taxpayers nothing.

It is, as we say, an exceedingly dangerous proposal, and the American people better think several times about it before they agree to its adoption. It is a $4,000,000,000 spending program, nearly one billion of which will be expended during the fiscal year of 1940–41 over and above the amount to be appropriated for relief. It is the administration's new spending program, its great bid for the suffrage of American voters in 1940, and no amount of eloquent talk about loans and revolving funds and recoverable assets can change that fact.

The public should understand, first of all, that the plan is no more than a dodge to take Mr. Roosevelt's spending outside of the Budget and to avoid the $45,000,000,000 limitation which Congress has placed on the Treasury's outstanding debt. It should realize that once that is accomplished all checks, congressional or otherwise, are off. It will be more than giving the President a blank check to draw on appropriations. It will be giving him carte blanche to raise funds, all of which ultimately will have to be repaid, either in increased taxes or collapse of the Government's credit, and to pour them into numerous projects of his own choosing.

But if there is danger to the Government's credit, there also is grave danger to American business and industry, for there is no doubt that the scheme is the first step in a well-conceived plan to rule the country's economy. The complete socialization of industry is one of its great possibilities.

The program must be considered against the background of the Mead bill, which would provide for Government insurance (up to 90 percent) of bank loans to business, and the Berle plan for the creation of a system of Government-investment banks. These undoubtedly are the measures Mr. Roosevelt had in mind when he wrote Mr. BYRNES that "some supplementary legislation will be necessary" to make the program effective.

If not these, then certainly the creation of other Government corporations, which can raise money by selling their own obligations in the market, instead of obtaining funds from the Treasury. But in either case the trend would be the same; Government competition with numerous private businesses and industries and ultimately the socialization of all. Mr. Berle himself is authority for this, for he said that adoption of his plan (the same is true of the Mead bill) would mean the gradual acquisition of "most of the productive plant of the United States."

There is little need, at this time, to analyze Mr. Roosevelt's respective proposals. They all involve the use of the old revolving fund idea for financing the various projects. The argument, of course, is that self-liquidating funds will provide enough revenue, not only to meet interest and principal payments, but to pay upkeep and keep the original funds revolving for other undertakings. Such funds haven't been conspicuous for success in the past. Indeed, they usually have been liquidated at huge losses to the taxpayers. Mr. Hoover's Farm Board revolving fund of $500,000,000 is an excellent example.

Lending-Spending Program

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. SPRINGER. Mr. Speaker, we have just observed the suggestion of the President by which he requests the appropriation of the huge sum of $3,860,000,000 for a so-called lending and spending program in this country, and it is respecting that subject that I desire to make a few observations, which, I believe, should be carefully weighed in the light of the request so made.

At this time, when this staggering and appalling sum of money is requested by the President, our national debt is almost, if not quite, $45,000,000,000. The limitation now fixed by law for our national debt is in the sum of $45,000,000,000. The enormous expenditure of money made by the national administration now in power for the various departments and agencies has exceeded by far the most liberal thought of any American citizen, and the deplorable situation which now confronts our people is that these vast expenditures of money have not accomplished the desired result. We have today approximately 13,000,000 people who are unemployed and unable to support themselves and their families, our industries and business are at a very low ebb, taxes and impositions of many and various kinds have mounted higher and higher, thereby preventing any worthwhile progress, and the confidence of our people has been completely shattered and de-

stroyed in our Government. This unhealthy condition is continuing.

When we analyze the sad plight of our farmers, our laboring men and women, and our citizens of every bracket in life, we are constrained to view this most recent plan, and its revelation by the President, in the light of all of his past performances—that this is just another policy of spending the people's money in an effort to regain "that mythical pot of gold planted at the end of the rainbow."

We are told that this proposal will be entirely self-liquidating and that it will not cost the people anything. That is a fine philosophy, indeed. We sincerely hope that assertion is literally true. However, I am certain all of our people would like to know to whom this money will be loaned, if loans are to be made, and what character of security will be exacted from the borrower. If the money is to be spent by the President, by and through his agencies, then the people are entitled to know for what particular purpose their money is to be so expended. I am certain the people would like to know whether any part of this vast sum of money which the President wants will be used to construct or aid in the construction of the $750,000,000 canal in Nicaragua; and they would be very glad to have the information as to whether or not any part of this money will be used to force through the Florida ship canal, which it is estimated will cost approximately $300,000,000, which project is sponsored by the President but which was defeated in the Senate, and which canal, if constructed, would be highly detrimental to the people of the great State of Florida.

This "lending and spending" program is couched in high-sounding phrase and is calculated to strike a responsive chord—but, when that reaction comes, we should ask ourselves whether the "pump priming" in the past has resulted in any permanent progress or permanent recovery in our Nation. And one very vital question suggests itself to every American, and that question is, Will the loans, or the money which is spent, be repaid? We understand, of course, in the event the money is not repaid to the Government, then the taxpayers of this country will have to foot the bill."

Let us go one step further. We do know the "greater the expenditure the greater the tax burden." If the tax is not imposed today, it will be imposed tomorrow. These vast sums of money which the President is spending must be repaid by the people, with interest. The field day will soon end and the sad struggle of the people will continue. Our depressed condition today is largely caused by reason of the wild orgy of Government spending during the past 6 years—which spending of money has been wasteful and in some respects wanton, and which has deferred recovery rather than to accelerate it; the oft-repeated axiom "that we can never spend our way into prosperity" is literally true and should be well and carefully considered in this instance.

Mr. Speaker, I desire to include in my remarks a very carefully written editorial which appeared in the Washington Daily News on Friday evening, June 23, 1939, which is very illuminating on this subject:

[From the Washington Daily News of June 23, 1939]

MORE BILLIONS

Another spending-lending program, in the usual grand manner, but this time involving two of the most illusory and delusory terms in all the history of finance—self-liquidation and contingent liability.

If you absolutely knew that a proposition would be self-liquidating, wouldn't everything be lovely?

But if a project doesn't happen to liquidate, then the liability ceases to be contingent and becomes actual, grim, and harsh, like when you go on another man's note and he doesn't pay.

Mr. Roosevelt would advance billions more in credit for toll roads, bridges, bypasses, waterworks, sewage plants, hospitals, foreign loans, land ownership for farm tenants, and what have you, on the theory that the projects would liquidate themselves.

If they didn't, the Government—that is, the United States Treasury, the taxpayer—would have to bail them out. But Mr. Roosevelt's proposal is to disguise that unpleasant fact behind the false whiskers of contingency. The so-called self-liquidating loans would not appear now as liabilities on the Treasury's books. There would be a form of Government spending which would seem to cost the Government nothing. But a delayed fuse, so to speak, would be burning. And when, the fuse having burned down to the end, some of the projects turned out to be not self-liquidating, the Government would have to come through and add the loss to the national deficit.

Some self-liquidating projects do pay their way. And there's an abundance of private capital right now looking for investment in other projects which can be demonstrated as sure self-liquidators.

But Mr. Roosevelt's bland assumption that there are billions of dollars worth of such projects lying around the country just waiting for Government-guaranteed loans, gives us almost the same sort of shudders that we get from the Elmer Thomas greenback-and-silver scheme.

For—self-liquidation being a field in which optimists flourish—we've known of too many propositions that were undertaken as self-liquidating and that turned out to be not so. And we recall that among projects recently advocated as self-liquidating are such ventures as the Florida ship canal and Passamaquoddy.

Says a correspondent in Pennsylvania: "The plan to lend money to municipalities for hospitals, sewers, and the like is hooey, because the cities are already broke trying to put up their share of costs and to equip and maintain projects already built or building."

That's something to think about. And, incidentally, the cities and local governments have had access for years to P. W. A., which makes them free gifts of 45 percent of the costs of their projects. What reason is there to believe that they have held back a great number of certain self-liquidators and will now undertake them with 100-percent borrowed money?

This new scheme should be viewed with a cold and fishy eye by the Congress, which, after all—and not the President—is responsible for the appropriation of money. It is no plan to be bum's rushed through in the heat of a Washington summer by lawmakers who "wanna go home."

And, Mr. Speaker, respecting this same subject, and which adds much to the question under discussion, I desire to include in my remarks an editorial entitled "Another Spending Plan," which appeared in the Washington Evening Star of date June 23, 1939, and which editorial I fully endorse:

[From the Washington Evening Star of June 23, 1939]

ANOTHER SPENDING PLAN

President Roosevelt's latest pump-priming scheme is another indication that the New Deal, despite its optimistic assurances, really has no formula for economic recovery.

Under the proposal advanced yesterday, various Federal agencies would be authorized to issue over a period of years Government-guaranteed bonds in the aggregate sum of $3,860,000,000. The agencies then would lend the proceeds from the sale of these bonds for what the President calls non-Federal, self-liquidating projects.

Viewed in its most favorable light, the plan is an improvement on its predecessors only in the sense that it contemplates no outright gifts of Federal money. There is, of course, little basis in fact for the President's belief that the self-liquidating projects will not cost the taxpayers anything. It may be safely assumed that some of the projects—the loans to foreign governments, for example—will not be fully repaid. Obviously it is impossible to determine in advance how many of the loans will prove to be nonrecoverable, but on the basis of past experience it is only reasonable to suppose that they will not be repaid in full.

There is a greater objection to the plan, however; namely, that it marks a continuation of a policy which, despite its appalling cost, has not only failed to stimulate recovery in the past but which, in the judgment of many competent observers, has definitely retarded industrial improvement. This Nation is going through a period of transition. Many of the old processes of expansion and consequent business stimulation are at an end. At such times the accumulation of debt is dangerous and depressing in its effects because of the knowledge that it can only be paid by the imposition of heavier taxes. But the President apparently chooses to ignore the realities of the situation, and the folly of that course is not minimized by calling these new loans a contingent debt, for if the Government guarantees the bonds, it assumes responsibility for their repayment just as though the money had been borrowed directly by the Treasury.

Congress, with little if any encouragement from the President, has made some progress toward eliminating the difficulties enveloping the country by correcting faulty tax policies and reforming the relief program. It is to be hoped that the legislators will not permit these gains, however slight, to be more than offset by another ill-advised pump-priming adventure.

Competition—Free Enterprise

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

EDITORIAL FROM THE CHICAGO DAILY NEWS OF JUNE 22, 1939

Mr. CHURCH. Mr. Speaker, as an interesting thought-provoking article, I ask unanimous consent to insert in the

RECORD an editorial entitled "Competition—Free Enterprise," which appeared in the Chicago Daily News of June 22, 1939.

[From the Chicago Daily News of June 22, 1939]

COMPETITION—FREE ENTERPRISE

There is no class in the country more emphatic in its denunciation of the trend toward a regimented, planned economy, directed by political officials, than the leaders of business and industry. There is no group more vocal in its lament over the progressive emasculation of the free enterprise system than the men who occupy responsible managerial posts in the American factories, mills, banks, and stores. These men lift strident voices in shrill protest as they see Government assuming greater and ever greater authority over private business, determining more and more what business can do and cannot do; supervising investment and the returns investment may earn; relations with, and compensation for, those employed, and other conditions of employment; specifying methods of accountancy; and every year impounding more and more earnings for the support of a recklessly extravagant administration of public affairs.

Of all these things, American businessmen are intensely aware, and most of them become almost lachrymose when they attempt to recite them.

But what are the leaders of American business and industry doing to save the free enterprise system?

No one can doubt that economic freedom provides the very foundation for all other freedoms—freedom of speech, freedom of press, freedom of religion. If someone else holds complete control over your own and your family's means of livelihood, how much are you going to indulge in speaking your mind? If a dominant political bureaucracy controls the sources of a publisher's income, how free will be the press, the pamphlets, the books that find circulation? How free will religion be if it must rely upon political largess for its support?

Similar certainty characterizes the bald statement that there can be no free enterprise system without competition.

It is competition, and competition alone, that gives feasibility and usefulness to a free enterprise system. Without competition to correct the abuses that flow from selfish rapacity, or from an equally dangerous reaching for power, the free enterprise system cannot operate at all. If competition is not given the chance to operate its corrective powers, the substitution of the socialistic system, either Fascist or Communist, is certain.

There are only two choices.

We can restore a free-enterprise system by reviving the competitive spirit, and getting back upon the same prosperous road that, in 150 years, made the United States the most prosperous country in the world, with the highest living standards; or—

We can surrender to those elements who believe the free-enterprise system is outworn, and no longer workable, and who are deliberately planning to change our economy to that of the socialized state, where everything and everybody is regimented by an all-powerful political dictatorships.

There is no middle ground. We cannot be half free enterprise and half socialistic.

What has been the plainly marked policy of American business, as a whole, ever since that fateful day in October 1929 when our flimsy house of paper profits, following upon a period of frenzied borrowing upon future prospects, collapsed about our head?

It has consisted of an unceasing effort by leaders of commerce, industry, labor, and agriculture to keep prices up.

This in the face of a fall in income from eighty billions in 1929 to a low of forty billions in 1932. The farmers were subsidized not to grow crops, when millions of people in the cities were without many of the necessities. The labor unions insisted upon wage and hour schedules that increased unit costs of manufactured products and thus inexorably reduced sales volume and increased unemployment. Industry sought shelter from a competitive price war behind the N. R. A., which it cried aloud for and helped to organize. Commerce demanded the bolstering aid of an R. F. C. to shield it from the penalties of overcapitalization. And all this was done in a futile effort to preserve the price level of an $80,000,000,000 income on a $40,000,000,000 national pay check.

No wonder we piled up a debt of $20,000,000,000. No wonder taxes mounted until out of every dollar of a depleted income everyone surrendered 38 cents to the tax collectors.

And we did this while stifling competition.

We said we wanted to preserve the free-enterprise system, but we deliberately side-stepped the sole corrective in that system that makes it work.

We would not face the realities.

We refused to pay the inexorable price of our excesses and our follies of the wild, mad days of the twenties.

We are either going to witness a steady slide into the hopeless, level morass of a socialized civilization and economy, or we are going to face the bitter truth to which history, with unerring finger, points. The only way this, or any other nation, has recovered from previous depressions was to let prices follow the immutable law of a sharply lessened demand to lower levels, until they reach the bottom, following as they will, and must, the lowered purchasing power of depression income. We have tried all sorts of artificial expedients to avoid this, but none of them has succeeded. None will succeed. None ever has.

We will get back to a healthy free-enterprise system, and a new prosperity, when we remove the restraints and impediments we have put in the way of real competition. Excessively high tariffs, which make a monopoly of our domestic markets for certain favored industries, are one of the artificial barriers that must be swept aside. The efforts of labor leaders to raise wages and shorten hours, in a time of depression, and thus increase unit costs, is another deterrent to a revival of widespread employment and the return of good times. Trying, by means of loans from the Government, to keep afloat businesses that ought to undergo capital reorganization, only helps to postpone ultimate recovery. Paying billions of dollars in subsidies to farmers for not growing crops, has left the farmer worse off than he was before the Government assumed control of agriculture, and has increased food costs to the consumer, including the worker out of a job.

And we have all been guilty. We are intellectually dishonest if we try to load it all on the shoulders of the new dealers. They did, in the main, what the majority of us wanted them to do—that is, try to avoid the penalty of our own folly. Now, when all of the New Deal expedients have failed, we raise a great cry that we want a return to the old, accustomed successful methods of a free economy.

If we do, then there is one vital move upon which the majority of us must agree, and that is, actually to restore competition.

New York World's Fair, 1939

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. CELLER. Mr. Speaker, under leave to extend my remarks, I include the following observations concerning New York World's Fair.

I have been to the world's fair three times, and am happy to state that it is one of the most stupendous undertakings that I have ever witnessed. Words fail in my endeavor to describe the magnitude and the glories of this fair. It has never been equalled anywhere at anytime. It would take days and days to exhaust its possibilities. Its foreign-government pavilions are crowded with exhibits from the far-flung regions of the globe; from Africa, from Asia, from the North Pole, from the South Pole, from South America, from Europe—from everywhere have come striking exhibits—the flora and fauna of many lands. Its commercial exhibits are most enlightening and instructive. No less amazing and enjoyable are the murals, displays, and shows of our own United States pavilions.

Last Saturday evening I had the rare pleasure of taking my family to the French pavilion, and while eating our evening meal we witnessed, in the Lagoon of Nations, a most extraordinarily striking fountain display with colored lights synchronized with music. The like of this harmony of color, water, and fireworks has never been seen. It was tried at the Chicago Fair on a smaller scale, but here at the world's fair in New York it is a stupendous success. Well nigh a quarter of a million people witness this fountain exhibition each Saturday and Sunday night, and many hundreds of thousands have already gone away from this spectacle awe-stricken.

I cannot take the time to detail the various shows and exhibitions, commercial and noncommercial, that may be witnessed free of charge. The only answer to all this is come and see the fair! Do not miss this treat of a lifetime! No matter where you are or what you are, a journey to this fair is well worth while!

I cannot let this occasion go by without paying tribute to the remarkable genius of my friend, Grover A. Whalen, who did so much to plan the fair, and whose ideas made this fair possible. A word of praise is due also to his administrative assistant, Mr. J. C. Holmes, and to their excellent staff and board of directors.

It gives me great pleasure at this time to call to the attention of the members of the House that $155,000,000 monu-

ment to American industry and effort, the New York World's Fair.

Inasmuch as the fair is the product of the combined efforts of Americans from almost every State in the Union, I am sure that you, as their duly elected representatives, will be interested in some of the primary facts concerning it.

There are many conflicting stories in circulation about the fair and it is therefore particularly appropriate that I should present these facts now.

In the first place, the fair is fully finished. Its 1,200 acres house a splendid and colorful city containing over a hundred exhibit buildings, the amusement area, stately pavilions of our neighbors, the great participating foreign nations, and structures erected by the Federal Government and many States of the Union.

Laid out with painstaking care, the fair site is traversed by broad, tree-shaded promenades, lined with comfortable benches, and studded with landscaped gardens, masterpieces of sculpture and scores of fountains. All that science could create and art devise has been thoughtfully utilized to create this stupendous world of tomorrow.

Although it has come to my attention that certain rumors to the effect that prices at the fair are not low enough, it gives me great pleasure to inform you that these rumors are not founded on fact. Prices at the New York World's Fair are most moderate, and it is interesting to note that the average visitor's expenditure, after paying his entrance fee to the grounds, is $1.17. The general admission charge of 75 cents entitles the visitor to enter 105 exhibit buildings and view 1,500 free exhibits, some of them costing millions of dollars to create. It gives him free access to the pavilions of the 60 participating nations and to those of the several States. It provides him with an endless and varied program of band concerts, spectacles, and entertainments, including the magnificient Lagoon of Nations fountain display, which has been pronounced the most marvelous fountain spectacle ever conceived by man.

Food at the fair is provided by 60 restaurants and over 300 refreshment booths. The culinary gamut runs from the traditional 10-cent frankfurter and 5-cent bottle of pop, through American regional dishes and foreign specialities. A full meal may be had for as little as 40 cents. Rumors about excessive food prices are completely without foundation.

The fair is reached from Manhattan by the Long Island Railroad for 10 cents, or by Rapid Transit lines for 5 and 10 cents. A splendid network of motor parkways lead to the fair, and make driving there quick and comfortable. Parking is provided for 52,000 cars at 50 cents for 12 hours.

In New York itself every effort has been made to contribute to the comfort and well-being of the visitor. Hotels have agreed to maintain the prices prevailing on January 1 of this year, and in addition a quarter of a million rooms at prices beginning at a dollar are available. Information on such rooms may be obtained from the Mayor's Official Housing Bureau, at 122 East Forty-second Street, New York. Restaurants and stores have made no increase in their prices and the city is adequately equipped to house and entertain the fair visitors comfortably and economically.

The fair and the city have received the approbation and praise of all visitors. A typical example is the following letter which appeared in the New York Sun on May 25, 1939, and other New York newspapers. It is signed by a group of Canadian visitors and reads as follows:

THEY LIKED THE FAIR—A CANADIAN TRIBUTE TO THE EXPOSITION IN ALL ITS DETAILS

To the EDITOR OF THE SUN.

SIR: We, the undersigned, a party of Canadian tourists, have just returned from a visit to your world's fair.

We were never so pleasantly surprised, particularly at the reasonable prices charged for food. Judging from what we had heard and read concerning the latter, we figured our budget would take a beating. To our amazement, we had no difficulty in dining comfortably, happily, and, from a pocketbook angle, reasonably.

We returned to our hotel wondering how many visitors and potential visitors to New York and the fair are being kept away or are hesitant in coming here due to the misstatements concerning the fair food prices. Hence, this letter, to let everyone, especially our Canadian friends, know the true picture.

Another thing—we had no difficulty in obtaining hotel room. We found the rates reasonable, too, and all New York eager to greet us. We're coming back—real soon, we hope.

I know a great many Members of this House have had the pleasure of visiting the fair, and I am happy to recommend it, without qualification, to every American man, woman, and child—as well as to visitors from abroad—as the most absorbing and valuable experience of our time.

I feel, moreover, that this great public undertaking merits the individual and collective support of every Member of Congress of the United States. It is a courageous and worthwhile enterprise which has given profitable employment to thousands and has, without any doubt, contributed substantially to the well-being of manufacturer, supplier, wage earner, and all those who have been touched by its many ramifications. The New York World's Fair has gathered together in friendly competition exhibits from more nations than have ever taken part in any international exposition of the past. In this there is a definite note of hope and faith in the future for at New York the participating countries are showing to millions of Americans not only their accomplishments but their peaceful aspirations for the future. It is a great compliment to the United States that practically every nation on earth should have accepted our invitation to take part in the New York World's Fair and to bring to it the best they have to offer in art, science, and economic and social progress.

I think that we should all stop and think of the potential good which will flow from this great exposition and realize that its beneficent influences may be felt for generations.

W. P. A.

EXTENSION OF REMARKS

OF

HON. A. F. MACIEJEWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

LETTER FROM THE PARK DISTRICT OF FOREST PARK, ILL.

Mr. MACIEJEWSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the park district of Forest Park, Ill.:

PARK DISTRICT OF FOREST PARK,
Forest Park, Ill., June 20, 1939.

Hon. ANTON F. MACIEJEWSKI,
House of Representatives, Washington, D. C.

DEAR SIR: We wish to express to you, in behalf of the people of Forest Park, our genuinely sincere gratitude for the assistance we received from the Works Progress Administration in the construction of our beautiful new park just recently completed.

Within its boundaries Forest Park has approximately 16,000 people, comprised chiefly of working folk, who, without outside financial assistance, would have been unable to afford this fine park with its many recreational facilities which has become the hub of activity not only for our own residents but for those of neighboring towns as well.

To vent our sentiments we wish to add that the worth-whileness of the Works Progress Administration is once again demonstrated by the magnificent work done here. This park will forever be a monument to that agency and a living tribute to the administration which made it possible.

And to give credit where credit belongs, we wish to add that we have always received every help and consideration from district, State, regional, and national offices, to which we are indebted immeasurably.

With profound thanks to all those officials who cooperated with us in making this wonderful achievement and improvement possible, we are,

Very sincerely yours,

PARK DISTRICT OF FOREST PARK,
By RAYMOND H. WARNECKE, *President.*

Royal S. Copeland

MEMORIAL ADDRESS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROYAL S. COPELAND, late a Senator from the State of New York

Mr. MICHENER. Mr. Speaker, few men in public life in his day and generation had the broad acquaintance and the personal following of the late Senator COPELAND. There was a reason for this. His friendliness and his courtesy were only equaled by his industry, his ability, his integrity, and his desire to be helpful to his fellow men.

Born in the countryside, he enjoyed the privileges of the average boy, reared in a Christian home and in a genuine American environment. His early ambition was to be a great physician, and in this he succeeded. It seemed that his undertakings were always crowned with success. When he died, he took a man's life with him. He was a great Senator for the State of New York. He was a great American citizen, but he always preferred to be classed as a physician. Undoubtedly, his professional training made him the more valuable in the halls of Congress.

A few miles from the city of Ann Arbor, Mich., is the village of Dexter, and it was here that Senator COPELAND first saw the light of day. In Dexter, the older citizens called him "Roy." The middle-aged citizens called him "Dr. COPELAND." The younger generation knew him best as "Senator COPELAND." In Ann Arbor he was a professor in the medical school of the great University of Michigan. He was mayor of the city of Ann Arbor in 1901. He was a public-spirited civil and religious leader in Michigan. When he sought broader fields of activity, Michigan lost one of its real citizens.

In New York he soon became a distinguished member of the community and it is not strange that he came to the United States Senate. It would be very difficult to convince the people of Dexter that Senator COPELAND had reached the top of his political ladder when the final summons came.

Unlike so many men, born in the countryside and in humble surroundings, Senator COPELAND never forgot the old home town. Here his family resided, and he always returned at least once each year to renew acquaintances, enjoy the village life, and, as he oftimes said, receive additional inspiration to carry on the work in hand. Professional success, business accomplishment, and political preferment did not change the man. In these circumstances, you will realize that while the great city of New York sorrowed at his passing, the village of Dexter and the people who knew him intimately grieved because of the loss of a personal friend.

Mr. Speaker, as the Representative of the Second Congressional District of Michigan in the Congress, permit me to pay my tribute of love and respect to the life, character, and memory of this good man.

The Retailer's Interest in National Fiscal Policy

EXTENSION OF REMARKS
OF
HON. LISTER HILL
OF ALABAMA
IN THE SENATE OF THE UNITED STATES

Tuesday, June 27 (legislative day of Thursday, June 22), 1939

STATEMENT BY BEARDSLEY RUML

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement under the title "The Retailer's Interest in National Fiscal Policy," by Mr. Beardsley Ruml, treasurer of R. H. Macy & Co., Inc.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The problem of unemployment is the crucial problem before the country today. We know that it is not a political problem. We know that it is not only an American problem. We know that in some countries where unemployment has been largely reduced or has disappeared, there has been an enormous national effort for armament, the most wasteful of all public-works programs. And we do not want to solve our unemployment problem with an armament program.

We know that a proper solution of the unemployment problem will mean vastly greater production. We know that this increase of production must be in consumers' goods, even if it is by way of capital goods in the first instance. We know that a very large proportion of this increased production will pass across the counters of retailers, counters that are already there. On this increased production, distribution costs will be lower and net margins better than they are today.

The arithmetic of the situation is fairly simple, but it is generally ignored. The National Resources Committee estimates that with our present productive capacity and at the present price level, we can turn out about $90,000,000,000 in production annually. It would take a year or two to tune up and open a few bottle necks, but it would not require any "white rabbits" in the shape of discoveries we do not now have.

At the present time national income is bumping along at an annual rate of about $65,000,000,000. Of this $65,000,000,000, between six and ten is being generated by the Federal deficit of $3,000,000,000 a year. Thus the national income, without benefit of Federal deficit, cannot be running at an annual rate greater than $60,000,000,000, and it may be as low as $55,000,000,000. And so there is about $30,000,000,000 a year of additional production that has to be made, distributed, and consumed if we are to have a reasonably full employment with a balanced Federal Budget.

This means simply that the average standard of life in this country could be 50 percent higher than it is today, with no great strain on our manpower or on our physical plant.

Study of these figures will convince you that the magnitude of the problem precludes its solution solely on the basis of private investment in capital goods. Take all the realistic possibilities of annual investment in housing, in utilities, in railroads, in retooling, and assume that all these things could be done simultaneously and every year, and then apply as large a turn-over factor to each dollar so invested as you prudently can. You will find that you have only halfway closed the gap between present realized production and potential production, and with this new investment in capital goods you have raised the ceiling on potential production still higher than it is today.

In observing these plain limitations on what private investments in capital goods can be expected to do, we do not in the slightest degree disparage their very great importance in any program of reemployment. Every appropriate encouragement should be given for such investment. But we must realize that in the end the solution of the unemployment problem must come within a much higher average standard of life—a standard of life that in large measure will be embodied in consumers' goods.

Just as we cannot expect to get an over-all solution to the unemployment problem through private investment in capital goods, neither can we expect a solution exclusively by the application of one or another national fiscal policy. For hundreds of years men have been fascinated by the dream of solving the production problem and the problem of poverty by some variety of monetary scheme. In spite of these efforts and these dreams, wealth still continues to be produced the hard way.

But, although we may deplore excessive and exclusive preoccupation with monetary measures, nevertheless, we cannot ignore the crucial position of national, fiscal, and monetary policy as one element in a recovery program.

Fundamentally, all possible Federal fiscal and monetary policies are variants of one of two opposite policies. These may be designated briefly as (1) the balanced Budget policy and (2) the compensatory fiscal policy.

Strong arguments can be made in behalf of each of these policies; important difficulties stand in the way of adopting either. Let us see what these policies are.

The essence of the balanced Budget policy is, of course, so to manage Federal fiscal operations that, over all, receipts and disbursements balance. The purpose of this policy is to remove or to neutralize the effect of national budgetary operations, as such, on the private economy. If expenditures balance income, the net effect on dollar purchasing power in the hands of the public is presumed to be zero. Under those circumstances, the private market place can function. It becomes possible for supply and demand to determine price as a result of free, open, private competition. It is argued that price so determined is the best method of assuring that desired goods and services are supplied, that initiative is stimulated and rewarded, that prices are fair, that quantities are right, that the correct balance is maintained between savings and consumption, and that all who want to work shall have employment at the then economic wage for the particular skill or service offered.

The essence of the compensatory fiscal policy is very different. It argues that in the absence of demand, the market place cannot function because the factors of production—capital, management,

labor, and agriculture—will not permit prices to fall to the point where full production would be maintained. Accordingly, for the reasonable maintenance of demand, and therefore of production, the intervention of the Federal Government is required from time to time to provide purchasing power in the hands of the public. Conversely, it is possible that, through the private banking system or otherwise, purchasing power might be created in excess of our capacity to produce. Under such circumstances, to avoid a privately induced inflation, the intervention of the Federal Government would be required to provide decrease of purchasing power.

Thus it is clear that in certain respects a compensatory fiscal policy is the exact antithesis of a balanced Budget policy. The balanced Budget policy requires that ideally the Federal Budget should be in balance every year; the compensatory policy requires that ideally the Federal Budget should be related to the activity of private business and therefore should show either a deficit or a surplus of some amount.

It is also clear that between these policies an absolute choice must be made if we are to have any fiscal policy at all. The policies are opposite, and do not permit of any compromise or intermediate position.

There are some important variants of these two policies. One variant of the balanced Budget policy asks that the Budget be balanced, not only on a strictly cash basis of intake and outgo, but that various statutory and other reserves be currently provided out of tax income. Although this is not a true balanced Budget policy, it is in no sense compensatory. It is consistently deflationary and is advantageous from the standpoint of real income to all who command fixed income of various types, such as rents, annuities, interest on bonds, and certain salaries and wages.

One variant of the compensatory policy asks for a Budget that will some day be balanced. It is important to notice that the postponed balance policy is really a compensatory policy since the reason for the postponement is recognition that Federal budgetary intervention is necessary to sustain purchasing power. If the advocates of postponed balance did not so believe they would demand an immediate balance. The National Economy League has shown in detail how a balanced Budget can be achieved year after next. There is no need for further postponement, except on the basis of compensatory policy.

The so-called pump-priming or lending-spending policy is a crude variant of the compensatory policy. It is crude because it applies to only one phase of the compensatory problem, namely, the phase when there is need for expansion. Also, it looks to only one side of the Budget, namely, expenditures. The pump-priming policy is too frequently advocated by interests who have some particular program or specific expenditure at heart and who use fiscal arguments improperly to justify disbursements without the pain of increasing taxes.

A third variant of the compensatory policy calls for a balance of ordinary receipts and ordinary expenditures, and obtaining compensatory effects through the character of taxation and expenditure and through items outside the Budget. Such a formula makes concessions to popular beliefs as to fiscal orthodoxy, but it has the disadvantage of obscuring the true issues involved, and of almost invariably leading to increased expenditure as the sole compensatory method.

The arguments in favor of a balanced Budget policy are of three general kinds—economic, political, and psychological. The economic argument states that any policy other than that of a balanced Budget will disturb the free competitive markets and will prevent supply and demand having their natural effect on prices of goods and services, and therefore on production, distribution, and consumption. The political argument states that any policy other than a balanced Budget policy puts too much power in the hands of the controlling political party and that no Congress can be depended upon to stand up against special pressures for expenditure and for tax reduction. The psychological argument states that confidence in public credit requires a balance of receipts and expenditures. Confidence is a matter of conformity to accepted beliefs, assumptions, and practices. The prevailing beliefs that are relevant to fiscal policy are: First, no individual, corporation, or State can live beyond its income indefinitely; second, debts contracted must be paid, and honor requires that no debt should be contracted unless there is intention and possibility of repayment; third, you can't get something for nothing; fourth, irredeemable paper currency in the end becomes worthless.

It is generally conceded that these beliefs are held by a majority of the population. Accordingly, even though they may be false, or only partly true, or irrelevant as applied to national fiscal policy, nevertheless fiscal policy must conform to them to maintain confidence in public credit, and through confidence in public credit confidence in the soundness and stability of the economic order generally.

There are also exceedingly strong arguments in favor of the adoption of a compensatory fiscal policy. The fundamental arguments for such a policy rest on two separate but related considerations.

First, we have in this country a private, competitive capitalist system. This system is based on the private and voluntary use of debt, credit, and savings by individuals and corporations. The operation of this system involves necessarily from time to time increases and decreases in aggregate purchasing power with no corresponding increase or decrease in potential production. The consequences are distorted price relationships, boom and depression, and persistent underemployment. Such instability is morally and politically destructive. Therefore, for these changes in aggregate purchasing power, arising from the very nature of private capitalism as we know it, the national state must compensate in the management of its fiscal and monetary operations.

Second, the effect of the application of science and technology to production is to increase potential production. The mere creation of this increase in potential production does not of itself insure either (a) that there will be corresponding increase of purchasing power, or (b) if there be such increase of purchasing power that it will be spent on consumption or invested in new plant. Unless and until the increase in potential production results in increased purchasing power and this increased purchasing power is spent on consumption or is invested in new plant, the result will be unemployment, and partially idle plant. Accordingly, to maintain reasonably full employment and full production, the Federal Government must be prepared to provide from time to time necessary additional purchasing power through the management of its fiscal and monetary operations.

In summary, a private, competitive capitalist system with progressive technological improvement, by virtue of its intrinsic nature, requires deliberate operations of a compensatory character affecting purchasing power. The necessary compensatory action is most readily taken with least interference with private enterprise through the management of the Federal Budget, and the adoption of related and consistent monetary policies.

A compensatory policy is not new to American experience. The powers of the Federal Reserve System with respect to open market operations, reserve requirements, and rediscount rates have been established with compensatory action in the monetary field in mind. The extension of this policy to the management of the Budget and of taxation would supplement existing compensatory devices. It is argued that this extension is now made necessary by the violence of recent swings in business activity.

The principle of the compensatory Budget requires an important extension of the common concept of the function of taxation.

The compensatory effect of the Budget is produced, not by the absolute level of income or expenditure, but by the magnitude and method of obtaining the net cash deficit or surplus. This deficit or surplus may be altered either by changes in disbursements or by changes in receipts.

It follows therefore that taxation, in providing revenues to the Government, concurrently gives one method of controlling the size of the deficit or surplus. That is to say, taxation provides a mechanism whereby purchasing and investing power in private hands can be reduced or increased in amounts and in a manner conforming to general public policy.

Similarly, it follows that the expenditures and disbursements of the Federal Government, in providing for the common services, concurrently gives another method of controlling the size of the deficit or surplus. That is to say, expenditures and disbursements provide a mechanism whereby purchasing and investing power in private hands can be increased or decreased in amounts and in a manner conforming to general public policy.

It is important to understand this point of view on taxation since it becomes at once clear that the question of a compensatory fiscal policy is quite separate from the question of how large Federal expenditures ought to be. The magnitude of Federal expenditures should be determined solely by consideration of what are the proper activities of the Federal Government. If we want a compensatory fiscal policy, this can be administered as well by reducing taxation as by increasing expenditure.

The choice of fiscal policy is also independent of questions of efficient expenditure. Under either a balanced Budget policy or a compensatory policy, expenditure should be honest, efficient, and directed toward worth-while objects and objectives.

Many businessmen favor a balanced Budget program, not so much because they want to get a free competitive market in which prices will be determined by supply and demand, but because they feel that a balanced Budget policy will mean lower taxes. Such hopes may turn out to be wholly illusory. A reduction of more than $3,000,000,000 in Federal expenditure would be necessary to warrant a beginning in the reduction of tax dollars received under a balanced Budget policy. Such a reduction of Federal disbursements would have to be achieved partly by stopping some expenditures and partly by turning some activities back to State and local budgets.

The effect therefore of reduction of Federal expenditures will be to reduce purchasing power and increase local taxes, which are primarily taxes on consumption and on real estate. The taxes required by the Federal Government to balance the Budget will be lower in dollars, but the rates will have to be higher since the taxes will apply to a smaller national income. The possibilities of real tax reduction are much better under a compensatory fiscal policy than they are under a balanced Budget policy.

It is my feeling that some day we will come to a compensatory fiscal policy. I think we will come to it because we shall want to have a national program that will be decisive with respect to the elimination of unemployment and the provision of reasonable economic security and stability. Such a program will almost certainly include a compensatory fiscal policy in some acceptable form.

As to the balanced Budget policy, I have grave doubts whether the free competitive market in the form required for a balanced Budget policy to work can in fact be brought about. I do not believe that equity capital, management, labor, or agriculture would make the sacrifices in price structure necessary to make it work. The political arguments favoring a balanced Budget are weighty, but they seem to me to judge democratic institutions at their worst and to ignore practical evidence of what democratic

Royal S. Copeland

MEMORIAL ADDRESS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. ROYAL S. COPELAND, late a Senator from the State of New York

Mr. MICHENER. Mr. Speaker, few men in public life in his day and generation had the broad acquaintance and the personal following of the late Senator COPELAND. There was a reason for this. His friendliness and his courtesy were only equaled by his industry, his ability, his integrity, and his desire to be helpful to his fellow men.

Born in the countryside, he enjoyed the privileges of the average boy, reared in a Christian home and in a genuine American environment. His early ambition was to be a great physician, and in this he succeeded. It seemed that his undertakings were always crowned with success. When he died, he took a man's life with him. He was a great Senator for the State of New York. He was a great American citizen, but he always preferred to be classed as a physician. Undoubtedly, his professional training made him the more valuable in the halls of Congress.

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OF
HON. LISTER HILL
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As to the balanced Budget policy, I have grave doubts whether the free competitive market in the form required for a balanced Budget policy to work can in fact be brought about. I do not believe that equity capital, management, labor, or agriculture would make the sacrifices in price structure necessary to make it work. The political arguments favoring a balanced Budget are weighty, but they seem to me to judge democratic institutions at their worst and to ignore practical evidence of what democratic

institutions have actually accomplished. In any case, the political necessity of acting decisively with respect to unemployment will some day transcend all other political considerations.

Regardless of whether we have a balanced budget policy or a compensatory policy, there can be no difference of opinion that either policy must be administered. It is important to realize that proper administration of fiscal and monetary policy in the United States today requires correlation of policy and harmonious action on the part of a number of independent agencies. The Federal Reserve is responsible for determining rediscount rates, reserve requirements, open-market operations, and certain banking regulations. The Treasury is responsible for Federal revenue and for the sale, repurchase, and retirement of Federal securities. The Bureau of the Budget is responsible for the preparation of a plan of Federal expenditure, and can have great influence on the character and timing of what is done. And in addition to these Federal agencies, the States and local governments must be associated in some way in the national fiscal and monetary picture.

The appointment by the President last November of a Fiscal and Monetary Advisory Board was a long step toward achieving correlation of policy and program among the several Federal agencies involved. No matter which policy is adopted, some such board is an indispensable instrument if we are to have effective administration and broad public understanding of the fiscal policies under which we are living and the reasons why they have been adopted.

Finally, to come back to the beginning, the main thing is to get full production and full employment. Insofar as fiscal and monetary policy can contribute to these ends, it should be so determined. The time is rapidly coming when a truly decisive program will be called for, and the nature of that program will be greatly affected by the choice of fiscal policy, balanced budget, or compensatory. As businessmen we must be alert to the implications for business of one policy or the other in the broader program of obtaining full employment and full production.

Supply of Intermediate Credit to Small Businesses

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, June 27 (legislative day of Thursday, June 22), 1939

ARTICLE BY DAVID LAWRENCE

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an article by David Lawrence, published in the Buffalo Evening News for June 19, 1939, entitled "Bankers Should Study Mead-Allen Bill."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Buffalo Evening News of June 19, 1939]

BANKERS SHOULD STUDY MEAD-ALLEN BILL

(By David Lawrence)

WASHINGTON, June 19.—Although the National Industrial Conference Board, supposedly a statistical and not a political institution, did not intend its latest news release as support for the Mead-Allen bill, which is designed to supply intermediate credit to small businesses, the text of the anouncement lends considerable encouragement to the proposed legislation.

The title of the release is "No Need for New Credit Agencies Shown by Survey," and then the results of a questionnaire are given, revealing that 1,601 out of 1,755 firms, or 95 percent, said they had no bank-credit problems. When the question directed to them is read, this is not surprising, for the query was, "Do you now find, or have you recently found, any difficulty in obtaining from your bank the credit accommodation required for legitimate business purposes?"

A fairer way of stating the question would have been: "Do you ever think of a commercial bank as a place to ask for legitimate mortgage credit or long-term capital credit?" And the answer would again have been about 95 percent "no" and about 5 percent "yes." For there are some businesses, of course, which lately have been led to believe that long-term loans are being made at the commercial banks, partly because the Government agencies have permitted such loans to be made and partly because Jesse H. Jones, head of the Reconstruction Finance Corporation, has been urging such loans for the last several years every time he has been making public speeches.

The best evidence of the attitude of businesses toward the limited operations of commercial banks comes from the National Industrial Conference Board's own news release, which discusses the disappointing experience of some 154 firms in seeking credit:

"Many of the concerns reporting refusal or restriction were in the construction industries, which were in a depressed condition throughout most of the 5-year period. It was also found that nearly half of the concerns reporting refusal or restriction did not require bank credit in its ordinary or short-term uses, but for longer periods and 'without reference to any given business transactions as sources of funds for repayment.'

"General working capital was sought in 101 cases, and 'many of these requests, if granted, would have involved semifixed capital loans repayable over a period of from 2 to 5 years, and in some instances over a longer period.'

"In 117 cases, or 73 percent of the total, unsecured paper was offered as collateral; real estate or chattel mortgage collateral was offered by only 11 concerns or 11 percent."

In the above is the crux of the whole intermediate credit problem. Surveys made by Government departments and the Federal Reserve Board show that money is needed to finance construction of plants and additions. Money is needed for periods ranging from 3 to 7 years or even in some cases 10 years. America's commercial banks have never given this form of capital credit and are not accustomed to it, and should not be asked to make long-term loans without having some bolstering factor like insurance set up through a Government agency to protect them in the experiment.

That is precisely what the Mead-Allen bill is designed to do, and although some of the features are objectionable as, for instance, a fixed interest rate or limiting the lending to banks instead of including financing companies, there is no doubt a satisfactory measure can be worked out which will aid the commercial banks to earn money on their idle deposits.

The argument that the R. F. C. and Federal Reserve Board already have the power but are not making intermediate credit loans disappears when the restrictive features imposed by law are examined. It is really to modify existing law that the new legislation is proposed.

Instead of fighting the Mead-Allen bill, the banks might well be here helping to frame an intermediate credit measure which would be of incalculable aid in bringing economic recovery to the country and jobs to the unemployed.

But, unhappily, the banking world is so apprehensive about possibility of Government agencies competing directly with them that they fail to see how important it is to have Government agencies empowered instead to stimulate the private banking business. Fear of hypothetical political manipulation is never a sound reason for refusal to cooperate in preventing such a contingency from arising. And if the bankers continue to fight such simple measures of help as the Mead-Allen bill, it will give the inner circle of New Dealers, who, by the way, want to go further than anything in the Mead-Allen bill by establishing capital banks with Government control, the very ammunition they want for 1940. What better answer to Republican criticism, reason the New Deal strategists, than to say recovery has been prevented, unemployment continues, the Budget is unbalanced, all because the private banking interests of the Nation refuse to release idle money even when the Government offers to insure as much as 90 percent of the possible loss. It will be a hard argument to overcome on the stump.

The Alien Bills

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 27 (legislative day of Thursday, June 22), 1939

RADIO ADDRESS BY HON. RCBERT R. REYNOLDS, OF NORTH CAROLINA, JUNE 18, 1939

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an address which I delivered on Sunday, June 18, 1939, from the auditorium of the Interior Department Building, Washington, D. C., on the subject the Alien Bills, at which time I participated in the American Forum of the Air over the coast-to-coast network of the Mutual Broadcasting Co.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The problem of immigration has always been a vital issue in America and is far more vital today than ever in our history. Immigration is a personal question affecting the life and activity of every citizen. Immigration is tremendously important to our Nation at this time when our whole economic system is being readjusted to meet modern conditions and modern needs.

The purpose of this forum is to discuss immigration. I appreciate the opportunity to participate in that side of the question favorable to a more rigid immigration policy. I shall attempt to deal with facts. It is time that the immigration problem be stripped of emotionalism and prejudice. Only the facts can lead

to an intelligent solution of any question. Now, what are the facts? Since 1820, 38,000,000 aliens have entered the United States legally as immigrants. We do not know how many millions have entered illegally. Most of these people who have come here have made glorious contributions to America. They deserve honor and credit.

However, the time has come when the tradition that the United States is an asylum for the oppressed of the world must be changed. Our house is full. We must now give first thought to our own citizens, both native-born and naturalized. We must find jobs and opportunities for those who have a rightful claim to the benefits and blessings of American citizenship.

Now, suppose we look back for a moment. When land was free and our country was not so well populated America welcomed strangers. Economic necessities created a demand for their services. Our arms were open to the sons and daughters of the world. They came here. They joined the westward trek. Each decade saw millions of foreign-born reaping the opportunities of a growing country. Then came the dawn of the twentieth century. Changes were necessary. Our free lands were gone. Profits from extensive agriculture declined. During the World War we found that surplus labor from farms could fill the places in industry formerly filled by immigrants. Organized labor became stronger and insisted on limits to immigration.

Meanwhile aggressive groups of European origin carried on subversive agitation during the World War. Many people feared the unity of the country was threatened. Then, too, the source of immigration had shifted from northwestern Europe to southeastern Europe. These facts, together with the vast increase in immigration and the thought that disorganization of whole nations might increase immigration, brought demands for the further restriction of immigration. This resulted in immigration being placed on a quota basis, and the number of immigrant aliens thereafter admitted from Europe annually was reduced from about 1,000,000 a year to approximately 300,000 (quota and nonquota). In addition, there are hundreds of thousands of aliens coming in as visitors, many of whom illegally lose themselves in our population.

In a discussion of the immigration problem, a study under the title of "Recent Social Trends" says:

"The discussion of immigration divides itself into several periods. The first period was from 1900 to the passage of the law of 1907. Selection but not restriction was advocated. This end was to be secured by literacy and physical tests, by better enforcement of existing laws, by increasing the head tax, and by examination in Europe. As for the immigrants already here, interest centered upon the necessity for their better distribution in order to prevent the congestion of foreigners in the slums of large cities. Purely descriptive studies of various racial groups were popular.

"The second period, from 1907 to the beginning of the war in 1914, marked a drift in sentiment toward restriction by means of the literacy test. The undesirability of certain unassimilable elements was beginning to be mentioned. Within the United States the protection of immigrants by private and governmental agencies was given important consideration.

"The third, or war period, extending from 1914 to 1918, included the first real restriction measure, the literacy test of 1917. At home all attention was focused upon the Americanization of aliens in order to present a unified front to the enemy.

"The fourth period, from 1918 to 1924, saw the final realization of a restriction policy in the quota law of 1921 and the even more drastic law of 1924."

In the fifth period, from 1924 to the present time, the quota law has developed many problems, one of the most important of which was solved by the passage of the National Origins Act. The deportation of criminals and undesirables has also developed a great problem. Deportation of undesirables, registration of aliens, and additional restrictions of immigration are now the three vital issues.

Now we come to the present. We have not yet been able to adjust our economic system to the demands of our people. The Federal Government is supporting between three and four million on work-relief projects. Billions of dollars are being spent in "pump priming" to give jobs to others. Many millions are unemployed. More millions have only part-time jobs.

Despite existing restrictions placed on the flow of aliens, our immigration laws are filled with loopholes.

Countless thousands are coming in illegally. We show maudlin sympathy for undesirable aliens who have flouted our laws and our institutions. We have no adequate check on aliens who come in on temporary permits. We permit alien groups to organize and undermine our institutions and complicate our own domestic problems. We are now confronted with a most serious situation to our country and our people.

In an effort to meet the conditions I have outlined, I have introduced a number of bills. It is needless to cover these measures in detail. Instead, I will mention only their broad objectives:

First. I favor any and all steps to keep America out of war.

Second. I advocate the registration of all aliens who have not declared their intention to become American citizens.

Third. I urge that all immigration be stopped until we solve our own pressing domestic problems.

Fourth. I seek the deportation of all criminal and undesirable aliens, those who by acts of their own have forfeited the right to live in this country.

Fifth, I am opposed to all foreign isms and un-American groups which enjoy the fruits of America and at the same time they seek to undermine our Government.

There are some who differ with me because I am opposed to allowing admission to the United States of 20,000 refugee children from Germany. I would oppose this measure just as strongly if the refugee children came from Sweden, Iceland, Finland, France, or England. My opposition is not due to lack of sympathy for these refugees. I wish that America could offer them refuge. I feel sympathy for them. Yet if allowed to come to the United States in a few years they will be in competition with 20,000 American children in a search for employment which we do not have to offer now to our own.

If we were on the way to giving jobs to the 12,000,000 now unemployed, with reason to expect that 10 years from now they would have jobs, I would be entirely sympathetic to helping youngsters from abroad. I would much prefer to see these children coming in and growing up in the American way than to continue the coddling of criminal aliens who by all reason and law should now be on the high seas headed east.

Obviously, within the brief time I share on this program, I cannot hope to cover adequately the whole immigration problem. I have tried to picture the conditions we have faced and face today. In addition, I have cited the things I believe necessary to meet these conditions.

I am glad to know that as you are listening to this program you will hear those who hold opposite views. You will also hear arguments in support of my position. This position will save America for Americans.

Trees Versus Drought and Dust

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 27 (legislative day of Thursday, June 22), 1939

ARTICLE BY HON. GEORGE W. NORRIS, OF NEBRASKA

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article appearing in the Sunday Star of Washington, D. C., on June 25, entitled "Trees Versus Drought and Dust," the article being written by the senior Senator from Nebraska [Mr. NORRIS].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TREES VERSUS DROUGHT AND DUST—WINDBREAKS OF FORESTRY SERVICE PROTECT NATION'S "BREAD BASKET"

(By Hon. GEORGE W. NORRIS, Senator from Nebraska)

In spite of the skepticism which greeted the first large-scale planting of tree windbreaks in the Great Plains, the trees-for-the-prairies idea already has thoroughly demonstrated its soundness and value.

For the past 5 years—that is, since March 1935—the Forest Service of the Department of Agriculture has cooperated with prairie farmers in planting protective strips of trees at right angles to prevailing winds on the wheat, corn, and cotton farms of the Dakotas, Nebraska, Oklahoma, and northern Texas. The work was initiated under Executive order of the President. Congress provided covering legislation in the Norris-Doxey Co-operative Farm Forestry Act of 1937. The work has been financed wholly from relief funds and labor has been certified from W. P. A. rolls. On the floor of the Senate I have called this a wonderful work, vitally important to the future of the Nation. I call it so again. Let me set down, briefly, the story.

The record shows that up to now the prairie States forestry project has cooperated with farmers in setting out 11,000 miles of field windbreaks on over 20,000 farms in "The Heart of America," in the "Bread Basket of the Nation." In these miles of windbreaks there have been planted nearly 127,000,000 trees, some of which in only four growing seasons already have attained the surprising height of 35 feet. As these trees now planted grow in height they will beneficially affect about 3,000,000 acres of adjacent farm land. The cost to the Federal Government so far for its share of the cooperative effort has been only about $8,250,000.

I know from personal experience among the farms and farmers of Nebraska what these trees mean for the preservation—in truth, the salvation of that country—and its continuance as the granary of America.

ONLY ONE-TENTH OF NEED

But what has been done is not a tenth of what remains to be done. There are in the prairie States around 180,000 more farms on which there is critical need for this sort of planting and, I believe, before long it must be carried on. On these 180,000 farms, the soil, the rainfall and climatic factors make it possible to grow trees with our present knowledge and experience. There are some 300,000 additional farms which would be improved through the

establishment of tree windbreaks, but where the problem of tree growing is much more difficult, if not impossible. We should, however, as sound Americans looking toward the long future of our country and our children, not only provide for a Federal program to cooperatively protect these 180,000 farms, but we should study the problem presented by these other areas to determine the feasibility of developing techniques by which trees may later be established on at least a part of those 300,000 additional farms.

The prairie States present a paradox. Their soil is some of the best this side of Egypt. But from earliest times the region has been scourged with winds and years of drought. In this soil there lies a paradise—but we must conquer the winds before we can profit from it. And the last 5 years have proved that field windbreaks are an important part of the answer. They checkmate the winds on adjacent lands. They help preserve the crops and the soil. And they make prairie farms better places on which to live.

The recent Dust Bowl drought, which we all remember, was a great catastrophe; it was, however, simply an intensification of what the winds do to the treeless plains, in some degree, year in, year out. Laden with soil scooped from dry, dusty land, they make the shingles creep and shiver on the roof, they scour paint from the fenders of automobiles until they shine like mirrors. They darken and obscure the sun at midday. They blow seeds out of the ground; they suck up moisture so that crops dry up and wither on the stalk; the kernels of wheat do not fill. They blow the soil like snow against fences, houses, or other obstacles; in extreme instances they bury them. They carry soil for miles, dropping it like rain on cities and other lands; there is evidence that in the drought years soil from the plains was blown far into the Atlantic. In the same way they sweep the snow from the fields, so that it cannot melt and restore moisture evenly to the lands—moisture which crops need and must have in order to grow.

The windbreaks check the force of the winds so that they cannot so easily scoop and swirl the soil into the clouds; so that they cannot whisk the snow from the fields into waste-land gullies or into road ditches. In this way they help preserve the moisture in the soil so that crops can grow. In other words, they insure for the crop a greater quantity of snow and moisture, and as every plains dweller knows, an ample blanket of snow, evenly distributed, always has meant a good crop. Likewise, the windbreaks prevent the hot west and southwest winds of summer from sucking up the moisture so rapidly from crops growing beside them. The Forest Service tells me that, in general, a mile of windbreak—that is, about 14 acres of trees—will protect crops upon about 20 times that area, or 280 acres.

DROUGHT PINES TO FARM

No single instance makes this more clear, I think, than the story of J. J. Lydick, who lives near Blair, in Nebraska. The story begins about 1910, in the days when it was generally believed that trees could not be grown in the prairie country, when deeply religious men said that God never intended trees should grow upon those plains. Mr. Lydick was not well, the doctors told him that if he wanted to live a normal span, he should go to pine tree country. But he had his farm, and he was in love with a beautiful girl, and he did not want to go. In his dilemma, he decided that since he could not go to the pines, he would bring the pines to his farm. He planted belts of trees across his quarter section of land. Today, many of those trees are well over 40 feet tall, about their feet are others, as in a small forest. And Mr. Lydick is a healthy man.

But the point of the story is this: In every one of the years of the great drought, the man of whom I speak raised a crop upon his farm. He raised a crop on both sides of his tree strips in a year that was one of the driest the West ever knew, when hardly a single green thing was produced elsewhere in that part of the State of Nebraska.

That is why the farmers of the plains States want field windbreaks on their farms. The Forest Service has long waiting lists of applicants for Government cooperation in planting trees. Today, on farms where tree strips were planted in 1935 and 1936, there are trees up to 35 feet tall, trees now protecting crops and soil and benefiting the social fabric of life on the Great Plains, the welfare of which is so important and so vital to the welfare of this Nation. You can ride casually through any part of the country where the tree planters have been—and where the new trees have had 2 or 3 years in which to grow—and farmers will show you what tree windbreaks are doing. These new tree strips are still young, but older belts planted years ago by farsighted farmers show what they will do when they have reached their full stature. Here from the edge of a field windbreak stretches a fine level field planted with rye. For 200 or 300 feet the rye is breast high and healthy, and beyond the sphere of influence of the windbreak it is stunted and dry and dying. On many farms you may see comparative conditions—two fields, same soil, same crop, same cultivation, same climate, same owner—one protected by trees and one unprotected. Within the area protected by the trees will be good crops; on the adjoining field will be parched and withered stalks. Nor is that all. For the first time, in many sections, fruit trees and strawberries are growing today under the protection of windbreaks, while game, song, and insectivorous birds are nesting and increasing. Watermelons can again be grown in some places where it had not been possible to produce them because of excessive soil blowing. And housewives and little children picnic—now—in these saving groves.

ONLY ONE SOURCE OF OPPOSITION

Very close to my heart and to my hopes for the country are the trees planted in the plains. I have watched them grow year by year. In all that time I have found only one source of opposition, other than that based on ignorance of the true situation, to continuance of this prairie tree planting program. That opposition comes, I understand, from some nurserymen who have trees to sell. I understand that opposition; I understand that we all have to live. But I think it is shortsighted opposition. In the first place, the present plan for providing windbreaks is cooperative and of minimum cost to the farmer. He provides the land and fence material and agrees to cultivate the trees. The Forest Service furnishes the trees, plants them and advises on how to get best results with them through the years. And I believe—indeed, I know—that very few farmers of the plains could afford, especially with the debt burden from the drought, to put in windbreaks on a regular commercial basis, paying for trees, the labor, and so on. In other words, there is only a limited regular commercial market for forest tree nursery products in the plains area. In the second place, let tree strips be started throughout that country and there will be a market for trees, from the private nurseries such as never existed before. The plains already are becoming tree conscious; they will be ever more grateful to, and desirous of, trees. And this feeling cannot but lead them to plant more and more ornamental trees and shrubs about their homes, to plant fruit trees and bushes in the lee of their windbreaks.

PERMANENT PROGRAM SEEN

We need, then, a permanent Federal tree-planting program as a bridge to a richer and better plains country. We need it as an insurance of our national grain food supply. I believe the nurserymen will see such a program as a bridge to a bigger market and better business than they have ever had.

One thing more. I am a resident of a prairie State, and it may be that in all this I have seemed to speak only as a plainsman. But aside from the food question, this is a national problem which already has burdened other communities from coast to coast. When the drought drove thousands of farmers from the Great Plains, where did they go? They went to other farm communities seeking jobs; they went to the cities; thousands of them went to California. Thousands of them migrated with their families to the Northwest States of Washington and Oregon. They added to the relief rolls everywhere. More rainfall on the plains last year and the year before, and the increased planting of field windbreaks, have brought better prospects to the prairie States farming communities. I understand some of the people who were driven out have begun migrating back. But let me ask you this: When they are back, and the next dry years fall upon the plains, are they to be driven forth again, these hard-working, sound people, to become homeless wanderers in our streets? A permanent Federal program of tree windbreak planting and other measures of sound land use will go far toward the stabilization of farming and home life in this vitally important agricultural region.

Address of the Postmaster General

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ADDRESS BY HON. JAMES A. FARLEY, JUNE 15, 1939

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. James A. Farley at the regional conference of Democratic Women of the Northeastern States, at New York City, N. Y., Thursday evening, June 15, 1939:

Ladies and gentlemen, the first essential for a good cause is an army of loyal soldiers. This is just as true in politics as it is on the battlefield, and for the past several years we Democrats have been very fortunate in this respect. Tonight it is my privilege to address one of the finest and most loyal corps in the Democratic army.

In paying this tribute to the women leaders of the party, I am not indulging in idle flattery. On the contrary, the tribute is well deserved. The women of America are now exercising a profound and wholesome influence on the course of public events and this influence may be traced in large measure to the fact that you are soundly organized and wisely led. For those old-fashioned individuals who may entertain lingering doubts about the effectiveness of women in politics, the record of recent elections provides a convincing answer.

This feminine influence has not been confined to the ballot box alone. The administration at Washington has proceeded on the theory that if the Government ignores the views and purposes of the homemakers, who now possess the franchise, it is ignoring perhaps the most vital factor in twentieth century public life. Our party was the first to recognize this new factor in politics and the first to do something about it in a sensible way. We have taken women into equal partnership in the party councils, given them responsible executive and administrative positions, and lis-

tened to their advice on questions of policy and legislation. The results have been more than worth while.

What is it that women are chiefly interested in? They are concerned first of all with the primary things that make life worth living. They want good schools for their children, decent housing for the whole family, nourishing food, and adequate medical care. They want the best safeguard against financial insecurity in this age of high-pressure industrialism that a just government can provide. These are the bare essentials.

You will note that the objectives sought by women voters are precisely the objectives of the Roosevelt administration. The fact that they coincide is something more than mere accident. A gradual change in the stream of political thinking has taken place since national suffrage for women became a reality about 20 years ago, and this new trend will not be reversed in our lifetime. The compelling need for the adoption of humane principles in government has bitten deeply into the hearts and minds of the American people. I venture to predict that the political battles of the future will not be waged on the issue of uprooting gains already made but rather on the best means of extending and preserving what this administration has accomplished.

The first purpose of this meeting tonight is to make certain that we continue to move forward along the lines laid down by the Commander in Chief. The price of progress is eternal watchfulness. A good cause is never won without a great struggle, and because the foe is moving to the attack with renewed vigor, then we must be ready to meet them with all the resources at our command. The Democratic Party has never yet turned tail when the enemy challenged, and it never will.

Those of you assembled here represent the most populous area in the United States. The Northeastern States which you represent will hold a place of strategic importance in the Presidential election of 1940. Frankly, we have our eyes set on this important sector in the political battle front and the electoral vote of these States may well depend upon the measure of your activities between now and the time when the ballots are counted. The size and enthusiasm of this meeting indicate that you are ready for the test.

A few short months ago those who had the temerity to suggest that next year would see the election of another Democratic President were branded as incurable optimists. Our worthy friends and foemen, the Republicans, were living in joyful anticipation of their coming triumph—a rather dangerous habit which brought them to grief about 3 years ago. The press with few exceptions reflected this note of Republican optimism. Mistaking the wish for the fact, they professed to see a growing wave of popular dissatisfaction against the administration in power in Washington.

Now they are not so sure. The curve of Republican optimism has taken a decided slump in recent weeks, and those who were loudest in their claims of victory are now finding their confidence giving way to doubts and misgivings. This change of attitude is not imaginary. It has been pointed out in the dispatches of experienced newspaper observers who are distressed at the weakness and blunderings of the minority party. It has been emphasized by the outspoken comments of Republican leaders who have the sense to recognize facts when they see them.

Former Secretary of State Henry L. Stimson was the first to warn his party colleagues that they were making a tragic error in seeking to convert the peace efforts of President Roosevelt into a trumped-up political issue. Former Gov. Alfred M. Landon, the party standard-bearer in 1936, gave them excellent advice to the same effect.

A Republican leader here in New York State, Mr. Kenneth F. Simpson, summed up in striking fashion the glaring weakness of the Republican Party in trying to wrap the blanket of prejudice around the splendid reforms and accomplishments of the Roosevelt administration. In a speech to a party gathering, he was quoted as saying:

"We will win only if we deserve to win. We will not deserve to win if we just sit around waiting for the tide to turn, hoping that the pendulum will swing in our direction. We must accept as sound and valid many of the major principles of social reform that recently have been established. Our fight is not with these principles. Their translation from theory to fact was long overdue.

"Such major principles of social reform as collective bargaining, social security, the regulation of securities and exchanges, unemployment insurance, and relief, are principles, among others, which we must preserve. My only regret is that they were not all enacted soberly and sanely by the Republican Party many years ago as they were by the Conservative Party in England."

The foregoing summary may have been unwelcome advice to those opponents of the administration who were content to sit down and wait for the tide, but it constitutes an extremely accurate picture of the current political scene. The fact is that the Republican Party, during the 10-year period of social change just ending, has done nothing but sit back and predict disaster without lifting a finger to speed the enactment of badly needed social reforms. Instead of constructive help, it has offered nothing but blind obstruction. Instead of adopting a positive program, it has relied on empty words and predictions of disaster that simply won't occur.

As election time draws closer the so-called spokesmen of the Republican Party are becoming dimly aware that the American people want something more than a cipher in positions of public trust. The electorate is tired of the same old scarecrows—tired of hearing that President Roosevelt wants war because he works for peace, tired of hearing that President Roosevelt is undermining American institutions because he believes in social justice for the masses.

After several years out of power the Grand Old Party is approaching another national election in the same state of futility which brought about its original defeat. It has failed to develop a single leader who has captured the imagination of the public, and it has nothing to offer in the way of a program. Those leaders who attempt to speak for the party are in hopeless disagreement. Only recently one eminent Republican suggested that the next gentleman to enter the White House should pledge himself in advance to serve one term only. There was a faint hint that he himself would willingly make the sacrifice if duly called. The idea got nowhere, but again it served to show that the jaunty Republican confidence of a short while back is fast disappearing.

There are two errors commonly made by those who specialize in the delicate business of forecasting political happenings. The first is that in 1940 the Republicans will be far less united than they think, and the second is that the Democrats will be far better united than they think. The gulf that exists between the die-hard Hooverites and those who favor a diluted New Deal as the only means of returning to power is far wider and deeper than many people suppose. If the Grand Old Party nominates a candidate who endorses the basic reforms of the Roosevelt administration, it will be a public confession of error, the meaning of which will not escape the electorate. And if the Hooverites nominate their men and pin the black flag of reaction to the party masthead, the issue will be joined by the Democratic Party in just the same manner that it was in 1936, and the outcome will be every bit as satisfactory.

You may gather from these remarks that I look to the future with confidence. That is true, and I want you also to be confident without for a moment diminishing your zeal or your efforts. False issues have a habit of disappearing as campaign time approaches and fake propaganda loses its effectiveness. The Roosevelt administration has carried the United States through a trying period of world history in splendid fashion, and upon this record the campaign will be waged.

We have more than a year in which to lay the groundwork and fashion the foundations for victory. Most of you here are veterans at the art of political campaigning. You know that it requires devotion to detail, long hours of steady toil, study, and patience, and, above all, good teamwork. You know that friction and misunderstandings cut down efficiency and bring about disunion. The demands are heavy and harsh on those who do their work well, but the joy of victory is ample compensation.

During the past 6 years the electorate has come to learn the fundamental difference between the two major political parties. Faced by a crisis of appalling magnitude, the leaders of the Democratic Party moved forward with courage and vision to bring order from economic chaos, to restore industry and agriculture, and above all, to revive the faith of the people in the validity of popular government. Issues were met and not dodged; old wrongs and abuses were outlawed, not ignored.

The Republican leaders chose the opposite course. They waited for something to turn up; they waited for the tide to turn. Their spokesmen in Congress preached undying love for economy while secretly flirting with the most costly pension scheme ever proposed in that body. Instead of formulating a platform and a program, their campaign managers have been sweeping the horizon with rose-colored glasses in a frantic search for a dark-horse candidate.

The American people are not easily misled. The Democratic Party has given the Nation the finest program of constructive reform in its history. We propose to wage the coming campaign on the record, and on this record we shall win the Presidential election of 1940.

Townsend Plan

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. WOODRUFF of Michigan. Mr. Speaker, heretofore I have discussed the unbearable burdens of taxation which would be thrust upon the shoulders of our people if anything even remotely resembling the Townsend plan were attempted. To undertake anything of the kind would bring to our people generally a degree of suffering and misery such as we have not as yet seen. Neither the Townsend plan nor any other plan which contemplates paying everybody, regardless of need, an amount which would keep the individual in luxury, can ever be made to operate successfully for the reason that our people, our poor people especially, simply cannot bear up under the measure of additional taxes that would be placed upon them by such a law.

The lecturers, the organizers, the men who make their living from such organizations preach the false doctrine that the transactions tax is a revolving tax, and that this tax, unlike all other taxes, will bring comfort and ease and happiness to all our people. They refuse to see the poverty and misery and unhappiness that would follow in the wake of the transaction tax.

The Townsend lecturers seem to have somehow convinced their followers that the so-called revolving tax is something new, something wonderful, something mysterious, something that produces money from some hitherto unknown source, without hurting anybody.

EVERY TAX A REVOLVING TAX

Let us just remember that every tax is a revolving tax. The operation of one tax is no different than the operation of all other taxes. First, the money from which the tax is paid must be earned by someone. The tax collector goes into operation, reaches his hand into the taxpayer's pocket and brings forth what even now amounts to more than 23 percent of every dollar of the workingman and the farmer. From the collector's hand the tax revolves into the various governmental treasuries from whence, in turn, it revolves on around the circle, paying the expense of government, which expense includes that of old-age pensions. Following this the cycle starts again. Money is earned and those who produce are again taxed, and the revolving is again repeated. This goes on and on, and in the case of the Townsend plan, money would constantly be taken from those who earn it—and who would spend it if they were permitted to do so—and given to those who do not earn it. The only difference between the proposed tax under the Townsend plan and the present taxes is that the former would be paid once a month instead of once a year, and would be in addition to the taxes we now pay, regardless of statements to the contrary.

INCREASED PURCHASING POWER A MYTH

Purchasing power cannot be increased by taking money from the one who earns it and giving it to another to spend. It is the same money; it has not increased in volume or value through this process of changing hands. As a matter of fact, the administrative expense entailed—and it would be a tremendous expense as one can realize—is taken from the taxes raised, and there would be a reduced purchasing power passed on to the beneficiaries of the plan. It is true that the purchasing power of those to whom the money is given is increased. On the other hand, this is more than offset by the reduction of the purchasing power of those from whom it has been taken.

We govern wisely only when we profit by the teachings of history. All human experience teaches us that the results of high taxes are the exact opposite from what the Townsend leaders have led their followers to believe. It teaches us that instead of increasing employment and production it works in the exact reverse. Business, instead of expanding, dries up; men lose jobs instead of gaining them.

OPPOSITION OF BIG BUSINESS

I hold no brief for big business; but if the statement of the Townsend leaders is true, and that big business is fighting the plan because of purely selfish reasons, how do they reconcile their claims that the plan itself would immediately create excellent business conditions, in view of the fact that everyone knows that big business makes big money only when business is going at top speed and our people are employed at good wages? If the Townsend plan could be made to work as its leaders claim it would work, the big-business men of the Nation would, of course, be among the most enthusiastic leaders of the movement.

TAXES NOW AND AFTER

The national gross income of 1938 was $63,993,000,000 according to the latest figures from official sources. In 1938 our people were taxed $14,811,000,000. This included township, county, city, State, and Federal taxes. This presents a very simple problem in arithmetic, and discloses that more than 23 percent of this national income went for taxes. The Townsend people have claimed, and do now, I believe, that the 2-percent transactions tax—gross-income tax or any other name they choose to call it—would produce between twenty-four and twenty-eight billions of dollars a year. Certainly it would have to produce the latter amount if all those past 60 years of age were to receive the $200 per month. Yet if we add only the minimum of these two figures to the billions we already pay, our taxes would amount to 60.5 percent of the national income. That means that 60½ percent of the income of the average man or woman would be taken for taxes alone, leaving to the worker, the farmer, and all those of small incomes only 39½ cents out of every dollar with which to provide food, clothing, shelter, and all other necessities and comforts for themselves and their families. Just how could our people stand up under that tax burden, every penny of which would be paid through an increased cost of the things we buy. Just what effect would all this have on the workers, the farmers, and those with small fixed incomes? It would destroy them, of course.

In order to see a little more clearly just what the Townsend plan would mean to every individual in every community in the entire United States, what impossible burdens of taxation would be thrust upon every individual, it is only necessary to check the proposed cost of the plan against the population of the country. Based on 8,000,000 pensioners and in order to pay the full $200 per month to each beneficiary, it would require raising by the transaction tax additional taxes each year $19,200,000,000. This is based upon a per capita tax of $147.69. Based upon 10,000,000 pensioners, and there are certainly more than that number of our citizens who could qualify under the proposed plan, it would require raising $24,000,000,000, or $184.62 per capita. Any interested person living in my congressional district can, by consulting the table below, learn for himself just how much money must be raised each year in his county in order to meet the tax imposed upon the people of that county.

Estimated additional annual per capita tax burden necessary to pay maximum pensions of $200 per month regardless of need to 8,000,000 and 10, 000,000 persons on basis of 130,000,000 population

Pensioners	Annual cost	Per capita cost
8,000,000	$19,200,000,000	$147.69
10,000,000	24,000,000,000	184.62

Estimated additional annual tax burden on taxpayers of the Tenth Congressional District of Michigan by counties (on basis of per capita cost and 1930 census)

County	1930 census	Pensioners	
		8,900,000	10,000,000
Alcona	4,989	$736,825.41	$921,069.18
Arenac	8,007	1,182,553.83	1,478,252.34
Bay	69,474	10,260,615.06	12,825,289.88
Clare	7,032	1,038,556.08	1,298,247.84
Crawford	3,097	457,395.93	571,768.14
Gladwin	7,424	1,096,450.56	1,370,618.88
Iosco	7,517	1,110,185.73	1,387,788.54
Isabella	21,126	3,120,098.94	3,900,282.12
Mecosta	15,738	2,324,345.22	2,905,549.56
Midland	19,150	2,828,263.50	3,535,473.00
Ogenaw	6,595	974,015.55	1,217,568.90
Osceola	12,806	1,891,318.14	2,364,243.72
Oscoda	1,728	255,208.32	319,023.36
Roscommon	2,055	303,502.95	379,394.10
Total	186,738	27,579,335.22	34,475,569.56

Estimated annual cost of paying $100 per month pensions regardless of need is one-half of the above estimates—$50 per month is one-fourth of above estimates.

NOTE.—1930 census is latest available showing population by counties. Any increase in population since then would necessarily increase the above estimates.

NO PERSON ESCAPES TAXES

Let no one delude himself into thinking he pays no tax. He pays taxes when he passes money across the counter of the stores in buying the things he desires. Taxes are included in the price of the things we buy. We cannot escape these taxes. We must either pay them or go without the necessities and comforts of life. The manufacturers, the great service organizations, merchants, and so forth, merely act as collection agents for the Government. It is the people who pay the tax and all of it, regardless of the sort of tax it is.

Mr. Speaker, permit me to call as witnesses some well-known gentlemen representing the workers and farmers of our Nation, men whose character, intelligence, and honesty and information will not be challenged by the most enthusiastic Townsend plan advocates.

THE OPINION OF THE AMERICAN FEDERATION OF LABOR

Mr. William Green, president of the American Federation of Labor, long a student of the incidence of taxation, representing millions of American workingmen, alarmed at what the Townsend plan would do to labor, on May 29, 1939, addressed a letter to the Ways and Means Committee, reiterating the position against the Townsend plan taken by the federation at the hearings on H. R. 2, stating:

We are convinced that to pretend to offer up to a maximum of $200 a month to all old persons, regardless of need, as is done by H. R. 6466, is both dishonest and undesirable. * * * It is undesirable because it taxes wages and gross incomes with practically no regard for ability to pay and because it offers tremendous incentive to integration of producing and marketing units at the expense of small independent business. The independent retailer, the consumer, and the wage earner will be the losers under this program. A gross income tax of a flat percent cannot be other than regressive in effect. It is a thoroughly bad form of taxation. * * * The wage earners spend now nearly every cent of their wages. No increase in national purchasing power can be achieved by taking money from them to give to another part of the population. * * * The American Federation of Labor believes in enlarged social security for the Nation but achieved by reasonable methods. It condemns H. R. 2 and even more, H. R. 6466, as wholly unreasonable devices and as unable to fulfill the implied extravagant promise of large pensions on the basis of which they make their appeal.

Surely William Green and the great organization of workers he represents do not represent Wall Street or the international bankers.

THE OPINION OF THE AMERICAN FARM BUREAU FEDERATION

The next witness I call is Edward A. O'Neal, president of the American Farm Bureau Federation, representing hundreds of thousands of farmers throughout the country, who, coming to the aid of agriculture, in a letter to the committee dated May 29, 1939, said:

It would be fiscal suicide for the Nation to undertake to pay old-age pensions on the scale provided in H. R. 6466. * * * It would work particular hardship upon agriculture.

Every time a commodity is sold, every time it is transported commercially, every time a wage or salary payment is made, every time an income payment is received a tax would be levied on the total gross amount of the sale, wage payment, or income payment, with no deduction for losses, expenses, or costs of any kind.

Certainly the American Farm Bureau Federation cannot be charged with being influenced by anything other than a desire to do the thing that is best for all the people.

THE OPINION OF THE NATIONAL GRANGE

I now call Fred Brenckman, the able Washington representative of the National Grange, of which Mr. L. J. Taber, of Ohio is national master, who, speaking for that organization, in a letter to the Ways and Means Committee also dated May 29, protesting against H. R. 6466 and other Townsend bills, said, in part:

That the Townsend plan would wreck the Government, if placed in operation, cannot be denied by anyone who will think the matter through and who is willing to look facts in the face. Among other things, it violates that sound principle of legislation which should always be kept in mind, namely, the greatest good for the greatest number. Placing our population at 130,000,000, it would tax 120,000,000 people to the point of extinction to give a joy ride to the other 10,000,000 people over 60 years of age.

Can anyone doubt that the National Grange would submit a statement such as this if the proposed plan would be beneficial to our people?

THE OPINION OF DR. JOHN LEE COULTER, ECONOMIST, STATISTICIAN

I now call as a witness Dr. John Lee Coulter, without a doubt one of the best-informed men in the country on matters such as we are now discussing. Dr. Coulter appeared before the committee and discussed these matters at length and subjected himself to the cross-examination of the committee members. I offer the following statement of his qualifications and experience in order that we may know the character of the man he is and the knowledge he brings to bear on this subject:

Born: 1881.

Education: A. B., University of North Dakota, 1904; A. M., University of North Dakota, 1905; Ph. D., University of Wisconsin, 1908; LL. D., University of North Dakota, 1922.

Experience: Instructor, Iowa State College, 1907; instructor, University of Wisconsin, 1907–08; instructor, University of Minnesota, 1908–09; assistant professor, economics, University of Minnesota, 1909–10; special agent, Minnesota Board of Health, 1909–10; expert special agent, United States Census Bureau, 1910–12, in charge of Division of Agriculture, 1912–14; professor, rural economics, Knapp School of Country Life, Nashville, Tenn., 1914–15; dean, West Virginia College of Agriculture, and director of experimental station, 1915–21; president, North Dakota Agricultural and Mechanical College, 1921–29; chief economist and chairman of advisory board, United States Tariff Commission, 1929; member of United States Tariff Commission, 1930–34.

Member: American Statistical Association, American Economic Association, American Political Science Association, American Association Labor Legislation, American Association of Agricultural Colleges and Experiment Stations, Farm Economics Association, National Economic League.

Author: Economic History of Red River Valley of the North, 1910; Cooperation Among Farmers, 1911; Organization Among the Farmers of the United States, 1909; The Wheat Prices, 1923.

OF ESPECIAL INTEREST TO FARMERS

I shall quote only that part of Dr. Coulter's testimony that, while dealing with questions of interest to the people generally, will be of especial interest to farmers, and which will cast additional light on the subject under discussion:

Dr. COULTER. I have followed fairly closely the testimony given by previous witnesses before the committee, and it seemed to me perhaps I could serve the most useful purpose by not rambling over the same field unduly, but, rather, in the beginning at least, concentrate on two or three phases of the subject which it seems to me have not been adequately covered. Then if questions should develop some of the other phases, I would be glad to be of any service possible.

I have particularly before me H. R. 2, which deals especially with the so-called transactions tax, and I should like first at least to develop one or two phases in connection therewith. The preceding witness before you was asked a question concerning the possible repercussions of such a tax program on the people engaged in agriculture versus those not so engaged; and that is one subject which I have spent much time studying. I might say at this point that I did spend some 15 years or more working in agricultural fields, especially supplementary to my farm operations; that is to say, as president of agricultural colleges and various other positions which brought me constantly in contact with agriculture and agricultural situations. And my special interests continue to be related to the relative prosperity of agriculture and the rest of the general society.

My feeling is that the methods proposed in H. R. 2 to raise revenue necessary to put such a program into effect would be a tremendous burden upon agriculture, far out of proportion to the burden on the rest of society; and that the benefits coming to agriculture, if any, would be disproportionately small.

I would like to develop that point just a little. Unless agriculture is able to secure for the products of the soil prices which are reasonably in harmony with other prices, farmers in turn are unable to purchase from the market, and their position is disadvantageous.

The reason for that, fundamentally, is that farmers sell their labor in the form of prices received for goods rather than in the form of wages or salaries. The great majority of other groups receive their compensation in the form of wages or salaries.

And the wages or salaries do not fluctuate daily or seasonally in the same way that prices for commodities do.

This transactions tax begins at the very start to bear down on the prices of commodities. The farmers of the country produce, let us say, $10,000,000,000 worth on the farm. Those commodities, when they move to the city and through the processing establishments, and when they reach the consumer, represent a so-called value of farm products that has doubled or trebled or quadrupled.

Now, the first effect of the transactions taxes, such as those provided for here, would seem to be to add to the cost at each transaction. I realize that there are some who would say that this tax will be absorbed at each point where it is imposed; that it is made very small, 2 percent, with the thought that it will be more or less invisible and that it will be absorbed at that point. Apparently this could not be true.

We know that there are 10,000,000 people in the country over 60 years of age. We know that even if you approach $200 a month, or $2,400 a year, that you would have to raise in revenue during a year something like $25,000,000,000. Twenty-five billion dollars is about one-third of the average national income during the last few years. During the last few years the national income has fallen substantially under, we will say, $75,000,000,000. To raise $25,000,000,000 by a series of relatively small percentage transaction taxes, amounting, before all goods and services come from the producer to the consumer, to $25,000,000,000, or one-third of the national income produced, would seem to mean that the accumulation of these little 2 percents must amount, before it finally gets to the ultimate consumer, to about one-third of the national income, or 33⅓ percent.

To absorb that merely because it comes in small amounts does not seem likely to take place. In fact, no student of this subject that I know of would acknowledge that any such thing were possible.

* * * * * * *

After all, each one added to the other does pile up, and a series of transactions taxes which finally amounted, if it were actually accomplished, to any such figure, would certainly add to the cost at each point.

Not only would it add the 2 percent at each point where imposed, but it would become part of the cost at that point and then the new 2 percent would be imposed on that in turn, so that it would be cumulative and pyramided.

I do not think it necessary to dwell on that length, but I think I speak advisedly when I say that I know of no disinterested student—that is, one interested in an objective analysis, and not one employed to argue a case and prove something—I know of no disinterested student who would say otherwise than that these become cumulatively added together, and pyramided, in that they would be each imposed on the other and be equivalent to the compounding effect.

This would apparently gradually increase costs and in turn prices of commodities. But it would not add to the value or the price of farm products. The prices which the farmer would receive would not be directly affected and certainly not improved in level, but indirectly would be forced constantly lower and lower, as I shall develop in a moment.

Whereas on the other side, the commodities which farmers must buy would cumulatively be priced higher and higher. So that the disadvantage to the agricultural population would become cumulatively greater and greater.

In other words, the so-called disparity between purchasing power and selling position is illustrated in that way.

I said a moment ago that undoubtedly, in my judgment, the prices for farm products would become lower and lower rather than gain at any point. The reason for that is this: As rapidly as prices for the processed commodities advanced—let us take a concrete illustration. We will say that the cotton and the gin and the compressor and the spinner and the weaver and the designer, and the dyer and the finisher and the clothing maker, the wholesaler, the jobber, and the retailer—as rapidly as the prices became higher and higher, the American manufacturer and distributor would find himself exposed to new-found competitions, two or three in number. As his price advanced, imports from Canada or England or other countries would quickly pass over the tariff wall and be offered at lower prices. Thus the American manufacturer would constantly be forced to offer the farmer a lower and a lower and a lower price for the beginning raw material.

The same we will say with hogs. The farmer, the buyer, the packer, the wholesaler, the retailer, and so on—as the price of meat in any moving toward market, adding in price and cost because of transportation, refrigeration, processing, etc., by the time it reached, we will say, the ultimate consumer in New York, it would meet in competition, meat which had been packed without a transaction tax in Poland or in the Argentine or some other place. So the imported product, passing over the present tariff structure, would take the market, leaving our farmers' products on the shelf and forcing our processors constantly to offer the farmer a lower and a lower price for the raw material. And, indeed, since the imported material would displace our own, the farmer, finding his own material accumulating in surplus, would be compelled to take lower and lower prices.

* * * * * * *

Mr. TREADWAY. If these two bills are not to be enacted, do you see any way of accomplishing the purpose that is aimed at, aiding the aged and raising the velocity of the flow of money? Is there any way of accomplishing the purpose other than described in these bills?

Dr. COULTER. Well, I think the first suggestion indicates the idea that there are some five or ten million or more relatively young people unemployed, and the reason they are unemployed is because their elders are holding the jobs, and they are a burden to society.

I cling very strongly to the belief that all or substantially all of those who are now unemployed can and presently surely will be gainfully employed in the normal processes of industrial and agricultural life in America, and when they are employed, as I feel confident they will be, by the normal course of events, aided by wise legislation, perhaps hindered by unwise, nonetheless that there is need for them, that there is in this country an absolute need for them and particularly when we get back to moving in orderly fashion. Therefore it is unnecessary to think in terms of dispossessing any of those who have reached, we will say, 60, merely to make way for somebody younger.

I can't conceive, for instance, under section 2 (d), which defines gainful pursuit, of legislating all of the farm men and women who are 60 years of age out of the garden, out of the pigpen, out of the chicken yard. I can't conceive of that at all; and yet, if a farmer or his wife, 60 years of age, gathers the eggs, he must by affidavit acknowledge that he is ineligible for any benefit under this plan, because then he is employed for himself, or for some other person, whether that other person is one of his sons, or daughter-in-law, or whoever it may be.

I think the first need is for such employment, and when there is such employment in this country ordinary sources of revenue, etc., will adequately provide for a very liberal, or at least a reasonably liberal, provision for those up in years who need it.

Mr. TREADWAY. So you don't feel there is an emergency such as the advocates of these two measures picture?

Dr. COULTER. Well, I think the emergency rather lies in a thoughtful review of the forces which brought about the recent and prolonged depression, and, as rapidly as possible, the solving of those problems and getting our own people back to work, and industry and agriculture moving on all cylinders instead of one, three, or five.

Dr. Coulter is a gentleman who has given his entire life to the improvement of conditions for the American farmer. My purpose in quoting him at length is to disclose to the people generally, and to the farmers more particularly, how devastating it would be to them to attempt to add to the tax burdens of the great mass of people to the extent that is contemplated by the legislation under discussion. If the Ways and Means Committee had searched the world over, no man better informed or with a deeper interest in the welfare of the people generally could have been found. His entire statement, had I the space to quote it, would confirm the testimony of every qualified economist who appeared before the committee.

In addition to those quoted above, many other representatives of workers appeared in opposition to the bill.

There was not a single economist of standing nor an individual representing either farmers or laboring men appearing at the hearing who believed in it or who believed it could work even if tried.

Mr. Speaker, Mr. Arthur L. Johnson, who drafted H. R. 4199, the bill representing the Townsend plan in the last Congress, and who came to Washington with and represented the Townsend organizations here for a long time and who probably knows as much about this plan as anyone, in addition to knowing something about taxes, has analyzed the latest plan. The analysis can be found in the General Welfare News-Advocate dated May 29, 1939. I commend it to every Member of the House. You will find it not only interesting but accurate.

BILL REPORTED

Believing that an open discussion on the floor of the House would contribute to the disillusionment of the members of the Townsend organizations, and believing this question could not be disposed of until this had been done and a vote taken in the House, I, as a member of the Ways and Means Committee, voted to report H. R. 6466 to the House. It was not H. R. 2. We did exactly what Dr. Townsend asked us to do. We reported to the House the bill he wanted reported. The Rules Committee also did as Dr. Townsend requested and reported a closed rule under which no amendments could be offered to the plan. The result was a vote of 97 for and 302 against the bill. I personally know, from my conversations with many of the 97 Members who voted for the plan, that they do not believe in it and voted for it only because they had promised to do so before they knew all the facts.

Mr. Speaker, I believe that the old-age pension law as now administered, the welfare and relief as administered, present a situation which must in the immediate future receive the serious and intelligent consideration of Congress and the country. For the life of me, I cannot understand how many of those now receiving relief or old-age pensions can exist on their utterly inadequate incomes. The only satisfactory solution of the problem is, of course, a return to sensible, sound government, based upon and with a real regard for economic law. It is only through this process that business can revive, that men can go back to work at good wages, that all our people, including the old folks, can again enjoy the blessings which come only from general prosperity.

MISHANDLING OF NATION'S AFFAIRS

Those now mishandling the affairs of this country, seemingly, are deliberately attempting to socialize the entire economic structure. For instance, the Government, while demanding that business function normally, continues to follow a policy which places the Government into competition with private business in an ever-broadening extent, making it increasingly difficult for private business to function normally.

Neither this nor any other country can remain for any length of time half Socialist and half capitalist. We have had a most convincing demonstration of one fact, and that is that tax and borrow, waste and squander as we will, the Government simply cannot supply jobs at good wages for those who need jobs. This can be done only by private capi-

tal. I elect to go along with that type of government which has given to the world a country in which the poor, the very poor, live on a higher standard of living than do the middle class Europeans or Asiatics—the type of government which made of this the greatest land of opportunity for the youngsters of each generation this world has ever known.

ECONOMIC LAW MUST BE OBEYED

There is no question in my mind that the present misery in the country, the plight of our old people particularly, the failure of the country to keep pace in recovery with other nations, is due to the constant violation of economic law by the administration. The penalty for such violation is always swift and sure.

No other nation has gone as far as we in experimenting with such methods as the Roosevelt New Deal recovery measures. It is significant that only France and Belgium followed our lead. It is significant also that of all those I shall now mention, these two nations are exceeded in failure to effect economic recovery only by the United States.

The complete failure of the Roosevelt policies is indicated by the fact that, basing industrial production at 100 in 1929, 16 countries were ahead of the United States in percentage of recovery as of 1938. The percentages of the various countries are as follows: Latvia, 174.5; Japan, 170.8; Finland, 152.5; Sweden, 146.0; Estonia, 145.5; Chile, 136.8; Denmark, 135.0; Norway, 127.2; Germany, 126.2; Poland, 117.3; United Kingdom, 115.7; Italy, 98.6; Canada, 90.0; Netherlands, 89.8; France, 76.9; Belgium, 75.1; and United States, 72.3.

Is it not about time we took stock of our situation with a view of getting back on a sound economic basis? Is it not about time we realized that we cannot bring happiness to our people through economic nostrums; that we cannot borrow and borrow, tax and tax our people, and squander and waste the proceeds, and bring prosperity to the country?

Is it not about time we realized that if we are to again become the great land of opportunity for the present and future generations of youngsters that we begin now to follow the principles of good sound sense? I think it is. So why not apply that test to the Townsend plan at this time?

LET US APPLY THE TEST OF COMMON SENSE

Mr. Speaker, concerning the so-called Townsend bill which was voted down in the House of Representatives by 302 to 97, I want to say that after several years of careful study and observation of the Townsend movement and its rise in this country, I have become convinced that it should no longer be necessary to argue the merits and demerits of the Townsend plan of multiple taxation and the attempted forced circulation of money to provide luxurious security for the elderly citizens, and through this medium bring about recovery from the depression which has beset us for the last 10 years.

There are not two sides to this question so far as every recognized economist is concerned. The verdict of the best economists in the world, including those in the United States, is that the plan simply is impossible and even if passed by the Congress and signed by the President would not and could not work the way it has been represented to the elderly people.

Millions of words of argument and of indisputable proof that the Congress cannot repeal fixed economic law have been written and spoken since the Townsend movement got under way.

THREE HEARINGS BEFORE WAYS AND MEANS COMMITTEE

The Townsend representatives have had every opportunity they could ask for, in three different hearings before the Ways and Means Committee of the House of Representatives, to prove the merits of their plan and they have in each case failed to do so. The fact that the Townsend leaders themselves recognized that they had failed to make their case is to be found in the further fact that each time they came back with a changed bill after having insisted that their original bill was absolutely perfect. Finally in the last bill that was presented, and which finally reached the floor of the House, the two principal leaders themselves could not agree as to what amount of money it would produce for the elderly people, or as to how it would work in operation.

I think it is futile and useless to attempt at this time to review all the overwhelming mass of evidence and testimony from economists, businessmen, educators, farm leaders, labor leaders, and others all to the effect that the whole theory of the Townsend plan of revolving old-age pensions forced by multiple and pyramided taxation into circulation every month is economically and socially impossible of accomplishment, because it simply would not work.

Mr. Speaker, instead of again quoting all of this mass of evidence, I am going to put this proposition to you on a basis of common sense.

As many of the Members know, for the past 15 years I have steadily worked for the highest level of old-age pensions that it is possible for the taxpayers of this country to provide, consistent with sound economic and social government. I have never changed my attitude in that regard. I was working for old-age pensions years before Dr. Townsend was ever heard of and years before this became a political issue at all.

In my own case when I retire from Congress it will be without having accumulated a competence. I am now of an age where I could qualify for a pension under the plan. Is it not clear that a purely selfish interest on my part, that sheer regard for my wife and myself, would dictate that I should support the Townsend plan if it had the slightest chance to operate as it is claimed it would? I have five near relatives who would be eligible for a pension today. I have hundreds of friends who are near and dear to me; I have thousands of other friends whom I would be happy indeed to help if I could, all of whom would be eligible for this pension if it were possible to give it to them.

I am not alone in this position. Every Member of Congress is similarly prompted. Can you not see, as I say, that every dictate, every impulse of enlightened self-support and self-interest would impel me to vote for any old-age pension bill which would lift all of my own relatives and all of my friends as well as every other worthy person in this land of ours from economic worry to a state of comfort, if not luxury, in their declining years?

Let us face this fact together. Does not your own sense of logic convince you that every individual, every economist, every businessman, every educator, every farm leader, every labor leader, every Member of Congress, would be impelled by the same motives which impel me, namely, if it were possible to enact the Townsend plan into law and it would take all of our aged relatives and friends from a state of anxiety and privation and place them in a state of comfort and security, that we would put forth every effort to make it the law at the earliest possible day, even though it might work hardship to some degree on the taxpayers?

Now, keeping these facts in mind, is it not reasonable from any standpoint that if by thus providing for ourselves, our aged relatives, our aged friends, the worthy aged of this and all future generations, we could at the same time rescue this country from the depression it is in, provide reemployment for idle citizens, do away with the necessity for relief, that certainly nobody but a crazy man would refuse to vote for such a plan?

Now, in the light of all of these facts, why is it that the Congress overwhelmingly rejected the plan? Why is it that every economist worthy of the name has insisted again and again that the plan cannot work? Why is it that farm organizations, labor organizations, business associations, all having studied the plan and all of the arguments for it, have consistently declared that it is an impossible scheme which could not work under any circumstances? The reason for that is that it is not possible, because there is no magic, there is no amount of wishful thinking, there is no amount of deep, earnest, sincere desire on the part of all of us to provide that sort of support for our elderly citizens that can make the Townsend plan work.

I realize fully that it will have no effect at this late day to again argue the economic reasons why the plan will not work. I realize further that a very great majority of those who are eager for the adoption of the Townsend plan have never gone into its complicated economic phases and cannot be expected to do so.

ELDERLY PEOPLE HAVE COMMON SENSE

But I believe that the elderly people of this country are possessed of common sense. I do believe their power of reasoning is clear. I refuse to believe, however, that they are convinced that there is a general conspiracy on the part of every individual in the United States, except the elderly people, to prevent them from having security and comfort in their old age. Such an idea is, of course, absurd. A moment's thought will show you that everybody in the ranks of the younger citizens in this and all coming generations will some day become old. They would some day become eligible for such a pension. They would some day be in a position to reap the advantages of any pension plan that could be passed and be made to work.

Therefore it must be obvious to any man or woman who will sit down and read this statement with an open mind that the reason the Congress would not pass the Townsend pyramided tax pension plan is because it is one of the impossibles. It simply cannot work.

I, for one, whatever the political cost may or may not be, do not intend to be a party to persuading the elderly citizens of this country to continue to spend their money and to hope for something that I am utterly convinced it is impossible to attain.

MUST HAVE COMFORT

I do believe that there is a level of old-age assistance high enough to keep our elderly citizens in at least a reasonable degree of comfort that can be established on a sound basis, that will give our old folks money instead of promises, and that can be maintained permanently in the future by the taxpayers. What that level is I do not at this time attempt to say. Whatever the highest level, I do say that I will continue to work energetically for it, either with or without the support of the Townsend people, because I think it is right and just and desirable, and because, while I am thinking of the present elderly people, I am thinking also of all the people who will in the course of years become old.

I trust you will ponder these words carefully and consider them in an unprejudiced state of mind. If you do, I am firmly convinced you will agree with me in the absolute settled conviction, based upon overwhelming proof, that the Townsend plan will not work; that it will not give the aged citizens more than a small fraction of what they have been promised; and that if the Congress passed such a plan tomorrow the taxpayers of the Nation simply could not sustain and support it.

I want you to believe I am earnest and honest and frank in my attitude on this question and that I shall continue to attempt in the future, as I have in the past, to secure for the elderly citizens of this country every dollar of assistance that can be given under a plan that is sound and workable.

W. P. A. and Politics

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. GEYER of California. Mr. Speaker, the House Committee on the Judiciary has under consideration Senate bill 1871, an act to prevent pernicious political activities. This committee, I am informed, is diligently studying this measure with a view to reporting it later to this body for consideration. As this bill directly and indirectly affects all Government agencies and especially the Works Progress Administration, I desire to call to the attention of the committee an incident which occurred in the State of Rhode Island during the last campaign.

Speaking over the radio in the city of Providence, the capital city of Rhode Island, William H. Vanderbilt, candidate for Governor, according to the Providence Journal of October 27 of last year, informed his listeners that he had recently received $101 in $1 bills from W. P. A. workers as a contribution to my campaign." In glaring headlines this Republican organ stated on this same date:

Vanderbilt hits W. P. A. maneuvers on hurricane job—Charges it laid off 400 men in Newport area, then put in Providence crews.

I am informed, Mr. Speaker, that on this very day, upon reading the statement attributed to Mr. Vanderbilt, the Works Progress administrator in Rhode Island immediately notified candidate Vanderbilt that his statement regarding the transfer of W. P. A. workers was erroneous. On October 31 Mr. Vanderbilt replied to the W. P. A. administrator from his lavish campaign headquarters in Providence and admitted that he had made a mistake and that he had corrected it. The statement he corrected, however, was in regard to the transfer of the W. P. A. workers. He did not refer in his communication to the W. P. A. administrator, to his statement regarding W. P. A. workers contributing to his campaign fund.

Speaking in his home town of Burrillville, R. I., Mr. Austin T. Levy, wealthy mill executive and chairman of the Vanderbilt campaign committee, according to the Providence Journal of November 1, 1938, stated that the contribution made to the Republican State campaign committee by 101 W. P. A. workers, who each contributed $1, as "the most significant contribution in this campaign."

Rhode Island does not have, I am reliably informed, a corrupt practice act and candidates for office are not compelled to file sworn statements as to campaign expenditures. It is then impossible for anyone other than the persons who solicited and handled this huge campaign chest in Rhode Island at the last election, to know just how much money the millionaires of Wall Street contributed to elect one of their group chief executive of that State. Mr. Speaker, I am informed that thousands of the good citizens of the little State of Rhode Island honestly believe that no contribution was made by W. P. A. workers to the campaign of Governor Vanderbilt. The Governor, Mr. Speaker, is reputed to be a multimillionaire and his associates are those who do business on Wall Street and reside on Bellevue Avenue in Newport. This scion of one of America's wealthiest families did not, when he wrote to the P. W. A. administrator in Rhode Island admitting the mistake made in his radio address of October 27, deny that he or his campaign committee had accepted this money as a contribution from those who were toiling to clear away the wreckage of the terrible hurricane which visited New England last September. In view of this I suggest that the committee considering S. 1871 request Governor Vanderbilt, of Rhode Island, to inform it whether or not this reputed campaign contribution was used for his campaign, whether it was given to some charitable institution, or whether it was given back to the W. P. A. workers. I might further suggest to the committee that Mr. Austin T. Levy, chairman of Mr. Vanderbilt's campaign contribution committee; Mr. Pierce Brereton, former chairman of the Republican State Central Committee of Rhode Island; and Mr. Edwin H. Arnold, treasurer of the Republican State Central Committee of Rhode Island, be called before this committee of Congress to testify as to whether or not this money was solicited from W. P. A. workers and also to inform the committee whether or not any contribution was made by W. P. A. workers to Mr. Vanderbilt's campaign or whether or not this was just a publicity move using W. P. A. as the agent to solicit votes.

I know, Mr. Speaker, that the honest citizens of Rhode Island desire to be enlightened on the political activities and maneuvers of those who used the relief agencies in their State for political purposes. I am sure, Mr. Speaker, that this information will guide this committee of the House in drafting legislation barring politicians from using the Works Progress Administration and other relief units for partisan political purposes. The citizens of the State of Rhode Island are entitled to know whether or not the W. P. A. was used in the last campaign as an agent of those who would stoop to gutter politics. I trust, Mr. Speaker, that the House Committee on the Judiciary studying this bill will take my suggestions into consideration.

Mr. Speaker, I call the committee's attention to this incident, because it illustrates the fact that all the politics in relief are not Democratic politics. As much as anybody I deplore this kind of thing. But I do not believe that the Hatch bill is a solution. I do not believe that because political skullduggery exists among Federal employees as among other classes of voters, that the way to end it is to deny to American citizens their traditional right to participate in political campaigns. All the privileges of democracy are abused sometimes and by some people. But we do not cure the abuses by surrendering democracy and substituting for it a dictatorship. I therefore wish to record here my opposition to the Hatch bill in its present form.

Amateur and Organized Athletics

EXTENSION OF REMARKS

OF

HON. JOSEPH A. GAVAGAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ADDRESS BY HON. JAMES A. FARLEY, JUNE 21, 1939

Mr. GAVAGAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable James A. Farley at the New York Athletic Club day at the world's fair, Wednesday, June 21, 1939:

Mr. President and fellow members, athletics and sports have always played a large part in American life, although prior to the Civil War they were conducted in a rather haphazard fashion. The stories of colonial and pioneering times are filled with recitals of physical effort. There are tales of Washington's jumping 22 feet and 6 inches in his ordinary shoes on the hard ground, and throwing a silver dollar across the Potomac; of Franklin's famous long-distance swims; of Lincoln's ability as a wrestler displayed on courthouse days; of Andrew Jackson's ability with dueling weapons; and of famous feats of skill, endurance, and speed in the use of the rifle, and in long-distance runs or rides on horseback by frontiersmen, wood runners, and Indian scouts in the formative days of the Nation. But 70 years ago the old order passed and a new one came into being.

Seventy years is a long period of time—nearly half the life of this Nation. Yet some 70 years ago three young men, Father Bill Curtis, Harry C. Buermeyer, and John C. Babcock, veterans of the Civil War, a bare 3 years after the last gun had ceased firing, met in a small parlor on Sixth Avenue near Twenty-eighth Street, and dreamed a dream, the results of which could not be realized by the dreamers. Out of this meeting the entire fabric of present-day amateur and organized athletics was created. They were not only the patron saints of the great amateur field of sport of today, but were the actual founders of our club, the greatest athletic club in the world. Joined by a few ardent spirits, they worked so fervently and so well that they were not only successful in launching our club on its long and successful career, but were largely instrumental in bringing into existence the greatest governing body that amateur sport has ever known, the Amateur Athletic Union, a unit organized within the club walls.

Like all pioneer efforts, the early endeavors of the founders met with many difficulties. They faced a wilderness of indifference and even opposition to their ideas. The country was thinking of things other than sport. The 4 years of Civil War had virtually wiped out or crippled a large part of the red-blooded young manhood of the period, or they were engaged in pushing the country's frontiers westward in the face of Indian perils, and the terrors of death from thirst and starvation. On the far-flung frontiers there was neither opportunity nor desire to indulge in sports or exercise, except such as was necessary for the preservation of one's life. And moreover, the time was not propitious for the furtherance of sports, which flourish in days of prosperity, when people have time to devote to them. The period in question was a time of great economic distress, culminating in the great depression of 1873 to 1879. And yet, immune to all discouragement, the courageous three and their coworkers kept the flame burning so brightly, that they laid the firm foundation of the Nation's present gigantic athletic structure.

In the midst of all the turmoil and strife of the late sixties, our club came into existence and has steered a straight course for over 70 years, guided by the twin stars of amateurism and sportsmanship. Over that long stretch of years, we have fostered 34 competitive sports and a review of our athletic history would present a great panorama of athletically great happenings from the first indoor amateur athletic games ever held in the United States, conducted by the club on November 11, 1868, down to the large international meets of the present. Thousands of championships, individual and team, have been won. And what a galaxy of stars have worn the winged foot—far too numerous to mention—although I would be somewhat remiss, if I failed to mention in passing a few of those who from the standpoint of sheer brilliance and fine service seem to stand out even above their fellow champions.

Father Bill Curtis and Harry Buermeyer, two of the founders, were remarkable all-round athletes, many critics of his day even debating the question whether the latter could defeat the great John L. Sullivan. Prior to the nineties of the last century, Malcolm W. Ford, broad jumper and all-round champion; Hugh H. Baxter, world's pole vault record holder; George R. Gray, the breaker of 28 world's shot-put records in an 8-year stretch, and James S. Mitchell, the first of the procession of giant Irish weight throwers, won many honors for the club. The nineties of the last century was a period in which many of the world's greatest athletes bore the winged foot and in the famous international meet in 1895 against England's best, representing the London Athletic Club, we won every event, club athletes establishing four world's records. A mere recital of the names will bring to many present memories of the performances of a group of champions and record holders, including Bernie Wefers, one of the world's star all-time sprinters; Mike Sweeney, high jumper; Charley Kilpatrick, half-miler; Alvin C. Kraenzlein, remarkable hurdler, broad jumper, and sprinter; John J. Flanagan, earliest and possibly the most scientific of the hammer-throwing 180-footer; Ray C. Ewry, sensational standing jumper, winner of more Olympic titles than any other athlete, 10 in number; and Tommy Conneff, great little miler. In 1906, Paul Pilgrim, the only man in the long history of Olympic meets who ever won a middle-distance double, won the Olympic 400- and 800-meter championships; and in 1908, Matt McGrath, the world's greatest weight thrower, the holder of world's records, the hammer for many years and the 56-pound weight to this day, started his long career as a club representative, winning an Olympic title and national titles galore. After the World War, the famous Pat McDonald, the winner of Olympic titles in both the shot and the weight, as well as many national titles, the holder of the world's record in the shot, and Jackson Scholz, a great sprinter, the winner of the Olympic 200-meter race in 1924, in which he set an Olympic record, appeared as club representatives.

The club's athletic career has not been entirely in the past. As a matter of fact, during the past 8 years, facing the strongest opposition ever encountered, the club has won six national track and field team titles. At no time has the club had greater athletes than the men who contributed so notably to this result. Among the numerous great performers, Olympic and National champions and world's record holders, the most prominent were Percy Beard, hurdler; Leo Sexton, shot putter; George Spitz, high jumper; John Anderson, discus thrower; Gene Venzke, the first man to run an indoor 4.10 mile; Joseph McCluskey, steeplechaser; and Frank Ryan, shot-putter.

Swimming, another club major sport, also has a long competitive career since the holding of the first national championships on September 30, 1877, starting from the float on the Mott Haven grounds. Among the many great swimmers, winners of Olympic and National championships and holders of numerous world's records, the names of Charles M. Daniels, the holder in his day of 20 world's records, 43 American records and 5 Olympic championships, and of Peter Fick, present national champion and co-holder of the world's sprint record, stand out.

There were many other famous competitors in other sports fostered by the club, but time will not permit naming them.

Athletics and the widespread indulgence therein have been a very vital factor in the success of the United States. The colleges and high schools have increased tremendously since the turn of the century and have added a hundredfold to the number of active participants in sport. Today, the civic centers have afforded the youth of the community a far greater opportunity to benefit themselves physically, than ever before. The result has been a physical betterment all around, institutions keeping such records showing that the youth of today are larger and sounder than their forbears of 30 or 40 years ago. The benefits derived from athletics or sports are possibly greater from other standpoints than from the standpoint of mere physical measurement. On the far-flung athletic fields of this widely spread nation, youths from public-school age, through the high schools and through the colleges up to the post-graduate era, are daily learning lessons of how to strive fairly and cleanly; to control their tempers during the course of the competition because the man who loses control of his thoughts and temper places himself at a sad disadvantage; to take the hard knocks on the athletic field which all physical-contact games bring to the participants, without flinching; and despite hard knocks or the turning of the tide against him, or his team, to ever push forward and succeed. Many a contest is won by a last-minute effort when things look darkest. The impulse to win is always strong, but the team games call for a spirit of sportsmanship, of cooperation, and self-sacrifice for the good of the team, which should fit the younger element in our community for the hard game of life that they will have to face after their graduation. If these lessons are well learned in their formative years it will make the growing youth more useful to the country and community at large as a citizen, and in the wide field of competitive endeavor to make a living. The indulgence in sport in this country serves also the older element in the Nation, furnishing them with hobbies which lift their mind from the daily strife of making a living, giving them a safety valve for their emotions, causing them to

relax their nerves and in building up physical energy, enabling them to face again their daily tasks with more vigor, a clearer mind, and the ability to perform them better than they would be able to perform them if no such outlet existed.

There is another picture to the entire wide panorama of sports exemplified in this country—not only does it tone up the physical energies of men so that they can carry on their daily endeavors to greater advantage to themselves and the community at large, but it further fits them for an outstanding duty of citizenship, as in the dark days of 1917–18. Perhaps it is not diplomatic to inject into this gathering the thoughts of war or coming of war, but while everybody of normal mental equipment hates war, and nobody hates it more deeply than the man who has been a participant, nevertheless, any citizen of a broad bent of mind must realize that nations are but the total aggregate of the individuals composing them and that when men will strive and quarrel for their own personal advantage, nations do likewise. A clear statement of fact is the statement that since the dawn of civilization there have been capital wars on this wide earth averaging one for every 14 years. Even our own Nation, which we are prone to call a peace-loving nation, has had a large war for every generation since 1860. In 1860 we had the war which rent the Nation almost in twain; in 1898 we had an extended war which cost many lives; and in 1917 we not only had the greatest war in the history of this Nation, but a war in which we invaded Europe for the first time in our history. If we are not to go in for great armies and navies; if we do not regiment the entire Nation—which God forbid—like other nations at present causing great anxiety in the world, we at least should have the fundamental basis of all armies—a physically fit and better citizenry. There is a proneness in the newspapers of today to emphasize the value of mechanization in warfare and overemphasize such value. However, world-wide tests of the last several years have proven that the individuals composing the armies still are the foundational element in warfare. To the end of furnishing a citizenry well supplied to protect this country in time of need, sports and exercise can play a dominant role. The importance of a wide extension of the doctrine of physical fitness can best be realized when we scan the lessons of our last war. It is sad to relate, but true, that in whole communities physical examiners were compelled to reject almost half of those examined on account of physical ineptitude or defects.

As proven in the last war, the lessons learned on many sport fields fit a man to become an excellent soldier and leader. The famous Duke of Wellington once made a statement to the effect that England's battles were won on its playing fields. If the Duke of Wellington could speak so well of cricket and other kindred sports of England, surely we in this country, with our sports embodying greater physical body contact and hard knocks and calling for quicker thinking and initiative, can expect rare service from the lessons learned on such fields.

We as members of this great club are justly proud of its glorious past and traditions and are strong believers in the tenets laid down by the founders.

We are proud of the record of past loyalty, not only to the club itself but of the club's loyalty to the country, so well evidenced by our service flag containing 939 stars, representing practically every man of military age on the club roster during the troublous days of 1917–18.

With the colleges ceasing to administer to the physical well-being of our youth at a stage where it has barely reached manhood's estate, there is a rare opportunity for clubs of our type not only to fit men physically to face the quickened pace of modern existence but to face emergencies threatening the country itself. This country of ours is in great need of more clubs, big and small, possessing the same objects as the New York Athletic Club, and many members of such clubs willing to carry out such objects.

Debt of Finland to the United States

EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

LETTER FROM A CONSTITUENT AND REPLY

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from a constituent in regard to a memorial to Finland for paying her war debt, together with a letter written by me and a bill which I have introduced:

WASHINGTON, June 15.—Uncle Sam's best debtor—tiny Finland—paid up again today. The Treasury received payment of $160,693 in principle and interest on the Finnish debt to the United States, and thus the payments were brought faithfully up to date. Of all the debtor nations of the world which owe the United States about $13,000,000,000, Finland is the only one never failing to pay its regular installments.

Hon. LEO E. ALLEN,

House of Representatives, Washington, D. C.:

In line with the above clipping, we, the following of your constituency, make the following suggestions: That you present a bill in the House appropriating a sum of money for the purpose of erecting a memorial which would express the gratitude of the American people to Finland for their regular and prompt payment of their war debt in the face of the fact that they alone have had the honor to do so.

Harold R. Eaton, Kurt G. Schmidt, A. F. Wingert, N. Miles, R. M. Eaton, A. Allentoff, Earl Bowman, W. G. Warnack, B. L. Peck, Owen P. Miles, Lee D. Hannes, Tom Watson, M. A. Hartman, Fred C. Leigh, A. C. Reeves, Ag. Albert, E. R. Wachtel.

JUNE 23, 1939.

Mr. HAROLD EATON,

Mount Carroll, Ill.

DEAR HAROLD: Receipt is acknowledged of your recent letter signed by many others suggesting that I present a bill in the House making an appropriation for the purpose of erecting a memorial to Finland. Within the next few days I will do so.

I want to thank you all for this valuable suggestion. Without question all Americans feel as you do toward Finland.

Will you kindly convey this information to the other signers.

With all best wishes, I remain,

Very truly yours,

LEO E. ALLEN, M. C.

A bill authorizing the erection of a memorial in the city of Washington, D. C., expressing the gratitude of the American people to the Government and people of Finland

Be it enacted, etc., That there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated, the sum of $100,000 for the erection upon property belonging to the United States in the city of Washington, D. C., of a suitable memorial expressive of the gratitude of the Government of the United States of America and of the American people to the Government and people of Finland for the regular and prompt payment of its debt to the United States Government incurred during the World War, being the only debtor nation to so recognize its just obligation to the United States Government.

The Secretary of State and the Secretary of the Treasury are hereby authorized to select a suitable site and design for the said memorial, and to superintend the construction thereof.

Brig. Gen. Harley Bascom Ferguson

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 21, 1939

Mr. COCHRAN. Mr. Speaker, Brig. Gen. Harley Bascom Ferguson will reach the age of retirement on August 14, and under the law will be automatically separated from active service with the United States Army.

It was 46 years ago that General Ferguson entered West Point as a cadet, and in 1897 was commissioned a second lieutenant in the Corps of Engineers. From that day to this he has served with distinction. His duties have taken him to all parts of the world.

We in the Mississippi Valley who have had an opportunity closely to observe General Ferguson's work since his appointment as president of the Mississippi River Commission and division engineer of the Lower Mississippi Valley Division since June 15, 1932, regret that the day has arrived when he must, under the law, be placed on the retired list.

The Mississippi River has been a problem of the United States engineers ever since the Louisiana Purchase not only from the standpoint of providing navigation but it has been the duty of the engineers to control the flood waters of this great stream.

I do not think there is a man in the House of Representatives who knows more about flood control in the Mississippi Valley than the gentleman from Mississippi, Hon. WILLIAM M. WHITTINGTON, chairman of the Committee on Flood Control. In this statement I am sure every one of my colleagues will agree.

On March 22, 1939, the gentleman from Mississippi [Mr. WHITTINGTON] made a speech at the meeting of the Mississippi Valley Flood Control Association in the city of Washington entitled "The Mississippi River, Father of Waters and of Floods."

While he covered flood control from every angle, his reference to cut-offs was extremely interesting. We all know of the difference of opinion existing between engineers as to the best method of controlling the Mississippi River. That difference of opinion has existed over a period of many years, but, according to the gentleman from Mississippi [Mr. WHITTINGTON] it remained for General Ferguson to solve the problem. I quote from Mr. WHITTINGTON'S speech upon that occasion:

CUT-OFFS

The most significant development in flood control during the past 10 years has been the construction of 13 cut-offs from Calk Neck to Glasscock, including the natural Yucatan cut-off between the mouth of the Arkansas and Red Rivers, under the supervision of the president of the Mississippi River Commission, Gen. Harley B. Ferguson. The distance from Calk to Glasscock, 330.6 miles, has been shortened, as the river flows, by 115.8 miles. The Mississippi River has thus been shortened 115.8 miles. It is believed that no more successful operation of changing the water-carrying capacity of a stream in all human history has been accomplished. It is claimed that a given flood will be reduced from 9 to 12 feet at Arkansas City, 4 to 6 feet at Vicksburg, and 1 to 2 feet at Natchez. The flood of 1937 was the highest of record above the mouth of the Arkansas River, and while a great flood, it was not a major flood south of the mouth of the Arkansas. It is significant that the gage at Natchez was the highest of record. The cut-offs were made possible because of the genius, daring, and courage of the president of the Mississippi River Commission, Gen. Harley B. Ferguson. The wisdom of Congress in providing for the experimental waterways laboratory at Vicksburg has been vindicated.

The construction of cut-offs constitutes a reversal in flood-control engineering and while some engineers maintain that results are speculative, and that only time and a major flood will tell, the engineering profession seems to be coming around to accept the Ferguson cut-offs as sound. They will reduce floods, especially in the vicinity of the cut-offs. It remains to be seen what will happen below the cut-offs. The cut-off theory is against all precedent.

General Ferguson has dared to do where others faltered, and if the cut-offs are successful in the light of major floods, he will go down in history as one of the greatest engineers of all times. The administration of General Ferguson is a complete answer to the charges that the Corps of Engineers of the United States are not original, progressive, and constructive. The very last word in engineering talent is utilized.

In an editorial published in the Banner-Democrat of Louisiana, the writer paid an excellent tribute to General Ferguson's service, saying in part:

General Ferguson didn't invent the cut-off. But he was the first man with the power, authority, to have the courage to use them on the Mississippi River as he did—to stick by them and his corrective dredging in the face of criticism, opposition, sneers, open and covert. Many a general, at 57, with an honorable career behind him, settles down to sign the pay roll and limit his orders to "Carry on." That was when, in 1932, General Ferguson staked his whole life of work, his professional reputation, that he was right when he had little precedent to guide him—and no answer in the back of any textbook.

Maj. Gen. Edward M. Markham, Chief of Engineers, United States Army, who backed General Ferguson to the limit, met him in New Orleans as the flood crest came rolling down. "How does it look to you?" asked this reporter. "Fergie's plan is the boldest, most daring, most original attack ever made on the Mississippi River," said General Markham. "In the 1937 flood it has triumphed over the greatest test it could have met. New Orleans, the whole Mississippi Valley, never was in danger a minute. There needn't have been any flood excitement, even, if tourist engineers and people who don't know what they're talking about had kept their mouths shut."

The New Orleans Times-Picayune devoted considerable space in its editorial column to the service of General Ferguson, and I quote part of that editorial:

The general has stopped high water to such an extent that it is almost impossible for the human mind to calculate what becomes of these floods that for many, many years caused such uneasiness and havoc in this southern river and especially between Arkansas City and Natchez. The great work of the general has rendered unnecessary the construction of the Eudora floodway, and has settled once and for all the controversies about what could be done with the Mississippi River in flood stage.

We regret to see General Ferguson retire, but we commend him and congratulate him, and wish him all of those good things that the golden years of a faithful soldier and citizen will bring to him.

It was only in recent years that the headquarters of the Mississippi River Commission was transferred from my home city, St. Louis, to Vicksburg, Miss. Of course, at that time we protested the transfer of the Commission to Vicksburg, but we realize now that we have benefited as a result. We have benefited by the establishment of the hydraulic laboratory at Vicksburg. It was General Ferguson with the then Chief of Engineers Lytle Brown who convinced Congress that the hydraulic laboratory would solve the problems of navigation and flood control. Outstanding achievements have resulted from the tests made and it was under the personal supervision of General Ferguson that the laboratory was constructed after being authorized by Congress. It not only serves the Mississippi River, but tests are made of other streams throughout the country.

General Ferguson's service alone on the Mississippi River, as president of the Mississippi River Commission, has been of such character that warrants the statement often made that he ranks among those who have been recognized as the great men of the Engineer Corps of our Army. His career, however, since he was commissioned as second lieutenant, Corps of Engineers, in 1898, is replete with outstanding service from beginning to end.

Below will be found a statement of his military service:

Born August 14, 1875, in Waynesville, N. C.

Appointed to United States Military Academy from North Carolina.

Cadet, United States Military Academy, June 15, 1893.

Additional second lieutenant, Corps of Engineers, June 11, 1897.

Second lieutenant, July 5, 1898.

First lieutenant, January 29, 1900.

Captain, April 23, 1904.

Major, February 27, 1911.

Lieutenant colonel, May 15, 1917.

Colonel, Engineers, National Army, August 5, 1917.

Accepted, August 16, 1917.

Brigadier general, United States Army, August 8, 1918.

Accepted, August 26, 1918.

Honorably discharged as brigadier general, United States Army, only, June 15, 1919.

Colonel, July 1, 1920.

Bachelor of Science, United States Military Academy, 1897.

Graduate: Army War College, 1913 and 1921; Staff College, 1905.

Detailed as president of the Mississippi River Commission, with the title of brigadier general, Corps of Engineers, and rank, pay, and allowances of a brigadier general while so serving, from June 15, 1932 (sec. 8, act of Congress approved May 15, 1928).

SERVICE

He was on graduation leave from June 11 to September 30, 1897; on duty in the sixth lighthouse district, Charleston, S. C., to April 11, 1898; temporary duty at Willets Point, N. Y., April 12 to 28, 1898; with Company E, Battalion of Engineers, West Point, N. Y., to April 20, 1898; en route to and at Port Tampa, Fla., to June 6, 1898; on board steamship *Alamo*, Tampa, Fla., to June 14, 1898; en route to Cuba to June 20, 1898. He served in the Santiago campaign, Cuba, War with Spain, participating in battles at Aguadores, July 1, 1898, and San Juan, July 2, 1898.

He was en route to the United States from August 22 to 28, 1898, and at West Point, N. Y., to December 10, 1898. He served with Company B, Battalion of Engineers, at Willets Point, N. Y., from December 10, 1898, to July 5, 1899; en route to the Philippine Islands to (sailed July 13, 1899) August 10, 1899. While in the Philippine Islands he participated in the Philippine Insurrection, being in action at Porac, September 28, 1899; at Angeles in October 1899; Selan, January 7, 1900; and San Diego, January 21, 1900.

He was in command of a detachment of Company B, Engineers, with the Ninth Infantry, en route to China with the China Relief Expedition, June 27 to July 9, 1900; and in China, to July 19, 1900; Chief Engineer Officer, China Relief Expedition, July 20, 1900, to May 20, 1901; en route to

Manila, P. I., to (sailed May 27, 1901) June 5, 1901. He participated in the battles at Peitsang August 5, 1900; Yangtsun, August 6, 1900; and Pekin, August 14 and 15, 1900.

He served with Company B, First Battalion Engineers, in the Philippine Islands, from June 5 to September 29, 1901; en route to the United States (New York City) to December 1, 1901; on duty in The Adjutant General's Office, Washington, D. C., from December 4, 1901, to June 15, 1903; on leave to August 15, 1903; on duty in the Department of Civil and Military Engineering, United States Military Academy, West Point, N. Y., from August 20, 1903, to May 25, 1904; on leave to August 31, 1904; student, Army Staff College, Fort Leavenworth, Kans., from September 1, 1904, to July 9, 1905; on leave to August 20, 1905; assistant instructor, Infantry and Cavalry School, Fort Leavenworth, Kans., to July 3, 1907; on duty under officer in charge of engineer works, Montgomery, Ala., to October 1, 1907; in charge of defensive works at Pensacola, Fla., and river and harbor improvements in the Montgomery, Ala., engineering district, to (attending *Maine* Board meeting, Washington, D. C., Aug. 29, 1910) September 4, 1910; in charge of raising the battleship *Maine*, Habana, Cuba (sailed from the United States, Sept. 4, 1910) to August 10, 1912; en route to the United States to August 12, 1912; student, Army War College, Washington, D. C., to June 14, 1913; district engineer, Milwaukee, Wis., July 1, 1913 to (temporarily department engineer, central department, Chicago, Ill., Aug. 13, 1913, to Mar. 31, 1914) March 12, 1917; district engineer, New London, Conn., March 13 to June 15, 1917; and department engineer, northeastern department, Boston, Mass., to August 25, 1917.

He was assigned to the One Hundred and Fifth Engineers, Thirtieth Division, August 22, 1917, and was in command of that regiment at Camp Sevier, S. C., to—on detached service with the Sixty-fifth Engineers, Washington, D. C., January 4 to March 20, 1918—May 18, 1918; en route to France, via England, to June 10, 1918; acting corps engineer, Second Army Corps, American Expeditionary Forces, June 10 to October 3, 1918 (participating in Somme offensive, Aug. 8 to Oct. 3, 1918; en route to join the Second Army and awaiting assignment as Army engineer, to October 8, 1918; en route to the United States (sailed Oct. 16, 1918), to October 24, 1918; awaiting orders at Newport News, Va., to November 11, 1918; commanding port of embarkation, Newport News, Va., to May 29, 1919; on duty at port of embarkation, Newport News, Va., to—temporarily commanding, June 10–12, 1919—July 28, 1919; district engineer, Pittsburgh, Pa., to August 6, 1920; student, Army War College, Washington, D. C., to June 1, 1921; on duty in the office of the Assistant Secretary of War, Washington, D. C., as Director of Procurement and Director, Army Industrial College, to January 16, 1928; division engineer, Gulf division, New Orleans, La., from January 18 to May 24, 1928; division engineer, central division, Cincinnati, Ohio, to October 26, 1929; division engineer, South Atlantic division, Norfolk, Va., to June 12, 1932.

He has been president of the Mississippi River Commission and division engineer of the lower Mississippi Valley division, since June 15, 1932.

He was commended highly by Capt. T. H. Rees, Corps of Engineers, for zeal, good judgment, and untiring energy displayed in execution of the work in the Santiago campaign.

He was commended by Capt. W. L. Sibert, Corps of Engineers, for repair of washout on railroad near Tarlac, P. I., November 11–20, 1899; also for reconstructing the railroad north of Angeles, P. I.; by Col. J. H. Smith, Seventeenth Infantry, for road repairs in connection with the operations in Pampanga Province, P. I., in November 1899; by Brig. Gen. T. Schwan, for energy shown during expedition to Cavite January 4 to February 8, 1900; by Brig. Gen. J. H. Wilson, for services on expedition in vicinity of Hun-Ho River, China, September 17–18, 1900. He was recommended for brevet captain, United States Army, for gallant conduct in action at Yangtsun, August 6, and Peking, China, August 14 and 15, 1900.

He was also commended by the Honorable J. M. Wainwright, The Assistant Secretary of War, in 1923, for the development of an adequate plan for the assurance of matériel and industrial organizations essential to wartime needs.

He was awarded the Distinguished Service Medal, with the following citation:

For exceptionally meritorious and destinguished services. As chief engineer of the Second Army Corps and later of the Second Army, he demonstrated high professional attainments and marked initiative. Through his foresight and skill in directing important technical operations he was a notable factor in the successes of the combat troops, rendering invaluable services to the American Expeditionary Forces.

We hear a great deal concerning industrial preparedness. Two years after the Great War it was recognized that in order successfully to prosecute a war industrial preparedness was essential. As I have indicated in his record, it was General Ferguson who was responsible for the development of the plan which has been in operation for over 15 years. The War Department, as a result, knows today what every outstanding industrial establishment in the United States could do in time of emergency.

I wish to express the hope that some day General Ferguson will prepare a book outlining his experiences of over 40 years with the United States Corps of Engineers.

It is my understanding that a movement is on foot to grant some recognition to this distinguished engineer. Congress would do well to recognize his faithful service. Such recognition is undoubtedly deserved.

A Splendid Member of Congress

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 23, 1939

Mr. LUDLOW. Mr. Speaker, according to my way of thinking, there is no more valuable Member of Congress in either branch than the gentlewoman from New York, the distinguished Member at Large from her State, Hon. CAROLINE O'DAY.

To her I pay my humble tribute of respect for her forthrightness, for her courage, for her great humanitarianism.

The underprivileged of America have no stauncher defender than Mrs. O'DAY. Her heart beats in rhythm with the heartbeats of the common people. I have been surprised to observe how often the periphery of her very active life touches the poor and unfortunate, always in a helpful and inspiring way. The great masses of our people who earn their living by the sweat of their brows have no better friend than Mrs. O'DAY. Her record as a Member of this body is a record of steadfastness in every cause that tends to lift her fellow beings to higher and happier levels of living. All of us recall, from our recollections of the debates on this floor, how often and how devotedly she has pleaded the cause of those who needed a friend. If there is one trait of her character I admire more than another it is that when she makes up her mind that a course of action is right and just, no power on earth could swerve her from her allegiance to that cause.

The State of New York made a fine contribution to the public service of the Nation when it sent Mrs. O'DAY to Congress. And I hope that she may be kept here many years to continue her loving and efficient service for the common people of America.

She is a devoted champion of democracy—the democracy of Jefferson, at whose table is always spread a feast of love, and whosoever will may come. She would build up the democratic processes and minimize the possibility of war by giving the people who have to suffer and die and bear

the unspeakable burdens and griefs of war the right to vote on participation in foreign wars, and the war referendum resolution I have introduced has no more sincere and earnest champion than Mrs. O'DAY. Recently she appeared before the Senate Judiciary Subcommittee and made a very impressive statement in support of this proposal. I esteem it an honor to submit her statement for printing in the RECORD, where I hope it will be read by millions of our fellow citizens.

Her statement was as follows:

When in January of last year the Ludlow amendment was brought out of the Rules Committee by petition, terrific opposition was brought to bear from many sources. As a result, many who signed the petition believing in its rightness, found it expedient to withdraw their names and their support, and they voted against its consideration by the House. No vote was allowed on the amendment itself.

Gentlemen, that amendment can never be put to death. It will come before Congress again and again, as long as there are men and women in the world who see the monstrous injustice of sending our young manhood across the seas to perish in foreign wars without first hearing from them whether or not they believe the cause justifies the sacrifice they will be called upon to make.

We have learned from bitter experience that democracy cannot be preserved to the world though we sacrificed hundreds of thousands of our youth in the effort to do so.

It is an admirable thing to protect American property in foreign lands, but not to the point of slaughter for its security.

It is an admirable thing to rescue the suffering and persecuted minorities from countries who seek to annihilate them, and we are justified in doing so by every measure short of war.

This determination to keep our armies here at home does not mean that the United States have lost their courage. It does mean that they have lost their illusions as to war. The people of Europe have lived through the most terrible war in history and we have seen the misery that resulted to victor and vanquished alike. We see the horrors that war has inflicted upon China and Spain, the ruthless murder of defenseless men, women, and children; yet if our country was attacked or invaded, every man and woman who loves it would rush to its defense.

But why should our men be sent overseas to fight for countries not their own and for causes that have their roots in ancient quarrels in which the United States were never involved?

The Ludlow amendment gives the people of these United States the right to say by their votes, except in the case of attack or invasion, whether or not their Army shall be sent.

It gives the man in the street, who later becomes the man at the front, the right to choose between possible death in foreign lands and a life spent in the upbuilding of his own beloved country.

It gives this greatest democracy of the world the opportunity to take up the challenge flung to it by certain dictator nations.

When this Ludlow amendment is passed we will have proved to the world that America really lives democracy; that it is a living, vital way of life which makes for peace, contentment, and a loyal, free citizenry.

Mr. Chairman, though this amendment may not pass this year, though it may not pass next year, though I may not live to see it pass, successive generations of mothers will keep this amendment alive. It will be brought to Congress again and again until finally it is passed, and I hope it will be during my lifetime.

Frances E. Willard Memorial Stamp

EXTENSION OF REMARKS

OF

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

RESOLUTION OF THE KANSAS YOUTH TEMPERANCE COUNCIL

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted at the annual convention of the Kansas Youth Temperance Council on June 20, 1939:

And that whereas it has been the policy of the Post Office Department to issue stamps commemorating citizens of outstanding achievements; and whereas the year 1939 marks the one hundredth anniversary of the birth of Frances E. Willard, educator, stateswoman, and temperance reformer; and whereas the anniversary of her birth is being observed by educational, humanitarian, and philanthropic organizations both here and abroad: Be it

Resolved, That the Kansas Youth Temperance Council Federation ask a Willard commemorative stamp be issued during this centenary year; and be it further

Resolved, That copies of this resolution be forwarded to the Postmaster General and to our United States Congressmen in Washington, D. C.

"Surplus" Distribution—Review of Discussion of Farm Prices and Money Supply With the Bureau of Agricultural Economics

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. CRAWFORD. Mr. Speaker, public charity or relief, in distributing a so-called surplus of the things idle men and women need but paradoxically cannot earn and buy for themselves, certainly was not planned, when the New Deal began its war against depression, to run on into a third term of doling and boondoggling.

Now, however, the so-called temporary emergency powers granted by a panicky Congress are being woven into a bureaucracy quite as futile as it is permanent in its costly failure to prime the pump of private enterprise and put men and machines to work again. Why?

Has New Deal thinking concluded that the efficiencies and mechanisms of modern science are creating all this unemployment even while the machines themselves are largely idle? The gentleman from California [Mr. VOORHIS] has asserted that "everyone can see that never again will all the available workers of the Nation be needed by our industries." But who is so blind that they cannot see Germany, with quite as many modern efficiencies as we have, yet short of labor, while we find ourselves sucked into a whirlpool of costly public doles and boondoggling by the failure of private enterprise, which in turn cannot be revived seemingly because of excessive public spending. This is what is commonly called "a pretty kettle of fish"; in short, a dilemma. We seem caught in a vicious circle of circumstances from which there is no escape. But is a spirit of defeatism the American way out? Shall we adopt the counsels of despair and turn away from liberty and democracy?

PERMANENT DOLES?

Democracy, Mr. Speaker, can only justify itself by its works. It can only be a means, not an end. Surely no military threat from dictators can be so critically dangerous to the institutions of liberty as are chronic, involuntary unemployment and Government doles. Both our President and Germany's dictator have pointed this out, the one in deep concern and the other in derision. As long as such a situation continues dictators can justify anything they choose to do in rescuing the world from its sorry idleness, even though that rescue be as fleeting and as illusory in the long run as the methods of inflation with which it is being accomplished.

Despite this obvious peril to liberty in permanent doles, we are deliberately transforming our supposedly temporary relief activities into a part of the permanent business structure. Subsidies in the guise of scrip, ostensibly restricted in use, are now being experimentally inaugurated. The existing system for handling surplus commodities in relief has been, indeed, a clumsy makeshift. But the cure for these anomalous expedients is worse than their disease. The need for making this relief permanent in form with scrip subsidies for regular trade channels, as against the possibility of escape by entirely abandoning such an emergency function of government, is alarming, indeed, particularly when we are assured by the Secretary of Agriculture that only (?) "if this plan (sic) is fully successful, it means that the day is not far distant when all of the people of the United States will be adequately nourished."

What are the underlying reasons for continued need for doles? Why the continuing paradox of needless poverty in the midst of plenty? Is it true, as so commonly alleged with an air of authority, that agricultural abundance, because of its alleged effect on farm prices, is the cause of this anomalous poverty? Is the Government's duty comprised in assuming direct responsibility for unemployment and farm relief while it shifts the blame for farm price disparity to a mythical venality on the part of big business in profiteering through alleged monopoly as the cause of unemployment and depression?

FALSE PREMISES

To me all this has seemed an utterly false premise. Farm surpluses and industrial monopoly effects are results, not causes, of the conditions that bring on disparity as between farm and industrial prices. Nor is there official, expert sanction for the current theory to the contrary under which domestic production and marketing control laws have been enacted. I believe I can present conclusive evidence in support of this statement in the form of opinion and information afforded me, very generously during the past several months, by the Bureau of Agricultural Economics in conferences and correspondence dealing with the problem of farm surpluses and their relation to price levels.

In a letter dated July 2 of last year, the acting chief of the Bureau has this to say of the relation between domestic production per capita and the average price of grain crops since 1910:

It is evident from this graph (of prices and production) that the relationship between production per capita and prices is not very close. There are several reasons for this. The most important is that the general price level is very important in affecting grain prices, and in some years changes in this factor much more than offset changes in supplies.

The Bureau also noted the partial effect of world markets. To this I replied under date of January 4, 1939, as follows:

With you, I recognize the limitations of purely domestic considerations in the grain market, and let me say that I am interested to note that the policy of domestic production control does not take these facts into consideration. Am I correct in assuming that the Department has not heretofore attempted to establish what relation may have existed between production and price in this field?

Further, I said:

Since it is parity of price levels which has been and is interesting the Government so much (thus its investigation of monopoly effects) as the goal of its restrictive policy, I am especially interested to note your statement that the "general price level is very imporant in affecting grain prices." In this connection, may I respectfully call your attention to a recent volume on The Theory of Prices, by Dr. Marget, of the University of Minnesota. In chapter XVII of this scholarly treatise the "plurality of price levels" is discussed, and it is noted that the weight of opinion holds that the purchasing power of money is not to be interpreted as being expressed by any general price level index. Prices which are not involved in the means of production (i. e., in capital goods the value of which is set by capitalizing their productive capacity at the rate of interest) seem to be preferred by many authorities.

As a member of the Banking and Currency Committee of the House as well as through personal investments in a farming and ranching enterprise along with heavy manufacturing, I have taken an interest in this relationship and have noted especially the recent resolutions of the Farm Bureau Federation at its convention in New Orleans favoring a limited index of raw materials as a monetary measurement; also, that Hawtrey, Goodraain, and others are supporting this selection of the more sensitive indices as the true reflection of the purchasing power of money, thus abandoning the retail standard because it is in effect an accumulation of costs that represent a general index and so does not disclose money conditions.

I have heretofore had prepared by the Federal Reserve Board an index graph of money supply and income per capita and I am returning a copy of your chart with these figures plotted on it. Referring to the "equation of exchange" (MV equals PT) and assuming T to be a minor variable much as grain production is, I call your attention to the remarkable correlation between these major movements of grain prices with which price disparities and the business cycle are associated, and the movement of money incomes. Allowing for the factor (V) of speculative shifts in the velocity of money, we may fairly conclude, it would seem, that we are confronted with a monetary and not with a surplus-production problem. Were the quantity of money prevented from expanding and contracting as it is seen to do in closely following speculative shifts in prices, so as to prevent the gyrations in money income that are obviously associated with the business cycle and changes in the value of money (as reflected, say, in the trend of a moving annual average of grain prices), is it now pretty certain that the difficulty of price disparities would be eliminated and with it the need for the futilities of regimented price-fixing and restriction on real income and consumption that are being attempted?

Replying on January 19, the Bureau stated:

The Department has studied the relationship between grain production and prices. The Outlook Reports, issued by the Bureau of Agricultural Economics for many years, have contained frequent references to these relationships as they have developed currently. The Bureau has not published the results of more formal studies dealing with this subject, mainly because the available data do not cover a sufficient number of years to warrant definite statements of exact quantitative relationships. Each year, as new data become available, we are enabled to test the validity of previous analyses, and hope to be able to publish something soon. * * *

In our letter of July 2 the importance of the general price level in relation to the movement of grain prices was noted. Prices of the different grains are affected differently by changes in the price level, due to a number of factors which can hardly be discussed in a letter. It is hoped that you have not received the impression that the Department of Agriculture has at any time taken the position that movements of the general price level are not important in affecting changes in the price of individual farm products. No doubt you have seen departmental publications in which the importance of this factor has been stressed. On the other hand, neither economic theory nor analysis of the facts would support any conclusions that changes in the general price level represent the only important influence in affecting prices of agricultural commodities, or that prices of individual commodities would reach a satisfactory level and become stabilized if the general price level were raised and stabilized. Variations in economic conditions are the result of combinations of factors too complex to be explained or dealt with in terms of only one variable. It seems quite evidently not "certain that the difficulty of price disparities would be eliminated" if it were possible to stabilize the price level, although such disparities would be greatly reduced.

In short, the Department has been and is fully cognizant of the desirability of a stable general price level, and would look with favor upon any practicable means of attaining such an objective, a result which would be highly beneficial to farmers. Differences of opinion may exist with respect to proposed methods for attaining that desirable objective, and with respect to detailed questions arising in connection with the general problem, such as the manner in which the so-called general price level may be measured statistically. These latter problems are in many respects not within the purview of the Department's activities.

PRODUCTION CONTROL UNWARRANTED

Under date of February 11, I replied:

Thank you very much for your letter of January 19, with data enclosed. I greatly appreciate this aid. * * *

I note, indeed, that the Department has not felt warranted as yet in publishing material disclosing the statistical relation between domestic grain production and prices. Does the administration nevertheless feel warranted in having advanced a program of domestic-production control involving heavy expense and taxation on the unsupported theory that price parity can thus be attained?

I trust you may have patience if I reiterate what I evidently did not make clear in * * * my letter of January 4. By citing other than departmental authorities, I attempted to indicate my belief that the Department is not warranted in its idea, now restated, I believe, at least in substance, if I understand you, in your letter of January 19, that the general price level affects grain prices. On the contrary, it is certainly changes in farm (especially grain) prices that affect the general price level; and there seems to be good authority for the opinion that the general price level neither affects particular prices nor has any other economic significance.

There is assuredly nothing that I can see in my letter of January 4 which warrants your suggestion that I have contended that a stable general index of prices would assure "that the difficulty of price disparities would be eliminated." On the contrary, I specifically avoided any such contention and suggested rather that gyrations in money income are in fact closely associated with those large fluctuations in the grain price index that produce the disastrous disparities which your Department in its domestic production-control policy obviously, and in my opinion speciously, associates rather with the size of grain supplies. I seek to find upon what authority, logic, or experience the Department takes this position. Will you please enlighten me specifically in this regard?

I would like to suggest that we take the available figures for a weighted, moving annual index of grain prices, employing the average for the whole period since 1910 as the base figure (100), and plot the result alongside a similarly based presentation of a per capita domestic production rate, a per capita money supply (excluding time deposits), and a per capita money income; for it seems to me that this will facilitate a more intelligent approach to discussion of these problems of price conditions from both the monetary and commodity angle. I would suggest that conclusions which are unreasonable on an a priori basis may be definitely excluded by statistical lack of correlation while those which seem reasonable may be supported by some statistical evidence of correlation.

I trust that these basic, a priori considerations in price theory do not lie outside the purview of a department of our Government which is sponsoring legislative action in control of prices as much as is the Department of Agriculture. So very much attention is now being devoted to this subject that I feel this discussion to be very germane. I do hope you will reason further with me. Would you let me have your thoughts on what department of the Government, if not the Department of Agriculture, "these latter problems lie," referred to on page 3 of your January 19 letter?

Dr. Tolley then replied:

This will acknowledge your letter of February 11.

It is difficult to discuss such complicated matters within the confines of a letter. Indeed, many thinkers have set forth their ideas on these subjects in voluminous books, which nevertheless have failed to clarify completely their positions with respect to such knotty problems. There is little wonder then that we may occasionally misinterpret the intent or implications of statements made in relatively brief correspondence.

Some of our difficulties presumably arise because of different interpretations placed upon the term "general price level." For example, we would quite agree with your statement that changes in farm prices affect the general price level. The latter merely reflect changes in the component elements which the term is interpreted to include; hence changes in the general price level do not cause but merely reflect changes in the prices of individual commodities. Economists, however, frequently use the term "general price level" merely to designate conveniently those monetary and other forces which bring about concurrent similar directional changes in the prices of a large number of commodities. For example, it might be said that wheat rose in price in 1933 partly because of a rise in the general price level, although what is actually meant is that wheat rose in price parity because of the influence of dollar devaluation and other factors which similarly affected the prices of many other products. No doubt economists have used the term "general price level" very loosely, particularly with respect to its cause-and-effect relationship with other economic phenomena. It is much easier to try to adapt our terminology to the usual custom rather than to invent new modes of expression leading to needless theoretical disagreements.

It seems quite evident that much of our apparent differences of opinion with respect to certain problems merely reflect these differences in terminology and interpretation. We would not be inclined, as you seem to think, to disagree in any essential way with the suggestion of your letter "that gyrations in money income are in fact closely associated with those large fluctuations on the grain-price index that produce the disastrous disparities * * *." Certainly changes in monetary and business conditions, affecting money income, have been closely associated with the important general movements of prices of grains and many other commodities, particularly raw materials, which have been closely linked with the development of disparities between prices of different groups of commodities. Since wheat is ordinarily sold on a world market, however, the changes referred to frequently are world-wide rather than strictly domestic in character. This whole question is rather thoroughly examined in a publication of the Food Research Institute, Leland Stanford University, Palo Alto, Calif., entitled "Monetary Influences on Post-War Wheat Prices."

With reference to the question raised in the last paragraph of your letter, may I point out that other Government agencies are charged with responsibility for statistical computations designed to measure general economic conditions, such as money income and the so-called general price level. The Bureau of Labor Statistics issues index numbers of wholesale prices. The Federal Reserve Bank of New York City prepares a series of index numbers designed to represent a broader measure of changes in general prices than the index numbers published by the Bureau of Labor Statistics. The Department of Commerce, the Board of Governors of the Federal Reserve System, and the Treasury Department are, perhaps, more directly concerned than is this Department with the measurement of such items as money income, and with various proposed measures designed to stabilize commodity prices through the manipulation and stabilization of monetary conditions. The Department of Agriculture, of course, is essentially but still indirectly concerned with these matters, which, for the sake of efficient governmental organization, Congress has apportioned for direct action to those departments directly concerned.

We have been glad, however, to go into these matters with you and Mr. Potter, and hope that such information as we have provided has been of use to you.

MONETARY CONTROL NECESSARY

To this on April 3, we replied at some length, as follows:

Your willingness to discuss these pressing problems candidly despite the existing confusion resulting from the use of terms "very loosely" by "economists" is to be highly commended. I have come to realize only too well, in studying these things over with some help from Mr. Potter, that it is hardly possible to fully clarify these confusions in the necessary brevity of correspondence. My hope is, however, to nullify the widespread impression that there is official, expert sanction for the theory that agricultural surpluses are causes rather than effects of desparate price conditions. It seems clear, indeed, from these letters that it is agreed:

1. That there is little reason for belief that Government control of domestic production or marketing can bring parity to crop prices.

2. That there is reason to believe that monetary controls could restore and maintain parity since disparities are admittedly produced by fluctuations in money income per capita.

May I observe that it does seem to me the Department of Agriculture has leaned backward in a seeming effort to avoid interpreting low farm prices as the result of money conditions. If it is within the purview of the Bureau of Labor Statistics to discover, as it does in Bulletin 656 (pp. 23–24), that the general price-level index which it prepares (partly with figures obtained from your Bureau) is not a monetary index, then why should it not fall within the purview of the Bureau of Agricultural Economics to discover whether or not the crop-price index which it gathers is, and to what extent it is, and why, a monetary index? How, indeed, does it happen to fall within the province of the B. A. E. to take the position, in this correspondence, that the "general price level," contrary to the opinion of the B. L. S. which issues the index, is a monetary index which can be used (as evidenced by your definition of the expression in your last letter, closing with the remark about devaluation and the price of wheat in 1933) in correcting agricultural indexes for monetary changes?

Is not the Bureau skating on thin ice in a field in which it is presumably engaged in advanced research, in thus employing, on the ground that the misuse of terms involved is a "usual custom," a price analysis which the B. L. S. has rejected? Is it not this very "custom" that has led to so many "needless theoretical disagreements"? Is it, indeed, a needless disagreement to point out that devaluation or other monetary measures affecting farm prices has not "similarly affected the prices of many other products," but on the contrary, always affects prices dissimilarly? How can you make your position here (on the first page of your letter) agree with the admission in the next paragraph that it is disparity, and not similarity, that is the significant result of monetary changes?

I am moved, indeed, to contrast your emphatic agreement as to the relation of changes in money income to agricultural disparities, stated and then restated in your last letter to me, with your comment to Representative Lord, of the House Agricultural Committee, on the chart submitted to him under date of March 21, that "The chart shows no close relationship between prices of grains and money supply, but there is a general tendency for major movements of prices to vary with the supply of money over a long period of time. However, the association between these items may reflect the influence of other factors operating in common on each of these series rather than the dependence of one on the other."

I quite agree with that last sentence. No proper interpretation of statistics can ever trace cause and effect. But please note the difference between this and my contention that "conclusions which are unreasonable on an a priori basis may be definitely excluded by statistical lack of correlation, while those which seem reasonable may be supported by some statistical evidence of correlation."

It may readily be granted that it is not for the B. A. E. to decide what should be done to correct the money conditions which affect farm prices. But surely the Bureau charged with gathering and studying those prices can hardly have been authorized to adopt an incorrect analysis in order to avoid studying those correlations existing between monetary factors and farm prices which might bear on such measures as domestic production control as a parity price policy.

Let me ask you, does not what may seem mere quibbling over terms in these economic analyses, often uncover serious confusions which conceal specious interpretations of cause and effect? As Hogben notes in the epilogue to his Mathematics for the Million, we cannot reason from statistical relations or mathematical equations without considering the natural order. Does the egg lay the hen, or the hen the egg? Is it just quibbling to suggest that such a slip in logic is involved in your expression (quite conventional, indeed): "Certainly changes in monetary and business conditions, affecting money income * * *."

It is certainly not self-evident that money income is not itself a monetary condition, nor is it clear that the glittering generality business conditions is the goose that lays the golden egg of money income. On the contrary it is obvious, as you have now conceded, that money income determines not the mean level of all prices but, more significantly, their relations; and that these relations—parities—are the key to business conditions.

The doctrine that industry and labor could, if they only would, so administer prices in depression as to prevent the monetary cycle, and so the depression, from developing, seems to me to have gotten cause and effect inverted quite as has the idea that a pegged parity in farm prices can produce money income and so maintain prosperity and full employment. Are not matters made worse, not better—farm surpluses and industrial monopoly increased by policies based on such theory? It seems to me highly mischievous for the administration to permit its financial authorities—I refer to Governor Davis, of the Federal Reserve Board—to appear before farm groups and attempt to shoulder the blame for these monetary effects off onto organized labor and industrial monopoly as an alibi for our fiscal incompetency. It is farm prices, not industrial prices, that get out of step in the monetary cycle and require a monetary change to get them back to parity in such a way as to get industry to going again.

Under date of April 22, Dr. Tolley offered a brief summary of the Bureau's position:

Your very interesting letter of April 3 has been received. In response, and in view of your wide knowledge of economic research,

I feel that I can sum up my view with utmost simplicity, omitting the many refinements and qualifications which you will understand are always implied.

In evaluating the movements of commodity prices and price relationships, this Bureau always has given recognition to forces primarily of monetary origin, especially those grounded in war conditions or in outright governmental financial controls. Beginning back with our contribution to the report of the joint congressional committee investigating the causes of the agricultural depression in 1931, all of our price analysis in its broadest aspects has taken account of monetary elements involved.

On the other hand, however, a great body of research in the price field—studies made not only here but in many other institutions—universally has supported the general conclusion that the supply of an agricultural commodity, in ordinary times and under reasonably free market conditions, is a fundamental price-making element.

Perhaps the question more or less sums down to one of relative emphasis. The conclusions by which this Department's programs have been guided have not ignored monetary nor other price-making influences, but they have placed emphasis especially upon the supply factor because that is the approach which seemed most promising under the circumstances, and most appropriate to the Department's efforts. On the other hand, the Department repeatedly has taken the position that the agricultural problem could not be completely solved by dealing only with adjustments in supplies, and that action designed to improve demand also is highly desirable.

This problem of what makes prices, both absolutely and in relation one to the other, is, of course, an old, old problem. One is reminded of this, for example, by reading the discussion in the House of Commons following the Napoleonic wars. In all probability there will be differing schools of thought on this subject long after our time.

In conclusion, let me say that I am glad to have had this further and very able expression of your views. I particularly appreciate the courteous and objective plane upon which you have advanced what is, and probably must remain, a highly controversial subject.

To this statement I take exception only as to its untenable suggestion that this problem "must remain a highly controversial subject" merely because the new and old deals of history have thus far failed to solve it. I beg to suggest a little red-blooded, American determination to solve it. To that end I am offering this correspondence for the RECORD.

It seems to me the most extreme and dangerous sophistry, most disastrous to clear thinking and rational social behavior, to charge all proposals for money reform with being utopian panaceas and the work of "crackpots." Most of such proposals have an invaluable element of truth in them. None of them pretend that any money sytsem can avert physical catastrophes. Even a proper money-price system can operate normally only with normal, rational people in a normal environment.

The reformer, however, does recognize what his captious critic, laboring under the illusions arising of old in coinage standards, fails to recognize, namely, that the existing money system can be and is a cause of social catastrophe—of needless poverty—by operating irregularly in cycles of rising and falling prices. It is these characteristic difficulties attached to such a system of financially forced saving and investment, having the effect of "wage slavery," that are at bottom responsible for the doctrine of class struggle and the dictatorship of the proletariat that has corrupted "collective bargaining" into collective coercion.

A society operated on an irrational philosophy of scarcity as the basis of all economic values is certain to fall into groups attempting to enforce scarcity on each other, each in its own field. Out of this must come the tragic transformation of collective bargaining into collective bludgeoning, characterized by unemployment through destroying freedom to work and produce competitively. Camouflaged by group balloting and ostensibly representative government, dictatorship results. This is a step, difficult if not impossible to retrace, which has to a dangerous extent already happened here. History indicates such an arbitrary economy, no matter how altruistically conceived by its organizers either in the field of capital or of labor, never works for long without violent results.

Is it too late to save this Nation from such irrationality, by intelligent monetary reform?

Labor's Stake in the Florida Canal and a Letter From Hon. William Green, President, the American Federation of Labor

EXTENSION OF REMARKS

OF

HON. FRANK W. BOYKIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. BOYKIN. Mr. Speaker, I desire to read to the House a letter which the Honorable William Green, president of the American Federation of Labor, recently directed to all Members of the United States Senate:

DEAR SIR: The United States Senate has before it for consideration S. 1100, a bill for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

All evidence submitted to both Houses of Congress by the President of the United States and the War and Navy Departments declare that the building of the canal is a commercial and military necessity. According to the evidence, the project would safeguard, develop, and economize the commerce between the Mississippi Valley and Gulf States, on the one hand, and the States along the Atlantic seaboard on the other, and serve as an important element in national defense by safeguarding the transportation of water-borne troops, munitions, and supplies in time of war.

Furthermore, and very important, this project will come at a time when millions of workers are praying for employment. Because of this fact the executive council of the American Federation of Labor respectfully requests you as a Member of the United States Senate to give every support to the bill authorizing the completion of the canal.

Yours very truly,

WM. GREEN,
President, American Federation of Labor.

The President of the United States, the Secretary of Commerce, and the Secretary of War have formally transmitted to Congress recommendations that the Federal Government proceed with the completion of the Atlantic-Gulf Ship Canal, commonly called the Florida canal. This project was surveyed under President Coolidge and President Hoover and begun in 1935 under President Roosevelt as an example of the utilization of great Federal construction projects of a permanent character to relieve unemployment. The canal has been endorsed by the Governors of 36 States and by a large number of the Members of Congress. It has received the unqualified backing of such national organizations as the Mississippi Valley Association and the National Rivers and Harbors Congress.

This great enterprise has been and is being bitterly opposed by the management of the railroads, the great oil companies, and that portion of the press which reflects the views of these interests. This opposition has become so active as to seriously threaten the completion of the project, the far-reaching benefits of which to the average citizen throughout the United States are probably greater than those of any public work ever before undertaken by the Federal Government. Under the old and threadbare pretense of economy the politicians and the great corporate interests are making a determined effort to cloud the issue and defeat the interests of the general public.

The Florida canal is simply a short-cut for ships from the Gulf of Mexico to the Atlantic Ocean across the peninsula of Florida, for the purpose of shortening by many hundreds of miles the distance between the farming, cattle-raising, mining, and lumbering sections of the Mississippi Valley and the West, on the one hand, and the industrial sections of the East, on the other. This new trade route will open new markets, stimulate trade and industry, and generally reduce the cost of living in such vital commodities as bread, meat, clothing, shoes, building materials, and gasoline. The following is quoted from the report of the Chief of Engineers of the United States Army transmitted to Congress by the Secretary of War:

157. Population: The general area in the United States tributary to the canal—that is, the area where transportation costs on certain commodities to and from markets within and without the country should be reduced by the improvement—had a population in 1930 of 90,800,100, or about 74 percent of that of the Nation. Included in the area are 76 of the 100 largest cities of the country.

158. The total population included 76 percent of the total urban and 70 percent of the total rural population. Of those gainfully occupied in the United States, the following worked in the area tributary to the canal:

Percent of total employed in the United States

All persons gainfully employed	78
Agriculture	80
Forestry and fishing	62
Extraction of minerals	71
Manufacturing and mechanical industries	84
Transportation and communications	82
Trade	76
Public Service	76
Professional service	76
Domestic and personal service	76

159. Resources: Included in the tributary area are the majority of the Nation's total resources—finances, agriculture, forests, fisheries, minerals, and manufactures.

160. Finances: The Rand-McNally Bankers' Directory for 1935 shows the total banking resources concentrated in the area in December of that year to have been about $54,100,000,000, or 84 percent of the national total.

161. Agriculture: The area includes most of the great wheat, corn, livestock, and cotton belts, which are the mainstay of the money crops of the Nation. The total number of farms in the United States in 1935 was 6,811,999, comprising a total acreage of 1,057,954,000. Of these totals, 70 and 73 percent, respectively, were in the tributary area. The gross income of this area from crops and livestock in 1934 was $4,800,000,000, or 72 percent of the country's total.

162. Forests: The timber resources of the area in 1931 reached 53 percent of the national total. Those of the South are becoming more important yearly and large industrial concerns depending on forest products are migrating to the Gulf States annually.

163. Minerals: The area includes most of the great mining and manufacturing centers of the country. Minerals production within the area of 1923 amounted to $1,930,000,000, or 82 percent of the total for the United States. Noteworthy among the minerals is crude oil, which is vital to the pursuit of commerce and essential in modern warfare. A large percentage of our oil reserves are directly tributary to the canal.

164. Manufactures are always an index of prospective traffic, requiring, as they do, the movement of both raw materials and fabricated articles. Within the area under consideration there exist manufacturing industries of practically every description, the total output in 1933 having a value of $22,400,000,000, or 73 percent of the total for the United States.

165. Wholesale and retail trade: This is customarily considered a reliable index for appraising the demand for foreign and domestic shipments. The volume in the area tributary to the ship canal under consideration amounted to 81 percent of the total for the Nation.

The Secretary of Commerce has reported to the United States Senate as follows:

In recommending this project to Congress, the Chief of Engineers has placed its construction cost at $197,921,000, with annual charges for interest (at 3½ percent), maintenance, operation, and depreciation at $8,641,000. On the basis of the potential 1937 use and benefits of the project, there would thus be a net annual surplus of $6,293,000. It appears reasonably certain that this annual surplus will be substantially greater by the time the canal can be completed, and that it will continue to increase thereafter.

The magnitude of these savings undoubtedly justify its cost and emphasize the desirability of its construction.

In spite of these official reports and in spite of the numerous thorough investigations of all phases of the project by the departments of the Federal Government in both Republican and Democratic administrations, the railroads and oil companies continue to do everything in their power to defeat this enterprise. They continue to harp on the old and now thoroughly discredited arguments—first, that the oil companies say that, even if the canal is built, their ships will not use it; and, second, that the canal will damage the underground water supply of Florida. The complete refutation of these arguments by the Government experts is contained in the report of the Chief of Engineers to Congress—House Document No. 194, Seventy-fifth Congress, first session—and need not be gone into here.

At the request of the President, a bill for completing the project has been introduced in the House of Representatives (H. R. 3223) by the gentleman from Texas, Representative J. J. MANSFIELD, chairman of the Committee on Rivers and Harbors; the bill has been reported out by the committee with a recommendation that it be passed and is now pending before the House (Rept. No. 509).

It is high time that labor took account of the threat to its own welfare which the opposition to this project constitutes. Only a casual examination is necessary to show that those who are opposing the Florida canal are those who have usually opposed labor in the past. This fact alone should be sufficient to show where the interests of labor lie in this matter. However, above and beyond this negative consideration, there are positive, immediate, and definite advantages to labor in the construction of the canal which warrant its militant support.

A program for the construction of appropriate, useful, and permanent public works by the Federal Government as a means of relieving unemployment and stimulating industry, rather than temporary relief projects which tend to undermine wage levels, is a vital consideration for labor. Victory for the Florida canal project at the present time may well mark the turning point of Federal policy in the direction desired.

The plans of the War Department for the construction of the canal provide for initiation of the work immediately upon appropriations by Congress. All plans are completed for resumption of operation where they were left off in 1936. A 6-year construction program is proposed. Estimates and plans are based on labor at prevailing wage scales, not under W. P. A. regulations.

Of the total cost of $197,921,000 yet to be expended, the following approximate division may be made:

Clearing	$1,392,000
Dry excavation work	17,500,000
Dredge construction	18,000,000
Dredging work	130,000,000
Hydroelecric construction	5,824,000
Bridge construction	17,748,000
Ferry construction	178,000
Construction of aids to navigation	1,282,000
Mooring construction	162,000
Revetment construction	2,067,000
Highway construction	524,000
Shop and housing construction	2,417,000
Sanitary construction	827,000
Total	197,921,000

Information furnished by the office of the Chief of Engineers indicates that the skilled labor which will be represented on the canal work will include the following—this is a partial list:

Boilermakers, electricians, machinists, blacksmiths, teamsters, stationary engineers, crane operators, bricklayers, plasterers, plumbers, pipe fitters, tile setters, roofers, stonemasons, dragline operators, bridge carpenters, house carpenters, tool makers, molders, painters, firemen, mechanics, riggers, iron workers, sheet-metal workers, coppersmiths, dredge engineers, welders, shovel operators, cement workers, quarrymen, printers, barbers, locomotive engineers, motormen, truck drivers, signalmen, sawyers, cabinetmakers, millwrights, auto mechanics, calkers, boatwrights, linemen, hod carriers, glaziers, tractor operators, lever men.

The above represents labor which will be directly at work at the site of construction. The indirect labor required in the industrial plants of the North and the East, as well as in the mills of the West, has such a general spread that the effects of this project are Nation-wide.

At this point I desire to quote a letter from President Franklin D. Roosevelt to the chairman of the Rivers and Harbors Committee, under date of January 16, 1939, in which he states:

It has long been my belief that a Florida ship canal will be built one of these days, and that the building of it is justified today by commercial and military needs.

Also I quote from the report of the Committee on Rivers and Harbors of the House, which has reported out favorably H. R. 3223, providing for the construction of this project:

The policy of the construction by the Federal Government of river and harbor projects and improvements for navigation in

general, when these are found to be in the public interest and to be economically justifiable, will always form a basic element in any sound fiscal policy, and that this view is supported by the expressed legislative judgments of the Congress throughout our history. The authorization of the Atlantic-Gulf Ship Canal is governed by that policy. The work, already well begun, will necessarily require a number of years. Your committee recommends that its completion be now authorized.

In conclusion, it may be said that the opposition is not well founded; that the project is of unusual merit; that its economic justification is beyond question; that its benefits will increase with time and will accrue to a larger portion of our country and its population than those of almost any other Federal public work; and that its construction is needful and in the public interest.

The value of this project in naval defense has been urged by the Navy Department, and in this connection I quote a letter from the Assistant Secretary of the Navy, under date of March 9, 1939, in which he states:

It is the opinion of the Navy Department that by shortening the distance and providing an additional route for seagoing vessels between the Atlantic Ocean and the Gulf of Mexico the Atlantic-Gulf Ship Canal would be of definite value during war in the shipment of necessary material for both military and commercial use, as well as for the passage of naval vessels if sufficient draft is provided.

This enterprise is not only a great project conceived in the interests of labor and the public welfare generally, but it represents to an outstanding degree one of the fundamental policies of labor as regards Government works. Those who oppose it oppose directly the best interests and the considered policies of organized labor. Labor's stake in the Florida canal is too great to permit its being trifled with by politicians and selfish interests. Those in high office who would defeat great public undertakings of this kind have little studied their country's needs and little understand the aspirations of our people.

French Reciprocal Trade Agreement

EXTENSION OF REMARKS

OF

HON. HARRY SANDAGER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

PRESS RELEASE OF THE RHODE ISLAND TEXTILE ASSOCIATION

Mr. SANDAGER. Mr. Speaker, I desire to extend my own remarks and include therein a press release of the Rhode Island Textile Association which further explains the havoc the French reciprocal trade agreement has created in the lace industry in Rhode Island, where the workers are receiving approximately four times and more a week than that paid to similar employees in France. The release is as follows:

According to C. B. J. Molitor, of the North American Lace Co., Philadelphia, which owns and operates the New England Lace Co. in Pawtucket, a brass dobbin winder in an American lace plant received $21.20, while in a French plant an operative received $5.40 a week for doing the same work. Twist hands (weavers) in the United States receive $55 a week, and in France the same type of employees draw $18 for a week's pay.

These comparative wage figures and others as startling are emphasized by Molitor in a letter to the Honorable Cordell Hull, Secretary of State, copy of which was sent to the Rhode Island Textile Association for the purpose of enlisting the Rhode Islanders in a cooperative campaign against this particular phase of reciprocal-trade treaties.

Molitor informs the Rhode Island association that French plants are enjoying prosperity and that their exports to the United States, due to the advantages that accrue under the terms of the American-French trade treaty, have increased amazingly since the adoption of the treaty in 1934.

In Rhode Island, where 60 percent of the American-made lace originates, the plants are practically flat, and as late as October 1938 a survey of 26 American mills showed employment at 34 percent of that in 1935. In the meantime imports from France of levers silk laces (other than veils and veilings; duty reduced) increased from 10,938 pounds in 1935 to 247,623 pounds in 1938, an increase of 2,149 percent. In the first 3 months of 1939, 110,195 pounds of these laces have been imported, as against 61,665 pounds for the same period in 1938, which would indicate that importations in 1939 would be nearly double the startling figures for 1938.

In levers silk veils and veilings (duty reduced) importations rose from 5,402 pounds in 1935 to 72,674 pounds in 1938, an increase of 1,245 percent.

Imports of levers cotton laces of 12 points or finer (duty reduced) in the first 3 months of 1939 amounted to 262,519 pounds, as against 96,528 pounds in 1938.

Imports of levers rayon veils and veilings in March 1939 amounted to 9,569 pounds, as against 3,730 pounds in 1937 and 4,049 pounds in 1938.

Commenting on the enormous increase in exports, La Phare de Calais, French newspaper, on January 28, 1939, stated under a three-column headline, which read "110,000,000 francs in lace manufactured in 1938, of which nine-tenths were exported to the United States—forty-five million in wages paid," that "the lace industry, which is one of the principal national industries, has already had for a certain time—that is, since the operation of the Franco-American treaty—a revival which cannot help but accentuate itself and indicates a continued success.

"One can assert that the revival in our industry was brought about by the Franco-American Treaty, which became effective May 6, 1936.

"From what precedes, one can prophesy happy prospects for 1939, lace being everywhere in fashion and prices permit meeting foreign competition.

"Let us rejoice with all our hearts for this revival of a wonderful industry for the benefit of the creators, its workers, and for the benefit of the entire Calais industry."

In the concluding paragraphs of his letter to Secretary Hull, Mr. Molitor included tables of wages paid in the United States and France for similar occupations, which showed that American workers received four or five times as much pay as their French competitors. The list of wages follows:

	United States	France
Workers (weekly wage):		
Brass bobbin winder	$21.20	$5.40
Spoolers	15.20	4.05
Warpers	30.00	5.94
Bobbin pressers	23.50	5.40
Menders	20.00	3.68
Sample girls	20.00	3.95
Card punchers	30.00	7.23
Machinist	35.00	9.20
Dyers (formula)	50.00	11.18
Twist hands (weavers)	55.00	18.00

Mr. Molitor, in closing his letter, stated that "thousands of American lace workers can go back to work tomorrow if our State Department would but correct a very inequitable situation. Let's put them back to work, Mr. Secretary!"

To this letter and a second letter of June 6, Mr. Molitor has had, as yet, no reply from Secretary of State Hull.

"Pay-as-You-Goism"

EXTENSION OF REMARKS

OF

HON. JAMES C. OLIVER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ARTICLE BY ELISABETH MAY CRAIG

Mr. OLIVER. Mr. Speaker, more and more columnists are coming to recognize the inevitable conflict that impends between the pay-as-you-go principle of old-age assistance as advocated by the Republican national platform of 1936, and by the Townsend Clubs of this country, and the present New Deal program which may properly be labeled the system of "borrow until you bust."

It is a pleasure to call the attention of the Congress and the country to one of the most incisive and intelligent interpretations of this issue as presented in the Portland Press Herald on June 24, 1939, by Elisabeth May Craig, one of the most capable columnists in the country:

[From the Portland Press-Herald of June 24, 1939]

INSIDE IN WASHINGTON

(By Elisabeth May Craig)

WASHINGTON, JUNE 23.—There is considerable dissatisfaction in the Senate with the revised social-security legislation passed by the

House. The administration has been laboring for years with this legislation; it set up an advisory committee of the best minds of the country, from all walks of life, and the conclusions of this committee were sent by the President to the House Ways and Means Committee. The committee had one of the most extensive hearings ever held (except on tariff). Yet there is dissatisfaction even within the administration, as to the revised bill.

First place, the bill halts between two principles. It started off with the principles of old-age insurance. This was to be supported by contributions from employer and employee. The flaw in this is that the great majority of the needy aged had nothing to contribute. So, old-age assistance was devised. This is jointly contributed by Federal and State Governments. Obviously, this was a departure from the contributory principles. There was still a vast field of needy aged where the contributory principle would not work. There were the agricultural workers, the domestics, the married women, and other casual workers. These were not covered by the contributory plan, yet they are the most needy in that they never have a chance to work and lay up very much for themselves.

So, in the revision the administration departed again from the contributory principle and proposed what are purely benefits. Also, it took away some of the money which would be contributed from the workers and their employers to pay over to those who do not contribute. This is the final blow to a defense of the contributory principle, since it is evidently unfair to claim that a system is insurance, if those who contribute have their returns given over to those who do not.

If it is admitted that all must be taken care of, out of the contributions of all, then the admission of one of the twin principles of Townsendism is made. That is, a flat old-age pension, paid out of common funds. And that is what the Republican platform of 1936 proposed. A pension to needy aged, paid for out of a tax widely distributed. This is the common ground that explains the liaison between Townsend and the Republican Party.

The Republicans do not entirely take the other twin principle of Townsendism, namely, that a sum larger than is needed for comfort, be paid to the old people, in order to spread purchasing power. There is no genetic relationship between these two principles. Dr. Townsend wants to help the old people and he wants to spread purchasing power. So he picked the old people as the ones to get the money, which they must spend in the month they get it, and must give up all lucrative employment. One of these principles is humanitarian, the other is economic.

A stumbling block in the way of the Townsend-Republican plan for a flat old-age pension, federally paid, is that the Supreme Court has said that tax money cannot be segregated for a specific purpose. The money collected for old-age insurance has gone into the Treasury and is being spent, with other tax money. The Treasury has a bookkeeping arrangement about putting I O U's into a box, for the old-age money, but that causes a lot of criticism. Also, the administration itself came to see the disadvantage of piling up a huge reserve from collections, and the revised bill will call only for a safe reserve. This is a compromise with the Republican demand for a pay-as-you-go system.

Dr. Townsend has come around to thinking that the best way to handle his proposal is through an amendment to the Constitution to permit segregation of money from a special tax for old-age pensions. This will take time and will probably be hot as the 1940 campaign gets underway. Also, probably, the issue of the administration hodgepodge for social security, versus the Republican Federal pension, will probably be clear.

The Anti-Third-Term Mythology

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ARTICLE FROM THE AMERICAN RELIEFER

Mr. HILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the American Reliefer:

[From The American Reliefer]

THE ANTI-THIRD-TERM MYTHOLOGY

(By O. M. Thomason, Willernie, Minn.)

I am not impressed by the anti-third-term pontifications being indulged in by worshippers at the shrine of Tradition.

The doctrine of only two terms for a President is a fiction and has no basis in law or common sense. Its invocation at this time springs from hopeful wishing and not from a desire to sustain a noble precedent.

And the fact that the same people who now see disaster in a third term for Mr. Roosevelt saw the same thing in a second term for him, should cause us to reflect.

Frankly (at least for the moment) I am for a third term for Mr. Roosevelt. Here are a few of my reasons.

At the present moment, I repeat, there's no man in sight as well qualified for the job as he is. I refer particularly to his humanitarianism—his devotion to human welfare—his constant strivings to put human rights (to buy time to think) above dollars and cents—even above a balanced Budget.

The human budget must never be sacrificed for the dollars-and-cents budget; the "claws" of the "economizers" have already betrayed what we may expect if they get in power. I shudder at the thought of what might today be our condition if Roosevelt had yielded to the clamor for a balanced Budget.

My mind goes back to 1931 and 1932. I drove through several States—Iowa, Nebraska, Colorado, New Mexico, Kansas, Oklahoma, Texas, Louisiana, Arkansas, and Missouri. Everywhere roads were flanked with people—hitch-hikers, mostly young men—some of them discouraged, and some at the point of desperation. And there were also old men—60 and over like myself—grey, gaunt, footsore. Also there were women—mothers and children.

In 1933 and 1934 I covered practically the same route again. The endless line of wayfarers had been swept from the highways—or at least they found welcome and shelter and good food and clean beds and shower baths and kind words at the transient camps. I know what I'm talking about. I partook of that hospitality—shared it unabashed—and thanked God for Franklin D. Roosevelt.

I remember distinctly the last 3 years under Mr. Hoover—the Hoovervilles, the apple peddlers, the bread lines, the flop houses, the pinching fingers of cold charity—all of which were born of Harding stability, nurtured under Coolidge prosperity, and had come to fruition under the great engineer.

I recall even now the cry of the auctioneer at farm auction foreclosure sales—cries answered by 1-cent bids by angry, desperate farmers. "Mobs," they were called, displayed ropes at such sales—sheriffs were hemmed in their offices—the orders of judges flouted with contempt.

And above the din could be heard the crash of banks. Private yachts were provisioned and anchored along the eastern seaboard ready to carry wealthy owners to safety on foreign shores. Planes were poised for quick get-aways to South America.

The flames of disorder were eating their way along the fuse. "Wise" men were stupefied. It was the calm before—

Then on March 4, 1933, Franklin D. Roosevelt took the oath of office. On March 5 things began to happen.

Frightened Senators and Representatives were handed some emergency measures—and told to pass them—which they did—the only sensible things some of them have done during many years in office—and for which some have not ceased to flagellate themselves to this day.

Within 10 days the clouds began to lift. Trembling bankers cautiously opened their doors, whispering to the people that "Uncle Sam is behind us."

Then began the trek of business chieftains—railroad magnates, industrial leaders, bank officials (including Hell-and-Maria Dawes)—to Washington. They went on bended knees and with outstretched and empty hands; they came away with heads up and bags filled.

A chorus of praise and thanksgiving rose from every newspaper in the land. Every stuffed shirt from Main Street to Wall Street extolled the New Deal experiments. Toasts were drunk to the "blue eagle." Gen. Hugh Johnson soared and roared—now he scratches and screams.

No regular dog bites the hand that feeds it. But within a year the snapping and snarling began. By the end of 4 years the whole pack, with gleaming teeth and fiery eyes, were leaping at Roosevelt's throat. This in face of the fact that he had flung the banner of hope to the breeze—that he had said, "No person shall go hungry—farmers must have a moratorium."

But a dog may bay the moon; that's his privilege.

Of course mistakes were made, but they were mistakes of the head, not of the heart. True, also, there were apparent wastes—what those who put dollars above decency call extravagance, but there have been no Albert B. Falls, no Teapot Domes.

Technology had shouldered its huge bulk into our midst and pushing millions of men upon the scrap heap. But human sympathy was at the helm. President Roosevelt gathered those discarded men and women into groups and set them to work. And even if some of the work did not possess an immediate monetary value, it did have a social value—preserved human values, human self-respect, and inspired human hope. Bridges, highways, schoolhouses, courthouses, post offices were built, repaired, and enlarged. Tens of thousands of young men were scattered throughout our forests, which had been ravished by greed, restoring it for future generations.

He put brains and muscles and skill to work salvaging our dust-swept plains, reclaiming eroded south lands, harnessing waterpower, supplying cheap power to millions.

Mr. Roosevelt has striven not only to save investments but—and most important of all—to catch and hold and direct into right channels human values, human character, and self-respect.

And yet during the past 4 or 5 years all the forces of reaction, all the combined powers of selfishness, all the hate and poison of the Nation, have been directed to one end—to discredit and bring to naught and put an end to the public career of Franklin D. Roosevelt. Writers have dipped their pens in vitriol, cartoonists have uncorked their vials of ridicule, and even "whisperers" have sought by cowardly lies to break down and destroy the faith the people have in Mr. Roosevelt.

Daily they trot out new hopes. I look over the parade and tremble at the thought what will happen if Roosevelt is succeeded by a "Cactus Jack" Garner, Texas banker; or backward-looking Vandenberg, or bitter-ender Taft, a superreactionary Byrd, or an ambitious Dewey.

Then I offer a fervent prayer.

Any of those men will be acceptable to Wall Street, to the A. M. A., to the U. S. C. of C., to 95 percent of the newspapers, to 100 percent of big business and 75 percent of little business, and even not a few of the misled aged who have been poisoned by their leaders.

And behind all this, lurking in the background, is the menace of nazi-ism, dictatorship, concentration camps, firing squads. Waiting around the corner is the rule of the mailed fist, the destruction of democracy, the assassination of personal freedom, national slavery, and the destruction of religious liberty.

My conclusion is that every person who cherishes our democracy above the iron heel must fight to hold the right to speak his mind. The course of battle lies ahead. Democracy, with all its faults, is more to be desired than the rule of money changers who defile the temple of civilization.

Rome was not built in a day. When an old house falls down it's no small job to remove the rubbish.

Your Task as a Citizen

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ADDRESS BY HON. J. EDGAR HOOVER JUNE 21, 1939

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by J. Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, before the national convention, United States Junior Chamber of Commerce, Tulsa, Okla., June 21, 1939:

My pleasure in being able to be with you is matched only by my hopes for the future of the Junior Chamber of Commerce. I have followed your programs closely over a period of years and taken pride in your achievements. In the practicality of your activities you are building on firm foundations. May your civic programs gather momentum and roll forward to help in the building of a better America.

Your small groups, banded together some 20 years ago in St. Louis, soon would have withered had they not built their future upon a platform of worth-while programs and crusading civic spirit. As a result you today have 600 junior chambers of commerce in a like number of communities, all working, I know, toward a worth-while goal.

An organization is only as good as its friends and supporters, thus I am indeed proud of the fact that when you embark upon a civic program you can count on the support of not only 110,000 members, but of millions of good citizens who know you, admire you, and trust you. Of course, obstacles will beset you but adversity is the real test of virile manhood.

We of the Federal Bureau of Investigation have likewise faced adversity. The development of our Bureau, like the growth of the Junior Chamber of Commerce, has been over a hard road. Its achievements stand as a tribute to youth. The average age today of the men of the Federal Bureau of Investigation is scarcely 34. Its development in reality has been a ceaseless conflict between corruption, inefficiency, and the deadly forces of the underworld on one hand and the forces of decency and truth on the other.

I recall vividly the tribulations with which we were confronted 15 years ago this summer. Attorney General Harlan Fiske Stone, now a Justice of the United States Supreme Court, as fearless a foe of corruption and inefficiency as our present Attorney General, Hon. Frank Murphy, was determined to rebuild the Nation's law office on the firm foundations of honesty and integrity. He agreed with me that political influence should not dictate appointments or promotions. Overnight, the Federal Bureau of Investigation was removed from the political arena where it had been kicked about like a football, the pawn of pull, prejudice, and patronage. Today only merit counts in an F. B. I. appointment; no man can enter without it.

In 1924 only 30 percent of the men had legal or accounting training. The others included some persons who had police records, and at least one man who had been tried for murder. Others had been declared physically unfit and disqualified for duty by other law-enforcement agencies and had sought refuge in the Bureau. All that was changed, and drastically. Today, to be eligible for appointment as a special agent, the applicant must be between 23 and 35 years of age, a graduate of a recognized law school, and a member of the bar, with at least 2 years of legal or business experience, or he must be a graduate of a recognized accounting school, with 3 years of commercial accounting or auditing experience. These men, after appointment, attend a 16-week training school, where they are diligently trained in all forms of scientific deduction, detection, and apprehension. They are imbued with the principle that no case is ever closed until the wrongdoer is brought to justice. They are taught to get the facts, thereby freeing the innocent and convicting the guilty; our ever-present watchword is "Fidelity, bravery, integrity."

Since 1932, when the Federal kidnaping law was passed by Congress, authorizing the F. B. I. to act in such cases, all but two of the 156 cases reported to us have been completely solved and the wrongdoers—crooked lawyers, gang doctors, money changers, finger men, fixers, and harborers of criminals—have been brought to justice. Sooner or later the heartless body snatchers and killers in the two remaining cases will be brought to justice.

Already in the case involving the abduction and murder of the little Levine boy at New Rochelle, N. Y., more than 8,000 persons have been interviewed, 450 automobiles checked, some 500 premises inspected, 560 anonymous and crank letters investigated, and over 500 scientific laboratory examinations have been made. In the case of the little Mattson boy in Tacoma, Wash., over 20,000 persons have been investigated, more than enough suspects to populate a small city. And still the search goes on.

There is no mystery to good law enforcement. It merely applies to crime detection the same principles of efficiency necessary in any high-geared business. Plus this is the fact that the F. B. I. is distinctly a "we" organization—everyone has his part in its trials or triumphs. Without cohesion everywhere the Bureau could not function with the success we enjoy.

Of course, I am proud of the record of the Bureau. For instance, in the past 15 years the Federal Bureau of Investigation has cost the taxpayers less than $50,000,000, and returned to those taxpayers of the Nation a profit of more than $190,000,000—and this even includes those early days when we were rebuilding the Bureau. I hope that our services to society in the apprehension and conviction of over 43,000 notorious criminals during the past 10-year period, are achievements beyond the capabilities of financial measurement.

In doing this the F. B. I. has paid heavily in effort and even in life itself; 12 of our men have died in the line of duty, others have injured their health by overwork and overexposure, and have joined their fellows where the rattle of machine-gun fire is unknown. Nor has the sacrifice ceased there. The long hours of vigil and the sorrow bravely faced by the women who stand behind the men of the F. B. I. is an inspiration to the living and a monument to their sacrifice. Today seven of the widows are a part of our organization because they wanted to take their husbands' places and carry on for them. We are proud of them; we are proud of our record—of honest, law-abiding citizens and cooperative law-enforcing officers who have aided us in times of great stress. We would be even more proud if this record could be rivaled by local law enforcement in every town and hamlet of every State in the Union. Government is not some far-away, visualistic thing. You are government, and you can get what you want at home as easily as you can get it at Washington if you'll only square your shoulders and fight for it.

Certainly this applies to the widespread wave of lawlessness that has so long engulfed our social order. It is unnecessary, and it could be conquered as quickly as have the kidnaper and the bank robber, whose activities have declined over 80 percent in the past 7 years, if everybody insisted that this be done. Our crime bill is bigger than our entire national tax bill. Think that over. And meanwhile remember that nations have crumbled because of internal disasters rooted in lawlessness. True freedom lies in true justice to all people and in all things. This comes not from superimposed regulation; it springs from good conscience, honesty, and integrity. It is the Golden Rule translated into action. It is the exemplification of the Ten Commandments and the embodiment of religious teachings. Justice insures the integrity of the Nation. I hope the day will never dawn when your America and mine sinks to the debauched level of vicious subversions. I long for the day when every man, woman, and child will be impelled by the force of conscience to abide by the spirit of the law, rather than be driven to abide by the letter of the law imposed to correct abuses that would not exist if justice prevailed.

It is high time that we give more thought and energy to crime-preventive measures; to curing the cause of lawlessness rather than to be forever combating it, once it runs rampant. The emergency situations must always receive first consideration and it is for this reason that we of the F. B. I. have placed so much stress on detection and apprehension which, together with certainty of trial and punishment, constitute the time-proven deterrents to crime. But an even greater result can be achieved by damming the flow of crime at its source.

In this regard, a definite portion of every civic organization's program should be devoted to a study of crime conditions and the methods used in combating them. What, for instance, do you know about law enforcement in your town? What has happened to the big cases which were in the newspaper headlines a few months ago? Were they vigorously prosecuted, or were the felons allowed delay after delay while witnesses disappeared, and the final court-room scene became a mere mockery of the law? Were juries tampered with, witnesses intimidated, perjury suborned? Did the criminal in a heinous crime or hundred-thousand-dollar swindle get off easier than some wayward youth who stole a car

or burglarized a store while hungry? Are the operators of vice dens who commission high-school students to solicit for them excused by the paying of a mere fine which amounts to a license to traffic in human flesh? Can criminals "cop a plea"—plead guilty to a lesser offense and get by with a short sentence? Do sentences imposed by the courts mean what they say? Are convicted criminals afforded greater opportunities and pleasures in prison than out? Can a traffic ticket be fixed? Do public officials who receive a pitiable salary live like millionaires?

Such questions are not hypothetical. For the past 15 years every day has brought reports to my desk of just such cases. Few communities in the land are wholly free of abuse of the very laws enacted to protect society. But there is an answer. In America the majority still elects public officials, and if the majority demands it they can oust corruption overnight.

Just as the price of liberty is eternal vigilance, the freedom of your community from the forces of crime that strike somewhere in the Nation every 22 seconds carries a sales ticket—to be bought by civic alertness, decency, energy, and self-sacrifice, not only for self-preservation but for the welfare of coming generations.

Are there slot machines in drug stores and restaurants in your town? Does gambling thrive? Are there bookmaking joints on every corner? Who controls the numbers racket? Is vice kept at an irreducible minimum or does it contaminate most sections of the city? Does white slavery exist? Are the newstands cluttered with salacious and perversive printed matter? Remember that the habits of youth govern the actions of the man. No public enemy ever won a place in the headlines overnight. Trace their histories as I have and you will find their criminal careers began long before in surroundings that insulted civic decency.

Those who engage in widespread vice activities and rackets could not long survive without their ally—the political renegade. No community in the land is contaminated by rackets and corruption to any great extent without the assistance of local interests, which hold law enforcement in restraint. Your law-enforcement officers are your representatives. They are not persons with unlimited power; they must obey those under whom they hold office. If they are bent beneath the domination of the criminal-alined politician, ruthless rackets and vice are inevitable. The law-enforcement officials of our Nation, for the most part, are honest and anxious to do a good job. Regardless of their personal honesty, however, they are frequently powerless to act. You, and only you, can take the handcuffs off their wrists and place them where they belong, upon the racketeers and criminals.

It behooves every citizen and every group such as yours to constantly scrutinize the qualifications and the background of candidates for public office in order that the crook may be unmasked and the self-sacrificing, honest man in public service may be given every possible assistance. Here party lines cannot exist. Public service should beckon and attract young men of character and ability. A career of honest public service is as sacred as the ministry and should demand the same stalwart principles. Thus, honest citizens everywhere should aid the man who would dedicate his talents to public welfare. Only when two men are equal in character, ability, and honesty are party lines, as we know them, justified.

Many outstanding community leaders have told me that they would not seek public office because of the muckraking and foul, unfair, besmirching tactics adopted by those affiliated with venal politics. This is indeed tragic. The Nation very frankly is being cheated at the polls when its citizens tolerate and cheer such tactics. It will only be by the courageous outlawing of the mudslinger and rabble rouser that public offices, when contaminated, can be cleansed. More and more the Nation and all of its political subdivisions need career men in politics; men who regard their community above their own personal desires. I hope indeed that some of the young men of this organization will some day see their way clear to make their contributions through public service. The Nation is in great need of the pioneering and patriotic spirit which has helped to make this organization a great and respected one.

Let us appraise further, your duties as a good citizen. What do you know about the judiciary in your community? Is it a fountain head of justice, or is it controlled by entrenched interests? For if the robes of justice are not clean, then society and mankind are not secure. America has been fortunate indeed in the high character of its judges, and those honest, God-fearing men would be the first to urge eternal vigilance that the bench may be incorruptible. And your prosecutors, do they seek justice for society and the accused as well? Or do they safeguard the interest of the accused by grand jury whitewashing, or improperly prepared cases?

Has there ever been a prison break in your community? Was this break investigated by an impartial authority? Have you ever looked into the coddling of prisoners—the free and easy way they circulate in so many so-called penal institutions? Or is the institution operated so that its inmates will really be rehabilitated and reformed, through fair, humane, constructive, yet stern discipline?

When did you last visit your police department and observe its equipment? Have you inquired as to whether your local department has a police training school? Has one of its officers attended the F. B. I. National Police Academy, which is maintained for them free of charge? And did the officer have to mortgage his home, as some of them have, to pay his railroad fare to Washington and defray his living expenses while attending the academy? And upon his return was he afforded the necessary cooperation and assistance in starting a training school, or was he relegated to a beat by professionally jealous superiors or overly anxious venal politicians?

American law enforcement is to be commended because of its sincere efforts in recent years, to improve conditions and protect our citizens. When you criticize your police force, remember that you and other citizens like you constitute the real power behind your police and public officials. Beyond that, you possess the power of recall if they are not efficient.

Fifteen years ago, the Fingerprint Division of the F. B. I. was organized in response to a vital need. Rapid means of transportation had made crime a swift-moving, dangerously elusive problem. Older methods of identification were faulty. Thus the Identification Division of the F. B. I. came into existence; and the machinelike precision of modern business methods applied to its organization. Today, it is possible in less than 3 minutes to search a set of fingerprints and identify the impressions on the card if the individual has previously been fingerprinted, despite the fact that there are nearly 11,000,000 sets of fingerprint records on file.

Recognizing the value of a positive means of identification, law-abiding citizens began to clamor for the benefits which were given the criminal. Thus in 1933 our civil identification section was inaugurated. There the fingerprints of over 1,300,000 honest, law-abiding citizens are placed, wholly divorced from the criminal files, forever insuring their identity. You of the Junior Chamber of Commerce have long been allied with this project, which is designed to serve law-abiding citizens. The time is rapidly approaching when every honest citizen will want to have his fingerprints on file. Yet there are those who claim fingerprinting is a violation of civil liberties. Drivers' licenses are required in many States—I have never heard them denounced as a violation of civil liberties. That is silly. Fingerprinting is liberty insurance—except for those who desire to conceal the fact that they are enemies of society.

I firmly believe that the public interest would best be served by requiring all persons in public office, or occupying positions of public trust, to be fingerprinted. This would surely put trusting, law-abiding citizens on their guard and might have prevented, for instance, the $241,000 bank fraud perpetrated some time ago by the vice president of a bank, who had previously been convicted for fraud.

As an experiment, the Travelers Aid Society in Richmond, Va., recently arranged for the police department to fingerprint all transients seeking assistance. The results were highly revealing. Out of 7,034 persons fingerprinted, 4,345 had previous police records, 2,387 were for minor charges, while 1,958 were for serious charges. Among these were eight fugitives and one individual who had been reported missing.

In New York City the policy was adopted by the W. P. A. administrator of fingerprinting applicants for certain positions of trust and teaching and recreational assignments. Out of 18,594 sets of impressions, 1,555 represented persons with previous police records. Many who were seeking jobs in playgrounds had previously been charged with the commission of sex offenses. One individual was wanted for parole violation and had served a prison term for rape.

Last December a young man was found mortally wounded. He was rushed to the County Hospital in Chicago where he died unidentified. His fingerprints were forwarded to Washington. They were searched through the civil files and identified as having been received several months before from a C. C. C. camp. On the back of the fingerprint card was the young man's home address and the name of the person to notify in case of an emergency.

Likewise the body of an unidentified man was removed from the Connecticut River last fall. His fingerprints were taken at the morgue and then sent to Washington. A search revealed he had been arrested on five occasions. Again complete identifying data as to his home and relatives were made available in order that this 70-year-old man could be given a decent burial. Had he never been arrested or had the foresight to have had his fingerprints recorded he would have been buried, unnamed, in a potter's field.

The mutilated body of an unidentified man was found beside the railroad tracks near Union, S. C. Again we made identification. This person had been previously fingerprinted in Richmond, Va., when he sought aid from the Travelers Aid Society and the complete details of his home and family were soon made available to the authorities in South Carolina.

At least 192,000 persons were reported missing last year and more than 16,000 have not been located. Over 9,500 unidentified bodies were removed to morgues last year. Some 1,600 cases of amnesia attacks were reported to authorities last year. Think of the sorrow and suffering that could have been alleviated had these unfortunate persons only had the foresight to have had their fingerprints recorded. It has only been a few years since we went to the morgues and solicited the cooperation of authorities in fingerprinting unidentified deceased persons. At times we encountered opposition but today even that has given way to a sincere desire to cooperate in the public's interest. Thus your civil identification committee can well feel gratified by the service they have already rendered in many communities.

America needs your patriotic zeal and your services in a crusade to insure her destiny on the chartered sea of democracy. As never before in our national history, the country summons her men of character and action. Once and for all we must eradicate from American thought and life those sinister forces which are alien to justice and which are the allies of lawlessness. The fight will require sacrifices, but they are necessary if we are to preserve our homes and our traditions. Remember that from dawn this morning until dawn tomorrow morning 3,928 major crimes will have

been committed, including 33 homicides, 814 burglaries, 162 robberies, 2,258 larcenies, 22 rapes, 515 auto thefts, and 122 aggravated assaults. The criminal forces of America will have extorted and collected their daily tax of over $41,000,000 for the invisible empire of lawlessness that exists within our midst. Why cannot that money be turned into the flow of commerce and the veins of progress, instead of falling constantly into the grimy, blood-soiled paws of the underworld?

I sincerely hope that each of the 110,000 members of the Junior Chamber of Commerce will resolve to dedicate himself here and now to ceaseless activity and relentless warfare against the forces that threaten the peace, security, and well-being of our beloved America. There is great need that you enlist. There is greater need that you do not falter in purpose, nor cease to battle for the cleanliness, the happiness, and the welfare of the kind of an America which we all so greatly desire.

Federal Pensions

EXTENSION OF REMARKS

OF

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. POAGE. Mr. Speaker, I have today introduced a bill, H. R. 6997, to create a Federal pension system for all citizens over 65 and for all adult cripples, including the blind. The bill provides a direct Federal pension of $30 per month for all such citizens who have resided in the United States for 21 years and who are not inmates of publicly supported institutions or recipients of public funds amounting to as much as $30 per month. There are no property qualifications whatever, and no investigation of the applicant's financial or family condition will be required.

The bill expressly repeals all of the present provisions of the social-security law relating to old-age insurance as well as old-age assistance, and it, in express terms repeals title 8 of the Social Security Act which levies taxes on both employer and employee, which under the present law will soon reach a billion and one-half dollars per year. However, the present provisions for unemployment compensation, maternal and child welfare, and the Public Health Service are undisturbed. The bill will probably involve a total gross outlay of around $3,000,000,000 per year.

We are now collecting approximately $514,000,000 per year from a 1-percent tax on employers and employees for the maintenance of the old-age-insurance system. Under existing law, this tax will gradually increase to 3 percent, and it must so increase in order to meet the actuarial requirements of this insurance. With no increase in employment this involves an annual permanent tax in excess of $1,543,000,000. Last year the Federal Government expended in excess of $124,500,000 on grants to States for old-age assistance. The States spent something more than this amount. The Federal Government, in addition spent approximately $16,000,000 in the administration of this work. This year the normal processes of liberalization of State laws will increase these expenditures by at least 25 percent, giving a total expenditure at the present time of approximately $312,000,000 for old-age assistance. Thus, our present system of old-age assistance and old-age insurance involves a tax burden of approximately $1,855,000,000 per year. This amount makes no provision for our adult cripples or for our blind, and leaves a large percentage of our needy people without any assistance, and many more with inadequate assistance.

The bill I have introduced will carry a $30 per month income to the 6,633,805 people in the United States—1930 census—over 65 years of age. This will require $2,388,000,000, or approximately $533,000,000 more than the present cost of our old-age assistance and old-age insurance. There is no census figures on the number of adult cripples or the number of blind in this country, but their combined total can hardly exceed 1,000,000, and the total cost of extending this program to these needy citizens would, therefore, be approximately $360,000,000, making the total cost of this program of aid to the aged and incapacitated come to something considerably less than a billion dollars in excess of our present program.

I have long recognized the gravity of this problem and the inadequacy of our present program. The so-called pension problem, which in its final analysis is a problem of security, has become one of major proportions not only in my own State of Texas but all over the United States. There is an insistent demand for old-age pensions. The plans proposed are varied, running all the way from an actuarially sound retirement fund built up from enforced contributions to the visionary promises of the Townsend plan.

While the House of Representatives has recently revised and proportedly liberalized the social security set-up, it has not extended its provisions to the masses of our people. If we are to rest our old-age security program on anything like the insurance provisions of our present Social Security Act, it is going to be necessary to extend the present program to all groups of our people; it now reaches less than one-half of our citizens. Such an extension involves us in many baffling difficulties of procedure and technique.

For instance, how is it possible for the sandy-land farmer or the itinerant laborer to make contributions sufficient to provide any kind of retirement fund for his own old age? Certainly, a universal application of the present social-security program would involve material additional tax burdens over and above the present burdens of the pay-roll tax. On the other hand, the adoption of the Townsend plan or any of its kindred proposals would, of course, involve a complete change in our economic system with unpredictable results flowing from the multiplied taxation and practically unlimited inflation that these plans carry. However, it seems to me that to deny that America must meet the problem of old-age security is to ignore the most evident signs of the times and to refuse to recognize the obvious duty of the Government in a period of progressively restricted economic opportunities. If this problem could be solved by the Federal Government it would relieve the States of a vexatious and dangerous question as well as of a burdensome load of taxation. I have no desire or intention to appeal to the uninformed with a promise of "something for nothing." For a long time I have joined with many of my fellow citizens in questioning the wisdom of making payments, regardless of need, to all persons who have attained a given age. I have, however, been forced to the reluctant conclusion that this is possibly the only way whereby we may escape the evident evils of the social-worker investigation system, against which there has been directed so much just criticism. I have also been one of those who have long clung to the idea that it was cheaper to administer government locally than from Washington. My experience here in Washington has but confirmed that conviction, but it has also forceably impressed me with the realization that the South and West have long suffered under an economic system in which we have enjoyed a position little better than that of provinces.

Broadly speaking, the wealth produced by our farms and natural resources flows to the financial centers. I know of no way to reverse this flow of money and wealth except through governmental action. My own State is the greatest producer of natural resources in this Nation, but neither Texas nor any other of the great natural resource producing States, with the possible exception of Louisiana, has been able to free itself from the control of the exploiters of these resources sufficiently to levy an adequate tax on the products of their mines and wells. As a result the wealth produced by the oil, gas, sulfur, coal, iron, copper, and silver of the West has flowed and continued to flow to the metropolitan centers of the East, where it can only be reached by a Federal income tax. The collection of any other tax by any one of the several States, whether it be a transaction, sales, ad valorem, or income tax, and its distribution in the form of a pension to the aged and disabled of that State would neither add to nor take from the total wealth of the State, but the collection of any of the present forms of Federal taxes would

fall most heavily upon the centers of wealth, income, and property. All of these centers are in the North and East, and as the per capita wealth and income there is vastly higher than in the South and West, the payment of a pension by the Federal Government from funds secured through ordinary Federal taxation would inevitably tend to reverse the economic processes that concentrate wealth in financial centers. For this reason it seems to me to be especially advantageous to the people of the raw-material States to adopt a pension system supported in whole by Federal money as compared with our present system of State-matching for old-age assistance, and of course, if the pension should be made universal for all above 65 it would eliminate the necessity for the present burdensome pay-roll taxes which the Federal Government now levies for the support of the social security old-age annuities.

Nor can the value of the removal of this question from the field of local control be overestimated. For 4 years business and industry in my home State of Texas has had no idea from year to year just what taxes it would be called upon to bear in connection with the old-age assistance program. But the suffering occasioned by this uncertainty of business has been small as compared to the ever-present fear that has gripped the heart of every needy elder citizen of our State as he or she has wondered from month to month just what cut might be made in the meager check on which so many of our people have of necessity relied for their livelihood. The plan I have introduced is exceedingly simple. It raises no question requiring investigation at the hands of a social worker trained in an eastern university. It involves no question of charity nor any discretion as to individual need. There are no involvements as to how, when, or where the sums received as pension may be spent. I have purposely omitted any provisions for a new tax system, first, because of the amount of new money required would not necessitate the establishment of a new tax system, but, more important, because, as I have explained before, I feel that the payment of such a pension from revenues derived from ordinary Federal taxes would be peculiarly beneficial to the South and West. I have sought to offer a pension plan that will provide security for the old and for that great forgotten group of physically afflicted, who, no matter what their age, suffer a handicap comparable to that of older citizens. I have sought to make the amount large enough to make the promised security real and at the same time small enough to bring it within the realm of practicability that it might actually be paid. I cannot but feel that the actual gift of a loaf of bread is better than the unfulfilled promise of a dozen cakes.

I had prepared legislation along this line with the idea of introducing it much earlier in this session of Congress, but the Legislature of Texas has been in session, and up until a few days ago has been troubled with a very wide difference of opinion as to just what action should be taken in regard to the pension problem and the question of revenue. I have felt that so long as no decision was reached in my own State legislature the introduction of any measure of this type in the Congress might have tended to influence the action of that body. I had no wish to so influence its action. I therefore withheld all action until the legislature adjourned. However, it has now adjourned, and it seems evident to me that the need for pension legislation in Texas is still one of primary importance. I am sure that it is also a pressing need in other sections of the United States. This House of Representatives has now acted upon the amendments to the Social Security Act, which many of us had hoped would give security to a really substantial group of our aged citizens. No tangible liberalization of benefit to the citizens of the poorer States has been provided, however. I am, therefore, forced to the conclusion that it is my duty, as well as my right, at this time to introduce legislation which will give real security to the aged and afflicted of this Nation.

Mr. Speaker, at this point I desire to insert in the RECORD the entire bill to which I have referred. The bill is short, and I feel that it need only be read to be understood.

A bill to create a pension system for adult cripples and for aged citizens, and for other purposes

Be it enacted, etc.,

SECTION 1. That every citizen who shall furnish satisfactory proof to the authority hereinafter designated (1) that he has been a citizen of the United States of America and has resided therein for at least 21 consecutive years immediately prior to the date of his application; and (2) that he is not the inmate of any publicly supported institution, and that he is not the recipient of any annuity, pension, retirement, or payment of any kind paid from public funds, amounting to as much as $30 per month; and (3) that he is either (a) more than 65 years of age, or (b) is permanently and totally disabled from engaging in gainful work by reason of impairment of mind or body (including loss of sight), shall, so long as such condition continues, receive a pension from the United States of America of $30 per month.

SEC. 2. The purpose of this act is to provide a living income for all adult cripples (including blind persons) and all persons over 65 who are bona fide citizens of the United States of America by birth or by naturalization and who have resided herein for not less than 21 years, and who are not receiving support from public funds. No payment herein provided shall be in any manner dependent or conditioned on any action or contribution on the part of any State.

SEC. 3. No person who may be otherwise qualified shall be denied the benefit of this act because of property owned or by reason of other income, unless received from public funds. "Public funds" as used in this act shall not include any funds created or accumulated where assessments, contributions, or payments thereto by individuals, firms, and private corporations provided as much as 50 percent of such funds. No person shall be required to take a pauper's oath or submit to any investigation of his relatives' financial condition in order to enjoy the benefits of a pension under the provisions of this act.

SEC. 4. The provisions of this act shall be administered by the Social Security Board.

SEC. 5. From and after the passage of this act, no further collection of taxes shall be made under the terms of title VIII of the present Social Security Act, and all further obligations under titles I, II, VII, and VIII are hereby expressly terminated, except that all obligations which have heretofore accrued thereunder shall be fulfilled by the Social Security Board, and in order to provide funds for the fulfillment of existing obligations, all funds now in the Treasury of the United States for the fulfillment of such obligations shall be and they are hereby made available to the Social Security Board for such purposes. All old-age benefit reserves shall be and they are hereafter returnable to the parties from whom collected in the proportion that each collection bears to the total of such fund, after deducting all payments made to date and the sums necessary to pay such compensation and annuity obligations as may have heretofore matured.

SEC. 6. There is hereby authorized to be appropriated for each fiscal year hereafter a sum sufficient to carry out the purposes of section 1 of this act.

SEC. 7. All acts and parts of acts in conflict with any of the terms of this act are hereby repealed and set aside to the extent of such conflict.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ADDRESS BY HON. JOHN O'CONNOR, JUNE 26, 1939

Mr. FISH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks of former Representative John O'Connor, as chairman of the meeting of Patriotic Societies at Carnegie Hall on June 26, 1939, in protest against the Bloom neutrality bill:

Ladies and gentlemen, to those responsible for inviting me to preside as chairman at this great patriotic rally, I desire to express my appreciation of the honor.

Like the ideal—but rarely obtainable presiding officer—I shall endeavor to leave the speechmaking to the distinguished statesmen who will address you this evening.

Briefly, may I say, however, that to this meeting have been invited only patriotic American citizens representing every element of race, creed, and color. If any others are here, they have penetrated this hall in disguise. For instance, if Mr. Fritz Kuhn or Mr. Earl Browder, or any supporters of any "ism" are present, they are here as uninvited guests and will hear nothing here that accords with their foreign ideologies.

This meeting will be devoted to no "pro" or "anti" discussion of any kind, except "pro" Americanism.

The need for such gatherings is paramount today when a deliberate attempt is being made to involve us in another foreign war—not to benefit the only surviving democracy, the United States, but to "pull the chestnuts out of the fire" for certain alleged "democracies" of the old world.

Someone has said that the only place where they are talking "war" is at 1600 Pennsylvania Avenue, Washington, D. C., and that is attributed to the Anglophile complex predominant there. In fact, it is stated in that city, as an indisputable fact, that the charming King and Queen who recently visited our country did so reluctantly and against the firm advice of their own British Foreign Office and our own State Department—that insistence upon their visit emanated from our Chief Executive, with the predicted reactions in other countries with whom we are still "supposed" to be on friendly terms.

Our foreign policy will be discussed here tonight—that is, what should be our foreign policy will be argued to you by those most familiar with our traditions and our national interests. Unfortunately, at the moment, we have no foreign policy, unless it be closely closeted in the breasts of those who refuse to disclose it and at the same time beat the tom-toms.

This is the time and this is the hour for the American people to declare, in no mistaken terms, the "foreign policy" of these United States, to be carried out by their duly-elected representatives in the Senate and the House of Representatives of the United States, and by no others.

Ladies and gentlemen, to that solemn purpose we here dedicate ourselves.

Let Us Cancel That Third Term, Too

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. BENDER. Mr. Speaker, a source of great wonderment and frequent bewilderment is the ever-present ingenuity of our new dealers. The fair-minded must be always willing to give the devil his due; and in the interest of absolute impartiality we must concede to the White House and its cohorts an amazing ability to find specious reasons for every one of its manifold activities. Is there some project which the boys regard as "smart politics"? You may be sure that one of them will discover some highly plausible reason to justify its establishment. Is there some proposal afoot which may garner—and we do not mean Jack—a few votes for the well-greased machine of the Democratic national government? Leave it to the bright young men to find the technique which will make it palatable to the American public.

Today the lads and lassies who swarmed out of the Nation's eastern law schools of Columbia, Harvard, and Yale to take over the task of running the United States of America are deeply concerned over one major difficulty. Their jobs seem to be expiring before their very noses. As each day of the calendar ticks its relentless way off the yearbooks, they find themselves faced with the sad and dismal prospect of 1940. Each of them is haunted by the specter of unemployment; by the fear that there may be no work available when the Government job "folds up." There is only one prospect which offers them hope of retaining their posts—the reelection of their patron and benefactor, Franklin D. Roosevelt. A third term for him is a third term for them.

But the problem remains seemingly insuperable. The people of the United States have established many unwritten constitutional doctrines in the course of their history. None is stronger than the tradition that no man may be elected to the Presidency for three terms. Embedded in this time-worn and never-broken principle is the basic belief of our American system, the conviction that ours must be a "government not of men but of laws." No man must grow until he is mightier in his person than the laws of the land. No man, no matter who he may be, may supersede in his person the confidence which we place in the law and its interpretation.

Yes, indeed, the canniest students of the American political scene among the shining lights of the New Deal recognize the strength of this unwritten prohibition against the third-term President. Yet when personal interest rides the horse of destiny, even the strongest barrier must be leaped.

And so it is with no surprise that the Nation reads in its morning journals an amazing bit of political sleight-of-hand. "A third term for President Roosevelt," they cry. "Who speaks of a third term? In 1940 Franklin Delano Roosevelt will be running for what is really no more than a second term. For his first term was canceled by the Supreme Court."

Here is sophistry worthy of the most celebrated casuists. Here is a bit of reasoning incredible to all save those who recognize the endless ingenuity of our Socratic philosophers who dwell within the shadow of the White House. Let the logicians take heed of their laurels. We have developed a new generation of thinkers who may properly dedicate their lives to making the worse appear the better reason.

For less than this the fathers of ancient Athens summoned the bearded Socrates before them and gently placed the painless hemlock in his hands. What shall we do with our beardless youngsters who seek to presume upon the Nation's patience with self-seeking justification of their own ambitions?

They have suggested it themselves. President Roosevelt's first term, they tell us, has been canceled by the courts. Let us follow their example. The Nation must make it clear that we, the people, shall cancel a third term.

Jobs—But the President's Political Ally Prevents Men Working at Them

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. HOFFMAN. Mr. Speaker, we are all aware of the contribution of $470,000 made by John L. Lewis and his United Mine Workers to the New Deal campaign fund. We all recall John's words to the President, when he said:

> It ill behooves one who has supped at labor's table and who has been sheltered in labor's house to curse with equal fervor and fine impartiality both labor and its adversaries when they become locked in a deadly embrace.

Many of us remember that, during the recent strike of the soft-coal miners, the administration came to the aid of Lewis and his United Mine Workers and so secured a closed shop in many of the mines.

There is a very definite purpose to be served by a closed shop and the check-off system. It is not at all surprising that, in view of the almost half-million-dollar contribution made by the Mine Workers toward the President's reelection, he should now pay that political debt by helping Lewis to levy tribute upon all those who would work in the soft-coal mines.

The administration is just showing us another version of the old "squeeze play." Franklin helps John put the screws on the United Mine Workers for initiation fees and so much monthly dues. In turn, John contributes a part of it to Franklin's campaign fund. A nice little racket, if you can make it work, and apparently they can.

Down in Harlan County, Ky., the jobs are ready and waiting. Listen to this statement of W. J. Cunningham,

president of the Harlan County Coal Operators Association. I quote:

A union contract would have been signed by the Harlan County Coal Operators Association at the recent New York negotiations except for the union's insistence on a closed-shop provision, W. J. Cunningham, president of the association and its representative in the New York meeting, disclosed today.

"No disagreement exists between this association and the United Mine Workers of America on any clause of the proposed contract except the closed-shop provision," Cunningham said.

"The final draft of a contract, as proposed as the result of the New York meeting, was essentially the same as our old contract with the union except for two provisions. One of these would recognize the United Mine Workers of America as the exclusive bargaining agent for the men. That clause was a new one. It was not contained in our old contract, which ran from last September 1 until April 1 of this year. It would have been a substantial improvement in the old contract from the union's viewpoint. On behalf of the Harlan association I accepted it.

"The other proposed new provision would have required every one of our mining employees, except those working in supervisory capacities, to become members of the union as a condition of their employment. I did not and could not accept such a provision because it would have put the operators in the position of compelling our men to join the union. Such an action on our part, if we undertook to do such a thing, would quite possibly be a violation of the National Labor Relations Act. Whether illegal or not, it certainly would be contrary to the principle of self-determination for the men in matters concerning employment. That principle has been accepted by the Harlan County Coal Operators Association.

"We are not opposing the union for those men who desire to be members of it. Neither are we fostering the union and seeking to impose it on any men who do not desire to be members of it.

"No demand existed within Harlan County, so far as we know, to convert our former contractual relationship with the United Mine Workers of America into a closed-shop proposition. The operators and the union worked together for 7 months, under the old contract, without any indication that it was unsatisfactory to either of the parties.

"The demand for a closed shop did not come from union members in Harlan County but from their leaders in New York.

"Many of our men apparently are not members of the union. I believe that possibly 65 to 75 percent of all the miners in Harlan County were not members of the union at the time of the New York meeting. Some mines had a higher proportion of union men, of course, and some had less.

"A closed-shop contract, under these circumstances, would have one of two possible consequences. Either it would compel the employers to discharge experienced and valuable employees or it would compel those employees to join the union in order to retain their employment. I believe that either of these two courses would be illegal, and I know that either of them would be un-American and unfair.

"There is no other point of disagreement between the union and the Harlan Association, so far as I know. The present condition in Harlan County is not the result of any desire by the operators to avoid a contractual agreement with the union. We offered in New York to continue a contract with the union and to make this agreement more advantageous to the union than the former contract.

"There is no disagreement between the operators and the union, or between the operators and any of the men, about rates of pay or about any other question whatever—except the one question of an open or closed shop.

"In order that there may not be any misunderstanding whatever about this issue, I would like to give you the language of the closed-shop clause in the final draft of a proposed contract as drafted at the New York meeting:

" 'It is agreed that as a condition of employment, all employees shall be members of the United Mine Workers of America, except in those exempted classifications of employment as provided in this contract.'

"We regard that language as an absolute closed-shop proposal.

"Although we rejected this clause, we left the New York meeting in agreement with the union on all other questions and ready and willing to sign a contract with them, embodying all the other matters on which we were in agreement. As to the one question on which we did not agree, we are willing to meet with them further whenever the union may desire.

"I do not desire to engage in any public controversy, and have given this interview only in order that the position of the Harlan County Coal Operators Association may be known by the public."

Here are the jobs. Here are the men. But because of coercion, intimidation, and violence they dare not go to work and, in the meantime, the Government is feeding not only the strikers but those who are kept from work by the strikers—a fine situation—the result of a sweet political racket, which, if it was carried on by individuals outside of the protection of the Federal Government, would land them in the penitentiary.

W. P. A.

EXTENSION OF REMARKS

OF

HON. VITO MARCANTONIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

LETTER AND MEMORANDUM ON TESTIMONY OF ALLEN W. STEPHENS AND PETER L. HEIN

Mr. MARCANTONIO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter and memorandum:

UNITED STATES WORKS PROGRESS ADMINISTRATION,
FOR THE CITY OF NEW YORK,
New York, N. Y., June 26, 1939.

Hon. VITO MARCANTONIO,
House of Representatives,
House Office Building, Washington, D. C.

DEAR MR. MARCANTONIO: In accordance with your request, I am attaching a copy of my memorandum on the testimony of Messrs. Stephens and Hein.

Sincerely yours,

BREHON SOMERVELL,
Administrator.

MEMORANDUM ON TESTIMONY OF MESSRS. ALLEN W. STEPHENS AND PETER L. HEIN

The general testimony and statistical data submitted by Messrs. Stephens and Hein as to the conduct of construction work by the W. P. A. are favorable. The design, quality, and supervision of the work, the use and care of equipment, are rated from satisfactory to excellent. There is one notable and outstanding exception to the general tenor of the findings. This exception is in the matter of the cost of the work. On this point their testimony is based on a wholly misleading comparison of the cost of doing work by contract and by the W. P. A. Any comparison of the methods of doing work which are used by the W. P. A. with those generally in vogue is beside the point; for if money were available to the city to do the work in the ordinary way, there would be no need for the W. P. A.

It seems desirable at the outset to point out a number of reasons which militate against the W. P. A. ever doing work for the same cost as a private contractor:

1. W. P. A. work must be carried on in fair or foul weather at times when a contractor, if possessed of good sense, would do no work at all.

2. W. P. A. must work its skilled employees only a few hours per month. This causes a number of shifts to do one man's work, with corresponding loss in production.

3. W. P. A. must keep the cost per man at a minimum, thus directly affecting the amount of equipment which can be used and correspondingly the output per worker.

4. W. P. A. and its sponsors have been able to plan only a few months in advance owing to the method in which appropriations have been made. This has caused a great deal of confusion not present on contract work. Funds for material and equipment have never been plentiful.

5. W. P. A. cannot select the persons of greatest ability to carry out jobs, but must use those available.

There are less important reasons which it is not necessary to mention here which, with those given, should limit the over-all efficiency of W. P. A. operations under the best of conditions to about 80 percent of what those in charge of the W. P. A. could reach under other circumstances. Nevertheless, W. P. A. has and is doing some work at less than contract cost for similar projects.

Of course a larger sample than 9 out of over 30,000 jobs should be used to give anything like an adequate figure as to the effectiveness of W. P. A. It is not necessary, however, to go further than the data submitted by Messrs. Hein and Stephens to show how erroneous and misleading are their conclusions. The methods used by these men in arriving at these conclusions are not consistent, complete, correct, nor conclusive. Their statements are contradictory among themselves and not in accord with the facts. One or two are so far wrong that it is only fair to suppose that the transcript is in error.

The methods are not consistent. In certain cases the effectiveness of W. P. A. work is gaged by a comparison of the total costs of W. P. A. work and allegedly similar contract work (fair building); in others a comparison is made of labor costs alone (school buildings); in the same case the statement is made that labor and materials on these same jobs cost two and one-half times contract costs. In neither case do the figures given correspond with actualities but are based on assumptions made by Messrs. Stephens and Hein, and in neither case are the total costs given by them such as to give the relationship stated.

The methods are not complete. They fail to furnish a true comparison of items under consideration. In the case of the fair building a comparison is made on a cubic foot, not a square foot, basis; a sufficient picture of the two buildings, Federal and W. P. A., is not given to make an intelligent comparison. Final costs are projected on a straight-line basis from present costs with little or no consideration to modifying factors which affect progress of work in its later stages. In their report on residential streets in Queens, for example, they "estimate" the labor cost to complete the work at $106,000. The work was completed on May 10, at an actual labor cost of $40,592, instead of $106,000. Though these men were informed of special conditions on this project which would prevent "estimating" as they did, they show figures for total labor cost over two and a half times as much as actual costs. The "examiners" have omitted other items, such as ratio of equipment on W. P. A. and contract jobs, bad weather, lack of similarity in projects on which comparison is made which make their conclusions undependable.

The methods are incorrect. The percentage of completion is taken at an earlier date than the percentage of encumbrances, thus throwing the results out of balance. No allowance is made for the difference between encumbrances and actual expenditures, no consideration is given to the fact that encumbrances for materials are necessarily high at the beginning of the work.

The observations on the effectiveness of the work can therefore be considered as in no wise conclusive. On the contrary the conclusions of the "examiners" are not to be relied on. With a different utilization of materials and equipment it is impossible to judge the efficiency of work by a comparison of labor costs alone, even with correct figures which were not furnished to the committee by the examiners in this case. It is possible, and in many cases such results have been secured, to have double the labor cost on a project and to do the entire work on that project for a total smaller sum than would be the case for another with half the labor cost. Unless such matters are given consideration, Members of Congress will receive an entirely incorrect evaluation of W. P. A. work from their examiners.

Even with the incorrect figures furnished the committee by the examiners, if a modicum of regard is given to consistency, the over-all picture of the effectiveness of W. P. A. work in New York City reflects a condition which is not too far from satisfactory if the five conditions under which the work must be done are taken into account.

The findings as to the efficiency of the nine projects as stated by Messrs. Stephens and Hein are as follows:

Q-H-(BP)-60, Queensboro Bridge Plaza: "Better than assumed."
Q-S-7, trunk sewer: 82 percent.
Q-ED-4, P. S. 64: 38.2 percent.
Q-H-(BP)-5, cinder highways: 50 percent.
Q-PW-(PO)-12, police station: 35 percent.
Q-P-32, World's Fair exhibit building: 46 percent.
Q-PW-5, Queensboro Bridge: "Very efficient."
B-ED-3, P. S. 27: 40 percent.
North Beach Airport: "Materially less than in estimate."

In the case of the Queensboro Bridge Plaza work, since the efficiency is found to be better than assumed, it could be regarded as 100 percent. For the same reason, North Beach could be considered as 100 percent efficient. However, if the efficiency of these two projects and the Queensboro Bridge project be given a value as done by Shephens and Hein on other projects in the above list, by dividing the estimated labor cost by the probable actual labor cost based on a straight-line relationship between actual labor cost and percentage of completion, the efficiency for the Queensboro Bridge Plaza work becomes 77,011/62,000 or 124 percent. The Queensboro Bridge work showed a labor cost of $346,066 and 95 percent completion, or $364,000 for full completion. Hence the efficiency would be 376,193/364,000, or 103 percent. By the same method, the efficiency of the North Beach Airport project would be found to be 19,965,632/17,400,000, or 115 percent. If these numerical values be substituted in the above table, the average efficiency of the nine projects is found to be 70 percent. This is the figure secured by using Mr. Stephens' figures, not those believed to be correct by WPA-NYC.

As stated in Mr. Stephens' testimony, the cost of the paving of Queensboro Bridge by W. P. A. was $2.72 per square foot. The contract cost of paving Manhattan Bridge, as taken from the January 1939 issue of Construction Methods, was $3.91 per square foot; but the city furnished cement and other specific items on this work to a value of $1.79 per square foot, making the total cost of the work for fair comparison with the cost of the Queensboro Bridge work $5.70 per square foot, indicating an efficiency of 209 percent on the W. P. A. project. If this figure were used in the above tabulation instead of 103 percent, as the examiners did in considering contract costs in computing the efficiency of several projects in the above table, the over-all efficiency of the projects would be 82 percent.

This result is secured by using the figures of the examiners which for the reasons stated are incorrect.

An examination of their "statistical reports" is appropriate at this point to determine the extent of their errors and assumptions so that some figure may be obtained which seems to fit more nearly the actual conditions.

WORK PROJECT Q-H-(BP)-60, QUEENSBORO BRIDGE PLAZA, HIGHWAY IMPROVEMENTS AND LANDSCAPING, PAGE 305

The statistical report on this project is wholly favorable and no questions were raised by the examiners with respect to the work. Mr. Stephens and Mr. Hein found that the efficiency of labor was proving better than was assumed; and, as stated above, an efficiency of 124 percent is indicated, using their method of determining efficiency based on labor costs. A more accurate method would be to use total costs. The original estimate of the total cost of doing the work was $129,821 and the present estimated total cost is $117,929, which indicates an efficiency of 110 percent.

WORK PROJECT Q-S-7, TRUNK SEWER, NINETEENTH AVENUE AND THIRTY-SECOND STREET, QUEENS, PAGE 307

The examiners made a straight-line estimate of the total labor cost for completing the work despite the fact that the job was carried on during the winter, when conditions were extremely difficult. Also, the labor encumbrances to April 20 have been considered erroneously in the calculations as the expenditures to April 12, the date to which the physical percentage of completion was computed. The present estimate of the total cost of the work for which there is good reason to believe the entire work will be done, is $572,110 as compared with the original estimated total cost of $624,650. Based on the correct figures, therefore, the efficiency of this project is 109 percent.

WORK PROJECT Q-ED-4, PUBLIC SCHOOL NO. 64, QUEENS, PAGE 310

Messrs. Stephens and Hein determined the efficiency on this project by taking 90 percent of a straight-line estimate as the future labor cost, and by dividing their estimate of labor for the complete project into their estimate of the probable labor cost if the work were done by contract. In figuring the total labor cost, they used the labor encumbrances to April 21 and the percentage of completion as of April 12, the date to which the physical percentage of completion was computed, thus introducing an error.

It was assumed by the examiners that the total cost of the building under private contract would be $441,000 based upon a table of comparative costs of similar buildings actually constructed by contract (Exhibit C, p. 313). Of the schools listed, the five which did not have pile foundations or rock excavation and are thus comparable with P. S. 64, and their total costs, taken from the table, are as follows:

P. S. 108, Bronx	$441,989
P. S. 104, Queens	435,781
P. S. 55, Queens	445,508
P. S. 213, Brooklyn	416,765
P. S. 15, Queens	419,454

The average estimate of the board of education and the averages of the high bids, average bids, and low bids on these five buildings are as follows:

Board of education's estimate	$479,480
High bid	504,646
Average bid	467,464
Low bid (contract price)	432,065

The examiners estimated that the total cost of constructing Public School No. 64 by contract would be $441,000. This is $26,000 less than the average bids on five similar jobs. Moreover, it is not proper to compare W. P. A. labor costs with 40 percent of $441,000 to determine the efficiency of the project, because the actual labor costs to the contractors on the above jobs are not given, and the actual labor costs may have been considerably higher than 40 percent of the contract prices.

Assuming that the cost of the W. P. A. building will run as high as the figure given by the W. P. A.-New York City on April 28, in which there was a reasonable allowance for contingencies, there would be the following relationship to bids submitted by contractors:

W. P. A. efficiency:	*Percent*
High, 504646/672560	75.0
Average, 467464/672560	69.5
Low, 432065/672560	64.3

WORK PROJECT Q-H-(BP)-5, RESIDENTIAL HIGHWAY CONSTRUCTION, QUEENS, PAGE 313

Messrs. Stephens and Hein were informed (p. 315) that it was originally intended to operate the major portion of the 80 work sites simultaneously, to use approximately $15,000 worth of equipment, and that these measures were found to be impossible during the early stages of the work because of a shortage of equipment and insufficient supervision. As of April 12, no equipment had been used except a small amount to a value of $652.50. Up to that date, work had been done largely by hand, and consequently the assumption of straight-line labor cost made by Messrs. Stephens and Hein is a serious error. It illustrates the nature, and to a degree the extent, of the error introduced in all their calculations by the use of this method.

Equipment was made available shortly after the date of the report in accordance with the plan of operations contemplated at the time the original estimate was made, which made it possible to complete the entire work on May 10, 1939, for a total labor expenditure of $40,592 instead of the $106,000 estimated by the investigators. The efficiency, based on the final labor cost for the project, as compared to the estimated labor cost, is therefore 131

percent instead of the 50 percent estimated by the examiners. Another measure of efficiency is the relationship of the original over-all estimate of $118,562 by the actual over-all cost of $69,331. This gives 171 percent.

WORK PROJECT Q–PW–(PO)–12, POLICE STATION AT NINETY-FOURTH STREET AND FORTY-THIRD AVENUE, ELMHURST, PAGE 315

The efficiency on this project was determined by the same method as on Public School No. 64. In this case, however, there is no means of checking the assumption made with respect to the cost of constructing the building by contract because exhibit C, as mentioned on page 316, does not appear in the record. Again, the computations of labor cost have used the actual encumbrances as of April 20 as if they were the expenditure on April 12, the date to which the physical percentage of completion was computed.

Based on the rough estimate given by Mr. Stephens in his testimony on page 502, a similar building could be erected by contract for $201,300. Though no factual data are available to support his statement, the relationship between his figure and the estimated cost of $275,666 (which includes an addition to the original estimate by reason of changes in construction) gives an efficiency of 73 percent and not 35 percent as given by Messrs. Stephens and Hein based on an erroneous assumption as to the future.

WORK PROJECT Q–P–32, WORKS PROGRESS ADMINISTRATION EXHIBIT BUILDING, NEW YORK WORLD'S FAIR, PAGE 318

The calculations as to the efficiency with which the work has been done on this project are far from representing the actual situation. This has been one of the fastest moving jobs at the fair, and no apologies need be offered by anyone for the way in which the work has been conducted. It is true that there have been changes in design, and these have increased the cost somewhat. They would have increased contract costs.

There is no just comparison between the cost per cubic foot of this building and the same cost of the Federal building at the fair. The Federal building has a great deal of loft space which is provided for decorative purposes; the W. P. A. building is compact and has little waste space. The area of the enclosed or usable floor space in the Federal building is 83,438 square feet. The total cost of this building was $941,000, giving a square foot cost of $11.30. Though final figures are not yet available and there is some question as to the parallel in the allocation of costs between building and exhibits in the Federal and W. P. A. buildings, the cost of the latter should not run over about $590,000. This, with an enclosed floor space of 44,770, give a cost per square foot of about $13. Thus the disparity between costs even without regard to design is not great. The W. P. A. building, instead of being of cheaper construction than the Federal building, is at least as good, if not better, construction. A greater proportion of the W. P. A. building is devoted to the auditorium, where the provision for the stage is much more elaborate than in the Federal building. Other differences, such as concrete instead of wooden floor, are noteworthy.

On page 335, Mr. Stephens avoided giving the cost of the W. P. A. building on a square-foot basis, stating that the W. P. A. building "is on a cubic-foot contract." This is, of course, not so. The cost per cubic foot of the buildings at the World's Fair has run from 15 cents to 75 cents, according to the chief engineer of the fair. The W. P. A. costs, even on a cubic-foot basis, which is not a reliable unit of measure in this case, are therefore about the average cost for the buildings in the fair. Checks on a number of individual buildings indicate that the W. P. A. costs are not out of line with the costs of others, particularly those which were started late and built with the same speed that the W. P. A. building was built. As far as the actual execution of the work is concerned, this building can be considered 100 percent efficient—certainly not less than 90 percent. The building has cost what it should have cost. It cannot be compared with another building differing greatly in design.

WORK PROJECT Q–PW–5, REPAVING UPPER ROADWAY OF BRIDGE AND MANHATTAN APPROACH, QUEENSBORO BRIDGE, PAGE 321

As stated above, the efficiency of this work computed on the basis of labor costs in the manner used by Mr. Stephens and Mr. Hein on other projects would be 103 percent; or by comparing its cost with that of the contract work on the Manhattan Bridge, 209 percent. The examiners made no determination as to the efficiency on this project, as they did where the comparison was unfavorable to the W. P. A. The efficiency of the work is 110 percent, if obtained by dividing the original total estimate of $589,397 by the present total estimated cost of $535,033.

WORK PROJECT B–ED–3, PUBLIC SCHOOL NO. 27, BROOKLYN, PAGE 324

The statistical record shows that the efficiency of this project was determined in exactly the same manner as for Public School No. 64.

Of the schools listed in the table on page 313, the contract costs on the two with pile foundations, which are comparable with this school, are as follows:

P. S. 119, Bronx	$468,421
P. S. 254, Brooklyn	483,449

The average estimate of the board of education, and the averages of the high bids, average bids, and low bids when the contracts were let for these two buildings, are as follows:

Board of education's estimate	$490,000
High bid	565,122
Average bid	507,274
Low bid (contract price)	475,935

The estimate of the examiners that this school could have been built by contract for $441,000 is too low in view of actual contract costs on the above two similar jobs. There is the same objection to assuming 40 percent of $441,000 as the probable cost of labor on a contract for this work as stated in the discussion on Public School No. 64. Compared with the W. P. A. estimate of April 28 the following results:

W. P. A. efficiency:	*Percent*
High, 565122/668472	84.8
Average, 507274/668472	75.9
Low, 475935/668472	71.4

NORTH BEACH AIRPORT, PAGE 328

The magnitude of this project and the variety of construction activities at the site are not readily appreciated except by visiting the work. Briefly, the project consists of filling a water area; constructing large hangars and various other buildings; grading, seeding, and landscaping; constructing runways, taxiways, and apron; and installing water mains, sewers, and utilities. Because of the large amount of work other than the building trades, employment has been given to large numbers of common laborers. As shown in the table on page 331, there were 7,003 unskilled employees assigned to the project on April 19, 1939.

The statistical data submitted by the examiners show that the sponsor's contribution to this project is $15,389,038, and the estimated Federal cost is $23,667,908. Thus, the sponsor's contribution is 39.4 percent. This does not represent the entire expenditure by the sponsor, for the city has acquired land at a cost of $2,778,271, which may not be considered a contribution to the project under W. P. A. regulations. Therefore, the sponsor will spend a total of $18,167,309 on the project.

As stated previously in this memorandum, the efficiency of the project is 115 percent based on the method of computing labor costs to completion of the work by direct proportion to the labor costs as of April 10, when the work was 66½ percent physically complete.

Comparisons as to costs at North Beach, using the methods employed by the "examiners" reveal results which should be placed before the committee. The volume of the buildings at North Beach in cubic-feet totals 35,755,164, which is about the same as for the Empire State Building and twice that of the Chrysler Building. Costs at North Beach according to estimates are about 50 cents a cubic foot. This is less than given by Messrs. Stephens and Hein for the contract school buildings and police station, 55 cents and 58 cents. The cost of the Empire State Building is understood to have been about $40,000,000 for 37,000,000 cubic feet, or about $1 per cubic foot; and that of the Chrysler Building about $12,000,000 for 14,000,000 cubic feet, or 86 cents per cubic foot. Of course the design is greatly different in the case of the buildings under consideration, though the materials are the same. Following the examiners' method in the case of the W. P. A. and Federal buildings at the fair, W. P. A.'s efficiency at North Beach must be phenomenal.

Carried out under pressure during bad weather the results, of course, did not reach the peak that such a comparison would indicate. In the first place, the work could not have been done satisfactorily by contract as plans were not available when the work began and have kept only a little ahead of the field work.

Considering all factors, the work has cost about what it should have cost. Actually it is about 60 percent efficient if judged on the basis of what could have been done if it had been possible to attack the work deliberately and with completed plans prior to the undertaking.

Using more consistent, complete, and correct figures, a table similar to the one given earlier in this memorandum shows the following:

W. P. A. efficiency:	*Percent*
Q–H–(BP)–60, Queensboro Bridge Plaza	110
Q–S–7, trunk sewer	109
Q–ED–4, P. S. No. 64	69
Q–H–(BP)–5, cinder highways	171
Q–PW–(PO)–12, police station	73
Q–P–32, exhibit building	90
Q–PW–5, Queensboro Bridge	209
B–ED–3, P. S. No. 27	76
North Beach Airport	80
Average	109

This table, prepared according to the general method of the "examiners," but without the errors and inconsistencies in their figures, shows the W. P. A. in New York City to be a superefficient contractor. The W. P. A. in New York City would feel that it had done a superhuman job if it could have confidence in the methods used in arriving at this result. It suffers under no such illusion. It knows the methods to be inexact, and that such glowing results are in error. With the data available no exact numerical statement of value can be made with respect to efficiency. The best estimate, based on a general survey of W. P. A. projects, is that costs are in the neighborhood of 25 percent more than could be secured by ordinary methods. With the constant progress now being made this should be reduced to not over 20 percent by the end of the year. If a long-range program is adopted with some of the difficulties listed which are now imposed by legislation removed, this margin can be still further reduced.

America's Destiny

EXTENSION OF REMARKS

OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

ADDRESS BY HON. ROBERT A. GRANT, OF INDIANA, ON JUNE 12, 1939

Mr. GRANT of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by me on June 12, 1939, before the South Bend Elks Lodge, No. 235, of South Bend, Ind.:

It is both a pleasure and an honor to address you my brother Elks on this unusual occasion of the initiation of the Fred L. Dennis class, and especially on this happy event of the presentation to our brother Dennis of a life membership in our order.

It is a pleasure because of the warm glow of fellowship which is in the atmosphere of any meeting of the Elks. It is an honor because of the high standards and ideals of benevolence, patriotism, and good will for which our order stands.

This is a time, my brothers, when the whole world is in turmoil and confusion. We have watched with grave alarm the growth and development of those frictions and those hatreds and those greeds which have for a long time kept Europe on the very brink of another general war. We have seen with deep concern and regret the growth in our own country of sectional jealousies, class hatreds and strifes, and a tendency to the breaking up of our people into three stratas or groups, the great body of them clinging steadfastly to the ideals of constitutional government and the liberties achieved in the trials and the sacrifices and the blood of our forefathers, while minorities are trying to poison the well springs of freedom in this country by a propaganda for communism on the one hand, and on the other hand by the propaganda for fascism.

In all of this confusion and turmoil and hardship and depression and uncertainty and fear the Benevolent and Protective Order of Elks stands in this country a strong rock, a living force, a beacon of inspiration and encouragement, to those who believe in the American form of government, who believe in the American way, who believe in those ideals written into the Declaration of Independence and embedded in the organic law of our land, the Constitution.

I say to you, my fellow Elks, that few of us realize the opportunity which is offered for our fraternity to help to preserve those ideals and those liberties which make life dear, and few of us realize what an influence our order has been in helping thus far to sustain and to strengthen those liberties and those ideals.

This is a time that tries men's souls. This is a time when our faith in our ideals of life is being tested to the uttermost. This is a time when those who are willing to put temporary security above liberty are apt to be led astray. This is a time, my fellow Elks, more than any time we have known in America, when we must reach out the strong hand of fellowship and assistance to the brother and the sister whose hold on faith in the ideals of the American way of government and of life is weakening, whose footsteps along the pathway that our fathers hewed out for us are faltering.

It means much in this time that the name of our beloved order is the Benevolent and Protective Order of Elks. We try to live up to those words which are a part of our name in the truest sense of their meaning. The Elks are benevolent. They are charitable, not merely in a material sense; it has been said that the bread of charity is bitter, that is not true of that charity which is one of the basic tenets of our order, one of the foundation stones of its being, and one of the principle reasons for its existence. To us the name of our order implies something higher than mere giving of material things. It recognizes that divine spark with which man has been endowed by his Creator. It signifies respect for the rights of others, tolerance of their views, cooperation in a spirit of brotherhood for the welfare and advancement of mankind.

Elks are protective not merely of their own rights and interests; they are equally protective of the rights and interests of their fellow men. To them the words "in the name of our order" mean more than mere lofty platitudes; they are more than merely an intellectual philosophy or an empty creed; they are to be specifically and actively applied to everyday living.

No influence in this broad land of ours could be finer than that which is brought to bear upon daily life by the Elks who live up to the title of our order.

The Elks are famous for their charity, for their generosity to the poor, especially at Thanksgiving and Christmas, and with a special care for the children. They are noted for the aid they give to the widows and orphans of departed fellow members. What a beautiful thing it is.

This feeling of fraternity and good will is one of the outstanding qualities of our order. As it extends no less to those brothers who have departed this life, so does it extend to all of our brothers who for any reason are absent from us. There is no more beautiful rite in any association of men than our ceremony when the hour hand of the clock stands at 11 of drinking a toast to our absent brothers. It is a beautiful symbol of the spirit of communion which exists among us.

It is not strange but very natural that those among whom such comradeship exists should care for the dear ones of departed members and that this spirit should extend not only to the families of your brothers in your order but to the needy among your fellow men.

I am proud to be an Elk, because the Elks have made private charity a manifestation of man's humanity to man. They have made of it one medium for the active expression of their fellowship and good will toward all men, and, therefore, an active force for good. It is a demonstration of their deep sense of social responsibility.

The great secret of the charity of the Elks lies in the fact that their charity does not consist merely in giving alms. We know that "we give little when we give of our possessions. It is when we give of ourselves that we truly give." We do give of ourselves as Elks with genuine unselfishness. The Elks' ideal of charity is not merely to minister to man's body alone, but to his spirit as well. That ideal is to help him to help himself, to put his feet back on the road to independence and success in his own right, thus restoring his confidence, his hope, and his faith in himself and in his fellow man. They have given of their strength, have the Elks, not that they might support, but that they might strengthen others; for they know that the highest form of charity is to:

"Anticipate charity by preventing poverty; assist the reduced fellow man either by a considerable gift or a sum of money, or by teaching him a trade, or by putting him in the way of business, so that he may earn an honest livelihood and not be forced to the dreadful alternative of holding out his hand for charity. This is the highest step, and the summit of charity's golden ladder." That summit from which men may vision the highest and the most noble potentialities of God's universe.

Men with such a sense of their social duties feel no less their great civic responsibility. The Elks have always been intensely patriotic. They have always stood for the highest ideals of citizenship. They have always been an active force, as I said a moment ago, in preserving the true spirit of Americanism, in holding aloft the light of the ideals of democracy in a representative republic. They have fought, they are fighting, and they will continue to fight the insidious propaganda of those who would substitute the dark and evil doctrines of communism or fascism or any other type of "ism" which is utterly foreign to the American conception of man and of government.

The Elks have always been stanch defenders of the liberties guaranteed in the Bill of Rights. Because they are a national organization they have been an active force in seeking to eliminate those sectional and class hatreds which disturb and threaten our Nation today, and to promote national harmony and unity so essential to our peace and prosperity.

We, as Elks, as well as men, realize that war is wholly destructive of all that man has struggled through the centuries to build. We, as Elks, know that the blessings of peace are the first requisite of prosperity and progress for the human race. We have, therefore, always sought to promote the tolerance, the good will, and the cooperation among men which alone can bring peace and progress both in our own country and abroad. In this the Elks have followed the teachings of the founding fathers, of Washington and Jefferson and Lincoln, who warned the Republic that it must keep out of entangling foreign alliances and the conflicts of the Old World.

We know, my brothers, that democracy cannot be enforced, because freedom itself cannot be enforced upon the peoples of the world. Love of liberty, the will to achieve it, and the determination to keep it alive must come from within. But we can as a nation stand out as a shining example to the rest of the world of what a people may attain under the blessings of constitutional government.

The greatest world service that America can render is to demonstrate to the world, as the most powerful argument and inducement for the ideals of peace and democracy, the happiness and prosperity of a free people under a free government. But to do this we know that we must first make democracy work at home. We must prove our ability to meet new problems as they arise without abandoning the ideals for which America has always stood.

Today, as never before, I say to you, America needs a rededication to those ideals and virtues for which our people have always been famous. It is a sad fact, but true, that today democracy is on the defensive all over the world. False alien philosophies are preaching the supremacy of the state and the subordination of the individual, and as a result have overthrown representative government in country after country while they seek by insidious propaganda to spread their ideologies ever further.

There is desperate need that we inspect our foundations; that we reaffirm our faith in those principles for which we stand and in those ideals in which we believe. We must guard them zealously from all encroachment, from within as well as from without, if they are to be preserved. Above all, we must beware of those who sow the seeds of hatred, discontent, and dissension.

Hatred cannot bring peace. It cannot bring progress. Hatred can lead only to war. It can lead only to strife. It wastes men's

strength in struggles which can avail them nothing. It takes from us the energies that otherwise could and would be spent in the constructive, creative path of building a better world for ourselves.

It is tragically true, my brother Elks, that of recent years we have all too much yielded ourselves at home to the spread of foreign doctrines. We have done so because they have been aroused through the fires of class hatred. The "have-nots" have been pitted against the "haves." Employees have been alined against employers. The farmer has been set against the industrialist and vice versa. The consumer has been arrayed against the producer. Ironically, those who have fanned the fires of hatred, suspicion, and distrust, those who have sought to gain personal or political power in so doing have done so in the name of liberty and the people.

Bitter epithets have been hurled, epithets which could serve only to engender hate, to arouse jealousy, to promote dissension. We are tending toward government by propaganda.

There should be no room in the hearts of men for any hatred save that of hatred itself, of intolerance, jealousy, and prejudice. These are man's basest passions, which for centuries he has struggled to overcome. These are the base passions which the Elks in following their ideals seek to overcome. It is a sad fact of the human race that there have always been those willing to arouse these passions in the name of a holy crusade to gain a following, those who would sow the seeds of dissension in their lust for power. It has been well said that he who would rule his fellow man first sets brothers at variance with each other.

The spread of hatred—class, racial, and religious—in America has been inaugurated by those who would destroy our form of government in order that they might find in the ensuing chaos an opportunity to satisfy their own lust for power. Those who incite these dissensions work in the dark. They mask their purposes under high-sounding slogans and innocent-looking organizations. Fascists warn of a Communist revolution; Communists warn constantly of a Fascist menace.

Nor has this commotion of unrest, this fostering of hatred, this arousing of suspicion and distrust, been confined to our domestic situation. It has been injected into our relations with other nations. Many of those who have hurled epithets at home have hurled them across the seas as well. Indeed, so frequently have men in high public office made inflammatory speeches that other nations have been led to class us among their enemies.

Epithets, accusations, threats are not the language of peace. Such is not the way to promote international understanding and cooperation. Such is not a part of a good-neighbor policy in the family of nations. Such a policy can but aggravate the sores of hatred and distrust and suspicion from which the world is already suffering.

We cannot condone the persecutions of race, religion, and creed which have taken place in many parts of the world. But, by the same token, we must not arouse the similar passions of hatred, bigotry, and intolerance which have made these persecutions possible in a world which we have believed was civilized. In the name of peace, we must shudder at the inhuman bombing of men, women, and children; but by the same token, we must not ourselves engage in bombing men, women, and children. Nor must we add fuel to the flames of those hatreds and suspicions which are dividing the Old World into two armed camps.

Mark you well, my brothers, this is not to say that America cannot exert a powerful influence for world peace. But it cannot be that peace by force which the Roman Empire knew for so long because there was none who dared attack her. Rather, it must be a peace based on those ideals which make for peace—tolerance, cooperation, and understanding. It must be a peace achieved through the instruments of peace—the conference table—such agencies as the Kellog-Briand Pact, and the Hague tribunal. It is our duty to throw the full weight of our influence behind a movement for the achievement of international law and order. But such means do not include economic sanctions and embargoes invoked against one side as in favor of the other. Economic warfare can be just as desperate and disastrous, it can arouse the people of a nation to just as desperate deeds as any war with arms and munitions. Such a policy inevitably leads to war, just as surely as night follows day.

Make no mistake, my brothers, America does not want war. America wants no part in the armed conflicts of the Old World, where warfare, suspicion, racial clashes have been the way of life for more than a thousand years.

Despite all of the propaganda to the contrary, despite all of the calculated alarms which you see spread in the press today, America still possesses her splendid geographic isolation. Her manhood is the most virile in the world. Her resources are the greatest in the world. Her wealth is the greatest in the world. Should it be that any nation or any combination of nations were ever foolish enough to attack our shores, then every man and woman and child capable of contributing one ounce of energy to the cause of defense would rise to protect our shores from the invader. But I say to you that that day is far distant if ever it may come at all.

It must be clear to us as thinking men that we can work for peace only by constantly seeking to overcome those things which lead to strife—injustice, intolerance, misunderstanding. To match hate for hate, prejudice for prejudice, suspicion for suspicion, aggression for aggression, will not and cannot heal the world's ills. Only in proportion as we eliminate these will the threat of war disappear.

With over 10,000,000 unemployed; with business stagnant; with millions on the farms as well as on the relief rolls subsisting largely on subsidies from the Federal Government, subsidies financed by oppressive taxes, by continuing borrowing and mounting debt, to be paid not only by us but by our children and our children's children; with no real solution in sight to our many pressing problems, is it not only common sense that we first set our own house in order before attempting to settle the affairs of Europe? Must we not take the beam from our own eye first?

We can do this only if we have the courage and the vision and the will to overcome the dissension, the distrust, and the enmities which have diverted our thought from our true goal, and have so wasted our strength during the last few years. We can do so only if we can recapture the spirit of national unity; only if we can join hands, not as groups, not as classes, but as Americans engaged in the common purpose—the welfare and advancement of a great nation with an even greater destiny. To do this we must have faith in that destiny. We must realize that it can be achieved only through the loyalty, the devotion, the courage, and the strength of a united people, dedicated to a common goal, and inspired by a common ideal.

We must realize the absolute interdependence of all our people. Capital is not the enemy of labor. The employer and the employee are partners—each owes it to himself and to the Nation to cooperate with the other for mutual benefit and for the good of all the people. The interests of the farmer and of the industrialist are not opposed; rather each is the complement of the other, each producing to serve the needs of the other. Therefore, the welfare of each must depend upon the welfare of the other.

By the same token the North is not the enemy of the South, nor the East of the West, nor, indeed, is any part of our country the enemy of any other section of the country. That is but another way of saying that one group of our people is the natural enemy of another group of our people. On the contrary, ours is a country so vast and so varied that each section of the land has its own industries which it is best suited to develop, by which its people may both prosper and contribute to the people and to the welfare of the Nation as a whole. We have not reached the peak of development in any one section of this country.

We are singularly blessed among the nations of the world. We have infinite variety of climate. We have vast tracts of undeveloped land. We possess all the necessary natural resources. And, despite the many problems that confront us, we are the freest and richest people in the world.

We have reached our estate not because of government concentrated in Washington but because of government concentrated in the States and other political subdivisions and resting, in the last analysis, in the people themselves. We have reached our estate not because of any ruler or of any political oligarchy telling us when to sow and when to reap but because of the energy and the ambition and the confidence of our people individually in themselves.

There has been no mysterious change which has caused our people to lose their energy or their ability to govern themselves, to maintain themselves, and to work out their own destiny each in his own way.

Those problems that confront us today, those struggles which seem to have come upon us are the result of that great madness which we called the World War, in which millions of men were slain, in which rivers of blood flowed uselessly, in which billions of dollars' worth of property was destroyed—to settle nothing.

Who is to gainsay the destiny that must be ours if we have but the courage and the vision to attain it? But if we are to realize this destiny, if we are to achieve that unity as a people necessary to reach our goal, we must first bring about in this Nation a rebirth of that spirit of mutual tolerance, respect, good will, and cooperation for which our great order of Elks stands. That is the task that confronts us along with every other great organization in this Nation.

We must have a rededication to the spirit of representative government, the only government of free men.

Here is a stirring challenge to us as a people. We as Elks can play an important part in a revival of this spirit in America. We can help to reawaken this spirit in our fellow men, because we and our leaders have always upheld these ideals in communities all over the Nation.

I now want to pay a tribute to a man who has for these many years been an energetic and forceful leader in our order. His leadership and his years of devoted service to the cause of the Elks and the ideals for which they stand are recognized tonight as he receives a life membership in our organization.

Fred L. Dennis ought tonight to be a man proud of his achievement. To merit the confidence and the admiration and the love of his fellow Elks is an ambition worthy of any man. To achieve that ambition and to have it expressed in a life membership in our order is something of which any man should be proud for the rest of his life. I congratulate you, Brother Dennis, as I congratulate the Benevolent and Protective Order of Elks because of the presence in the ranks of yourself and men like you.

The Elks do not lack fine leadership. This is so because their ideals are of the highest and represent the best in American tradition. Under these ideals they must go forward. Under these ideals the American people must go forward, for they are the basis of free government. They are the roots of prosperity and progress for the human race. Let us then here tonight rededicate ourselves to the task of carrying forward our ideals that we may not fail to achieve the destiny which is America's birthright and serve mankind.

Federal Receipts and Expenditures

EXTENSION OF REMARKS

OF

HON. GEORGE P. DARROW

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

STATEMENT BY LAWRENCE RICHEY, SECRETARY TO FORMER PRESIDENT HOOVER

Mr. DARROW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement and a brief statistical table showing the comparison of the Federal receipts and expenditures under 4 years of President Hoover and the last 4 years of President Roosevelt:

JUNE 16, 1939.

Mr. Richey today issued the following statement:

The relationship between the Federal Budget and Government expenditures under the Hoover and Roosevelt administrations has been so confused that it seems timely to make available to writers upon this subject a full comparison for future reference.

The attached statistical memorandum has been previously published elsewhere and the facts checked by competent authorities. These have become of great present interest in view of the statement officially made that the running expenses of regular departments is less now than before 1932.

The following table of comparison of the Federal receipts and expenditures under 4 years of President Hoover and the last 4 years of President Roosevelt is an amplification of the recent tables issued to the country by President Roosevelt in his Budget message of January 1939.

It has been necessary to expand President Roosevelt's tables to cover 1939 and 1940 and to correct some unimportant errors. Of more importance, however, the years of the Roosevelt administration exclude certain items of expenditures which were always included in the Hoover accounts. The Hoover method showed all money taken in on one side and all outlays and obligations on the other. These special items comprise mainly certain trust accounts, District of Columbia expenditures (except Federal contribution), and the retirement of the public debt. Corresponding adjustments are made in the income accounts. The tables have been prepared to show income and expenditures under both the Hoover basis of accounting and the Roosevelt basis.

The recoverable loans and capital investments made by the Government are, in the main, recoverable. They do not, therefore, become a burden upon the taxpayer. The taxpayers' burden is irrecoverable expenditure. Moreover, the variability of these loans from year to year confuses comparisons. For these reasons, this item has been shown separately on the tables, so as to arrive clearly at the irrecoverable expenditure. These loans and capital subscriptions are largely the R. F. C., Farm Board, Federal land banks, etc.

The Roosevelt estimates for 1939 and 1940 have been increased by new expenditures undertaken since the Budget message.

The figures are all based upon official reports of the Budget and Treasury.

Summary of comparative revenues and expenditures

[Fiscal years and in millions of dollars]

	Hoover					Roosevelt			
	1929 (¾ Hoover)	1930	1931	1932	1933 (¾ Hoover)	1937	1938	1939 (estimated)	1940 (Budget)
Revenues:									
Income tax	2,331	2,411	1,860	1,057	747	2,158	2,635	2,086	1,903
Miscellaneous internal revenue	609	628	569	504	862	2,187	2,286	2,179	2,339
Social Security						252	604	611	686
Railway pensions							150	109	129
Customs	603	585	378	328	251	486	359	335	440
Miscellaneous receipts	380	421	382	117	224	211	208	200	208
Total	3,923	4,045	3,189	2,006	2,084	5,294	6,242	5,520	5,669
Gross expenditures:									
Hoover basis	3,848	3,994	4,220	5,274	5,307	9,201	8,405	10,376	9,979
Items now excluded in New Deal accounting	650	684	549	572	676	759	779	784	784
Roosevelt basis	3,198	3,310	3,671	4,702	4,631	8,442	7,626	9,592	9,195
Deduct recoverable loans and capital subscriptions	13	176	263	1,140	1,308	150	104	271	120
Total, irrecoverable expenditures (Roosevelt basis)	3,185	3,134	3,408	3,562	3,323	8,292	7,522	9,321	9,075
	Details of expenditures								
Legislative, judicial, executive departments, etc	578	586	631	604	584	689	712	799	865
National defense	656	688	667	664	633	895	980	1,117	1,326
Veterans' allowances	659	646	719	773	749	560	572	540	539
Veterans' bonus service	111	112	224	200	100	568			
Interest, public debt	678	659	612	599	689	866	926	976	1,050
Refunds of receipts	217	152	91	101	70	56	100	66	71
Government employees' retirement fund	20	21	21	21	21	47	73	75	87
War claims, special and supplemental items				49	5	1	98	130	50
Agricultural Adjustment Administration						527	362	703	694
Social Security						448	678	833	928
Railroad retirement fund						6	145	112	127
Total, Roosevelt classification of "ordinary expenses"	2,919	2,864	2,965	3,011	2,851	4,663	4,646	5,351	5,737
Public works and relief	266	270	443	551	472	3,629	2,876	3,970	3,338
Total, irrecoverable expenditures (as above)	3,185	3,134	3,408	3,562	3,323	8,292	7,522	9,321	9,075

CONCLUSIONS FROM THE TABLE

1. The first is the stringent economy of the Hoover administration. The irrecoverable expenditures (that is, omitting recoverable loans and capital subscriptions) of the Hoover 4 fiscal years, 1930 to 1933, inclusive, were $13,427,000,000. Similar Roosevelt expenditures for 4 fiscal years 1937 to 1940, inclusive, actual and budgeted, are $34,210,000,000. This is over 250 percent of the Hoover expenditures.

2. The second conclusion is that the increase in Roosevelt irrecoverable expenditures has taken place in every single branch of government except the veterans. It is not solely due to relief and social measures.

3. The third conclusion is the great expansion of taxation. The taxes and other income collected in the Hoover 4 fiscal years, 1930 to 1933, inclusive, were $11,325,000,000. Similar Roosevelt collections, actual or budgeted, for the 4 years 1937 to 1940, inclusive, are $22,725,000,000. This is 200 percent of the Hoover figure.

4. The fourth conclusion is that the deficit in the Hoover administration was obviously due to fall in taxes, not to increase in expenses. If Mr. Hoover had imposed the same taxes on the country as Mr. Roosevelt has, he would have had a surplus of $9,293,000,000 and would have thus wiped out over half the national debt of that time.

The deficits to be paid by the taxpayer are measured once and for all by the increase of the national debt less the recoverable loans

and capital subscriptions. Taking the dates of the inauguration as the responsible dates (instead of fiscal years), the story is, in millions of dollars:

Hoover:	
National debt Mar. 4, 1929	17,378
National debt Mar. 4, 1933	20,858
Increase	3,480
Deduct recoverable loans	2,459
Hoover deficit payable by taxpayers	1,021
Roosevelt:	
National debt Mar. 4, 1933	20,858
National debt estimated by Mr. Roosevelt at July 1, 1940	44,458
Increase	23,600
Deduct recoverable loans as estimated by Mr. Roosevelt at July 1, 1940	3,339
Roosevelt deficit payable by taxpayers	20,261

Neutrality

EXTENSION OF REMARKS

OF

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. CHIPERFIELD. Mr. Speaker, every Member of Congress has had from his constituents in recent months what amounts to a mandate to keep America out of war. The sole purpose of any neutrality legislation should be to carry out, if possible, this mandate.

The people back home have come to identify neutrality legislation as meaning abstention from war, and they therefore believe that the stricter our neutrality legislation the less chance of our becoming involved in war.

But this is only true if the powers granted or the restrictions imposed in a neutrality bill tend to keep us out of war rather than get us into it.

Many also seem to have reached the conclusion that the Congress should, as far as possible, retain its powers to formulate our foreign policy and not delegate them to anyone.

Section 1 of this bill grants the power to the President to find a state of war exists, and by proclamation name the states involved. I would like to have this Congress recognize the fact that it, too, has this power by amending this section so that Congress by concurrent resolution may also find that a state of war exists and name the states involved.

Let me call to your attention that while this would not take from the President one iota of power granted to him or add anything additional to the power that Congress now has, I believe that its insertion would have a very salutary effect, for two reasons:

First. It would serve notice upon any belligerent that the Congress was reserving its right to act if the President should fail to do so; and

Second. Its psychological effect upon our people that Congress was retaining its power to formulate our foreign policy rather than delegating it to one man would help to allay fear of our possible involvement in war.

Section 2 makes it unlawful for a citizen of the United States to travel upon a belligerent vessel. While it may not be of major importance, I believe that this Congress should at least consider whether it would not be better to permit United States citizens to travel on belligerent ships at their own risk rather than make them criminals, subject to a fine of $1,000 or imprisonment for 5 years, or both, as provided by section 12.

Before commenting on section 3 of the bill, I wish to first discuss the section in our present Neutrality Act, embargoing the sale of arms, ammunition, and implements of war to belligerents, which has been omitted from this bill. This is, of course, one of the most controversial issues before us. There are many who earnestly believe that to permit us to sell such articles would make us the arsenal of the world; and by permitting this trade to flourish, it would lead eventually to our participation in war.

Those who believe in the repeal of the arms embargo say that it is not enough for us to attempt to keep out of war ourselves, but that we must also discourage war by strengthening the forces of democracy throughout the world.

They point out this issue cannot be approached academically but must be approached realistically. They claim the effect of the present arms embargo, in the event of a general European war, would favor Germany and Italy, while if it were repealed it would help England and France; that it is necessary to make available arms, ammunition, and implements of war to the democracies in order to preserve the balance of power in Europe, and that this will discourage the so-called aggressor nations from starting a war.

On the other hand, those who favor the embargo features of the present act contend we must be concerned solely with keeping the United States out of war and not be concerned with the effect of this legislation upon other countries; that we cannot afford to be pro-German or Italian or pro-British or French, but our one object should be to confine ourselves to being pro-American.

Each Member must decide for himself which of these policies he desires enacted into law; but it seems to me, no matter whether you favor the shipment of arms, ammunition, and implements of war to belligerents or not, we can all agree that we should not permit United States vessels to transport them to belligerents.

To my mind this is the most dangerous policy we could adopt. To permit United States vessels to carry such dangerous articles is the surest way I know to get us into war. It is absolutely unjustifiable to permit our vessels to carry on such a trade when under international law such traffic is contraband and would permit the seizure and search of our vessels without our Government even having any right to protest.

When the Bloom bill was first introduced before our committee it not only omitted the arms embargo section of the present Neutrality Act but it did not contain any provision prohibiting the transportation by United States vessels of arms, ammunition, and implements of war to belligerents. The only restriction at that time contained in the bill limiting United States shipping was in section 3, creating possible combat areas through which it would be unlawful for our vessels to pass. After the hearings and before this measure was reported on favorably, an amendment was unanimously adopted by the committee, making it unlawful for United States vessels to carry arms, ammunition, and implements of war to belligerents. This provision is found in section 9 of this bill, and I consider this section to be one of the most important in the entire bill.

There will probably be a concerted effort to strike from the bill that part of section 9 that prohibits our vessels from carrying such articles to belligerents because it partially conflicts with the repeal of the arms embargo section that the administration desires omitted from this bill. With the present arms embargo section omitted, then all belligerents would be permitted to come to our shores and buy anything they desired and the effect of retaining section 9 would be only to restrain our own vessels from transporting arms, ammunition, and implements of war to belligerents but would permit them to carry everything else. To me this certainly seems a reasonable restriction that would tend to keep us out of war.

To those of you who might be concerned that our merchant marine might be seriously injured by such a policy, I might say that the evidence before the committee was to the contrary, and any loss to our merchant marine would be infinitesimal compared to our loss if we were involved in war.

Those of you who favored the present arms embargo 2 years ago, when only 13 voted against it, but who conscientiously believe that because of changed world conditions it should be repealed, I earnestly urge that you at least prohibit United States vessels from carrying arms, ammunition, and implements of war to any belligerent nation. And to those of you who believe we should retain our present arms embargo, if you are not successful in having such a provision placed in this bill, I then urge you also to make a strenuous effort to at least retain this part of section 9 that makes it unlawful for our vessels to carry on such a trade. One of the chief causes of our entry into the World War was the fact that American vessels were permitted to transport such articles of war to belligerents. I am sure that none of us want to see such a catastrophe happen again for the same, identical reason.

If we do put such a restriction on our vessels, then the need of section 3, creating combat areas, to a large extent is done away with. The purpose of section 3, of course, is to prevent our citizens and ships from entering dangerous areas, but if our ships are not permitted to carry arms, ammunition, and implements of war, then the danger of their being sunk or seized when passing through such areas would be materially decreased.

If section 3 is stricken from the bill, as many believe it will be, then it becomes all the more important that we retain section 9, for without section 3 or 9, nowhere in this bill is there any restraint on the character of the shipment that American vessels may transport to belligerents.

If the arms embargo section of the present Neutrality Act is not retained and section 9 should be stricken, then there is absolutely nothing in this bill that would prevent United States vessels from carrying arms to belligerents unless the President creates a combat area that completely shuts off every port of such nations. There is nothing mandatory in this section that requires him to do so. Under the conditions of modern warfare, with submarines and airplanes and their wide range of attack, it would be almost impossible for any person to define a combat area. So sweeping are the powers granted in this section, it is entirely possible that the President could virtually declare a blockade and create a combat area that would prohibit our vessels from reaching any port of one or more belligerents, and at the same time give full access to United States vessels carrying arms to the other side. Nowhere is there any guaranty that belligerents will be given equal treatment.

This section grants to the President the power to be as unneutral as he desires and to penalize one belligerent and favor another. Such acts as I have just referred to might well be construed as unfriendly acts that might more readily lead us into war than keep us out.

From my viewpoint section 3 is the most dangerous section of this bill, and I believe the unrestricted powers delegated to the President in this section should not be granted.

Section 4 (a) provides that it shall be unlawful for any person of the United States to purchase, sell, exchange bonds or securities or other obligations of the government of any State named in such proclamation. I thoroughly approve of such a provision as it will tend to prevent financial entanglements with nations involved in war. However, I desire to call to your attention the exception that is provided in this section, namely, that the President may except from the operation of this section "ordinary commercial credits and short-time obligations." An examination of the testimony of the State Department officials, appearing on page 30 of the 1936 neutrality hearings, discloses that a very broad definition is given to ordinary commercial transactions and the effect of this exception would be to nullify to a great extent the other provisions of this section.

Section 4 (d) does not prohibit American vessels from carrying cargoes to belligerents if the title to such cargo is in the name of the belligerent before leaving our shores and the seller retains no interest in it. It therefore is clear that neither cash nor carry is provided for by this section.

May I explain this statement by a simple illustration. If I go into a store, buy some groceries, pay cash for them, and carry them home with me I have completed a cash-and-carry transaction. On the other hand, if I go to a store, buy some groceries, receive a receipt for them from the grocer stating title has passed to me and he has no right, title, or interest in them, receiving ordinary commercial credit without my paying for them, and I leave the store without taking the groceries with me, then I have done all that section 4 provides. Section 4 does not require that I take these groceries with me but allows the grocer or anyone else to deliver them. It would not require me to pay cash, but allows me to have the benefit of ordinary commercial credit.

As I have just pointed out, section 4 (d) does not prevent American ships from transporting arms, ammunition, and implements of war to belligerents, but by retaining section 9 the loophole in section 4 (d) is corrected so far as arms, ammunition, and implements of war are concerned, as our vessels could not carry on such a trade.

Section 5, with reference to making it unlawful to solicit and collect funds in the United States in behalf of belligerent nations, I believe is a good section and would tend to keep us out of war.

Section 7, with reference to American ports as base of supply can only be justified if we were to retain the arms embargo, and if we repeal this section we have the anomalous situation that American ships could transport arms to a belligerent's shores, but could be prevented from shipping arms to belligerent nations if it was necessary that these arms be delivered and carried to the shore by a tender of a battleship.

I also desire to call attention to the fact that this section would permit the President to require a bond of an owner of a vessel when he suspected that that vessel was to deliver the cargo to any warship, tender, or supply ship of a belligerent nation. He can do that "when the evidence is not deemed sufficient to justify his forbidding of the departure of such a vessel."

I thoroughly approve of section 10, with reference to the National Munitions Control Board. This section would, in my opinion, help to keep us out of war.

I believe this bill, in its present form, which in the name of neutrality and under the guise of preventing provocative acts of American citizens gives the President additional powers to be unneutral, should be defeated. But above everything else we must retain section 9, prohibiting American vessels from carrying arms, ammunition, and implements of war to belligerents.

Low Interest Rates Indicate Fear

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. THILL. Mr. Speaker, recently the press reported that the Federal Treasury was refunding a note issue bearing 1⅜-percent interest, not due until September, with a 5-year issue paying only three-fourths of 1 percent. The fact that our Government can borrow at a low rate does not spell general confidence.

The market for money would be much stronger and the Government would have to pay a higher interest rate if business were better and private enterprise were expanding. The demand created by borrowing for the great needs of heavy industry, business, transportation, and utilities would certainly stiffen the money market and increase interest rates.

Easy credit is proof of lack of confidence in this administration; of fear on the part of Americans to take business

risks. The unsound experimentation of our New Dealers, the tremendous tax burden, the mounting national debt, the unwillingness of this Government to encourage private enterprise, but instead to stifle it by Government intervention, interference, and control of private industry, have all served to undermine the confidence of the American investor and deter the borrowing of money for business development and expansion.

Farmers' Interests in the Wage-Hour Act

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

RADIO ADDRESS OF HON. HARRY R. SHEPPARD, OF CALIFORNIA, OVER THE RED NETWORK OF THE NATIONAL BROADCASTING CO., WASHINGTON, STATION WRC, JUNE 26, 1939

Mr. SHEPPARD. Mr. Speaker, definite concern in the proposed revision of the Wage and Hour Act has been evidenced by the Members of this Congress. Interest in this act on the part of agriculture throughout the Nation, and particularly in California, justifies an intense study on the part of the Members of this House to see that corrective measures are promptly enacted. Any true friend of agriculture appreciates the fact that our economic conditions is of such a character that agriculture is entitled to every legitimate consideration.

This interest was intensified by a national broadcast of Administrator Elmer F. Andrews on Monday, June 19, 1939, which was inserted in the Appendix of the CONGRESSIONAL RECORD, on page 2776, by the gentleman from Illinois, the Honorable RAYMOND S. MCKEOUGH. I am calling the Members' attention to my reply to Mr. Andrews' broadcast, which is as follows:

Last week at this hour Mr. Elmer F. Andrews, the Administrator of the Wage-Hour Act in the Department of Labor, talked about some of the farmers who are my constituents and about others throughout the country who are my friends.

Tonight, in the interest of fair play, the National Broadcasting Co. is affording me an opportunity to reply in behalf of the several national farmers' organizations.

I regret that Mr. Andrews has made it necessary for me to deal with a number of false statements he made a week ago and to refer to his mishandling of the definition of agricultural labor which is contained in the Wage-Hour Act.

Before I proceed I want it understood that I supported that act when it was passed a year ago. I voted for it in the belief that it would be administered in the manner that Congress intended.

I do not know whether Mr. Andrews has ever visited the farming areas of southern California. His misunderstanding of our problems makes me doubt it. His speech contained so many inaccurate statements with respect to agriculture, both in California and in other parts of the country, that I can explain them only on the theory that all he knows of farming is what he learned as a social worker in New York and as labor commissioner in the same State.

I think he has a lot to learn about agriculture.

First of all, let us get the issues squarely before us. What are they?

During the past few years Congress has enacted several far-reaching laws whose purpose is to protect laboring men against the few employers who have been exploiting industrial labor. Congress sought to eliminate sweatshop poverty in our big industrial areas.

These conditions do not characterize the rural areas of the country. Congress, therefore, specifically exempted agricultural workers from the provisions of these labor acts. Congress provided that the wage and hour standards set up for industrial operations were not to be applied to work on farms nor to work done in preparing farm products for market when the work is done in the area of production. In order to permit some flexibility in dealing with the agricultural problem Congress authorized Administrator Andrews to define the phrase "area of production."

But what did Mr. Andrews do? He cast aside the clear intent of Congress and defined the term "area of production" in such a manner as to destroy the meaning of the term and virtually to seize the power of economic life and death over thousands of rural enterprises.

He has decreed that an enterprise is not located in the area of production if it employs as many as seven people. By definition he has seized control over agricultural enterprises located in towns with as many as 2,500 people, regardless of the nature of the town or the nature of the agricultural enterprise conducted within it. He has seized control over all agricultural enterprises to which any farmer hauls his cattle or grain or fruit as much as 10 miles.

When Mr. Andrews first attempted this bureaucratic seizure of power at least a score of Congressmen went to him and testified at his hearings to tell him that this was not in accordance with the intent of Congress. They told him why the words "area of production" were used in the bill. They told him of the discussions in committees and on the floor. They told him what are the areas of production for various farm products.

But it made no difference to the Administrator that these Congressmen themselves were the makers of the law. He cast their advice aside and defined the term in an unreasonable and arbitrary manner. By his biased approach, by refusing to be open-minded or amenable to congressional opinion and public opinion, he raises the question as to where legislation is to be made, whether by the elected representatives of the people through orderly process on Capitol Hill or by Mr. Andrews, sitting in an office up Pennsylvania Avenue.

Naturally the farmers have protested and have protested vigorously. They are justified in doing so.

Five of the great national farm organizations, American Farm Bureau Federation, the National Grange, the National Cooperative Council, the National Cooperative Milk Producers' Federation, and the Agricultural Producers' Labor Committee came to the Members of the House of Representatives and asked that this situation be straightened out. The Members made many efforts to do so. But Mr. Andrews asked for a bill which would enable him to seize even greater control over agricultural operations. By an overwhelming vote the House refused to give Mr. Andrews what he asked.

There are several bills in Congress which will remedy the situation and which could be passed by large majorities if they could be brought to vote. But so far, by the use of parliamentary devices, a farmers' bill has been prevented from coming to a vote.

This remedial legislation cannot be long delayed, and Mr. Andrews undoubtedly knows the Congress will eventually shear him of some of the powers he has assumed.

Five great farmers' organizations are united in asking for action. However, using one of the favorite tricks of propagandists, Mr. Andrews last week singled out a single man and a single organization for attack. He named the Agricultural Producers' Labor Committee of California. He charged the committee with being a legislative front for another group known as the Associated Farmers, for the State chamber of commerce, for big utility interests, and for employers opposed to organized labor.

This is incorrect.

After investigation I have satisfied myself that there is no connection between the Agricultural Producers' Labor Committee and any of the groups for which Mr. Andrews alleges it to be a front. I personally know 10 out of the 15 officers and directors of that committee, and I know them to be real farmers and to be hard-working men of good repute and of high integrity.

Mr. Andrews singled out one of those men and attacked him by name and charges him with being the lobbyist leader of some sort of subversive campaign to victimize labor. I have personally known the man, Mr. Ivan McDaniel, for at least 15 years as a responsible lawyer of high repute and have every confidence in his integrity.

Apparently the one sin which Mr. Andrews charges against the capable and high-character men who have been duly chosen by farmers to represent their interests is that they have used the only method of democratic representation to bring their views to the attention of Members of Congress. In doing so they have done no more than Mr. Andrews himself has done, for he and his assistants have come to Capitol Hill to argue their views.

I have had numerous conversations with the officers and representatives of the various farm organizations who have come to Washington for the purpose of attempting to get a square deal. At no time has there been any indication of any desire to tread upon the interests of the laboring men. In fact, farmers are themselves laborers. There is no real controversy between agriculture and labor, and there should not be.

But if a Government official in his own self-interest uses his office as the forum from which to issue inflammatory statements and to stimulate class hatred, I shall shudder for the consequences.

The greatest disservice that can be done to the laboring man is to alienate the farmer through unfair treatment at the hands of the pretended friends of labor.

I am thoroughly satisfied that Administrator Andrews would have shown better qualification for the office which he holds if he had approached this problem with an unprejudiced mind and had provided a clear statement of the issues that are involved.

Now just what is it that these farmers ask? Mr. Andrews says that "If they get their way, every employee engaged in packing or canning farm products will be deprived of all security in his old age, of the right to join with his fellow men in unions of his own choosing, and the right to work protected by a floor under wages and a ceiling over hours."

This is pure poppycock. If Mr. Andrews is qualified for the job he holds, then he knows it is poppycock.

What is it these farmers want? They do not want their farms and the operations which must be performed on their products before going to market to be regulated under the same standards

which are set up for urban industrial factories. They do not want their affairs controlled by a bureau which knows nothing of agriculture nor the characteristics of agricultural production and marketing.

The hours and the wages of the farmer and his family are controlled by higher laws than any this Congress can enact. They are the natural laws of the Almighty, who controls the sun and the wind and the rain. They are the economic laws that determine what the consumer will pay and what quantity he will purchase in the market place. Upon those laws depend the seasons and the hours when grain must be brought to the country elevator, when fruit must be brought to the packing shed, when milk must be brought to the creamery and when livestock must be brought to the shipping pens. Upon those laws depend the wages which can be paid in the elevator, the fruit shed, the creamery, and the shipping stations.

When it passed the Wage and Hour Act last year, Congress had no intention of attempting to defy these higher laws, and recognized the need for exempting agriculture, but Mr. Andrews, in his agricultural innocence, acts as though an order over his signature is adequate to stop the sun in the heavens.

The present low prices for farm products and the disparity between the prices farmers receive for the products they raise and the prices the farmers pay for the things they buy makes it impossible for any additional burdens to be imposed upon the farmers without reducing them, as laborers, to a condition of serfdom—a condition so deplored by Mr. Andrews.

Last year the income to our farmers, between six and seven million in number, was somewhere around $7,000,000,000—an average roughly of $1,100 per farm. By income I mean the gross income, comparable with the gross amount that the cash register rings up in a grocery store. It is not profit. From the gross must be deducted the taxes and interest on 100 acres or so of land, the cost of maintaining buildings and fences, the cost of seeds, of fertilizer, of farm machinery, of breeding stock, of delivery to market, of tractor fuel, and of horse flesh. Only a paltry few hundred is left over. Let Mr. Andrews devise a way by which the farmer can work a 40-hour week and get 40 cents for every hour and then Mr. Andrews will have a better right to ask the farmer to pay his production and marketing labor 40 cents per hour and confine his labor to a 40-hour week.

Congress designed the Wage and Hour Act to deal with industrial problems. It cannot be applied to agricultural problems; any attempt to do so will break down its operation and endanger the act as a whole. The surest way to give aid and comfort to the enemies of the Wage and Hour Act would be for Mr. Andrews to continue to attempt to apply it to agriculture as he has in the past. In closing I want to advise Mr. Andrews that it is time we stopped giving lip service to the farmers of this Nation and applied some practical application for their benefit.

A Revival of the American Spirit

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

RADIO ADDRESS BY HON. ALBERT E. AUSTIN, OF CONNECTICUT, JUNE 24, 1939

Mr. MARTIN of Massachusetts. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address by Hon. ALBERT E. AUSTIN, of Connecticut, on June 24, 1939:

I wonder how much longer it will take for our people to realize that mechanical methods alone will not suffice to bring us as a nation out of the depths into which we descended and from which we do not seem able finally and surely to emerge. Reference is made to the various agencies established, to the jungle of alphabetical panaceas, to the curtailed crops, to fertile fields plowed under, to the waste of a nation's resources, to pump priming, destructive taxation, unbalanced budgets, and the wholly untenable theory of spending our way to prosperity. Our people are bewildered, they stagnate in the presence of possibility, they are drifting aimlessly, dedicated to no common faith and inspired by no common vision. The only thing seemingly common to all is the knowledge that millions are still unemployed and the belief that millions henceforth must be resigned to relief as a premanent level of life.

Is there no other way? Is there no other light in the darkness? I believe there is, and that the solution lies in a revival of the American spirit. If every citizen will cease to look to Washington in his moment of stress and strain and individually assume the responsibility of self-improvement, of self-advancement, of self-preservation I believe the turning point then may be reached and from that instant we begin again to be a happy, a contented, a prosperous people with eyes raised high to greet a new day. This is the American way, this is the American creed, this is the American spirit.

It is nothing new. It is the product of three centuries of our life on this continent. It began at the bleak and barren Plymouth Rock; it was nurtured in the privation and suffering of untracked forests; it grew on the westward march through the wilderness to push our frontiers even farther on; it matured in our struggle for independence; it came to the flower of manhood in the bitter years that led to the welding of a people into the greatest and most powerful nation on the face of the globe. Invisible and intangible, it defies the definition of historian, of economist, of philosopher; but it guides the life of every real American, whether the roots of his family tree are indigenous or recently transplanted from foreign soil. It is not now gone from us. It has been forgotten, but only for the moment in the confusion of our bewilderment.

Our present attitude toward government is a departure. Our forefathers realized that our form of government affords the greatest opportunity to the individual, the greatest field to his ambition, the most untrammeled road to high places. They also realized that the Government was their creation, made by them and for them and not they for it. Certain powers were delegated in order that their inalienable rights might be the better preserved and protected. They did not establish a government to rule, but to serve. In return they accepted the responsibility of self-government. Today this concept is in danger, for Washington is reaching out, seeking for itself a domination never intended. On the other hand, we are beginning to look there for control and security. We are on the way to a desire for paternalism—a theory that the world in general and our Government in particular owes each one of us a living whether or not we individually strive. Some believe that the more abundant life resides in the Capital City and an enforced distribution must be made, even if such requires the taking from those who have and giving to those who have not. None of this is the American spirit.

How can there be an incentive to thrift in this era of profligate spending? Once it prevailed that thrift was cultivated as a cardinal virtue, a guaranty of comfort and happiness during productive years, and a security in old age. Our ancestors knew that they must work for what they got whether bare necessities or the luxuries of life. They must produce if they would enjoy. Of course it was hard, of course it meant going without, of course it meant often toil in the early morning, toil in the midday sun, and toil even in the hours of night. Of course the wage was small, of course it was inadequate, but of course it came from a dignified labor and from the work of one's own hands. It was the result of employment in which men rejoiced whether in the fields, the factory, on the land, or on the sea. Today some of us seek not to create for ourselves, but to use the Government to exploit the labor and the accumulation of others. Why not be carefree, for we must be supported and our old age will be provided for. This again is not the American spirit.

Once our citizens thought a theory of government antagonistic to our established constitutional form would be a treasonable one. They lived for what they created and they died for it, gladly and willingly. They saw in it liberty and independence, freedom of thought and of speech, recognition of a God above whom each could worship as he pleased and when he pleased. They saw therein mutual respect and tolerance, voluntary cooperation without bitterness and strife or jealousy and distrust. Firm in their beliefs they went fearlessly forward. Today we face an invasion of subversive ideas emanating from distorted minds or from some other source equally unwelcome. These would undo what has been done through the years; they would uproot established concepts; they would substitute violence and sudden death for the peaceful pursuits of every day; they would ruin and destroy. Whether they socialize or whether they communize, individuals would be regimented into masses, and a State would control with an arbitrary power over life, a power usurped by the terror of fire and sword. This is not the American spirit.

Simply because we have paused for a while on our march to an ultimate goal there is no reason to despair. If other methods recently applied have not succeeded in a renewal of our journey, there is no reason to be discouraged. Those men of another generation did not cry quits when the battle was going against them. They tightened their belts, they hunched their shoulders, they set their faces in grim determination, and they bored in. They had inherited ideals of civic and individual action, and they were ready to sacrifice to preserve them. They did not seek the easy road even though the siren voices of sob sisters enticed them. That is the American spirit. They refused to forsake their rugged individuality and be regimented as forgotten men. They scorned public aid whether it appeared as Presidential bounty, Federal loans, or political plunder, for they had sufficient faith in their country and themselves to trust to personal effort even though for a time it might furnish only a bare subsistence. In the face of impending disaster they did not lose their initiative but plugged doggedly on. In hard times they planned for harder; in plenty they stored for famine; in depression they worked for prosperity. This is the American spirit.

Have we lost it? With the then millions of population now tripled; with billions of wealth at our disposal; with other nations about us on the upward trend; with the proudest position in the world; with nature's bounteous gifts to us still untouched; with a people united and merged, what have we to dread and why must we surrender to fear? That is not the American spirit.

Pioneers with mind and body, they strode over mountains and across plains, through forests, and on open spaces always seeking unknown lands. Pioneers all of us with our capital and the skill of our hands, why not onward undaunted and unafraid into the unknown of a prosperous day?

We must rededicate ourselves; we must renew our courage; we must rediscover our strength and our power; we must uphold our faith; we must recapture our vision of America's destiny. This is a revival of the American spirit.

The Banker in a Changing Economy

EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, June 26 (legislative day of Thursday, June 22), 1939

ADDRESS BY LEO T. CROWLEY

Mr. BROWN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on June 21, 1939, by Hon. Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, at Detroit, Mich., before the annual convention of the Michigan Bankers' Association, on the subject of The Banker in a Changing Economy.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the Michigan Bankers Association, and guests, I have looked forward to this, my first opportunity to meet with the Michigan Bankers Association. To one with my interest in the history, the present well-being, and the future prospects of our banking system, Michigan furnishes an inexhaustible field of study. The State had more than its share of banking troubles during the years immediately following 1929. It is to the eternal credit of the bankers and those who governed the State that they had the courage to recognize those troubles, the vision to realize that far-reaching economic changes were occurring which drastically affected the banks, and the foresight to declare a banking moratorium in order that weak situations could be corrected and adjustments made to adapt the banks to a changed economy.

The process of rehabilitation that was begun during your moratorium gained momentum when President Roosevelt reopened the banks following the Nation-wide bank holiday. The Michigan program was so well planned and so vigorously executed that banks in the State today present, on the whole, a picture of soundness equal to that found in any other State. Continuing improvement in management and the capable supervision over State institutions that is exercised by Mr. McCauley and his department justify our belief that this satisfactory condition will long continue.

There is nothing we can do to rewrite the pages of history; only in isolated cases can we hope materially to improve the present condition of Michigan banks. However, we can look to the future and attempt to plan for what that future may hold for American banking—we can apply the lessons of the past to what exists today, attempt to anticipate trends that will influence what exists today, and strive to perpetuate and to improve further the desirable aspects of the system's present condition.

ECONOMIC CHANGES HAVE AFFECTED BANK EARNINGS

I spoke earlier of changes that have been occurring throughout our economy that materially affected the business of banking. Inasmuch as adequate earnings are essential to permit banks to attract capital, to meet operating expenses, and to absorb losses, we naturally look with particular concern upon developments that have affected the profitability of banking enterprises.

Recognition of changes affecting profitability and admission of their permanent nature has been belated, principally because they occurred for the most part during a period of intense economic strain. Wholesale charge-offs and lower rates of income on earning assets are natural byproducts of periods of depression. Bankers consequently accepted as normal the deficits of the early thirties and settled back to wait for return of the "normal" demand for credit and for a rise in money rates to the old, profitable levels that had characterized the twenties. But while they waited, the supply of bank credit increased manyfold, while the demand teetered comfortably back and forth at the level it found in 1933 and 1934. Money rates, influenced by the abundance of credit, and by Government financing operations have shown no indication of rising from their depression lows.

To this fundamental banking problem the best practical and theoretical minds in the profession have given extensive consideration. I have no doubt that the advice and counsel that these men have been able to give has helped materially to spread an understanding of the immediate seriousness of the problem. All too infrequently, however, have the counselors given sufficient attention to the fact that this is a constantly changing economy—that it is not sufficient to meet changes with makeshift measures as they occur.

If the banking system is to serve its intended function as a smoothly running part of our economic machine, its policies must be formulated on a long-range basis, its adjustments to changing conditions within the economy made on a gradual, overlapping schedule, and its condition and practices kept such that it can function properly throughout any stage of the business cycle. I do not pretend to have in a nutshell any pat answer to all aspects of the banker's dilemma; I should like, however, to review some factors that are extremely pertinent to that dilemma and that must be considered in arriving at its solution. The nature of our banking structure is probably the logical starting point.

GOVERNMENT RECOGNIZED NEED FOR PROFITS

The quasi-public nature of the banking business—its close relationship to the well-being or ills of our economic life—has long been recognized. For years both the creation of banks and their operations have been supervised by government in the public interest. The objectives of this supervision have been the same throughout these years; maintenance of a banking system adequate to serve our economy's credit needs, yet not too highly competitive; and supervision of the operations of banks in order to assure that credit extensions were made with due consideration for the fundamental right of bank creditors to safety for their funds. It is a matter of history, though not a unique one, that efforts to attain these socially desirable objectives have not been uniformly successful. Yet the trend is definitely toward more satisfactory fulfillment of the supervisory function. Supervision, like the banking business itself, has profited from bitter experience, and we have good cause to hope that competent management and courageous supervision jointly can prevent any major break-down of the system in the future and at the same time can fulfill their joint responsibility to the banking public.

It is significant that those who have been charged with administration of the public privilege of bank chartering recognize the indispensability of profits for successful bank operation. The merits of each application for a new bank charter are weighed primarily of course upon the convenience and needs of the community it is proposed to serve and upon the degree to which existing institutions are fulfilling their obligation to meet thrift and credit needs of the community. Yet in every case great weight is given to the effect of a new bank upon the business of institutions already in existence in the affected trade area. The banking system's record is studded with cases where the existence of too many banks within a given area led to cutthroat competitive practices, to inefficient management, and ultimately to failures that involved sizable losses to bank depositors.

A natural effect of this control has been creation in many cases of local monopolies upon the thrift and credit facilities of a community. It was certainly not the intention of the legislative and administrative bodies that created these facilities to permit an uncontrolled expansion of monopolistic powers, otherwise we would today have a few large banks with many branches, rather than our present system of independent units. A free credit structure has always been considered indispensable to this free Nation. Every effort by bankers to limit the freedom of the credit structure by tightening loan policies or by charging exorbitant interest has hurt the banking system.

And so the banker in this country, though he enjoys the benefits of restricted competition granted by governments which recognize the necessity of adequate earnings, cannot in his quest for new sources of income resort to usury or to similar abuses of his protected position. That way out is permanently barred not only by statutory prohibition but by the considerable degree of competition that still exists among our many units banks.

Further, the force of public opinion insists that new sources of earnings must be honest, conservative, competitive, and devoid of undue danger of loss to the bank and to depositors.

POTENTIAL SOURCES OF BANK PROFITS

In pursuing his search for profits the banker would do well, I believe, to apply to his problem the standards and the ingenuity he expects from his customers in other lines of business. In a general way, at least, the operations of banks closely resemble the operations of other businesses; the stock in trade is different, of course, but operating problems are much the same as those that confront the average businessman and the means to their solution differ only in degree from those that we expect merchants and manufacturers to adopt.

The day is past when it can reasonably be thought undignified for a banker to solicit business. His shelves are full to overflowing of his stock in trade. Today's is definitely a buyer's market for the commodity he handles. First in any banker's program for increasing profits must come a comprehensive plan of advertising and of building goodwill, in order to search out potential buyers and acquaint them with the advantages of his commodity and his services. That banker is remiss indeed who fails to take this first and most indispensable step in fulfilling his responsibility to his community and to his stockholders.

As step number two, I commend the general tendency of the banking profession to analyze internal operations with a view toward stopping the losses banks long have suffered from general operations, particularly those of a service nature. The installation of a fair schedule of service charges, sufficient to reimburse a

bank for services rendered, is a step that every bank should take, and one that customers cannot properly object to. Recent years have seen another innovation, sponsored by Federal legislation, which has materially benefited most banks. I refer to prohibition of payment of interest on demand deposits. Many banks have also been able, through analysis of their internal operating systems and substitution of modern accounting and operating systems, to pare operating expenses considerably.

There are still many localities and many banks in which these devices have not been fully utilized. On the other hand, instances have come to my attention in which the devices have been applied to the point of abuse. There are extremes beyond which interest rates should not be lowered nor service charges raised. Because of the abundance of funds in their institutions bankers are inclined to be complacent today about withdrawals of savings and time deposits. There may well come a day, comparable to those of not so many years ago, when bankers would be willing to bid high for the funds they now let be withdrawn rather than pay a reasonable percentage for their use. Goodwill is a priceless banking asset. Its retention is well worth some small outlay in times like these in order to insure that it shall be ours when we move into a seller's market.

Having canvassed thoroughly the demand for traditional types of bank credit, and having put services on a stop-loss basis and general operations on as efficient and economical a basis as possible, the banker's next step is the search for new types of acceptable credit extension. Insured mortgage financing, the financing of receivables, installment paper, personal loans—all present profitable fields for the credit merchant. But they also present specialized risk problems that require expert handling, and their novelty to most banks calls for extremely careful preliminary ventures into these fields. Term loans to businesses have been discussed during recent months as though they presented a new and a unique bank credit problem. Such is far from the case. The same considerations should govern extension of term loans as govern seasonal financing of inventories. Credit record and financial standing of the borrower, soundness of underlying collateral, and proper provisions for payment of interest and repayment of principal all must be weighed. Length of maturity is only of secondary importance.

Significantly, all the steps I have enumerated as essential to a successful search for profits call for a generous endowment and a free use of the qualities of ingenuity and judgment as well as for application to the field of banking of those aggressive, promotional techniques that have so long been necessary in other businesses. The day is definitely past when the butcher, the baker, or the candlestick maker could open a bank and set back to watch it run itself. Banks these days take a heap of runnin', and only the most capable and the most aggressive bankers can hope to see their institutions survive the combined pressure of competition, an enlightened public, Government supervision, and relentless economic forces.

STANDARDS OF ASSET SELECTION AND MANAGEMENT MUST BE KEPT HIGH

Changes in the make-up of a bank's earning assets and the search for new sources of earnings must not be allowed to lead to lower standards of asset selection or of asset management. In whatever types of debt a banker chooses to invest, he must be certain that represented values actually exist at the time of selection, and he must manage his assets in such a way as to insure that shrinkage in the value of underlying collateral shall be kept at a minimum during the life of the debt.

Few bankers would consciously choose a bad asset for the portfolio of their institutions. As a whole, the profession exercises honestly its best judgment in weighing the merits of individual assets. Yet with respect to broad principles of asset management, there exists a marked confusion of thought. This confusion arises, I believe, not so much from fundamental differences in approach to the problem as from a lack of understanding of the several ways in which asset values can change to the detriment of a bank.

VOLUME OF BANK LOSSES

Our concern with asset values stems, of course, from a desire to keep at a minimum the losses which banks, bank depositors, and bank stockholders are called upon to bear. During the past 75 years losses borne by the banking system have amounted to $14,000,000,000, or approximately 1 percent per annum, of the deposits in operating banks. Of these losses, $5,000,000,000 have been in suspended banks—half borne by depositors and half by stockholders—and $9,000,000,000 have been written off in operating banks. If a stable, profitable operation of our banks is a desirable objective, then certainly the causes, the characteristics, and the effects of losses on bank assets should be more generally understood by bankers.

Note that the ratio of net earnings per $100 of total assets for all insured banks in 1934 was 74 cents. By 1937, it stood at $1.22; a range during the 4 years of 48 cents. The rate of net profits before dividends per $100 of total assets for all insured banks was minus $1.86 in 1934. By 1937, it had risen to plus 59 cents; a range during the period of $2.45, or more than five times the change in the net earnings ratio. Net losses and depreciation in bank assets are the sole factors determining the difference between the net earnings and net profits before dividends figures.

NATURE OF BANK LOSSES

It is our belief that bank managers and supervisory authorities can do much to narrow the vast difference in range between the net earning and net profits ratios. In other words, to stabilize the operations of our banks. Losses and depreciation in bank assets are of three types: First, there are catastrophe losses resulting from the destruction of values by the elements; second, there are the losses which result from forced liquidation to meet the panic or emergency demands of depositors; finally, there are the losses and depreciation which must be expected as a normal byproduct of the business of credit extension. Any program for stabilization of the banking system must anticipate losses of all three types.

It is generally beyond human ability to foretell and prepare for the destructive consequences of fire, wind, flood, or drought. This much the enlightened banker can do to cheat catastrophe of its toll—he can maintain a capital account adequate to absorb comfortably all losses of this sort that reasonably can be expected to materialize in his institution; he can insist on the use of sound and tested methods of protection and replenishment with respect to the security underlying his earning assets; he can diversify his assets so that local catastrophes will not completely destroy his institution.

Losses resulting from forced liquidation to meet the panic or emergency demands of depositors have been the most devastating and the most inexcusable type that bankers and bank creditors have had to bear. If a bank asset is fundamentally sound, proceeds of its liquidation should not have to depend upon day-to-day market prices that are influenced by so many factors other than intrinsic value.

It is encouraging, however, to review how much progress bankers and government have been able to make in limiting losses of this sort. Bankers have, for the most part, become "quality conscious" and avoid assets that are subject to wide market fluctuations. They now require amortization or sinking-fund provisions to insure retirement of assets at maturity. They space asset maturities and diversify risks in order to lessen the chance for concentrated deterioration. Government has practically eliminated panic demands through inauguration of Federal deposit insurance and 5 years of successful operation by the F. D. I. C. Broadened borrowing powers have been provided so that banks may meet legitimate emergency demands of their depositors which may exceed immediately available cash and the proceeds of maturing assets. Examiners now appraise bank assets on a basis of fundamental soundness and quality, rather than merely on market quotations or length of maturity.

Bankers' treatment of losses and depreciation that normally result from the business of credit extension is a phenomenon of our banking history. Properly handled, these claims upon net earnings are the equivalent of operating expenses. As an example, I can point to the inclusion of regular and reasonable depreciation upon banking house, furniture, and fixtures among operating expenses in the F. D. I. C. earnings report form. It is argued by many bankers and accountants that provisions for normal losses in bank-earning assets should likewise be considered an operating expense. We do know that, disregarded, these claims have ruined thousands of banks.

Provision for losses and depreciation of this type is simple and indispensable. It involves recognition of the following facts:

(1) The income received on earning assets is not all intended as wages on the funds invested. It is partly a premium against risk assumed by making the loan or investment. Differences in the coupon rate and the yield on obligations of various borrowers in times like these do not occur because funds are worth more to one borrower than to another. They exist, rather, because of differences among borrowers as to credit standing, net worth, and earning power—factors affecting the risk a lender assumes when he trades his cash for a promise to pay at some future date.

(2) The loss record of various types of assets can be determined with a reasonable degree of accuracy. A bank's own records and the banker's knowledge of business trends in his own community make development of loss ratios for loans comparatively easy. Information concerning the behavior of securities is not so readily available, but sample studies of the records of securities of various kinds have been made, and there is currently in process an exhaustive study of the behavior of investment securities during the last 20 years.

(3) And, finally, that part of income on earning assets which is meant to be a premium against risk assumed should be used exclusively to absorb losses resulting from realization of risk. Prompt acknowledgment and elimination of known losses and the establishment of valuation reserves to care for losses that will arise as a byproduct of routine banking business are essential principles of good bank management.

PREVENTION OF LOSSES A JOINT RESPONSIBILITY

The chain of responsibility, then, seems roughly to run like this: It is the banker's duty to exercise care and judgment in the selection of his earning assets, to absorb currently, either through charge-off or through valuation reserves, the losses and depreciation that experience indicates to be the bank's normal expectancy, and to maintain capital cushions adequate to absorb catastrophe losses to which his bank may be subject; it is the responsibility of government to supervise the operations of banks effectively so that public confidence will be maintained and panic will not again force liquidation at sacrifice prices and to provide adequate rediscount facilities to permit banks to meet true emergency demands of their depositors without having to liquidate in what may be depressed markets. Our experience during the abrupt business decline of late 1937 and early 1938 indicates that our efforts toward stabilization are properly conceived. Not a single insured bank was forced to close during those months because of unusual withdrawal de-

mands or because of other factors usually associated with a business decline. In fact, I do not know of a single insured bank that was pressed for cash during the entire period. Public confidence in our banks is general, and deservedly so, I believe. Let us not doubt, however, that this confidence will continue only so long as the public can be sure of sound, well-run banks and of consistent, courageous supervision.

Having discoursed at length concerning the assets bankers do acquire I should like briefly to discuss the assets bankers reject and the manner of their rejection.

BANKERS NOT ALWAYS FRANK WITH CUSTOMERS

Hardly a day passes now without a solemn pronouncement by some Member of our national or State legislatures to the effect that business is being hamstrung and our credit structure wrung dry by the ruthless attitude of bank examiners with respect to bank loans. Case after case is cited where a banker has told an applicant for credit that he would like very much to extend the loan, but that the bank examiner had expressly forbidden his making that particular type of loan. Now this technique of easing out undesirable loan applicants is undoubtedly the line of least resistance for bankers, but it is evidently being used so often that its folly has come to be overlooked, and it is treated with the seriousness of gospel truth that frequent repetition lends to so many legends.

It is not merely to encourage a more honest handling of the necessary refusals by bankers, and not merely to clear the record that I propose to state the true case, though these are worthy objectives. My principal motive is to urge the right of an applicant to the real reason that his application is refused. Correct and constructive exposition by a banker of the particular factors that determine his decision with respect to applications that are declined can often help an applicant to set his affairs in order so that a new application can be accepted, to the mutual advantage of both borrower and bank.

SUPERVISOR DOES NOT MAKE BANK LOANS

At any rate, these are the facts. The bank supervisor is not and should not be the bank manager. It is in no sense the supervisor's responsibility to decide whether a bank shall make or shall decline a certain loan. The supervisor is not empowered to commend because certain loans are made or to spank because others are refused. His function is simply to take the bank as he finds it as of the date of examination, to appraise the assets the bank then holds, and to report trends and violations of law. Legal provisions do limit the extent to which banks may extend special types of credit. But with respect to the other credit extensions, the supervisor can never make categorical prohibitions and can make specific criticisms only after the extension has been granted.

The lending function is solely the privilege and duty of the officers and directors of each bank. The directors determine general credit policies and employ to administer the policies officers who presumably are chosen and paid on the basis of their knowledge of credits, their ability to judge risks, and their knowledge of the bank's trade area and the assets the bank possesses. Every time a banker blames on the supervisor his refusal of a loan application he indicts and disavows the very powers of judgment and decision which are supposed to fit him for the job he holds. It is true that supervisors influence in a general way the loan policies of each bank, but the banker, if he knows his business, knows whether the examiner's criticisms and suggestions are justified and retains responsibility for decision on the merits of each loan application. I ask only that you be as honest with your customers as you are with yourselves.

I speak in this vein not because I believe the banking system is failing to perform its intended function as a supplier of credit; I am one of the few who believe that most banks exhaustively consider every application for credit that comes to them and grant deserving applications. My remarks are intended to urge that the banking system should by now be near enough full grown to stand on its own feet and to stop running for the apron strings of supervision when any of its decisions is criticized. I am not unmindful that supervisors, too, have a definite responsibility in connection with the formulation of general loan policies. We will try always to meet that responsibility in the best interests of the public and the banks, and I at least will not use the banker as a shield for whatever distasteful decisions I must make.

MANY IMPROVEMENTS IN BANKING RECENTLY

Consequences of the transition that has occurred in the banking business during the past 5 years have not all been disturbing. Some of them, in fact, represent distinct advances in the sciences of banking and bank supervision. It can conservatively be said, I believe, that the banks of the country, as a whole, have developed during this period an asset position that gives them a splendid foundation of strength and soundness. Some improvement in the steadily dwindling ratio of capital to assets for all banks would still be desirable, but with this exception banks generally are in very sound condition. These years have likewise seen improvements in banking legislation, and improvements in bank supervision that are notable advances. Statutes have been adapted to modern conditions and codified not only by the Federal Legislature, but by many of the State legislatures as well, notably the excellent job done in your own State of Michigan. There has evolved since creation of the Federal Deposit Insurance Corporation a unity of supervisory purpose, a standardization of supervisory practice, and a spirit of cooperative consideration and action between Federal and State authorities that was unheard of before 1934.

LET FUTURE SEE MORE IMPROVEMENT—NOT RETROGRESSION

It is essential that we do all in our power to preserve these hard-won gains, to insure that the trend during years to come will be one of continued improvement and not one of retrogression. Bankers must guard against deterioration in their institutions; bankers and supervisors together must oppose any effort to obtain relaxation of banking laws or of supervisory standards. Demand for such relaxation almost invariably occurs as a byproduct of the natural let-down that follows periods of strain such as that through which we just have been passing. Alertness in the interest of the whole banking system and of the public is necessary to combat them.

F. D. I. C. OPERATING POLICIES

We, who administer the insurance corporation, have tried from its beginning to meet our responsibilities with a minimum of disturbance to the banks and to the preexisting supervisory structure. We have asked for only one substantial revision of our original law; we have issued a minimum of regulations. We have worked cooperatively with other supervising agencies, both Federal and State, to evolve programs of examination that would be grounded on a common basis and that would involve as little disturbance as possible to the routine of banks. On one point only have we been insistent—that the Corporation must have the right to protect itself through free access to the institutions it insures. Our insistence is not grounded on any belief that the Corporation should be the only agency empowered to examine and supervise insured banks; it does not mean that we think a good job of examination and supervision is not being done under the existing set-up. It follows simply from our firm conviction that no insurer should be asked to assume risks that he cannot control and that access to insured institutions is an indispensable instrument of control over the risks that the Federal Deposit Insurance Corporation has assumed.

We of the Corporation take pride in having established frankness—full and complete frankness concerning our own condition and operations and the condition and operations of the banking system—as the dominant tone in our public and professional contacts. In our annual reports we try to give to the President and to Congress a full and accurate picture of developments in our fields of interest. In our semiannual reports to insured banks we disclose and explain completely our current condition, our operating results, our problems, and our policies.

I am convinced that the general and sincere confidence depositors have today in our banks is due largely to the policy of frankness the Corporation has pursued. We propose to continue that policy, because we believe that depositors are entitled to the truth about our banks and that in view of the losses they have had to suffer in the past depositors are at least entitled to honest information that will let them shift for themselves if concern for the safety of their funds ever again is justified.

Maintenance of public confidence must, of course, be the cornerstone upon which we build for a permanently sound banking system. So long as there is confidence, there will be no panic; so long as there is no panic, forced liquidation will be unnecessary and there will be no repetition of the needless wave of failure and loss that we had so recently. If the banks can keep themselves clean, and if the Corporation is able to continue its present policy of moving immediately to correct difficult situations that result from local catastrophes or from specialized conditions, then and only then need we have no fear that confidence will wane; then and only then can we hope to see losses to depositors banished to the musty list of things that used to be; then and only then will be attained that millennium for which we all have hoped and worked and prayed; then and only then can we call ours a job well done.

Strict Neutrality Must Be Maintained

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 28 (legislative day of Thursday, June 22), 1939

DECLARATION BY THE AMERICAN INDEPENDENCE ASSOCIATION

Mr. REYNOLDS. Mr. President, I ask unanimous consent to insert in the RECORD a declaration by a group of American citizens of Akron, Ohio, insisting that we keep out of war, that we maintain strict neutrality, and that we do not meddle in the affairs of other nations. The declaration was prepared by the American Independence Association, the officers of which are named at the conclusion of the declaration.

There being no objection, the declaration was ordered to be printed in the RECORD, as follows:

In view of the dangerous world situation and of the very important responsibilities of members of our National Government therein, we as citizens of the Republic here endeavor to make plain to you our minds:

1. We emphatically protest any action taken, undercover or aboveboard, by our President or Members of Congress, or under consideration by them, which violates or alters the historic policy of neutrality which was initiated for our country by Washington and only violated during the last World War.

2. As a companion piece of policy to that of neutrality, the Monroe Doctrine must not be abandoned or perverted. On the contrary, it must be reasserted by the Senate that on the one hand the United States does not intervene in affairs of Europe or Asia and, on the other, we will not tolerate interference by foreign nations in affairs of the American continent.

3. We remind you that these twin policies are essential to the full and free independence of our representative republic, an independence in no way restricted by foreign alliances, entanglements, or unneutral actions. For if the United States engages in such relationships and adventures entailing obligations of our belligerent action upon some future occasion, our form of government and society must of necessity change to one consistent with imperialism—much greater military and naval establishments, a more powerful central government, a constant readiness to carry out our part in world-power politics—all of which inevitably greatly reduce the liberties and immunities of free citizens.

4. Naturally we want peace; but if we are driven to accept war we want a united people and we think that that can be guaranteed always if our international relationships are nonpolitical, confined to affairs involving the fundamentals of our just rights and our independent existence.

5. We want those powers granted through our Constitution to President and Congress, relating to the conduct of our foreign relations and war, to be respected according to the oath of office by every member of our National Government, and we expect no evasion to be practiced, in the sanctimonious name of peace and morality, for the purpose of circumventing constitutional restrictions of those powers.

6. We remind you that whatever influence for peace and justice as among nations may rest with the United States depends upon our consistent and courageous neutrality in foreign disputes. Taking sides before and during one of these disputes destroys any good offices we might have performed as a neutral.

7. We condemn as presumptuous, dangerous, and unneutral any official meddling or provocation in their nations' affairs, which condemnation applies as well to criticism by men in public office of forms of government or society in other countries. It is time, too, that we, a people of diverse origin, again take a stand against the basing of our foreign relations upon religious or racial bias, or upon advice from foreigners or alien-minded boarders in our house.

We claim that it is no more absurd to label as "fascism" every defense of American individualism against socialism and communism than to label as "nazi-ism" every defense of traditional American neutrality and independence.

8. We confidently assert that very seldom can a nation be intelligently or accurately labeled as "aggressor," particularly by Americans, since the background of an incident or belligerency abroad is nearly always of long standing, cumulative, and involved—the popularly accused "aggressor" in fact being the victim of aggression by the so-called peace-loving nation. We, therefore, doubt the practicality of the well-meant Kellogg Pact, as well as the consistency of its place in a policy of true neutrality.

9. We deny that there are any "actions short of war but stronger and more effective than mere words" which America as a neutral can take without assuming the status, responsibilities, and consequences of a belligerent. A nation is either in it or out of it. What kind of mind can think that a country can be a neutral and a belligerent at one and the same time?

10. We suggest it be remembered that the United States may well be at some time a belligerent, other nations neutrals, and that any false measures we as a neutral practice now against or for others will naturally be employed by them toward us then.

11. We object to our country's being used, through "understandings" or otherwise, as a make-weight in the European age-old struggle for boundaries and balance of power. We object to our fleets being used as a part of a world fleet made up of the fleets of the colonial empires, our own interests and safety being subordinated to the interests of others. Such struggles, or the defense of the British, French, or other empires, are none of our business.

12. We demand a national policy of self-defense only, and condemn one of offensive imperialism. Our interest is national independence and the rightful interests of our citizens everywhere, no more nor less than we offer the nationals of other countries.

13. We protest the granting of new and un-American discretionary powers to any President in the matter of deciding what constitutes contraband of war, or in the matter of when embargoes are to be imposed or withdrawn and against whom. Congress, in the light of international law, precedent, and practice can name a list of contraband. Congress can and should determine the question of embargoes, although we doubt that their imposition would either keep us out of more wars, keep us neutral, or result in justices between the belligerents. More important, we do not think our commerce should be thus deliberately destroyed by ourselves through fear and cowardice, nor, besides, that the fate of our commerce should fall into the hands of the President simply because a war breaks out abroad.

14. We think weak and cowardly the fatalistic, defeatist idea that this Nation could not keep out of any great war. Strange that this propagandized idea never occurred to Americans when the Nation was small and weak. Are we become so degenerate as to admit that the destiny of our Nation is out of our reasoned control, now that we have become great and strong? Our forefathers did have courage, a self-respecting, masculine patriotism; they did have a decent regard for the kind of estate which was to be left to their children and their children's children.

15. We realize, of course, that our great economic depression is the direct result of our participation in the World War. It is an insult to anybody's intelligence to be told that this economic collapse is the fruit of capitalism. For once we are in complete agreement with Communists and their fellow travelers in being convinced that our engagement in another war at this time will certainly destroy what is left of our American institutions. These disciples of the gospel of "St." Marx work night and day to drag us in.

16. Being mature in mind, we also know that that World War did not cease in 1918 but has continued to date economically and politically in Europe; that the Treaty of Versailles was not a treaty of peace but only a military truce, the provisions of which have been administered by the League of Nations; that the present eruption in Europe is the inevitable consequence of that oppressive, vindictive treaty applied by the peace-loving victors upon the vanquished, a consequence freely predicted 20 years ago by opposing American Senators during the debate upon ratification of it.

17. It is our contention that if the people of the United States wish the economic recovery of the world, including ourselves, we should realize it cannot be accomplished through a policy of collective economic suppression of any great nation—Germany or any other.

18. We are continually told that a policy of neutrality is useless, since it did not keep us out of the World War; but we are aware that the record shows America got into that war, not as an honest neutral trying to defend American shipping and commerce—the freedom of the seas—but by pretending to be neutral, while demanding not only that ordinary belligerent merchantmen be not taken by their enemy but also that armed belligerent merchantmen be treated as peaceful ships. Such was the credulity and subserviency of our national authority before the threats of British imperialism.

19. So today we hereby make known to those chosen to act for us in the National Government of this representative Federal Republic that we want no more evasion or other shameful behavior toward patronizing or bullying foreign peoples; that we do expect insistent maintenance of the vital interests of a free, independent United States through traditional American methods.

20. To these ends our strong conviction is for positive action at this session of Congress. Therefore, we strongly urge that before adjournment Congress make a clear and vigorous declaratory statement for the purpose of convincing foreign peoples and our own that this is in fact a self-governing nation, rather than the personal domain of the Chief Executive; so, too, for preventing foreign governments from being misled into warfare with others in the belief that they have our certain partnership.

21. Further and finally, we strongly recommend and urge the immediate submission by the Senate and the House of Representatives of a resolution to amend the Constitution by State conventions to be convened at the earliest date, in order to restore it to its original and traditional meaning relative to use of troops—a meaning that was destroyed in 1917 by the Selective Service Act. Specifically, we want the original power granted by the people to the Federal Government over conscription to be restated as limited to "execute the laws of the Union, suppress insurrection, and repel invasions," and in addition to plainly deny the power of conscription for military service outside the territorial limits of the United States.

Our study convinces us that this action in 1917 was a defiant usurpation of power by our Central Government, not only destructive of our individual immunities and liberties, but also extremely dangerous, as placing too much freedom of action into the hands of any administration in its dealings with other nations. The sovereign people have never had the opportunity to approve or disapprove that violent transfer of power from themseles to their government. Such an amendment will limit foreign military service to volunteers, will let remain in the hands of the men at home the power to bring to a stop some disastrous foreign adventure, restrain imperial or personal ambitions of any President or group, and greatly tend to confine our national foreign policies to traditional defensive ones wherein we mind our own business.

The American Independence Association, an emergency group for petitioning the National Government, Carl P. Dick, chairman; Eighth Ohio Volunteer Infantry Association, War with Spain, R. A. Walkup, president; Summit County Council, Army-Navy Union, Robert Thompson, commander; German-American Civic Association, Robert L. Soergel, secretary; Veterans of Foreign Wars, Joseph Wein Post, No. 288, W. W. Mathis, commander; Summit Veterans Association, Emerson C. Wolf, chairman; Summit County Horticulturist Society, W. H. Kline, president.

Economic Relations with the Philippines

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, June 28 (legislative day of Thursday, June 22), 1939

STATEMENT BY SAMUEL F. GACHES

Mr. GIBSON. Mr. President, after the Spanish-American War many Americans returned to the Philippine Islands, where they have made their homes. In this group is Samuel Gaches, who has become one of the leading businessmen of the Philippine group, and as a Philippine-American businessman has worked unceasingly for a better understanding between the Filipinos and the Americans of the continent.

I ask unanimous consent that there may be printed in the RECORD a statement from Mr. Gaches setting forth his views and the views of the group served by him.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Philippines are America's seventh overseas customer. As such, we Americans of the Philippines believe, as do our Filipino neighbors who buy the goods, that our commerce deserves the close attention of your National Foreign Trade Council. It is a commerce that we know to be well-nigh ideal. If you measured it in terms of labor employed, you would find it in third or fourth place instead of seventh. That is because all the goods in it are fully manufactured: Not wheat, but flour; not cotton bales, but cotton textiles; not steel, but steel products. I am not stating a conjecture, I am quoting your own trade commissioner at Manila, Mr. Paul P. Steintorf.

"The Philippines," says Trade Commissioner Steintorf, "is the one market where American goods may be sold freely, with no quotas, no import duties, and no exchange or other financial restrictions." To which I add, You never heard of a "blocked credit" in the Philippines. We, out there, don't know what it means. We're dumb that way. We couldn't get it in a year at college, even under Dr. Irving Fisher at Yale. We still think that what we buy we have to pay for, with money. When we sell you anything in the Philippines, it is a tropical commodity. It isn't a commodity dollar. We also ship you gold from our mines, and may ship you $50,000,000 worth of it this very year.

The great business you have with us is a cash business. It is a natural complementary trade. It is noncompetitive. And it grows. Its recessions are immaterial. In 1929 it was 1.6 percent of all your exports, in 1937 it rose to 2.8 percent, and this year it will be 3.8 percent. What other market has treated you so well in the past 10 years? Has any other country more than doubled its purchases from you for cash? Let us get down to tons, away from percentages. Among 25 tons of goods you send overseas to all your markets this year, 1 ton will come to the Philippines, if an average value for the total tonnage is struck.

For 33 of your leading manufactured products the Philippines are either your first or your second customer overseas. That means right now, this very year. But we are forging ahead with you, and buying more all the time.

Year after year, as last year, you sell us flour, taking the crop from 200,000 acres of northern wheatlands. In textiles and thread you sell us the cotton from 134,000 acres of southern cottonfields. Last year you sold us more than $32,000,000 worth of your surplus farm products, fully manufactured. Ten years hence, if you keep watch of how things go at Washington, and make them go your way, and the American farmer's way, and American labor's way, for you are all in this trade together, you will sell us 50 percent more goods than you do now.

This trade does not cost you a cent.

It does not cost the United States a cent.

It does not cost the American people a cent.

You get it all without extending one credit or buying a single bond. When you occasionally do buy our bonds we pay them off with interest—usually before they are due. You never heard of anything else. The Philippine budget is perennially in balance. The islands taught America the budget system. They were first under the flag to install that system and demonstrate its merits. They taught it to America. She didn't learn the lesson very well. She's fallen behind with her home work.

If any country needs the overseas trade she already has, and would be foolhardy to let a dollar of it go, that country is the United States. If we hear correctly, you are bogged down, all over the country. Capital is stagnated, labor idle by millions. Why? Because you're not trading enough. We offer you the means to more trade.

The Philippines have practically no public debt. Before your goods leave America you have the cash in hand for them. If you give credit of 30 or 60 days with sight drafts, your bills are paid without discount. The whole business is as quick as the flash of a cable, the winging of a radiogram.

This has been going on through 40 years, since the treaty with Spain at Paris in 1899. During that time, you have sold the Philippines $1,600,000,000 worth of American goods. Last year alone, you sold the Philippines $90,000,000 worth of machinery, automobiles, cotton textiles, wheat flour, tobacco, and miscellaneous items. Mr. Steintorf, your trade commissioner at Manila, says that for variety the trade has no equal among all your overseas customers. We merchants at Manila know this to be true.

Yet you don't sell the Philippines a dollar's worth of goods that Filipinos are not anxious to buy. You manufacture; they farm. There is no aspect of force to the trade either way. It's not dollar diplomacy; it's plain business. In the same time, 40 years, America has bought quantities of Philippine exports, farm products of the tropics for your factories; but again, not a dollar's worth that she did not need, and many products America buys from the Philippines are on her free list.

Please get this straight.

America always has bought these Philippine products. She didn't begin in 1899. Before she got the islands from Spain in 1899, she was lucky to sell them as much as a million dollars' worth of goods a year. It is now that America has the Philippines that the trade is large, that it is a cash trade, that it is a balanced trade, and that it is a growing trade.

This trade is not even seasonal. It runs on the year round. And it runs under the laws of Congress, remember that. This Philippine trade is not only large but completely in your political possession. Congress is consistently guided by high motives toward the Philippines, as, under such peculiar responsibility, it ought to be, but Congress is in full control. You ought to keep as close watch there as a fireman does on his boiler gage; for the thing is politics, and you know politics can explode.

The facts of Philippine-American trade are as vital to labor as they are to capital and management, because we buy your goods fully manufactured, and we buy the greatest variety.

This trade, summing $90,000,000 and $100,000,000 a year, has so many admirable aspects that it is hard to choose for illustration. Run down an official list of American exports in 1936 and you find the Philippines the American customer No. 1 for cigarettes, galvanized sheets, wheat flour, milk, explosives, sewing machines, toilet preparations, educational textbooks, soaps, sardines, paints, cigar leaf, beers and ales, steel bars, internal-combustion engines, candles, welded pipe, cocoa, sausages, and even plug tobacco. For 13 other major American manufactured products the Philippines were your customer No. 2.

Note that 40 years ago the Philippines were a poor country with less than 7,000,000 people in 49 Provinces without roads and with unimproved ports. Today they are a prosperous country with fine highway systems, using 53,000 automobiles and trucks, with modern ports that help sell your goods at competitive prices with foreign goods; and your goods go there free and the foreign goods pay import duties.

But this is but the beginning of that story.

The birth growth of Filipinos is little short of 2 percent a year. This guarantees market growth. You are selling not merely in a good market, but in one that expands all the time, sometimes for many reasons, always by reason of a growing population.

Nothing else is so fundamental as this.

But more. The Philippines never have a war, never have an uprising. America keeps a small garrison there, a card in the hole for tight squeezes with her Far-Eastern problems or her national defense; but in all this, the Philippines, as such, are not an element. Pestilence is gone, and war never decimates the population.

In 60 years, less than 3 generations, the Philippine indicated population will be 64,000,000, from natural growth alone.

When therefore you get down to cases with us and arrange to keep your Philippine market, you are really keeping something.

You homeside Americans ought to look ahead to the approaching day when the Philippines will be as productive per capita as Hawaii is. If then you have kept this trade we ask you to keep, by not allowing Congress to sell the islands down the river, that trade alone—that Philippine trade alone—will approximate, in billions of dollars a year, the whole of your overseas trade today.

No one can conceive of how generously the Filipinos will increase their buying of shiploads of American manufactured products of all sorts, engaging the maximum of American labor, once two political points are fixed. First, that the islands' autonomy is permanent. Second, that American sovereignty over the islands is permanent. That will load from your seaboards for Manila, not a few ships a week, but several a day. The commerce now, and you have more than 85 percent of it, uses the services of more than 1,400 ships a year.

Another thing. The Philippines make agreements readily with the United States, and then live up to them. This is the national make-up. An American long in the islands was once asked about his neighbors, the Filipinos. The American's answer was, "I have my first Filipino to see who will say 'No' to a friend or 'Yes' to an enemy, and that suits me."

Now, we in Manila think you will find that statement broadly applicable, not merely in the Philippines, but throughout the Far

East. Mr. Chamberlain and his umbrella will fare, when he gets trying, much better west of the international date line than he has been faring in central Europe. That ought to be better for him, and for us all—all who take pride in democracy that spells with the small "d." Of course, some of you still like the big "D" no doubt, just as a child here and there likes spinach.

Every partisan to his taste, but the business of the Philippines is not a partisan matter and never has been. Toward the Philippines both your great national parties have had the same view—always the welfare of the Philippines, until very recently, when Congress was grossly misled and misinformed. Then came the "boner," which we of Manila think is directly up to you homeside Americans to correct.

Congress has put Philippine sugar under a quota. To this the islands have agreed willingly. You will never find them welshing on the bargain. Though all your goods go to their market without quotas, they accept this quota.

But why think, as someone in Congress has thought, about taking this quota of sugar away from the Philippines and letting Cuba have it? Cuba has one now.

Who will say that America will find as much trade in Cuba, where 4,000,000 people live, as she finds in the Philippines, where four times 4,000,000 people live?

All the Filipinos ask of you, after staying with you through thick and thin—this to the extent of an army that could be a million men at your call when needed—is a square deal. In the perilous position of your overseas trade today and for years past, you will agree, I think, that any people that buy ninety to one hundred million dollars' worth of your goods a year for cash deserve a square deal at your hands.

The trade field of the ships, American and foreign, that haul your manufactured products to Manila, is not the Philippines alone. It is Japan, China, Hong Kong, and the Philippines. It is the Far East. The Cuban field, too, is not Cuba alone. It is the West Indies as a whole, Central America, and Mexico. Now sum up your trade in these two fields for 1938—right down to date with your fondest hopes and Congress' highest expectations. The Philippine trade field wins by $134,597,658 in 1 year only.

The total you sold last year in this Philippine trade field was $399,112,216. The total you sold in the Cuban field was $264,514,558. I have just given you the huge difference in favor of the Philippine field, more than $134,000,000.

Now we are all businessmen, talking business. It is, of course, our chief preoccupation as a great industrial country. I am quite sure that not one man who hears me sees the slightest justice in depriving the Philippines of a pound of their sugar quota in your market, unless it encroaches on domestic production. I will show that you gain, along with the Philippines, in accepting this sugar in your market.

Two facts impress me deeply. One, that Spain's commerce with the Philippines was by way of Mexico until her political tie with Mexico was broken. Then it disappeared. The other fact tied up with this is the current hegemony of the Americas. The Philippines belong there. They fit into that picture. Their commerce is eastward, with the Americas; and, of course, chiefly, with the United States. Not the Iberian peninsula, but the American continent, has been the basic influence on them. Long ago, missionaries guided the Manila galleons to the California coast with signal fires on mountain tops.

This commercial nexus runs back into the sixteenth century.

Trade between the Philippines and the United States is natural. Artifice is the only force that will destroy it. The Philippines send American tropical products—hemp, copra, sugar. These they must sell. These America must buy. America has manufactured products. It is most natural for the Philippines to buy them. The climates contrast sharply; the two types of products in the trade are opposites—one complements the other. That is why America keeps many Philippine products on her tariff-free list. She herself does not grow them; nor do the Philippines make your goods

If they begin making some textiles, they will use your cotton. If they make some flour of their own, it will be from your wheat, and along with wheat they will use other farm stuffs. Their climate forbids cotton and wheat.

You can't find another large country to match that. Brazil's coffee may come closest to it, but, remember, Brazil does grow cotton.

To feel how natural this large Philippine trade is, imagine a ship, American or foreign, loading along your two great seaboards with manufactures for Japan, China, and Hong Kong, and the Philippines. The ship uses both your seaboards—your Gulf ports, too. You've got mighty little trade like that. Once more you can see how varied the Philippine demand is.

This ship reaches Manila last, Japan first, then China. In the Philippines, empty, the ship fills up with raw tropical products, some for Europe, more for the United States.

The Philippines are the turn-around point, the natural one. They always have been. The American clippers in their heyday, when they dominated the seven seas, when they brought the wares of the world from Europe, Australia, the United States, and the Levant to Canton, Macao, and Hongkong, turned to the Philippines for sugar, copra, manila hemp, and tobacco for their homeward voyages.

The Philippines are the key to your whole far eastern market, a market taking $400,000,000 worth of your manufactured products a year, and often more. You have this market because you have the Philippines.

If ships taking your goods to the Far East could not go to the Philippines and be sure of homeward cargoes, they would up your freight rates. In China and Japan your goods could not sell so readily, your far eastern business would run down, and you would look for the reason, and it would be the rates.

Then you would remember that you had permitted Congress to levy against Philippine products that America requires, and even to give up the Philippines altogether. And it would be too late.

There is an accepted hour when the lamps of the wise should be trimmed and filled. Only the foolish sleep through it, and they are refused the feast.

But let the Philippines go for 5 minutes and a great eastern shipping and industrial nation will pounce upon your abandoned vantage ground. Using Philippine resources, it will penetrate even your American markets easily, while taking eastern markets away from you like candy from children.

That is why you foreign traders ought to see to it that Congress leave the Philippines their sugar quota, and leave it to them free. It is the basis of your Philippine market. It is a basis of your freight charges in the Pacific littoral: costs of getting goods to Japan, to China, to the Philippines, and to near-by countries.

This Philippine sugar has been ignorantly attacked in America—and not as fully defended by foreign traders and American labor as it should have been—because it would pay $18,000,000 duty if it came from Cuba.

This is purblindness, nothing less. To hear it in Congress, the lawmaking body of a great business nation, is scandal.

That $18,000,000 is not Philippine sugar's benefit alone. It is yours. No one will deny it. You ought to stand up and fight for it as such. It belongs to you absolutely, you bankers, you manufacturers, you traders, you exporters, you workmen who by millions are busy making good American products, and idle by millions when these products cannot be sold.

In the Philippines you trade goods for that eighteen million a year. But it serves you twice. You take it for goods, that's one use. You make it lower the freight charges of ships that move your goods to the Far East, and that's the second use—even more profitable than the first. You can't reach the Far East effectively without moderate freight charges—without, that is, this sugar—because ships won't have haulage enough to accommodate you. Soy beans are out already; rubber yields to the chemist; Java sugar is both Dutch and dutiable—can't get to America at all.

Your sole reliance practically for steamship rates low enough to get your goods to the Far East is reduced to this Philippine sugar. It does it, and because it does it we in Manila claim it is up to you to wage the fight for it.

If ships outward bound with your half billion of goods for the Far East can find anywhere else out that way for the homeward trip 1,000,000 tons of cargo, the age of miracles is still with us. They can't find it. It isn't there. But you have to have it, just the same, and it's this sugar. It is indispensable to your whole Pacific commerce, and even helps you, not inconsiderably, at Hawaii. Besides that, what but this very sugar will keep an American fleet of merchant ships on the Pacific to service the naval fleet at the hour of military need?

That last is not a commercial desideratum, but it is factual just the same.

Our case for the Philippines is aboveboard. We conceal nothing. There is nothing against us to conceal. Is not frequency of sailings vital to the getting of any market and the holding of it? How do you come by such frequent sailings to the Far East? Through this sugar; that's all the way you have. You can't leave your 3 and 4 tons at Japan, your one-half ton for China, and your 1 ton or more at Manila, unless this sugar is waiting for the empty ship, to load it back to New York or San Francisco. Here you have a commerce benefiting all your coasts, all of them, and your inland States. Even shoes by thousands of pairs a month from St. Louis and Nashville. It is all based on this sugar, which Congress is asked to cut off. Will you stand by and do nothing about it?

I think that unfair to yourselves. It is surely quite as unfair to the large American community in the Philippines, and 200,000 Chinese there, and other foreigners, and many Filipinos getting into the game, all buying and selling your goods.

And $18,000,000. Eighteen paltry million dollars. They say to Congress that Philippine sugar should pay the United States Treasury $18,000,000.

If Congress does that, the Philippines will be forced to tax what you send them. Such an act of Congress would mean separation of the two countries. That would mean destruction of the trade. You have a tobacco trade there, mainly popular-price cigarettes of Virginia tobacco. That trade is $8,000,000 a year. It is rapidly growing. Existing duties, if paid, would be more than $40,000,000 a year. That would wipe out important American incomes in the islands; it would wipe out large Filipino pay rolls.

It would wipe out also fleets of delivery trucks, American cars all, that distribute these cigarettes and tobaccos from one end of the Philippines to the other. These cars start out from Manila by dozens every week.

You over here have a sugar industry, but the little one-sixth of your sugar market that you allot to the Philippines does not compete with your homegrown sugar. The Philippines have a tobacco industry and the tobacco products they buy from you do compete with this industry very sharply. Yet they are willing, as

fair play, to solve their tobacco problems in some other way and let your tobacco products go duty free to their market.

So there you have it—American tobacco against Philippine sugar; the tobacco in a growing market; the sugar stabilized under a quota. Add a little flour, that you need badly to sell, and you have a standoff. It is all to your advantage. It will so continue if you make Congress keep duties off of Philippine products and keep American sovereignty over the Philippines.

Now, if you harbor the thought that the Philippines cost America anything, cast it forth. They pay their own way, plan their own economy, and because they value their place in the American scene, their public policy is beneficial to you. New roads and bridges widen your markets, new ports handle your shipments quickly and cheaply. Wages go higher, the standard of living increases, and again more of your goods are bought.

America has, of course, spent some money in the Philippines. Congress made one appropriation 37 years ago. It was $3,000,000. There has never been another direct appropriation. Certain excise taxes have been refunded.

Some other money has been spent in the Philippines, since the Army has a department there, and the Navy some stations. America has also built a strong fortress at Corregidor. It is a part of America's national defense. There are such works on America's coasts at home. However, none of them is charged to the State surrounding it.

Because Corregidor is in the Philippines, some men who will not concern themselves with the real welfare of the United States insist on charging the expense to America's sovereignty over the Philippines. A parallel would be to charge Massachusetts with Boston's coast defenses; or New York with the coast works there, or California with the works at San Francisco. In this way, someone has falsely added up a sum of $700,000,000 against the Philippines. They have got it into print somewhere. They have even brought it to the mild attention of Congress.

This is the type of sniping that your business in the Philippines is subject to. Cranks, unscrupulous or uninformed, or both, blurt out anything and get the homeside public to swallow it whole. They seize advantage of the fact that these are days of fear. They "scarecrow" the public's credulity.

Let us analyze this $700,000,000 statement. It covers 40 years. Divide by 40, your result is seventeen and one-half million a year. In that 40 years the average American population has been well above 110,000,000. Divide again, mentally. The whole false figure comes to no more than 15 cents a year per capita. Peanuts!

You get back 80 to 90 cents a year, per capita, and in some years, almost a dollar. Tomorrow this will be a dollar and a half. As soon as fear is broken down, it will leap to $2 a year per capita—against an outlay that is not even 15 cents!

I guess, roughly of course, that anyone can lay out 15 cents on the sure thing of getting back not less than 90 cents. I would not classify it as expense, either. I don't think the income-tax boys would pass it as expense. It looks net to me.

But tomorrow's two-spot in this expanding Philippine business depends, of course, on your keeping the islands. When you give them up, they will be Japan's. They will be Japan's right away, too, if you give them up—rounding out her empire to outbuild you in armaments and outbid you in markets.

It has also been said, even in Congress, that sometimes America buys more from the Philippines than she sells, therefore the trade is unfavorable. I hope no person accepts this fallacy. No one buys anything he does not need. What America buys in the Philippines she needs, and the price suits her; just as the Filipinos buy from America what they need and no more. Congress also hears sometimes that all that America buys in the Philippines she could buy somewhere else. That is doubtfully true, since there is manila hemp, but it is wholly false that America could buy somewhere else what she gets from the Philippines on as good terms.

A dollar's worth of products from the Philippines rarely costs America as much as 15 cents in cash. Manufactures cover the rest of the dollar. Last year America had the better of it. She gave nothing but manufactured products for all her Philippine supplies, and the islands even paid her a little balance of cash. Because the Philippines are building an army that will be a unit of American national defense while the islands remain associated with the United States, they are likely to be buying consistently, for some years to come, a little more from America than America needs from them.

I say at the end, as I said at the outset, America's trade with the Philippines is all but ideal. It is a classic study. It is innocent of aftermaths; you have no sickening sense of defaulted bonds when you scan the figures, nor of any other international short-changing.

But you can lose this trade like the drop of a hat by letting the Philippines go. You can save it all, and add much to it, by letting Congress know the islands must be kept. And you will find Filipinos are with you. Franco's treatment of Spain, Hitler's seizures of Austria and Czechoslovakia, Italy's conquest of Ethiopia and appropriation of Albania, and Japan's conquest of China have all taught Filipinos of all ranks that they must not separate from the United States.

Nevertheless, a law doing that very thing takes effect in 1946. In 1941 free trade will stop and devastating little duties will commence sniping at your Philippine market. Stand up and fight! Bring Congress up to date; tell its Members to leave existing good relations with the Philippines alone. Why not a small committee from your organization, just a small, articulate committee to go over this law with the congressional committees and amend it with a few slight changes, to save your market and America's national honor, if not her national security.

In March this spring President Eugene P. Thomas, of the National Foreign Trade Council, went to Senate committee hearings at Washington with some council members and talked most sensibly about this whole proposition. This, until equivocations are all conquered, should be kept up.

Out in Manila we can't do that. We don't vote! We just pay taxes! But you here can do it. There are fine men on both the Philippine committees in Congress, House and Senate. The case is reasonable, as I have shown. Those men will listen to reason, if the man who reasons also votes.

America's business destiny rests on her overseas trade. This requires that you look to your interests there. The solution of your domestic-business problems lies in exports and imports. This means that it lies in part, and in very large part, too, in the Far East. Out there, through influence of the Philippines, populations begin reaching for the material benefits of our American democracy. And America's sole foothold in the Far East is the Philippines.

Gentlemen, keep that foothold! Keep the Philippines!

The Invisible Mortgage on Every County in Ohio

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 31, 1939

Mr. WHITE of Ohio. Mr. Speaker, the May 29, 1939, issue of the CONGRESSIONAL RECORD outlines my discussion of the States' share of the national debt. Today I want to try to bring the problem even closer to home, particularly for the people of Ohio, by showing how the national debt falls on each and every one of the counties in the Buckeye State.

There are 25,012,416 acres of land in Ohio outside of cities and incorporated villages. It is listed on the tax duplicate at a value of $1,572,639,715. The value of all real estate inside cities and incorporated villages is $5,279,528,745. The combined total of both is $6,852,168,460.

The local government debt in Ohio is approximately $800,000,000. Ohio's share of the national debt, based upon a population of 6,733,000 is $2,095,460,379.40. The State's share of the national debt is therefore more than two and one-half times greater than local government debt.

Ohio's portion of the national debt alone represents an unseen mortgage on every inch of real estate, amounting to 30 percent of the taxed valuation under this entire heading.

For the country as a whole, the gentleman from Michigan [Mr. ENGEL] has established the following facts:

(1) The national debt has reached a point where it amounts to 28 percent of the assessed valuation of every piece of real and personal property placed upon the assessment roll by the local taxing officials.

(2) The National, State, and local public indebtedness is 43 percent of that same valuation.

(3) The National, State, and local, plus long-term private indebtedness, now equals 98 percent of that assessed valuation.

Here you have the full impact of the proportions of New Deal spending, by which the Nation's purchasing power is being consumed and record unemployment is being continued.

In examining the debt situation today in relation to Ohio, no State, local, or private obligations are included in my comparison, although such items will naturally be counted in the reckoning when it comes to payment. Furthermore, these figures include no part of the gigantic deficit which is piled up again this year.

Every dollar of debt represents more than a dollar of delayed taxation. Despite the tricky device of hidden taxes, no one needs to be told of the tax burden as it stands today, but few people fully realize how they themselves are affected by

the tremendous proportions of delayed taxation that is approaching as a result of unending deficits and growth of the national debt. Some folks may not be concerned because they think the "other fellow" will pay the bill. Government propaganda encourages the delusion. But no citizen of Ohio can cling to that ghost of deception very long when he realizes that the State's share of the national debt represents an "invisible mortgage" amounting to 30 percent of all the real-estate value listed on its tax duplicate. And, remember, this does not include any of the State, local, or private debt which brings the national average up to 98 percent.

There is nothing remote about Government debt, except the control of its growth. Payment hits home. There will be no halt in growth until people on the home end of the line put a strong bridle of aroused opinion on Washington bureaucrats who spend to live—politically—and live to spend.

Let us suppose that you are a farmer with a $10,000 farm, upon which you still owe $3,000. You have worked to all hours of day and night to gradually lift your personal debt. Your family has sacrificed many desires for the same purpose. You have fought to keep State and local obligations from adding too heavily to the burden you are carrying. Then, all of a sudden, you wake up some morning to find that a mortgage you did not know about has been placed on your propertly by the Federal Government amounting to 30 percent of its value, or $3,000 additional. You find it is a bitter pill to swallow. Certainly it is. And that is exactly what New Deal spending and indebtedness are doing to you right now. Every property owner and citizen is in the same boat, varied only by the degree of private obligations. The price is terrific. Prolonged depression and increased unemployment have been the result. It is time to wake up! The spenders must be brought to their senses.

These figures are presented to show how directly and heavily the debt falls upon every citizen of each and every Ohio community.

As unbelievable as it may seem, Meigs County's share of the national debt is 80 percent of the county's real-estate valuation.

For four Ohio counties this "invisible mortgage" represents 70 percent or more of the tax value of their real estate: Gallia 70 percent, Jackson 74 percent, Perry 70 percent, Vinton 70 percent.

Nine more counties range between 50 percent and 70 percent. They are: Adams 68 percent, Athens 64 percent, Guernsey 56 percent, Hocking 54 percent, Lawrence 67 percent, Monroe 55 percent, Morgan 54 percent, Noble 68 percent, Pike 67 percent.

The burden for 48 other counties ranges between 30 and 50 percent. Twenty-six counties are mortgaged by the national debt alone, between 17 percent and 30 percent.

The following table shows the New Deal's "invisible mortgage" as it hits every county in the State:

Counties	Population (latest census)	1938 tax value of real estate	County share of national debt	Percentage of real-estate value
				Percent
Adams	20,381	$9,553,890	$6,342,974.82	66
Allen	69,419	65,604,960	21,604,581.18	32
Ashland	26,867	30,498,840	8,361,547.74	27
Ashtabula	68,361	70,977,710	21,275,310.42	29
Athens	44,175	21,335,750	13,748,143.50	64
Auglaize	28,034	27,875,990	8,724,741.48	31
Belmont	94,719	59,089,520	29,478,447.18	48
Brown	20,148	13,001,470	6,270,460.56	48
Butler	114,084	121,818,090	35,505,222.48	29
Carroll	16,057	11,186,100	4,907,259.54	44
Champaign	24,103	23,497,810	7,501,335.66	31
Clark	90,936	85,381,230	28,301,101.92	33
Clermont	29,786	20,081,460	9,269,998.92	46
Clinton	21,547	21,686,420	6,705,857.34	30
Columbiana	86,484	55,472,190	26,915,550.48	48
Coshocton	28,976	22,405,400	9,017,910.72	40
Crawford	35,345	37,668,130	11,000,070.90	29
Cuyahoga	1,201,455	1,388,120,890	373,916,825.10	26
Darke	38,009	37,161,660	11,829,160.98	31
Defiance	22,714	24,614,710	7,069,051.08	28
Delaware	26,016	20,299,690	8,096,699.62	39
Erie	42,133	53,580,050	13,112,232.26	24
Fairfield	44,010	34,692,430	13,696,792.20	39
Fayette	20,755	22,216,220	6,459,371.10	29
Franklin	361,055	$345,194,910	$112,367,537.10	32
Fulton	23,477	22,214,810	7,306,511.94	32
Gallia	23,050	10,234,830	7,173,621.00	70
Geauga	15,414	19,722,840	4,797,145.08	24
Greene	33,259	30,780,050	10,350,865.98	33
Guernsey	41,486	22,967,975	12,911,272.92	56
Hamilton	589,356	819,549,570	183,419,374.32	22
Hancock	40,404	46,635,930	12,574,532.88	26
Hardin	27,635	23,919,010	8,600,564.70	35
Harrison	18,844	12,803,020	5,864,629.68	45
Henry	22,524	25,980,720	7,009,919.28	26
Highland	25,416	16,481,520	7,909,967.52	47
Hocking	20,407	11,636,050	6,351,066.54	54
Holmes	16,726	15,492,150	5,205,465.72	33
Huron	33,700	31,703,530	10,488,114.00	33
Jackson	25,040	$10,425,590	$7,792,948.80	74
Jefferson	88,307	77,778,290	27,482,904.54	35
Knox	29,338	26,543,790	9,130,572.36	34
Lake	41,674	75,209,070	12,969,782.28	17
Lawrence	44,541	20,627,480	13,862,050.02	67
Licking	59,962	52,349,390	18,661,373.64	35
Logan	28,981	$24,534,030	9,019,466.82	36
Lorain	109,206	135,062,000	33,987,091.32	25
Lucas	347,709	452,857,140	108,213,994.98	23
Madison	20,253	19,585,520	6,303,138.66	32
Mahoning	236,142	279,510,300	73,492,113.24	26
Marion	45,420	42,506,540	14,135,612.40	33
Medina	29,677	26,189,650	9,236,075.94	35
Meigs	23,961	9,219,570	7,457,142.42	80
Mercer	25,096	27,397,990	7,810,377.12	28
Miami	51,301	51,852,590	15,965,897.22	30
Monroe	18,426	10,368,595	5,734,539.72	55
Montgomery	273,481	348,163,780	85,112,756.82	24
Morgan	13,583	7,739,105	4,227,301.26	54
Morrow	14,489	13,308,130	4,509,266.58	33
Muskingum	67,398	44,276,420	20,975,605.56	47
Noble	14,961	6,767,420	4,656,162.42	68
Ottawa	24,109	27,032,860	7,503,202.98	27
Paulding	15,301	18,946,010	4,761,977.22	25
Perry	31,445	13,926,205	9,786,312.90	70
Pickaway	27,238	28,006,590	8,477,010.36	30
Pike	13,876	6,409,830	4,318,488.72	67
Portage	42,682	34,642,190	13,283,492.04	38
Preble	22,455	25,229,910	6,988,445.10	27
Putnam	25,074	25,128,820	7,803,530.28	31
Richland	65,902	61,812,880	20,510,020.44	33
Ross	45,181	31,324,040	14,061,230.82	44
Sandusky	39,731	46,870,040	12,365,081.82	26
Scioto	81,221	61,466,130	25,277,599.62	41
Seneca	47,941	47,571,220	14,920,198.02	31
Shelby	24,924	24,420,340	7,756,847.28	31
Stark	221,784	234,721,320	69,023,616.48	20
Summit	344,131	249,719,910	107,100,449.82	42
Trumbull	123,063	126,664,090	38,299,666.86	30
Tuscarawas	68,193	48,849,090	21,223,025.46	43
Union	19,192	16,323,780	5,972,934.24	36
Van Wert	26,273	25,675,150	8,176,683.06	31
Vinton	10,287	4,556,480	3,201,520.14	70
Warren	27,348	23,648,690	8,511,244.56	35
Washington	42,437	27,638,050	13,207,243.14	44
Wayne	47,024	43,827,580	14,634,809.28	33
Williams	24,316	27,651,950	7,567,625.52	27
Wood	50,320	54,069,900	15,660,590.40	28
Wyandot	19,036	20,625,490	5,924,383.92	28

Unemployment Makes W. P. A. Necessary

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. D'ALESANDRO. Mr. Speaker, it is generally recognized that the most serious problem which we, the representatives of the American people are confronted with today is unemployment. The district that has seen fit to elect me to represent them in Congress is typical of the many others that are troubled with such conditions. In dealing with unemployment, we are dealing with the problem that has wrought upon millions untold hardships and misery.

Can we remedy this situation in some small way? Yes, my colleagues, by the approval and allocation of additional funds for the continuation of W. P. A. for the coming year. In dealing with W. P. A. we are directly dealing with the welfare of the needy unemployed; we are directly dealing with a remedy that has made available to innumerable families a source of livelihood; we are providing for the care and nour-

ishment of many unfortunate children who are directly affected by this dreaded unemployment situation that has existed now for nearly 10 years.

Let us not assume the attitude of the survival of the fittest. But let us assume the role of the benefactor and the provider.

Are we going to make ourselves responsible for the thousands upon thousands returning to the system of dole? No; but let us meet this horrifying condition by planned and coordinated public-works programs. We cannot permit these unfortunates, who, through no fault of their own, are unemployed, to shift for themselves.

Look at the situation in the light of humanity. Make them not the tools of economy, by which we will continue to spread misery and privation. Unless funds are provided for the continuation of such works, we are failing to provide for the welfare of the people who have placed their trust in us; we are failing to provide for the alleviation in part of such striking conditions.

The upturn in business and employment that was expected in 1939 has not materialized; making it necessary for the Government to continue aiding the needy unemployed, to increase the purchase power, and advance economic recovery by the promotion of useful public works. The funds now available will be exhausted by the end of this fiscal year. It is therefore my duty and your duty to support the appropriation of adequate funds for the continuation of such programs as well be necessary during the coming year to preserve the right to work, and to prevent further suffering on the part of the unemployed.

The Florida Canal and the Mississippi Valley Association

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

STATEMENT OF HON. CLEVELAND NEWTON, GENERAL COUNSEL OF THE MISSISSIPPI VALLEY ASSOCIATION, BEFORE THE HOUSE COMMITTEE ON RIVERS AND HARBORS

Mr. HAVENNER. Mr. Speaker, with a view to generally informing the House of the great interest of the people in the Mississippi Valley in the proposed Florida Ship Canal, I desire to read into the RECORD some extracts from a statement recently made by the Honorable Cleveland Newton, general counsel of the Mississippi Valley Association, as follows:

Mr. Chairman and gentlemen, I am not going into details regarding this canal, because they have already been so ably handled.

I am here as general counsel and as chairman of the executive committee of the Mississippi Valley Asscciation, to speak in favor of this project. The Mississippi Valley Association has endorsed this canal annually for, I think, 9 years.

We are concerned about it because it shortens the route, not only between the Gulf and Atlantic ports but between the Mississippi Valley and the eastern seaboard; and anything that will shorten the route and will reduce the cost of transportation between these two sections is not only useful to the valley but is useful to the whole country.

We have a membership that extends over 24 States in the valley, going as far north as Chicago and the Twin Cities, and up to Yankton and up to Pittsburgh. So you can see that the resolutions passed by this association have a rather comprehensive representation of viewpoint.

We feel that this canal is not only good for commerce, because it does give us a waterway, the first propcsition; that it gives the valley a waterway all the way to New England; and we think that is helpful to the whole country.

At our last convention we took this canal and we took some other channels along the coast and lumped them into one resolution, and I want to read that resolution in conclusion. This is part of the resolution of the Mississippi Valley Association passed at its annual convention in St. Louis last November:

RESOLUTION ADOPTED BY THE ANNUAL CONVENTION OF THE MISSISSIPPI VALLEY ASSOCIATION AT ST. LOUIS, NOVEMBER 22, 1938

After reaffirming its support of a number of important projects, including the Florida canal, the association adopted the following resolution:

"We commend to the attention of the President and the Congress the value to the national defense of our system of inland waterways and coastal channels. The security in time of war of the water-borne commerce of the Mississippi Valley via the Gulf of Mexico, with the Atlantic seaboard is of deepest concern to the Nation. We, therefore, urge the completion of all channels for this commerce, which are recommended by the Chief of Engineers and designated by the Secretary of War as having important strategic value."

The chief project covered by the resolution is, of course, the Florida canal; it being the greatest of all channels for the Gulf-Atlantic ocean-borne commerce and, having been recommended by the Chief of Engineers, designated by the Secretary of War as having important strategic value.

I think the Florida canal is one of the steps in our national low-cost service, and not only for commerce, but as a matter of national defense. We have never created one of these projects that I know anything about where the commerce did not tremendously exceed the estimate.

I think one of the most distressing conditions in this country, and one of the most dismal forebodings for the future, is the fact that 57 percent of the population of this country has now concentrated within 50 miles of the deep-water rim of the country, and it is going stronger in that direction. Why is that so? Simply because industry goes where it can get cost of transportation that will let it reach the market, and where industry takes the pay roll, population follows.

That, Mr. Chairman and gentlemen, is the position of the Mississippi Valley Association.

The Meaning of Civil Liberty

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, June 28 (legislative day of Thursday, June 22), 1939

ADDRESS BY HON. FRANK MURPHY, JUNE 21, 1939

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered on June 21, 1939, by Hon. Frank Murphy, Attorney General of the United States, at the commencement exercises of John Marshall College, Jersey City, N. J. The subject of the address is, "The Meaning of Civil Liberty."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For the past few years you have been devoting yourselves to the study of the law. You have been concerned with the rules of legal procedure and with the many and important details of the law of contracts, torts, and property.

Today I am not going to talk with you about the minute details of pleading or of substantive law, but about the fundamental liberties of the individual as they are embodied in the most precious heritage of the American lawyer, the Bill of Rights. For all the rules of law which you have learned have little value if they do not govern a society where the individual is free to exercise those rights indispensable to the maintenance of human dignity.

One hundred and fifty-one years ago today, a group of American citizens, meeting in the colonial community of Concord, N. H., voted by 57 to 47 to ratify the Federal Constitution which had been written at Philadelphia 1 year before.

We do not formally celebrate the day, but it was an event of tremendous significance. It meant that the required majority of nine States had ratified, and that the Constitution was in full legal effect. It meant that the American people had cast their lot together under the guidance of a document that Gladstone once described as the most remarkable political work produced by the human intellect in modern times.

That document—our Federal Constitution—is remarkable in many ways. But there is one thing, above all, that makes it remarkable—one quality on which all the others depend—and that is the singular emphasis it places on personal liberty.

In the very first sentence we read that the American people established the Constitution to secure, among other things, "the blessings of liberty" to themselves and their posterity. And the history books tell us that they were so very concerned about their

liberties that many of the States refused flatly to ratify the Constitution unless they were assured that a bill of rights would be added. When that assurance was given, they ratified, but not before.

Oviously, the Bill of Rights was not an accident. It was not the product of a whim or a passing fancy. The people were in deadly earnest about it. They had shed blood and suffered hardship to gain liberty, and they were determined to give it the best protection they could devise.

And so, when it came to the job of framing the Bill of Rights, they did not mince words. They did not hedge it around with restrictions or weaken it with qualifications and conditions. They said in plain English:

"Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for redress of grievances."

In virtually every one of the 48 State Constitutions we find the same bold guaranties of civil and religious liberty, expressed in the same blunt language. The Constitution of New Jersey, for example, declares with beautiful simplicity, "No law shall be passed to restrain or abridge the liberty of speech or of the press."

Just a few days ago the Supreme Court declared that the Federal courts would protect the fundamental rights of the individual from encroachment not only on the part of the Federal Government but on the part of the State and local governments as well. In his opinion Mr. Justice Stone reminded us again how much the Bill of Rights means to our democracy. "No more grave and important issue," he said, "can be brought to this Court than that of freedom of speech and assembly."

Why is this so? Why this remarkable emphasis on freedom of speech and assembly and religion?

Because the wise men who wrote the Federal Bill of Rights and the New Jersey Bill of Rights were doing more than stating legal prohibitions on the legislature. They were expressing a philoscphy of human living. They were defining the spirit of a free and sovereign people. They were putting into words the meaning of democracy itself.

They were determined to put an end in this country to the kind of government that tells the individual he may not speak as he pleases; that tells the newspapers what they may or may not print; that denies the citizen the right to practice whatever religion his conscience chooses; and that, in general, treats the individual as the servant of an all-powerful state.

They were so bent on ending that kind of government that they started a revolution and never gave it up until their objective was won.

We could destroy all their work if we wanted to do it. We could uproot this whole democratic structure overnight simply by going back to the ancient notion that government knows what is best for the people and that the people must not question the wisdom of what the Government does for them or to them or with them.

But if we did that, we would be striking a heavier blow at civilization than it has ever suffered in the history of mankind.

What, after all, is civilization? Is it our great skyscrapers and our long bridges? Is it our huge factories and marvelous automobiles? Is it the radio and the airplane and all the rest of the wonderful inventions that make life easier and smoother and faster?

Those things are part of it, course—an important part of it. But they aren't all of it.

The heart of civilization, the thing that gives it a soul, is exactly that spirit of freedom that runs all through our Bill of Rights. It is the idea that the individual has a natural right to be free up to that point where he injures the interests of the people as a whole.

Take that idea away from our Government, or build a government without it, and you have a government that is something less than civilized.

It may seem that I have constructed a straw man so that I might have the satisfaction of pushing it down. It may seem pointless to talk about the Bill of Rights when obviously the overwhelming majority of our people believe the Bill of Rights is a good thing and want it kept in our Constitution.

I wish that the problem were as simple as that, but it isn't.

It is one thing to believe in civil liberty and another thing to practice it in all the daily relationships of man to man. And I am afraid the facts are that some of us have been for civil liberty in theory but not very careful about practicing it in our daily lives.

Some of us, under the tension of political and economic conflicts, have let ourselves forget that civil liberty is not just for those whom we agree with, but also for those whose ideas are hateful to us. We have forgotten that civil liberty is not just a problem for the Federal and State Governments, but something that must be protected first of all by every individual citizen. The Federal Government, for example, cannot effectively protect the civil liberty of the individual unless public-spirited citizens in every community have the courage to come forward and cooperate with the Federal Government in seeing that the rights of the humblest and most unpopular minority are scrupulously protected.

Because some of us have at times forgotten these things, we have condoned infractions of the Bill of Rights that Thomas Jefferson and Patrick Henry and Benjamin Franklin would never have condoned.

What is the evidence? It comes to us in the Department of Justice every day in a steady stream. Every day the newly created Civil Liberties Unit reads the tragic story in letters and telegrams from all parts of the country.

We hear of municipal officials aiding in the provocation of race conflict, even though government in a democracy is intended to be for all and not just some of the people.

We hear of arbitrary ordinances and arbitrary police action that deny workmen the right of peaceful picketing, even though our courts have recognized that peaceful picketing is a just and proper right of working people.

We hear of local authorities and private citizens manhandling union organizers, even though the Supreme Court long ago recognized that it is proper and desirable for labor to unite in organizations.

We hear of groups arbitrarily denied the right to distribute literature, even though the Bill of Rights leaves no doubt that freedom of speech and of the press are fundamental to our political system.

But there is no need to go to the Department of Justice for proof. The citizen who looks carefully can see it all around him, near at hand. He can see it in the type of mind that believes labor or industry, as the case may be, ought to be punished for its sins by terrorism and coercion; in that distorted mentality that blames the Jew for all our troubles; and in the discrimination practiced against those who happened to be born with a darker skin than most people possess.

What are these tendencies and practices, after all, but forms of intolerance? And what is there more completely opposed to the Bill of Rights and to all our American traditions than intolerance? It is the most un-American, unconstitutional, un-Christian, and undemocratic thing in our life today.

There is no room for intolerance in the America that our fathers planned. It belongs in those other countries where freedom has been all but forgotten and where human slavery is the common lot. It belongs in those other lands where men hardly dare to whisper their thoughts, and where they hold their meetings by stealth under cover of the night. It belongs in those places on earth where fine literature and art and music have been destroyed and where the schools spread propaganda for those in power.

Intolerance has no place here, and those who embrace it are following not the fathers but someone else. They are not following Jefferson, for it was he who sponsored the Bill of Rights. They are not following Benjamin Franklin, for it was Franklin who deliberately wrote into the Declaration of Independence the phrase "one people." Such individuals forget that America became great because it was created and has remained spiritually one people.

Go down in the subway of the great metropolis, walk the crowded streets and the market places, stand near the factory gates at closing time, and what do you see? Not Englishmen or Italians alone, or gentiles or Jews alone, or white people or black alone, or conservatives or progressives alone. You see the children of every race and every nation and every creed under the sun. You see America and America's future.

If you are disheartened by what you see, if these people of other races and national origins seem alien to you, then America's future and your own will not be happy. But if you see them all as being of the stock that built this great Nation from a wilderness, if you look at them as fellow servants of democracy, then our future is bright and full of hope.

America is not 100-percent puritan or 100-percent cavalier. America is an amalgamation of men and women of different kin with a common passion for liberty and tolerance. And with them all rests the future of American democracy.

In many ways the period we live in is like the period that followed the Civil War. There has been no Gettysburg or Bull Run, but, in the manner of war, the depression has inflicted wounds and brought hardship to many. Today, as in 1865, the Nation faces a tremendous job of reconstruction.

We need to place the economic system in such order that men may have the chance to work and to earn a living wage. We need to find ways to bring health and decent shelter to those who lack them. We must take care that the aged are adequately insured against want and the worker against unemployment.

We must protect the quality of Government service by weeding out the incompetent, and protect its integrity by eliminating those who violate their public trust. We must cut the alliances between politics and corruption wherever they exist.

Just as it was with Lincoln in 1865, we need "to bind up the Nation's wounds"; to care for those who have borne the modern battle; "to do all which may achieve and cherish a just and lasting peace."

And now, as never before, we need to do our work, as Lincoln advised, "with malice toward none, with charity for all." We need to do it with tolerance for those with whom we disagree; with compassion for those who are less fortunate than we; with sympathy and understanding for those who speak a different tongue or whose background is in a different land. We need to do it with a constant understanding that the things we have in common are far bigger and more important than any difference that may seem to keep us apart.

It is in such a spirit, and such a spirit alone, that peace is won, justice achieved, and the sons of men made free.

Dare We Break the Vicious Circle of Fighting Evil With Evil?

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 28 (legislative day of Thursday, June 22), 1939

SERMON BY DR. HARRY EMERSON FOSDICK

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a sermon delivered by Dr. Harry Emerson Fosdick on February 19, 1939, at the Riverside Church, New York City, the text being Dare We Break the Vicious Circle of Fighting Evil With Evil?

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

For some of us it is easier to believe in the Christian theology than in the Christian ethic. A generation ago many were saying: We cannot believe your Christian ideas of God, but the ethical principles of Jesus are the hope of the world.

Today, however, it is the ethical principles of Jesus that are difficult.

By the Christian ethic I mean no mere ordinary, humane decency, loving those who love us, but rather the radical, sometimes incredible, demands of Jesus that we love our enemies, that if smitten on one cheek we turn the other also, or if compelled to go 1 mile we go 2 instead that we do good to those who hate us and pray for those who despitefully use us and persecute us. There is the rub today.

The reason for this is the extraordinary vividness with which a powerful temptation assails us all, the temptation to resist evil with evil. When on the western prairies a conflagration starts, men fight fire with fire, burning a swath across which the advancing flames cannot leap. What is thus well done in the physical world we are continually tempted to do in the moral world. We fight evil with evil.

WE COPY THOSE WE HATE

In war, if one side uses poison gas, the other side may at first be horrified, but in the end we all succumb. It takes poison gas to fight poison gas. If one side uses conscription, which is of the essence of dictatorship, the other side, being a democracy, at first is shocked, but in the end copies the technique of the enemy. It takes conscription to fight conscription.

In personal relationships we are habitually tempted to meet bad temper with bad temper, resentment with resentment, sometimes chicanery with chicanery, and in all this we are morally sustained because we think we are resisting evil—as, indeed, we are, but with evil.

At that crucial point Jesus parts company with us. It is there that His revolutionary ethic begins.

Listen to Him: "How can Satan cast out Satan?" Hidden away in the third chapter of Mark's Gospel that searching question stands, summing up, I think, the essential meaning of Jesus' way of life. "How can Satan cast out Satan?" How can evil be the cure of evil? How can two wrongs make a right?

No question could be more pertinent to our modern world, where today violence rises on every side, ill will is rampant, aggressive iniquities must be resisted by good men, and the temptation to fight evil with evil is almost irresistible.

Nevertheless, the question of Jesus haunts the Christian conscience and in quiet moments of insight reveals a strange, uncanny common sense—How can Satan cast out Satan?

ANSWERING EVIL BY MORE EVIL

In the first place, how can the vicious circle of evil answered by more evil, answered by more evil, answered by more evil still, ever be broken unless, somewhere, someone refuses to go on with it?

Watch this vicious cycle of wrong answering wrong. Iniquity rises, demanding that we fight back. So, following the pattern of the natural ethic, against which Jesus took his revolutionary stand, we fight bitterness with bitterness, hatred with hatred, violence with violence, evil growing in a mounting crescendo as wrong answers wrong.

This process is afoot everywhere, from international relationships, where they bomb our cities and kill our women and children, and so we bomb their cities and kill them, to personal relationships, where we say, "He has been unjust—I will show him, I will pay the devil in his own coin."

In this regard how like we human beings are to dogs. For one dog barks and the other barks back and the first barks more loudly and the second becomes more noisy still, in a mounting crescendo of hostility. So one man excused his terrier to the exasperated owner of another. "After all," he said, "the dog is only human."

THE TRAGEDY OF NAME-CALLING

From the time, as children, we fell into angry name-calling, each trying to lay his tongue to some more stinging epithet, we all have faced this elemental problem, and now that, more mature, we are more dignified, our resentment taking a colder form but remaining still resentment quite unredeemed, who does not know that vicious circle of bitterness answered by bitterness, answered by bitterness again? It is the tragedy of the world.

Shakespeare dramatized this in Romeo and Juliet, which, far from being a drama of romantic love alone, is first of all a play about a feud—the house of Capulet against the house of Montague. The first and last words of the play concern the feud, one house against the other, hating each other, meeting violence with violence, evil growing by what it feeds upon and two wrongs never coming out right. Remember Mercutio, slain in the duel and in the insight of his dying moment crying, "A plague o' both your houses."

"GIVE ME THY HAND"

In the theater one sees people go out before the final scene as though, the love poetry being over, they thought the play was done. Shakespeare would have disliked that. It is the final scene, the climax of the play that he was driving at, where Capulet and Montague stand ashamed and penitent, their long and bitter feud stopped in midcourse by a love that broke the vicious circle of its hate. In that final moment of the play, when a Christian might kneel as before the mystery of the cross, Capulet says, "O brother Montague, give me thy hand."

So Shakespeare after his own fashion dramatized what the Christian ethic would say, that the world's feud can never end and the vicious circle of wrong answering wrong come to a close until, somewhere, somebody refuses to go on with it. Jesus meant this by his homely saying that if a man is smitten on one cheek he should not smite back, starting thus an endless chain of retaliation.

Let him try a new technique. Better, he would say, that one adventure on a revolutionary ethic and, if two blows must be given, take both rather than give one. Let him see if he cannot thus break the endless sequence of fighting evil with evil, whereby we always become the evil that we fight.

This, of course, is what the pacifists at their best are driving at with reference to war. The most shameful aspect of our present international situation, I think, is the way we ape the enemies we hate.

ARE WE "YES MEN" TO DICTATORSHIPS?

The dictatorships say war, so we say war. They build vast armaments, so we build vast armaments. Step by step, day by day, we become their "yes men." They say dictatorial control of the nation for the sake of war's efficiency. So in Washington we propose bills that provide on the day of war's declaration that the Nation shall conscript life, property, labor, conscience.

The dictatorships say, Let the War Department determine the foreign policy. So we, too, against the tradition of our people and the very words of our Constitution, say the same thing, and in Washington—witness the proposition for the fortification of Guam—not so much the civilian representatives of the people as the Army and the Navy begin to initiate, and so ultimately to predetermine, our foreign policy.

WE FIGHT EVIL WITH EVIL AND BECOME THE EVIL THAT WE FIGHT

What apes we are. We copy those we hate. We fight evil with evil and become the evil that we fight. We will conquer them, we say, and so first of all we let them make us in their image.

All this we do, thinking Jesus to be a visionary idealist. He is not. His ethic shows a more realistic insight into what is going on in this modern world than does our boasted hardheadedness.

Despite their governments, the people of all the nations in their hearts and homes want peace. Somewhere, sometime, millions of men and women must stand up and cry, We're through; we will not go on forever with war causing more war, causing more war, causing more war still.

If someone says, But we may be compelled to go to war. I ask only that the meaning of that be realistically faced. For in the war you say America is compelled to enter, every cruelty that human beings, implemented with unprecedented instruments, can inflict on human beings will be inflicted. In that terrific wrestling bout no holds will be barred. The word "sacred" will be dropped from the human vocabulary, and neither child nor woman, home, church, school, honor, nor plighted faith will be respected.

NO ONE CAN REALLY WIN A WAR

If we are the apes of our enemies in peacetime, in wartime we will be apes indeed. Every cruelty they devise we will match. Every devastation they inflict on human beings we will equal. In the end no barbarity will be beneath us.

The boys we bore in travail and reared in love in our homes, schools, and churches will become the yes men of the enemies we fight, in every dastardly deed they do. They will be compelled to.

And when it is over, in a world where all agree that no one can really win a war, with civilization, it may be, wrecked, with a thousand new problems raised for every one solved and countless hatreds engendered for every one satisfied, I can think of only one factor that still will stand quite unimpaired: namely, the strange

man of Galilee whom many call a visionary idealist still asking with infinite sorrow, "How can Satan cast out Satan?"

Let us take a further step and note that whether or not this principle of Jesus that evil is not to be fought with evil appeals to us, depends primarily on what it is that most of all we want. Do we really want to cast out Satan? Do we most of all desire to get rid of the evil of the world? Multitudes of people want something else altogether—their own prestige, personal or national, their gain and profit, their vengeance even, or their private conquest. Of course, to such Jesus' ethic is preposterous.

THE SUPREME AIM OF JESUS

We cannot see His meaning truly any more than we can see the windows of a gothic cathedral until we go inside, and from within His life understand what most of all He wanted. Above all else He wanted to rid the world of its evil. Whatever it cost, whether it brought Him to the cross or no, somehow to rid the world of its evil was His passionate desire. If that is what a man wants, then evil is not an instrument to use.

It is only in the light of this supreme aim and motive of Jesus that one can see His ethical principles as reasonable. If one wants most of all to cast out Satan, then an alliance with Satan is no means to that end.

THE FOLLY OF VINDICTIVENESS

Translate this into personal life, and its truth is clear. A man does a wrong to us; what do we want? It may be that our first impetuous desire turns to vindictiveness—an eye for an eye and a tooth for a tooth.

So one man I know of had an enemy. For years financially he laid for him until he got him, sold him out, lock, stock, and barrel, house and furniture, and, with a satisfaction which only the vindictive know, cried, "My God! but that's conquering!" If a man wants that, then Jesus' ethic is preposterous.

When, however, a man did Jesus a wrong, Jesus felt concern for the man. There are different ways in which one can intimate the presence of need and none more unmistakable than to be unfair, unjust, ungenerous. When a man does a wrong it is as though he flew unwittingly a flag of distress and uttered a cry for help.

Evil-doing may be variously interpreted. It may cry to us, revenge! It may say, ignore me! It may say, S O S; there is a need to be met, a deep want in this man's life, an evil that by good will, perchance, you may help to cure.

So, when the Samaritan villagers used Jesus despitefully, He was sorry for the villagers. When Judas betrayed him, He was heartbroken because He could not help Judas. It was the wrongheartedness itself He wanted to get rid of, the unkindness and bitterness He wished to banish from the earth. When one takes the measure of this supreme motive, Jesus' ethic becomes not preposterous but inevitable. Satan cannot cast out Satan.

RISK AND SACRIFICE ARE NECESSARY

If someone says that this ethic is risky, that it is bound to cost sacrifice and when used on some people is sure to fail, I answer, Of course it is. During the last blizzard, we are told, a woman living on a branch of the Ohio saw a poor dog drifting on the ice-floes and, touched with pity, ran to the stream, with difficulty launched her boat, fought for 2 hours before she reached the dog and brought him safely back. Then he bit her and she died of rabies.

There are human curs like that. Of all men in history, do you think Jesus did not know it? But he would say, I think, Take it any way you will, human life is risky; you cannot avoid risk in life, and the salvation of the world depends on men and women who will take this risk, to face ill-will with good-will, to try to break the vicious circle of evil's sequence, where wrong answers wrong, and when two blows must be given to take both rather than give one.

A MINISTRY OF GOOD WILL

If we say, In certain personal relationships this ethic can be made to work and it was only of these individual relationships that Jesus was thinking, I suspect that shows how little we know about Jesus' world. He was not tucked off in a forgotten corner of the earth. He lived on one of the major highways of the Roman Empire. Every breath of news, I suspect, from the Thames to the Euphrates soon or late came to Nazareth.

He lived in a violent generation when force ruled the world and might made right as terribly as it does today. He lived in a nation seething with violent revolt. He dealt not only with Saduccees, compromising with Rome; not only with Pharisees, waiting for their supernatural Messiah to come from heaven and redeem them; but with zealots, fiery militant, revolutionary rebels crying out for bloodshed to make right their heinous wrongs.

This public situation, so dreadfully like ours, Jesus had in mind when He turned His back on revenge and bloodshed and based His ministry on undiscourageable good will.

It was this public situation He faced in the temptation at the beginning of His ministry, when the devil, as it were, showed Him all the kingdoms of the earth and said, "All these things will I give Thee, if Thou wilt fall down and worship me."

How perennial a temptation that is. How terribly it assails us all today. To join forces with the devil to beat the devil, to fight evil with evil—ah, Christ, how did You resist the pressure of it in Your time and how in a world like this do You expect us to follow You?

SATAN CANNOT CAST OUT SATAN

Yet when in calmer moments one faces the facts, one wonders if He is not right. Satan cannot cast out Satan. All history is a running commentary on that. The means determine the end. Everlastingly that is true—the means determine the end. We of all generations should understand that.

Did we not fight a war to make the world safe for democracy? We were resisting evil. We prided ourselves on that. We were morally indignant against a real wrong and sacrificially devoted to a holy cause. We would make the world safe for democracy. Conscription to make the world safe for democracy. Poison gas, bombing of open cities, blockades that starved millions, to make the world safe for democracy. Dictatorial control of the whole Nation's life—even of what we ate and wore—the very suspension of the Bill of Rights, to make the world safe for democracy. And in the end a treaty, the only kind of treaty modern war can issue in vengeful, selfish, cruel—to make the world safe for democracy.

THE SANEST REALIST OF US ALL

So we woke up to find the world less safe for democracy than it had been in generations. We discovered that war, being essentially totalitarian and dictatorial, cannot defend democracy, but that the means determine the end. Ah, Christ, You are not a visionary idealist; You are the sanest realist of us all. Satan cannot cast out Satan.

Let us take a further step and note the positive power of this ethic when it is put to work. For it is not weak, as the average man thinks, but very strong. Of all ridiculous Beatitudes, some would say, the most incredible is the one where Jesus sums this ethic up and the faith on which it is built: "Blessed are the meek, for they shall inherit the earth." What nonsense, says the average man.

Yet would you stake your credit upon the opposite? Blessed are the Hitlers for they shall inherit the earth. Would you? Grant him every temporary victory you think possible. Would you say that in the long run he will inherit the earth? I know no intelligent person who thinks that. All history rises up against that.

EMPIRES BUILT ON FORCE FADE AWAY

Like children's sand houses built upon the shore, age after age the tides of destiny have risen and wiped out the empires built on force. Of all contrasts in history none could be more disproportionate than that between the Roman Empire on one side and Calvary's cross upon the other. Yet the Roman Empire has fallen and many another empire since, like children's blocks toppling in a row, but still that cross stands and haunts the conscience of the world.

So I think Jesus sat many a day upon the hills above Nazareth and looked across the plain of Esdraelon, stretching mile after mile before his gaze. There the historic battles of the world had been fought. There the empires of the Euphrates and the Nile had clashed. Age after age violence had met violence and kings and Pharaohs had fallen in futility, and Satan had never cast out Satan yet.

It was from that vision, not first of an ideal but of the facts, that Jesus went out, I think, determined, though he died for it, to introduce into the world a new and revolutionary ethic—meet ill-will with good will, dare to break the vicious circle of evil answering evil, never fight wrong with wrong. Satan canont cast out Satan.

THE PROPER USE OF FORCE

This does not mean that all use of force is satanic. Coercion has its proper place in life, always indicating a pathological condition but capable of salutary use in the interests of the whole community, as, for example, against the insane or the criminal. Even in such realms, however, the Christian ethic has been so far influential that not retaliation but cure and reformation have become the test and aim of intelligent procedure.

Because one believes in municipal police one is not by any logic driven, as some seem to suppose, to believe in war. War is a highly specialized form of force, in its preparations, procedures, and results distinguishable from any other of force's exhibitions. One may believe in the police and think dueling wrong; one may grant the salutary nature of coercion communally applied for the good of all and still think gladiatorial shows are unmitigated and outmoded evil.

WAR IS SATANIC AND ONLY SATAN GAINS

So one may pray and work for an ultimate international community, in which the collective security of all is the aim of all, and the policing of the world is the joint affair of all, and may still see clearly that at the present moment no war will mean that or anything aimed in that direction, but will be the old satanic, retaliatory process, motivated by imperialistic ambitions and waged with sadistic savagery to an end catastrophically evil. War is satanic, and only Satan has anything to gain from it.

However some may doubt the possibility of applying this principle to public affairs, how can one doubt its magisterial power in personal relationships? I would almost venture to say that any special fineness of spirit that anybody here possesses is his because sometime he has lived at the receiving end of this ethical principle.

For there are three kinds of goodness in the world. First, coerced goodness, where some one is good to us because we can require it. That is not impressive. Then there is deserved goodness, where we have been good to some one and now, quid pro quo, so much for so much, he is good to us. That is not deeply impressive. Then there is undeserved goodness, where we have been unworthy, ungenerous, unkind, unjust, and lo, someone comes back at us with good will and friendliness.

From the days at home when our parents so treated us, through all our lives, no force has reached so deep, laid hold so hard,

lifted so powerfully as that. Thank God not everybody has slapped back at us. Thank God some people did go the second mile with us. The salvation of the world depends on the multiplication of people who understand and practice that adventurous ethic.

WHAT SHALL AMERICA DO?

Do not represent me as having said that it is simple to apply this principle to the world's large affairs. It is desperately difficult. No one of us is wise enough to see around the next corner. Only as Americans this seems clear, that we are at the fork of the road and that either we are going to throw the vast influence of this Nation on the side of those constructive forces that make for international good will and conference instead of violence or else we are in for an era dominated by our aping of our enemies.

They make war. We make war. They build vast armaments. We build vast armaments. They use poison gas. We use poison gas. They say, all restrictions off on the most brutal instincts of mankind. We say the same, until once more, fighting evil with evil until we are the evil that we fight, far from conquering our enemies, we let them make us after their own image.

So at long last, at the end of a ruinous era, we shall be facing again the question—which God grant us grace to face now before it is too late—How can Satan cast out Satan?

Roosevelt Held Right, and Big Business Wrong, on Economy Appraisal

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 28 (legislative day of Thursday, June 22), 1939

ARTICLE BY JAY FRANKLIN

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Jay Franklin, published in the Washington Evening Star of May 31, 1939, entitled "Roosevelt Held Right, and Big Business Wrong, on Economy Appraisal."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star of May 31, 1939]

ROOSEVELT HELD RIGHT AND BIG BUSINESS WRONG ON ECONOMY APPRAISAL

(By Jay Franklin)

Figures are rapidly rolling into Washington showing the extent to which big business has been "ruined" by the New Deal, and why there is such an overwhelming demand for tax relief on the part of the great corporations. Here, for example, are the "tragic" figures of the economic recovery movement of 1934–37, as reflected in industrial sales. For convenience, the figures are expressed in millions of dollars, so when you read steel sales for 1937 as being $2,847, that means $2,847,000,000.

Industries	Number of firms	Assets		Sales	
		1937	1934	1937	1934
Steel	12	$4,181	$3,957	$2,847	$1,215
Meat	5	825	794	2,179	1,852
Chain stores	10	517	458	782	678
Motors	12	1,525	1,282	2,604	1,348
Cigarettes	6	734	703	938	765
Beet sugar	6	129	122	70	65
Mail order	6	544	396	1,038	616
Oil refiners	20	6,880	6,211	4,122	3,069
Office equipment	10	272	231	224	145
Cement	8	138	166	56	39
Department stores	31	662	625	1,003	823
Containers	11	500	406	455	299

These figures are based on data from W. P. A. projects sponsored by the Securities and Exchange Commission. What is impressive about them is the fact that the 1934 figures represent recovery from the trough of the depression, while the 1937 figures are based on the earnings of the year when it was evident that the New Deal was here, and here to stay. Statistical arpeggios make sweet music to few but certified public accountants, but here are some percentage of gains in sales during 1937, as compared with sales in 1934:

Steel, up 134 percent; meat packers, up 18 percent; chain variety stores, up 15 percent; automobile manufacturers, up 92½ percent; agricultural machinery, up 68½ percent in 1937, as compared to 1935; cigarette sales, up 22½ percent; mail-order houses, sales up 69 percent; oil refiners, up 34 percent; office equipment, up 55 percent; cement sales, up 44½ percent, despite 17-percent shrinkage in assets; containers, other than paper and wood, up 52 percent.

But—I can hear the Tories roar in outrage—1937 was not a representative year." I agree. It was not. It was the year of the great sit-down strikes which "paralyzed" industry, "crippling" the automobile industry so that it only could show a 19-percent increase in assets and only a 92½-percent increase in sales over 1934. It was the year of the Supreme Court fight, when Roosevelt "destroyed confidence" and threatened to "become a dictator" by reorganizing the Federal Government in the interest of efficiency. It was the year when the Supreme Court validated the "ruinous" Labor Relations Act. It was the year when labor warfare broke out between the C. I. O. and the A. F. of L., still further "undermining confidence" and "paralyzing industry." Yet this was the year when our big business firms increased sales by percentages ranging between 7½ percent and 134 percent, and increased assets up to a total of 37½ (mail-order houses).

It seems clear that in the light of these distressing figures no Congress should be so hard-hearted as not to take pity on the wealthy corporations, remove the undistributed-profits tax, and apply economic democracy by taxing the corner grocery at just the same rates as applies to the wealthiest and most powerful industrial enterprise in America. It is equally clear why the big business leaders hate Roosevelt. He was right in his appraisal of political economy and they were wrong.

The 1938 figures are not so good. That was the year when Congress resisted the President—the year when Roosevelt tried to balance the Budget.

The Montgomery County (Ohio) Fish and Game Protective Club

EXTENSION OF REMARKS

OF

HON. HARRY N. ROUTZOHN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. ROUTZOHN. Mr. Speaker, the Montgomery County Fish and Game Protective Club, of Dayton, Ohio, is one of the first organizations of its kind in America.

On Friday, June 30, it will hold its fifty-third annual outing.

Descriptive of its origin and purposes is the following letter received today:

Long before the days when LaSalle took possession of all the land drained by the Mississippi and its tributaries, the inhabitants thereof had chosen the valleys of the Muskingum, Scioto, and Miami Rivers in Ohio as the best abodes of mankind.

Their forefathers' ancestors, from coast to coast, had designated the land of the Algonquins as the capitol providence of red men, erecting everywhere mighty earthworks and mounds as monuments to glories of the western continent.

Never, since the days when England and France battled for possession of that wide territory which lay west of the Alleghenies and north of the beautiful river, has the Ohio country been otherwise than in the very forefront of American history.

The story of our State is such that it not only challenges and commands the respect and admiration of its citizens, but its record, since its earliest days, stand unsurpassed among the sisterhood of States whose children have wrought well and nobly, not only for their habitation, but for their nation, and the world at large.

By reason of the fertility of its soil and the abundance of its game, the flood tides of immigration brought every nationality and creed into Ohio, here to assist in making the greatest composite of the human race. It is not too much to say that in Ohio we find the real average of intelligence, morality, thrift, and contentment. Blessed by nature, she is particularly fitted to be the nursery of great men and great deeds.

In the year of 1886, a band of the sons of Ohio, in Montgomery County, possessing the attributes of a Daniel Boone, a George Croghan, an Anthony Wayne, or a George Rogers Clark, formed the Montgomery County Fish and Game Protective Club for the purposes of the conservation of game and fish.

It was noted by members of this club, which has stood throughout the years, that during the drought years, when some of the chief breeding grounds dried up, nature itself was taking its toll of wild fowl, which, added to that exacted by the hunter and fisherman, threatened the future of the ducks and geese and other game; something should be done about it, the older birds were being killed, with few young ones replenishing the stock. That way lay the extinction which many species of wildlife earlier suffered.

This club, pioneering in the work, was the means of having introduced in Ohio precautionary measures as quickly as the danger

was evident. These included reduction of hunting seasons and bag limits, along with positive conservation work, and other States quickly copied Ohio's groundwork.

Now a survey and field studies made during the past year show wildlife is on the increase once more—and it is an admitted fact that this organization, the oldest of its kind in the State, has made the greatest contribution to the present hopeful condition.

Because of the age of the club, some of the older members have passed on, but in their passing they have inspired others to take up the burden and carry on and keep this oldest sporting organization in Ohio, alive; each member doing his bit in the much-needed work of preserving some of our heritage for the hunters and fishermen of tomorrow.

PAT SHIELDS,
Assistant Financial Secretary.

Had there been throughout the years of this club's existence country-wide organizations of men devoted to the purposes of protecting and conserving the wildlife of America, we would not, today, be confronted with the expensive and all-important problem of what to do for our game animals, birds, and fish which every lover of wildlife fervently desires to foster and preserve.

Will Rogers

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

EXERCISES AT UNVEILING OF STATUE OF WILL ROGERS IN STATUARY HALL

Mr. NICHOLS. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following exercises held during the unveiling of the statue of Will Rogers in the rotunda of the Capitol on June 6, 1939:

The following exercises were held attending the unveiling of the statue of Will Rogers in the rotunda of the National Capitol, Washington, D. C., Tuesday afternoon, June 6, 1939, at 2:30 o'clock.

From 2:30 until 3 p. m. a concert was played by the United States Navy Band, Lt. Charles Benter, U. S. N., leader, featuring the following selections: March, Will Rogers, by Arthur Pryor; Oklahoma, I Love You, by Mrs. Opal Williford; Old Faithful, dedicated to Will Rogers; a selection from Stephen Foster Melodies; march, Gate City, in which Dixie was featured.

The assembly was called to order at 3 p. m., by Mr. Walter M. Harrison, Oklahoma City, secretary of the Oklahoma Will Rogers Memorial Commission.

Chairman HARRISON. Ladies and gentlemen, the first number on the program will be the playing of America by the United States Navy Band.

(America, played by the United States Navy Band.)

Chairman HARRISON. The Reverend ZeBarney Thorne Phillips, Chaplain of the United States Senate, will offer an invocation.

Rev. ZeBARNEY THORNE PHILLIPS. I heard a voice from heaven saying unto me: Write from henceforth, blessed are the dead who die in the Lord, even so saith the spirit, for they rest from their labors and their works do follow them.

Let us pray.

In the silence of this moment, our Heavenly Father, a grateful Nation bows its head in loving tribute to the memory of him whose life in duty's path illumed by trust and love, always told in other lives for purity and strength and hope.

We thank Thee for this priceless heritage of splendid Christian manhood, bequeathed to us, his fellowmen, for his unsullied ideals, his devotion to his home and loved ones, his never-failing humor, transfiguring his mature and potent thought, and above all his vibrant personality, weaving its wholesomeness into the warp and woof of myriads of lives. And as we unveil and dedicate this statue in this holy shrine at the Nation's Capital, accept, we beseech Thee, the dedication of our lives unto Thee and to the service of our country, and grant us to live in such a state that we may never be afraid to die, so that living and dying, we may be thine through Jesus Christ, our Lord.

Our blessed dead, too, we trust to Him to keep safe 'til the morning stars sing among the roses, at the resurrection dawn. And so we can leave them with God. Love's arms are His and 'tis His love and thought in us that bids us dare to lay them in His arms and leave them there. Amen.

Chairman HARRISON. Norris Henthorne, editor of the Tulsa World, will tell of the work of the Memorial Commission of which he is chairman. Mr. Henthorne.

Mr. NORRIS G. HENTHORNE. Mr. Chairman, ladies and gentlemen, friends of Will Rogers: Twenty-two years ago today, at this same hour, citizens of Oklahoma came to Washington and gave to the Nation a statue of Sequoyah, native American, Cherokee Indian, and author of the Cherokee alphabet. This morning, citizens of Oklahoma, including members of the old Cherokee Indian Nation, placed a wreath at the base of this statue, thus again honoring that other eminent Oklahoman who has been counted among the great of the Nation by being placed in Statuary Hall.

Today we come again to present a statue of another great citizen whose character and reputation and record long since reached beyond the confines of our State, and who was known throughout the world, wherever the printed word was read or pictures were shown. In presenting this statue of Will Rogers it is with pride of fellow citizenship with such an illustrious son, but in humbleness and in realization of great loss.

This statue can be but a slight mark of the honor and respect with which this great citizen was held in our State. No stone or bronze or word can be the measuring rod of the feeling of our people for the man we are today honoring.

The people of Oklahoma, through their Will Rogers Memorial Commission, have erected another remembrance to do honor to Will Rogers. At Claremore, in the home county of Rogers, named for the family, we have built a memorial museum, in which will be permanently housed the personal belongings of Will Rogers. The memorial is built on property purchased many years ago by him as the location of a future home, and given the State by Mrs. Rogers. From the terraces and galleries of the museum is a view of many miles over the Oklahoma hills, where Rogers as a boy and young man acquired the background of tolerance and fairness and charity that so characterized his life and work.

The ceremony today exemplifies the feeling of all of Oklahoma. We are proud to have the Nation share with us the respect in which he was held by our people. No more suitable words could be used in portraying the feeling of Oklahomans toward Will Rogers than in the words carried in bronze on the door of the memorial in Claremore: "Built by the people of Oklahoma in tribute to Will Rogers, native son and world citizen."

Thank you. [Applause.]

Chairman HARRISON. Leon C. Phillips, Governor of Oklahoma, born in the young State whose destiny he directs with intelligence, efficiency, and integrity, will make the presentation. Governor Phillips. [Applause.]

Hon. LEON C. PHILLIPS. As chief executive of the Commonwealth of Oklahoma, there devolves upon me this pleasing duty of presenting to his country's Statuary Hall the statue of Will Rogers, America's best known and most revered private citizen, our unofficial ambassador of good will to the world.

This privilege indeed is mine but the authority comes from the people of the State of Oklahoma, unanimously voiced by the sixteenth legislature of the State and embodied in its official acts. Their generous appropriation made possible this statue of her best-loved son and kindly friend to rest on this, its pedestal of achievement in the Capitol of the Nation among the likenesses of those other heroic figures who led their people to victory in a great cause or sustained them through their hours of trial.

His is the last statue that will grace this noble Hall, and this great and final recognition is indeed appropriate and fitting for Will Rogers was the archetype of the American people, the plain and kindly spokesman of the inarticulate. A grateful State has built a memorial to him near his birthplace in Claremore, in his native Oklahoma, to be a permanent shrine to all who loved him.

The people have done this. Now they are placing the statue of their beloved son in the Hall of the Immortals. Why have the people of Oklahoma done this? One cannot penetrate the mysteries of life to allocate the causes of personal distinction, but of this we may be certain: Will Rogers was born with the elements of greatness in him. He is one more irrefutable example of the fact to which we as citizens of a democracy unwaveringly adhere, that out of the humblest heritage and the simplest circumstances can come great characters who will revive our faith, enlighten our thinking, and fire our souls to action.

Will Rogers was born on the undulating plains of northeast Oklahoma before they had been opened to settlement. He grew up on the simple frontier. He was the associate of cowboys and Indians, a familiar of the plains people and cowmen and ranchers who had conquered the West. As fame and fortune came, there came also world-wide recognition that in him was something of the universal. He was not one man but all men. He belonged to the world and his untimely death was a shock to all. Somehow, riding the solitary range, sleeping out under the stars, watching the Oklahoma sunsets, he drank in the silence of the prairie. He developed a personality from which the false, the pretentious, the silly, and the ostentatious fell away. He grew to look for the best in humanity, and the best in humanity responded to him. Neither carping criticism nor scorn marked his judgment of his fellows, but only a kindly tolerance edged with illuminating wit.

Men responded to his simplicity and humor, for as he rode the range and round-ups, he had learned the dependence of men upon the elements and upon the fellow men.

Understanding, that priceless gift of all gifts, was his and enabled him to see the virtues of a man, however overlaid with dross. He understood people, and though he analyzed them keenly, his comment was always kindly. He could dispel the gloomiest misgivings with a joke, witty, subtle, and profound.

"I never met a man I didn't like," he said. What a testament to his simplicity and his insight into the tangled skein of man's behavior. Understanding men, he loved them and they loved him.

Will Rogers was a man of tremendous loyalties. He was loyal to his family, his community, his State, and his country. He was proud of the people from whom he had sprung, and seldom has a town been more publicized by a favorite son than his native Claremore. In all the fame and fortune that came to him, he remained the boy from Oolagah, Okla. Privileged to consort with Presidents, the acquaintance of royalty, his love for Oklahoma did not wane, and with pronounced frequency he flew back whenever his pressing affairs permitted, to visit the plain people of his boyhood.

His heart ached when his nation was in trouble and his fellows were in distress. While a bewildered Government was organizing to meet the unprecedented emergency, he toured the Nation at his own expense, making personal appearances and giving the whole proceeds to those of each locality who were in dire need.

His friend was injured and deprived for a year of his only source of livelihood. Will Rogers went on the stage in his stead, not only to insure the continuance of his friend's income but to secure his part for him against the day when he could return.

Personal matters these? Yes. But typical of the man in whom every American saw exemplified the kind of person that he would like to be. Typical also of that belief in individual worth, that tolerance and sympathy that has marked the American character from the days of the colonial frontier when men knew and recognized their interdependence and their weakness before the primitive forces of life. Typical also of the man, whose underlying loyalty to his friends broadened to include humanity as he grew in popularity and acclaim.

Will Rogers loved his fellow man. That is why the old and the young, the rich and the poor, loved him. It characterized his acting. Whether as Dr. Bull or the American Ambassador, or the wise old editor in Life Begins at Forty, he exemplified the principle that the way to greatness was to love one's fellow man. These were but vehicles for the expressions of his maturing wisdom. Will Rogers was never an actor, he was always himself, a plain American who loved his fellow man.

He looked for the best in others and gave to the world the best he had. He earned the love of the Nation. He left the world better than he found it. He reached the hearts of the American people by his own personality, and by his telling wit and wisdom buoyed them to fresh endeavor. To the end he remained a plain man, a lover of simplicity, a devastating opponent of sham. The immortal Kipling might well have had him in mind when the lines of the poem If were penned:

"If you can talk with crowds and keep your virtue,
Or walk with kings nor lose the common touch;
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much;
If you can fill the unforgiving minute
With sixty seconds worth of distance run,
Yours is the earth and everything that's in it,
And which is more, you'll be a man, my son."

When the Great Winnower of human achievement has sifted out the truly great from the chaff of contemporary heroes, when the Great Recorder has penned the record of those whom the Winnower has chosen, the name of Will Rogers, the great American, beloved of his fellows, will be etched in the Book of Fame, imperishable and undimmed. There, writ large 'neath it in letters that gleam with the idealism and reawakened faith he fostered, will be inscribed the qualities that brought him from the obscure village on the frontier plain to the forefront of human love and affection everywhere: Simplicity, understanding, loyalty, and love of his fellow man. It is with this conviction that I commend Oklahoma's—America's—Will Rogers to the timeless ranks of the immortals. [Applause.]

Chairman HARRISON. Among the living none merits participation in this ceremony more than Mrs. Sally McSpadden, the elder sister of the late Will Rogers. She filled as best she could the departed mother's place, she molded Will's early years. She was always Will's devoted love. Sister Sally will unveil the bronze, and I understand that Jo Davidson has not arrived, and failing to see him at this time, I am going to ask Mr. Will Hays, representing the Motion Picture Producers of the United States, to assist Mrs. McSpadden.

(Mr. Henthorne, chairman of the Oklahoma Will Rogers Memorial Commission, received the following telegram from Mr. Jo Davidson, the sculptor, who had been scheduled to assist Mrs. McSpadden in unveiling the statue: "Norris G. Henthorne, chairman, Oklahoma Will Rogers Memorial Commission, the Capitol, Washington, D. C. Regret exceedingly that I am prevented from being present when you have gathered in the Nation's Capitol to do honor to Will Rogers, whose memory as a great human being is cherished by all who still keep the faith, which was his, in the eventual triumph of democracy throughout the world.—Jo. Davidson.")

(Unveiling of statue by Mrs. Sally McSpadden, assisted by Will Hays. Following the unveiling, the United States Navy Band played The Star Spangled Banner.) [Applause.]

Chairman HARRISON. ALBEN W. BARKLEY, Senator from Kentucky and Chairman of the Joint Committee on the Library, will accept the gift for the Government. Senator BARKLEY. [Applause.]

Senator ALBEN W. BARKLEY. Mr. Chairman, Governor Phillips, ladies, and gentlemen, the ceremonies in which we are now participating illustrate in a very special manner the opportunities and the institutions of America. There are 72 statues which have been erected and now occupy places in the Capitol of the United States as a part of our Hall of Fame. Among those 72, 60 were officeholders of one type or another, and only 12 of the 72 represent private citizens of the United States. The statue which we are unveiling today is the twelfth private citizen among those which have been placed in the Capitol by the States which have selected the representatives to honor them in this American Hall of Fame.

It has been in America sometimes the idea that greatness was limited largely to men who hold public station, that the ermine of public office was an indispensable thing to American greatness, and those of us who hold office even for a temporary period sometimes are prone to imagine that we are more powerful and more august, and are to be revered more than those who are not entrusted by their fellow man with official robes; but I have sometimes wondered whether the man who occupies the Governor's chair or the Senator's toga, or the judicial robe, has after all rendered greater service to mankind than the man who walks in the humble ways, sometimes in the valley where the sun never shines upon him.

Will Rogers represents in this Capitol the 12 men or women who never held official position under any State or under the Nation, and as I look upon that wonderful statue which I had the privilege to see in Paris just as Jo Davidson completed it, it seems to me that I am standing in the presence and in the spirit of Will Rogers.

Cowboy, amateur actor, a twirler of the lariat about which he humorously said once, "It was great fun to spin the rope provided your own head isn't in it"; not only actor, but philosopher, for Will Rogers was born an actor, he was born a philosopher, he was a real statesman. There is no statute in the laws of our Nation that bears his name, and yet I dare say that he wove his way into the hearts of more men and women in this Nation than can be said of any man whose name plasters the pages of our statute books with the laws which he has himself sponsored.

Not only was he an intimate and a confidant of Kings and of Presidents and of Governors and of Senators and of Members of the House of Representatives, members of the legislatures, not only was he the friend and the confidant of the rich and the powerful and the mighty, but greater than all of these, he was the friend and the confidant of the humbler men and women, not only of our own country but of the world. But even greater than these, he was the friend of children, and no man was ever a friend of children in this world who was not a good man, a noble man. He gave of his wealth, he gave of his time, he gave of his talents, he gave of his great heart to make America a better place in which to live, and he carried to every nation which he visited, and he visited nearly all the nations in the world, that same spirit of nobility and of comradeship which made those who could not speak his language understand his heart and appreciate his soul.

And so today, Governor Phillips, ladies and gentlemen, I have the honor and the privilege as chairman of the Joint Committee on the Library, to accept this beautiful statue of this great American, not only in the name of the Joint Committee on the Library but in the name of the American Congress, in the name of the American Government, and in the name of the American people, and I accept it in gratitude not to Oklahoma alone; in gratitude not for this beautiful statue which represents Will Rogers but I accept it in gratiude for the noble and immortal life which it represents. I thank you. [Applause.]

Chairman HARRISON. Joe Benton, native Oklahoman, a member of the Metropolitan Grand Opera Co., will sing two numbers, Good Will to Men, by Geoffrey O'Hara, and The Lord's Prayer, by Melant. His accompanist will be Merl Freeland. Mr. Benton. [Applause.]

(Selections by Joseph H. Benton.)

[Applause.]

Chairman HARRISON. Will those of you in the rotunda kindly direct your attention to the west wall, if you please; the photographer there is going to take a panorama picture, and we would like to have you face the camera, if you please.

(Taking of picture.)

Chairman HARRISON. Ladies and gentlemen, an address by Luther Harrison, of Oklahoma City, chief editorial writer of the Daily Oklahoman, will be next. Born in Mississippi of a family that gave much in the Civil War, Luther Harrison received his education the hard way. Since 1907 Harrison has been a factor in Oklahoma life as legislator, educator, and editor. You may not have heard him before, but you will not soon again hear the likes of him. Mr. Harrison. [Applause.]

Mr. LUTHER HARRISON. Sons and daughters of Oklahoma, ladies and gentlemen, the man who undertakes to eulogize Will Rogers in 1939 is subject to a few embarrassing handicaps, for Will has ben eulogized generously and ardently by the most illustrious citizens of our Republic. If I should attempt this

afternoon to add anything to the words of praise which have been spoken of him, I would be guilty of repetition and of plagiarism. Moreover, I have a lurking suspicion that as I stand here to talk for a little while this afternoon, the kindly spirit of Will Rogers is standing just behind the scenes poking fun at the peculiar manner in which I respond to this invitation.

Long years before Statuary Hall became the Nation's Pantheon, it was the scene of splendid but stormy debate. The Commonwealths of the Union in those days sent intellectual giants here. Here came Randolph of Roanoke to teach succeeding Congresses the devastating power that lies in a vocabulary of invective. Here came the American triumvirate, the most popular of popular leaders, the man whose very name of Webster became a synonym of constitutional interpretation; and Calhoun, the Aristotle of the English-speaking race. Here came, too, that Demosthenes from the Natchez Bluffs, who at the age of 23 won from John Marshall the opinion that Sargent Prentiss was the most eloquent man that ever spoke the English language in the entire history of the world.

Here, too, came a former President, then a Representative, who died in a committee room just off this hall, and who literally gave his life in defense of the constitutional right of petition.

And here came an unknown from the valley of Sangamon, the very mention of whose name this afternoon causes every thought to turn to that lonely cabin in the wilderness of Kentucky wherein Nancy Lincoln gave to the world an immortal son.

When Statuary Hall ceased to be a Hall of Representatives it became a hall of fame in which you can see arrayed the effigies of men and women counted greatest by their respective States. But, curiously enough, as I walk around that sacred circle, I see the effigies of a few whose names are little known to the American people. There are a few who were selected as partisans, by partisans, because of partisan service. There are a few, perhaps, who were mere champions of sections and not representative of an entire nation. There are one or two, perhaps, who were merely minority selections and who were not approved by a majority of the people of their States.

In all these years, only one figure has been unveiled in Statuary Hall that had the unanimous approval of the American Republic. I refer to the man from Mount Vernon whose bright sword point gave the Colonies their freedom and whose patient statesmanship fashioned the American Republic. For all these years, George Washington has remained nearly solitary in this hall of fame, because Washington alone was the unanimous choice of all America.

But today, sons and daughters of Oklahoma, Oklahoma presents a companion to George Washington, who is the unanimous choice of the people of the United States. [Applause.] Speakers more gifted than I have attempted this afternoon to explain why this man, who never held an office, became so preeminently great. Perhaps that itself is the explanation—who knows? But if you would understand Will Rogers, you will have to go back 500 years to the southern passes of the Appalachians. For 500 years before the star of Oklahoma burst forth in the firmament—500 years before this preeminent American was born out on the plains of Oklahoma—the Cherokee people, as proud, as brave, as courteous, as dignified as any race that ever walked the earth, were maintaining republican government, which is democratic government, in the fair land of the southern Appalachians.

Behind Will Rogers was 500 years of tradition, memories of Etawah, the Ooslenamia, the Eagle's Nest, known in the Cherokee tongue as Chattanooga, the River of Death, significantly named centuries before it crashed into military fame under the name of Chickamauga.

From that fair land, as fair as any 'neath the stars today, a dispossessed people—unconquered, because of all the races the Indian has never been conquered; the Indian is the only son of man who never was made a slave—dispossessed, expatriated, started down the Trail of Tears to a new harbor in Oklahoma. Across the Tennessee, across the Tallahatchie, across the Mississippi, the Arkansas, the Grand, and the Verdigris, those forefolk of Will Rogers came into a new land, comforting their dying, burying their dead, cheering their living. And that long highway out through the foothills is lined today with the bones of Cherokees who died by the dispossession of an arbitrary government.

Will Rogers was born on the prairie. He was the son of the wildwood. Would you like to understand the secret of his life? He grew up in an environment and among a people where men's lives frequently depended upon the loyalty and comradeship of their friends. For that reason, Will Rogers, Cherokee and Oklahoman, was true and loyal, and the perfect comrade until the day of his death. He was the true democrat also. He stood in the presence of kings, on terms of perfect equality, because he knew that to be an American is to be the equal of a king. Wouldn't you like to hear his comment today—this man who stood foursquare before the crowned heads of Europe—if he could only see and hear the hubbub in the official life of Washington of people trying to find a social knothole through which to peep at a king?

We have needed him—needed him sorely—but his sudden taking off was not without its compensation. He died in the day of his meridian fullness. We, his friends, did not have to mourn the decay of the great American citizen. He went down into no dim twilight, he sank down into no feeble sunset, but he sprang out of life in the bright blaze of meridian fullness. We have needed him. We shall ever need him, because his words of wisdom were a tonic to all of us and they taught us inflated egotists just how small an ant can crawl under the sun of the world.

But all the while destiny was waiting up yonder under the northern lights. The call came. It could not be resisted. Perhaps destiny never is resisted and accompanied by the greatest of the eagles, dear old Wiley Post (another Oklahoman), Will Rogers left his home in the land of the sunset, went away from the sandy shores and the orange groves of mystic California, out beyond the primeval forest that guards the Columbia, out beyond the harbors of Vancouver, out beyond the frozen tundras of Alaska, up to the very verge of the Polar ocean, and there Will Rogers met his destiny. And we who knew him can hardly doubt that when the call came for him to meet his Maker, he entered the presence of his Maker with a stainless heart and with his inimitable, whimsical smile.

We present today the companion of George Washington, the greatest private American citizen, a man of whom there are all too few, a man whose kindly spirit is looking down in sympathy on us this afternoon. So, God accept him and Christ receive you. [Applause.]

Chairman HARRISON. Ladies and gentlemen, will you help us to complete a perfect hour by remaining in order for just a moment, please, while the Chaplain of the Senate says a sentence in benediction.

Reverend PHILLIPS. May the peace of God which passeth all understanding keep your hearts and minds in the knowledge and love of God and of his Son, Jesus Christ our Lord, and may the blessing of God Almighty, the Father, the Son, and the Holy Spirit, be upon you, his dear children, and all who are near and dear unto you, both here and yonder, and remain with them and with you forever. Amen.

(With the playing of Stars and Stripes Forever by the United States Navy Band, the ceremonies were adjourned at 3:55 p. m.)

British Diplomacy in Palestine

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

ADDRESS BY HON. JOHN D. DINGELL, OF MICHIGAN, MAY 21, 1939

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me at Shaarey Zedek Synagogue, Detroit, Mich., May 21, 1939, under the auspices of the Detroit Zionist Emergency Committee, consisting of all Zionist organizations in Detroit in cooperation with the Jewish Community Council:

Mr. Chairman and fellow citizens, I have come here today not alone for the purpose of discussing a grave problem, but also as concrete evidence of my sympathy for you and your cause, and if I can to help you in the solution of your problem. Moreover, my appearance here today as a member of a Christian faith is intended by me at least to indicate the interest and the concern of my fellow coreligionists toward you in your hour of trial.

Recent pronouncements by the British Government with regard to the proposed political change in the status of Palestine as enunciated by Mr. Chamberlain have not only shocked the world in general but have caused certain elements within it to recoil because of the violation of a solemn pledge. I, for one, cannot accept Mr. Chamberlain's expressions as indicative of the attitude of the English people any more than I could accept the acts of madness on the part of Hitler and Mussolini as being the reflections of the German and Italian peoples.

From my earliest childhood I have always been taught to believe that Palestine was the ancestral, the historic, and the godgiven land of the Jews; and I was taught, moreover, that it was ordained by God that some day the Jews of the world would return to their homeland. Biblical prophets and sincere and saintly men throughout the ages have prophesied the great homecoming of the Jews back to what in my mind will always be the Holy Land, there to enjoy the peace, happiness, and contentment which for centuries have been denied them by other countries of the world.

Christians and non-Christians, men of fairness throughout the world, rejoiced with you and your oppressed brethren when the great Woodrow Wilson expressed himself in your behalf. The world was thrilled when the Palestinian mandate was drawn. The Balfour declaration clarified and gave additional substance to a practical, though not a new, idea. The expressions of the Congress of the United States convinced the world of our American interest in this belated reestablishment of the Jewish homeland.

Great Britain voluntarily—yes, eagerly—assumed a responsibility in the Near East. Great Britain consulted with the Government of the United States along with other governments, and we have

given our approval, our official assent to the course proposed by His Majesty's Government.

Peaceful settlement and development of the ancient land of the Jews began almost immediately, and as persecutions flared throughout Europe, migrations to the Holy Land were increased, under stress of necessity were speeded up, and that portion of Palestine which was peopled by the incoming immigrant Jew was reclaimed from desolation of the desert and became a productive paradise.

Men and women became prosperous in their newly found freedom. Industries, hospitals, libraries, and homes were built. Agricultural development advanced at an almost unbelievable rate, both as to quality of the products and increased productivity. Palestine was absorbing more and more of the oppressed, of the persecuted, and of brokenhearted Jews who gathered the remnants of their homes, fortunes, and families, and treked back to the promised land, to their historic home.

The advancement of the Jews in the family of nations seemed to be a certainty. Suddenly, however, the world began to hear of brawls, riots, skirmishes, with the inevitable and final British military interference; all of this commotion in the peaceful land inhabited by an unusually peace-loving people. This sudden change was not spontaneous; it was incited. As a matter of fact, we know that it was created by the anti-Semitic dictators in Germany and Italy as retaliation against Britain, and was calculated to embarrass the British Government. A prolonged reign of terror followed in the wake of propaganda, eventually giving Britain no alternative but to interfere with military force.

Only recently the whole civilized world was shocked by disclosures which indicate clearly the duplicity of British diplomacy. The world learned that certain promises distinctly contradictory were made on the one hand to the Jews and on the other hand to the Moslem Arabs. Britain toyed with the destiny of the unfortunate Jew. Britain viewed the entire matter as one of expediency and of self-gain, and as time went on this double dealing of Great Britain was brought to light; and at this juncture Mr. Chamberlain authorized the issuance of the so-called White Paper, which has for its purpose the nullification and destruction of sacred promises voluntarily given to the Jews and accepted by the world as having been given in good faith and subject to being fulfilled.

The aims, the aspirations for the development of Palestine brought about by substantial migrations of the Jews were now placed in complete jeopardy. The moderate quotas permitted to enter Palestine well within the ability of the land to absorb and sustain them, are now to be reduced to a negligible minimum. These quotas intended to save the face of the British Government, condemn the Jews to a permanent status of the minority subject to violent hatreds and oppressions by the Arabs who are to be by agreement and understanding the masters of your people who sought respite from persecution, who sought the opportunity in the homeland to start life anew, to rehabilitate themselves.

As Dr. Goldman stated recently, Britain condoned and encouraged; yes, became a party to the proposed establishment of a territorial Ghetto in the Near East, in the traditional home of the Jews which would be far more confining and oppressive than any heretofore established on the European Continent.

After a stipulated period of years, England insists that Palestine shall become dominated by the Moslem Arab, that the culture, the development, and the peaceful settlement of the homeland shall be stifled by Arabian influence and control, and this with the full approval of His Majesty's Government. It is not too late for England to recalculate the possibilities of the future, reconsider and make such corrections as would permit the peaceful adjustment of the differences between the Jews and the Arabs. I am confident that if the Government of Great Britain in consultation with other interested nations should call together the parties involved, that a permanent solution is not only possible but absolutely certain.

The subjection of the Jews in Palestine can never be a lasting solution of the Jewish-Arab difficulties. The Jews throughout the world will not and should not bow down to it. The nations of the world will not accept it. Bloodshed and the continued reign of terror with the attendant cost of human lives and misery will continue. Britain holds within her hand the possibilities of a just and equitable solution, if she will but deal openly, honestly, and fairly with the Jews and the Arabs.

The people of America interested in a permanent and peaceful solution, being a party to the establishment of Palestine under the mandate look to Britain, as we have a right, to extend her energies to the utmost in reestablishing tranquility in the Holy Land. England cannot afford, under any circumstances, to make of the Jews a pawn in order to gain a temporary military advantage. As a matter of fact, England should know that her own best move for security and the maintenance of peace in the Near East should be predicated upon the establishment and maintenance of an inviolate Jewish Palestine. The loyalty, the devotion, and the gratitude of the Jews will repay England a thousandfold for her steadfastness and moral courage. England has lost her sense of equilibrium. England has been goaded into an action that is against her own best interests. A strong and consistently expanding Jewish Palestine should become the keystone of safety in the arch of the British Empire. I feel that millions of people throughout the world, and particularly in the Western Hemisphere, will sustain that opinion.

It is not my purpose today, my friends, to extend myself in an unduly lengthy discourse, but I do want to say before closing that I believe England can be made to, and will, capitulate. It is not too late for her to redeem her solemn pledges. It is incumbent upon us, however, to assume a militant and aggressive attitude in this matter. It is mandatory that we make known our demands, that we insist upon the scrupulous carrying out of the provisions of the mandate and of the Balfour declarations.

We who are privileged to live in this glorious land of freedom should be the first to offer encouragement to the Jews of Palestine and we should remain steadfast and devoted to the one and only outline which holds promise of permanency and of peace, not only for the Jews but the rest of the world as well. Let us then, Jew and gentile alike, pledge ourselves in accordance with the ancient Jewish psalmist, "If I forget thee, O Jerusalem, may my right hand forget its cunning."

Let me add for the benefit of those who do not understand my position, or my viewpoint, and I hope that there are not many who do not, that I feel strongly on the point that inasmuch as America has been a party to the reestablishment of Palestine, that the Government of the United States must of necessity be consulted in any change, modification, or alteration of the original mandate. We have accepted the mandate and the Balfour declaration as sincere and sound. It is my belief that the fairness of the American people toward the Jews will insist that there can be no change without American assent.

I have dispatched a letter of protest to the Honorable Cordell Hull, Secretary of State, which clearly indicates the position which I have assumed in this matter. For your information, although not at this juncture for publication, I shall read separately the letter in its entirety. I feel that until the Secretary has had an opportunity to reply, that I should in fairness, defer giving publicity to this communication, for it is well known that the American State Department guards jealously its prerogative in matters bearing upon our foreign policy.

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 20, 1939.

Hon. CORDELL HULL,
Secretary of State, Washington, D. C.

MY DEAR MR. SECRETARY: Recent unfavorable developments pertaining to the future of Palestine have aroused great concern generally among the people of the world and in particular have aroused the citizens of the United States.

The issuance of the so-called "White Paper" by the British Government indicates clearly the abandonment of pledges of permanency given the Jews and accepted by the world as guaranties for the maintenance of Palestine as the historic homeland of these unfortunate and persecuted people. This change in attitude is in direct contravention of the mandate and the subsequent Balfour declaration.

I hasten to register my most emphatic protest against any modification or alteration of the mandate to which the Government of the United States has given assent and support. I urge you therefore to make formal representation to His Majesty's Government demanding at the same time the carrying out of the provisions in accordance with the stipulations contained in the document.

There can be no arbitrary emasculation or change without consultation and agreement among the interested nations. Unilateral action on the part of Great Britain in violation of the rights of the Jews should be denounced and proclaimed as invalid.

Being mindful of the fact that you are charged with the responsibility of our foreign policy I, nevertheless, make these suggestions in the hope that you will use your good offices and bring about the fulfillment of the mandate.

I subscribe myself,

Very respectfully yours.

American Jobs for Americans

EXTENSION OF REMARKS
OF
HON. A. LEONARD ALLEN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

RADIO ADDRESS BY ELLIOTT ROOSEVELT, JUNE 20, 1939

Mr. ALLEN of Louisiana. Mr. Speaker, the greatest propaganda campaign that I have witnessed since I was first elected to Congress is going on right now in the effort that is being made to break down our immigration barriers and flood this country with immigrants from Europe. The air is filled with radio programs, cleverly written and prepared and put on by skilled actors, with the view of creating sympathy for Europeans, and thus breaking down our immigration quotas. I warn the American people that a mighty campaign is now under way which, if successful, will overrun this country with people from Europe and deprive American citizens of their jobs. Our first duty is to our own people. With one-third of our people ill-housed, ill-fed, and ill-clad, and with over 12,000,000 unemployed, it should behoove us to set our own

house in order before attempting to increase immigration. Every immigrant admitted to the United States sooner or later comes into direct competition with American labor. In this connection, under leave to extend my remarks, I quote the following pertinent paragraphs from a radio address delivered by Hon. Elliott Roosevelt on June 20, 1939:

Good evening, everyone. I have just come from Ellis Island and I wish in my heart that every American who believes in himself and in the future of this country could visit this strange crumb of land in New York harbor.

I wish this, because—whether you realize it or not—Ellis Island is a buffer between you and your job. It is one of the safeguards of your liberty and a prop to your standard of living.

So when I say visit, I am not thinking of hurried tours for sightseers. I mean here is an arm of government that is important to you personally, and you should understand it, and know how it functions, and why.

One of the chief purposes of Ellis Island is to see that every person admitted to this country has a clean bill of sale. It doesn't want anyone who isn't on the level with the United States. Its function is to exclude and deport undesirable aliens and often when it does this, it saves some working man his job—maybe your job.

They tell me that half the waiters in Jersey City and Hoboken are men who are in this country unlawfully—seamen who have jumped ship and hidden under aliases. There must be many Americans within reach of my voice tonight who are unemployed and who would appreciate a chance to fill a waiter's job. If it is true that alien seamen are employed promiscuously in New Jersey and New York, then the men who hire them—if they do so knowingly—are guilty of un-Americanism and are helping tear down, rather than build up, this country.

Earlier this year a bill was submitted at Albany designed to meet just such an emergency. It called for severe penalties against anyone who knowingly employed aliens who were unlawfully within the United States. This bill didn't get anywhere. It was read once and then filed away—presumably in some pigeonhole. Why? Here was a move that struck at one of the evils of unemployment. It would have saved many an honest, law-abiding, tax-paying American his job. But after being read once and referred to the committee on codes, it has been allowed to languish in a pigeonhole.

Next year, of course, it will be resubmitted, and I hope it meets with a more sympathetic fate than the indifference it found this year.

Now, for fear that some of you may misunderstand the real aims of the immigration authorities at Ellis Island, let me say that checking up on alien waiters is not one of them. Mr. Rudolph Reimer, who is Commissioner of Immigration, does not employ stool pigeons. They haven't time to snoop on individuals who are in this country unlawfully.

But they do have time to ascertain the validity of persons arriving through a regular port of entry. If you live in England or Lapland, and wish to come to America, you must possess a passport and a visa. If you have them, and if they are legitimate, then you have nothing to fear. But if you are a stowaway, or if you sail with papers that aren't legal, then you are in for an interesting experience at Ellis Island—which is about as close to the United States as you are likely to get.

Not long ago a British writer sailed for the United States. Actually, his papers were in order, but while he was at sea his visa was revoked. There were reasons why the authorities wanted him excluded from this country. So when the ship arrived at Ambrose Lighthouse he was taken off and conducted to Ellis Island.

Now, the authorities were not interested in why this man was being detained. No one is ever put on trial at Ellis Island. But they were very much interested in the fact that his visa had been revoked; and that was enough. In a few days he sailed back to Britain without setting foot in this country.

It later developed that here was a man who frequently manifested un-American tendencies. He didn't believe in our form of government. Though he was an alien, he came here for the express purpose of earning money and taking that money out of the country. When Ellis Island blocked him it was saving some American his job—it was building some American's income.

The Taylor Grazing Act

EXTENSION OF REMARKS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. TAYLOR of Colorado. Mr. Speaker, today marks the fifth anniversary of the Taylor Grazing Act which was approved by President Roosevelt on June 28, 1934 (48 Stat. 1269). Providing for the restoration and development of the public grazing lands and the stabilization of the livestock industry, this act ushered in a new era of national conservation. Unlike the former public-land laws, which endeavored to keep pace with western development by encouraging homes and occupation to meet a rapid growth in our American population, this grazing act inaugurated a new policy on the part of the Federal Government in dealing with its lands.

The Taylor Grazing Act, an act which I am humbly proud to have linked with my name, removed from private settlement the major part of the public domain in order that the natural wealth of the West might be revitalized and the natural resources rescued from imminent chaos. Due to the combination of destructive elements that were eating into the very heart of the western economy, there was a very great need for a program demanding Federal attention to the public lands. This act furnishes that program. This law ought to have been enacted 20 years ago.

For a long time, the public domain was subjected to abuse and overuse as a natural consequence of competition within the livestock industry itself for free range over which nobody exercised control. Many States passed laws—my own State of Colorado was one of them—to mitigate and correct the situation which was reaching such proportions that the very structure of social and economic civilization in the West was seriously threatened. For obvious reasons, these State laws were ineffective. Therefore, the only solution to this big problem of conservation and stabilization was a Federal law that would place the responsibility right in the lap of the Government.

I wish all of you might have the pleasure of seeing, as I have seen, the amazing change that has come over the West as a result of this grazing act. Embodying as it does the basic principles of proper land use and favoring the established livestock operator who has chosen to carve a livelihood on farm, ranch, or homestead in the community, it has brought renewed confidence in the entire social and economic structure of the West. In fostering the welfare of the people who grow stock feed on their thirsty soil and the permanency and value of the natural resources, this law has captured the imagination of men and women in all walks of life.

There are many people in the East and a surprisingly large number even in the West who do not understand the Nation-wide importance of the range livestock industry. The livestock industry produces beef, mutton, wool, leather, mohair, and other marketable products. They enter into the channels of trade and are of interest directly or indirectly to every person in the country. The stockman takes his factory, namely his livestock, to the raw products, the range forage, and there produces the commodities I have mentioned. He then delivers them by rail, by truck, sometimes by boat, to packing houses, wool manufacturing plants, and similar institutions sometimes long distances from the range. The transportation of these products is important to people engaged in transportation. The processing and manufacturing of products and byproducts of the livestock industry is of vital interest to people long distances from the western ranges as a source of work and, therefore, a livelihood. The continuance of essential livestock products, especially beef and mutton, under a system that affords the grower a living and at the same time places them in the hands of the consumer at a price he can afford to pay, is of vital importance to people wherever they are.

This grazing act contemplates the administration of these remaining public lands so that the soil will be protected from erosion and the water, forage, and other resources conserved, while amply providing for use by the public of those natural resources in such a way that they will be of the greatest benefit and help in stabilizing economic conditions. It is intended in this way to promote the welfare of the people not only in the communities affected, but also in

many other communities a long distance from the grazing areas.

The amendment of 1936 authorizes the Secretary of the Interior to establish grazing districts out of the public domain, aggregating not to exceed 142,000,000 acres of vacant, unreserved, unappropriated land in the West, and to permit the grazing of livestock thereon under rules and regulations established by him. Immediately upon assuming office in 1933, Secretary of the Interior Harold L. Ickes was impressed with the prospect of public benefits that would flow from a law restricting the number of cattle and sheep to be grazed on the public domain to a reasonable grazing capacity of that range.

When the Taylor Grazing Act was approved by President Roosevelt on June 28, 1934, Mr. Ickes dispatched representatives of his Department to the West to "take council with the dwellers." That delegation held public meetings at points convenient to the stockmen in each of the 10 principal public-domain States of the West. At these meetings, the provisions and objectives of the act were explained. Discussion from the floor was encouraged and the response was enthusiastic and enlightening. At that time, most of you will recall, the western country was in the midst of one of its severest droughts of record. Boulder Dam was just nearing completion, and the Federal Government was devising all possible means of relieving the farmers and stockmen who were in distress from the drought and economic conditions. Boulder Dam is now a reality. It gathers and holds the waters of the Colorado River and its tributaries. These streams, which have their sources on the western side of the Continental Divide, traverse a large part of the territory that comprises our western grazing grounds. The continued supply of water to be stored behind Boulder Dam and used later at the command of man is dependent upon the continued wise use, management, and preservation of the resources that occupy these public lands. Similarly, the protection of the watersheds of the Rio Grande River affects the stability and efficiency of the Elephant Butte Dam in New Mexico. This same rule applies in a greater or lesser degree to every one of the irrigation projects in the West which has been constructed by the Federal Government. In this connection, there are literally thousands of smaller irrigation projects in private ownership which are likewise affected.

It has been a source of great satisfaction to me to follow the progress of the administration of this act. Secretary Ickes announced that it was a Magna Carta of national conservation, and what has followed has proved the wisdom of that able and dynamic public official. In placing the administration of this act into operation he sought the advice and counsel of the people who have spent their lives developing the industry that this law was designed to help. In shaping his policies he took advantage of the knowledge that these stockmen have gained from bitter experience. With a keen desire to eliminate all destructive elements, but to do things that would prove beneficial to mankind, the men and women primarily affected took hold of the job in characteristic fashion. Soon the contagion of optimism was spreading over a broad front. In fostering this principle of home rule on the range the Secretary of the Interior inaugurated principles of government that were readily understandable by the governed, and they liked it. Therefore, we have today a method of cooperation between the Government and the people that portends a healthy future for the livestock industry and the grass that is so essential to its needs.

Although the Taylor Grazing Act is only 5 years old, it has already taken its place among those movements that have welded America into national unity. This unity, I might say, is strengthened immeasurably by the policy of local autonomy, wherein the stockman is invited to participate in the solution of the problems that constantly confront him in the pursuit of his business. Taking an active part in the program, he has demonstrated time and again the wisdom of this plan. In fact, the local advisory board system for the first time brought a harmony of purpose and a new understanding between the cattle and sheep men who had heretofore been their own worst competitors.

Fifty grazing districts are now organized in the 10 States of Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, and Wyoming. The administrative agency for these districts is the Division of Grazing in the Department of the Interior. The Director of Grazing, Mr. Richard H. Rutledge, has had a lifetime of experience in dealing with livestock and range conditions in the West. Under his supervision, a decentralized system of administration has been set in operation, consisting of nine regional offices in the Western States. The regions are subdivided into grazing districts, each district being supervised by a district grazier. The principal administrative work is handled cooperatively by the district grazier and a local advisory board composed of stockmen elected by the users of the range under rules established by the Secretary of the Interior. These advisory board members recommend to the Department of the Interior methods of fair-range practice and others matters that pertain to the internal affairs of the district.

The Division of Grazing is responsible under the act for the proper administration of all the natural resources on 142,000,000 acres of public land in the interest of the public at large. Intermingled with this public-domain land are other lands in State and private ownership aggregating 133,388,162 acres. The use of the private and public lands is interrelated to a greater or lesser degree, and the preservation and improvement of the resources in the entire area depend upon proper use and management of both the Federal and non-Federal lands which in total area amount to about 10 percent of the continental United States. Adequate and fair coordination of all the divergent interests involved naturally requires a broad program of cooperation between the Government and the public.

The issuance of grazing licenses, the collection of grazing fees, and the settlement of occasional appeals or disputes are but the mechanics of administration for the handling of only one phase of the whole endeavor. It is the function that needed the first attention of administration because the livestock industry is the foundation of the western economy and the grazing of stock on the public lands is an essential and vital part of the livestock business. The work of determining those livestock men who are qualified to participate in the use of the range is well under way, and the major over-all phase of administration necessary to successful and effective conservation must now be expanded.

To have a proper concept of the problem that now faces the administration, we must recognize first that the cream of the natural resources of the lands in the West had been settled upon and passed to private ownership, largely during the period between the Civil War and the World War. Likewise, through the natural competition and overcrowding of the range, the natural forage of the public domain was in a depleted state, resulting in reduced carrying capacity for livestock and an added menace to the stability and fertility of the soil and the dependability of the water supplies. While nothing is to be gained by criticism of those who took part in the despoliation of the public lands, we have learned from what has happened what not to do in the future, while accomplishing conservation work contemplated under this act. In keeping with conditions as they exist today, the 5 years of the Taylor Grazing Act administration have witnessed a reversal of attitude toward the future of the western range.

As rapidly as conditions will permit, the work must be extended to a point where it may restore completely the natural resources of this great area for the use and enjoyment of present and future generations. It must deal with many conditions that are of long duration. Since adjustments in nature aided and abetted by controlled grazing and all manner of artificial improvement are at best a slow process, the Division of Grazing has a big job. There is in this work an obligation on the part of the Federal Government not only to repair the damage of the past but also to go ahead and insure

that the vast area of a quarter of a billion acres of land in the West, with its irrigation projects, cities and towns, ranches and farms, and widespread interests of man, be protected, improved, expertly managed, and placed upon a sound and enduring basis.

Taking into consideration the comprehensive land pattern of ownership, the act bearing my name invokes a plan of cooperative activity, the like of which has never before been attempted in government. The Division of Grazing cooperates with State associations of stockmen and agencies and groups interested in wildlife and recreation, with other Federal agencies dealing with scientific and human problems, with railroads in the checkerboard areas, with local businessmen, with land-grant colleges, with communities, and with individuals. Activities range from fighting grasshoppers to fighting fires. The homely principles of local representation are weaving a pattern of land-use management that has a far-reaching effect.

The cooperation with the Civilian Conservation Corps is perhaps the most outstanding of all the cooperative activities in which the Division of Grazing is engaged. In addition to conducting the improvement work program of the C. C. C. organization, the Division of Grazing carries out a training and educational program for 18,000 C. C. C. enrollees. This brings home a feature of national conservation in the interest of the American youth which is immeasurable in its value. The work of the C. C. C. and the local advisory boards under the skillful direction of the Division of Grazing has brought achievements that would have seemed unbelievable 5 years ago.

For the most part, the public-domain grazing lands are arid and sparsely watered. They contain large areas that are natural habitats of various wildlife species. In some grazing districts, due to character and location, grazing districts are the natural reservoirs for winter concentration of game herds that summer on national forest and other high ranges. Other large areas are ideally situated for game animals. Realizing these facts, the Secretary of the Interior, from the very beginning, assured wildlife interests that in the administration of this act the Department of the Interior would cooperate to the fullest extent in the general welfare of a wildlife conservation program that would be consistent with reasonable needs of the livestock industry.

In some areas it is natural for wildlife and domestic livestock to use the ranges most effectively in common. In others, special game reserves and game ranges are necessary for the proper protection of wildlife. Rules and agreements approved by the Secretary provide for both of these conditions. Already, some 10,000,000 acres of public domain within the 50 grazing districts established have been given over to game refuges and game ranges. In cooperation with the Bureau of Biological Survey, with State commissions for fish and game, with local and national sportsmen groups, and with livestock men (who are after all the real conservators of wildlife), the plan for these refuges in game ranges has been devised. The principle behind the designation of any given area for refuge purposes is that the area is suited primarily for feeding, maintaining, and propagating a particular species or a number of species of game animals and birds. Such areas, when set aside as game refuges, are administered exclusively as wildlife areas. On the other hand, certain areas lend themselves most readily to a plan for the use in common by both wildlife and domestic livestock. On that basis, a number of game ranges have been set aside within grazing districts.

Where feasible, such game ranges are set aside for use jointly between wildlife and livestock with the preference to the forage being given to a specified number and species of wildlife. Fourteen wildlife refuges have been established, involving an aggregate area of about 4,000,000 acres of public lands. Four game ranges, totaling about 6,000,000 acres of public lands, have been set up within the boundaries of the grazing districts. The recently established Kofa and Cabeza Prieta Game Range in Arizona Grazing District No. 3 (the last grazing district to be established), involves about two and a half million acres and is being administered in connection with the remainder of the district with a primary purpose of protecting and propagating the vanishing native bighorn and other desert game species.

The Division of Grazing is cooperating with the fish and game commissions and the local sportsmen groups, the National Wildlife Federation, and the Izaak Walton League of America in obtaining reliable estimates of the numbers and species of wildlife that inhabit the several grazing districts. The main purpose of this estimate is to form a foundation for plans that will include provision for wildlife needs and to supply data upon which redistribution and other game-management plans can be developed.

Recently, a count of the antelope inhabiting an area of 5,000,000 acres was made in an aeroplane. The results proved exceptionally satisfactory. A report was submitted recently from all of the grazing regions, indicating a population of wildlife in the grazing districts as follows, 1,495 black bear, 302,070 deer, 6,970 elk, 20 moose, 85,000 antelope, 2,005 mountain sheep, 725 mountain goats, 283 bison, and 500 javelina.

These game animals obviously do not recognize land ownership boundaries, and, consequently, they obtain their feed from all the lands in the districts. The numbers and variety of species, however, indicate that this natural resource, so important in any plan of national conservation, elicits widespread interest in the administration of grazing districts.

If there had been enough grass to satisfy all those who desire to use the range, there would have been no need for the law. Recognizing its importance in the economic structure of the West, in fact of the Nation as a whole, the law makes a strong plea on behalf of the established ranchman for the livestock industry that has been established in the West on a sound and orderly basis. Section 3 of the act authorizes the Secretary of the Interior to issue or cause to be issued permits to graze livestock in grazing districts to citizens of the United States or those who have made the necessary declaration of intention to become such, and, in the issuance of such grazing permits, he shall give preference to those within or near a district who are landowners engaged in the livestock business, occupants, or settlers or owners of water or water rights as may be necessary to permit the proper use of lands, water, or water rights owned, occupied, or leased by them. These permits shall be for a period of not more than 10 years, subject to the preference right of permittees to renewal in the discretion of the Secretary who shall specify from time to time the numbers of stock and the seasons of use.

In order to allocate properly range privileges to those entitled to participate in the use of the range, it was essential to devise an expedient for issuing temporary grazing licenses, pending the time when sufficient data could be accumulated upon which to determine who shall be the permittee and how many livestock he should graze. The relationship of public and private lands in the area was well known in a general way, but specific information, pertaining to the properties of those demanding recognition, was not available. Consequently, it was necessary to obtain a comprehensive inventory of all factors that would guide the administration to proper and equitable adjudication of range privileges. This work is going forward in all of the grazing districts. Selected districts, widely separated in geography and conditions, have been made the object of special study for use in designing an over-all plan of range adjudication, range management, and range improvement compatible with the mandate of the law and with local conditions. The progress of organization of districts and the issuance of grazing licenses is indicated on the table below:

Year	Number of districts	Licenses	Cattle	Horses	Sheep	Goats	Total
1935	34	15,081	1,550,776	141,553	6,739,080	172,481	8,603,890
1936	37	15,067	1,333,985	100,780	5,840,791	158,947	7,434,416
1937	49	18,752	1,612,070	115,090	9,041,771	132,633	10,910,564
1938	50	19,342	1,605,566	108,925	9,221,696	96,455	11,032,642

To be eligible for a regular license, an applicant must own or control property, own livestock, and must have used the range before the act became effective in connection with the property owned or controlled.

Other things being equal, the ranch or farm that is located nearest the public range is given preference to its use. Upon that principle thousands of individual group and community allotments of range have been made, the proper seasons of use determined, and the stocking limited to a safe carrying capacity of the range. Thus, the so-called tramp outfit has been eliminated from the picture. Formerly this type of operator roamed the range at will and creamed the forage by overstocking and unseasonable grazing. Accomplished in an orderly manner, this process has gone far to stabilize the livestock industry. The settler, who is the owner of a few livestock kept for domestic purposes, is amply provided for through the issuance of free-use licenses.

The classification studies of grazing district lands are going forward at a satisfactory pace. Lands must be classified for their grazing capacity and other uses, for determining the proper grazing seasons and improvements needed, and for many other purposes. This classification essentially must go even further than the physical inventory of grazing facilities on the public lands. Private properties, both land and water, upon which these grazing rights are to be based, must be classified in accordance with the provisions of the law and rules and regulations promulgated thereunder.

The range-study program includes the preparation of maps, showing land status, culture features, forage cover, and information on soils, water supplies, erosion conditions, poisonous weeds, rodent infestation, and so forth. This material provides necessary factual data to form a basis for administrative action in the granting of grazing privileges and the management of the public range. These data, when complete, are then assembled on base maps that conform to convenient subdivisions of the respective States. Each base map covers an area of 32 townships. It requires 536 of these base maps to cover the territory of the grazing districts. The standard of field work conducted in a grazing-district survey varies according to the complexity of conditions. Much of the information is obtained through the cooperation of other agencies, but in many instances detailed information of the minutest nature is necessary in order to settle range disputes. In such instances detailed surveys of the ranch properties involved and the public range as well must be made.

In 5 years 10,138 ranch units, belonging to citizens engaged in the livestock business, have been examined and rated for their proportionate share of the range. By placing a limit on the number of stock that will be allowed to use the range and by setting the season of use to harmonize with the growth habits of the vegetation, the administration is effecting a range-ranch relationship that is bringing the land-use picture back into balance. Preliminary carrying-capacity surveys have been made on approximately 40,000,000 acres. Complete status data have been assembled for approximately one-third of the total area of grazing districts.

Prior to the enactment of this Grazing Act, there was no real incentive on the part of the stockmen to spend their own money in constructing works of any great value on the public land. This was natural because under the old order such improvements were liable to be usurped by others. The usual practice was for the stockmen to obtain control of key lands by lease or otherwise which strategically controlled large areas of public grazing lands. These key lands, such as State sections, would be developed superficially with a view to holding the adjacent range from invasion by others. In the absence of Federal control, any water hole if constructed on public lands could never be regarded with full confidence of security by whoever built them.

Section 4 of the act authorizes the Secretary of the Interior to issue permits to construct fences, wells, reservoirs, and other improvements necessary to the care and management of permitted livestock. Already the wisdom of this provision has been demonstrated through the fact that, in the 10 States where grazing licenses have been issued, some 350 permits have been granted to make improvements of major caliber on the public domain at a total cost to the permittees themselves of about $400,000. These include mainly water developments and fencing. This demonstrates that under Federal regulation the qualified user of the range is anxious to cooperate with the Government in spending his own money to improve the range. This is conservation with a healthy complexion.

The Taylor Grazing Act empowers the Secretary of the Interior to accept contributions toward the administration, protection, and improvement of grazing districts. Also, 25 percent of all moneys received under the act, during any fiscal year, shall be made available when appropriated by Congress for the construction, purchase, and maintenance of range improvements. Furthermore, 50 percent of the money received during any fiscal year is paid at the end thereof by the Secretary of the Treasury to the State in which the grazing districts or the lands producing such moneys are situated to be expended as the State legislature of such State may prescribe for the benefit of the county or counties in which the grazing districts or the lands producing such moneys are situated. Through the cooperation of the Department of the Interior and the public-domain States of the West, provision has been made for the Secretary of the Interior to accept donations out of the 50-percent funds for use on specified range improvements on the public domain, these range improvements being recommended by the State officials in cooperation with the local district advisory boards. It is apparent, therefore, that a tremendous force is already under way to obtain restoration of the natural resources through regulated use and a cooperative plan of range improvements. The stockmen pay into the Treasury roughly $1,000,000 annually for grazing privileges. Three-fourths of that money goes right back to the range in the form of thoroughly planned improvements.

During the period of severe drought that was climaxed in 1934, emergency funds were appropriated by the Congress for use in drought-stricken areas. In the territory now covered by grazing districts, the local State organizations directed certain funds that were made available to them toward the development of water on the public domain. In this manner, a skeleton of water developments was distributed over a number of grazing districts. Mindful of the sound policies and principles embodied in the Taylor Grazing Act and the regulations promulgated by the Secretary, the respective State organizations subsequently turned over to the Division of Grazing these improvements for use and maintenance in connection with the grazing program.

Perhaps the most outstanding achievement in the 5 years of public grazing land administration insofar as range development and management is concerned has been the systematic range-improvement program conducted under the supervision of the Division of Grazing through cooperation with the Civilian Conservation Corps. When grazing districts were first organized in 1935, the Division of Grazing was allotted a small quota of C. C. C. camps. Beginning in April of that year with seven C. C. C. camps, the Division of Grazing launched immediately a systematic range-improvement program through these facilities. Later enlarging to 45 camps and recently to 90 camps, the Division of Grazing has participated in a Nation-wide movement of conservation. By selecting the most worthy projects that were proposed by the local people, the program has gone forward with general satisfaction.

In harmonizing the activities of the Civilian Conservation Corps with those of this Grazing Act, the range-improvement activities have featured not only the conservation of the land but also have fostered a vocational and educational program for the benefit of the C. C. C. enrollees.

Flood-control works and similar structures have impounded waters and made them available for useful purposes and have lifted the flood menace that threatened farms, homes, and communities in certain arid sections. Remote areas of the public domain have been opened for practical utilization, resulting in a redistribution of range

use over wide areas. In this way, concentration of stock around valuable water holes has been broken up. Overgrazing in certain areas has been mitigated to a large extent without the necessity of sudden and severe reduction of livestock numbers. Water and feed have become available to large numbers of game animals whose welfare was threatened by the former acute competition for range. Most of all, an element of sane and economic use of range resources has been invoked and made possible by the range improvements that were nonexistent before the enactment of the Taylor Grazing Act. The distribution of the C. C. C. camps in nine grazing regions is made primarily on the basis of public domain acreage and livestock population, having in mind, of course, the areas most urgently in need of repair. The C. C. C. camp, grazing district, and public-land data are shown below:

State	Region	Number of grazing districts	Public-domain acreage in State	Public-domain acreage in districts	Number of camps
Arizona	9	4	13,879,323	7,717,016	5
California-Nevada	3	7	68,679,611	37,505,226	19
Colorado	8	5	8,104,597	7,070,800	8
Idaho	5	4	12,077,498	10,048,585	10
Montana	6	5	6,217,045	5,084,967	5
New Mexico	7	5	13,722,695	11,284,522	10
Oregon	4	7	12,116,695	11,269,281	9
Utah	2	8	25,693,699	21,561,022	15
Wyoming	10	5	15,760,981	11,778,686	9
Total			176,252,644	123,320,105	90

Range improvements are divided into the following classes:

Water developments, consisting of wells, earth reservoirs, and springs; stock trails and driveways; rodent control; range fencing; reseeding and revegetation; corrals; holding traps; erosion-control works; truck trails and minor roads; insect and poisonous-plant eradication; experimental plots.

Among the major conservation accomplishments on the public lands in grazing districts under this program are the following completed projects: Three hundred and fifty-eight spring developments, 143 wells and storage facilities, 780 earth reservoirs, 7,300,000 acres treated for rodent control, 1,950 miles of range fences, 225 corrals, 1,750 miles of stock trails and driveways, 4,900 miles of truck trails, 185 bridges, 245 cattle guards, and 330,000 acres treated for poisonous-plant eradication.

Erosion-control works involve the following: Five thousand six hundred permanent check dams, 4,700 temporary check dams, and 275 other large flood-control structures.

In addition to the completed projects, the Civilian Conservation Corps, under the Division of Grazing, has rendered great assistance to stockmen during severe snowstorms by breaking trails and roads in order to haul feed to stranded stock. Also, the facilities of this organization have been employed on flood-relief work, forest and range fires, destruction of grasshoppers and other insects, and the caring for upland game birds during severe winter weather.

As a result of on-the-job training, thousands of these boys have gained a new outlook on life and, upon completing their enrollment with the camps, have gone back home to take their proper place in society.

In my home State of Colorado there is a piece of choice summer range that nestles above the timber line near the Continental Divide. This territory, covering about 200,000 acres, is known as American Flats. For many years, due to its inaccessibility, it remained untouched by grazing animals, except by game and an occasional prospector's pack burro. When the sheep-raising industry began to push farther and farther into the wilderness in quest of feed, the American Flats stood out like a bonanza, the sheepman's paradise; and it was free range, unregulated. The natural consequences followed. Soon there were two or three head competing for the grass that would carry properly but one head. Not only that, but also the operators, competing among themselves, were forced to employ practices that were wasteful not only to the land but also to livestock itself. Every spring sheep converged on this area from four directions. Five years ago the American Flats were showing conclusive signs of accelerated erosion. Palatable grasses were being replaced by obnoxious weeds. Seventy-five thousand head of sheep, belonging to itinerant operators from Utah, New Mexico, and Colorado, were "fighting it out" on the principle of "first come, first served, and the devil take the hindmost." This was a real range war in the rough. There came a time when the streams began to carry silt from this area. The feed vanished before summer's end. Animals came back to lower elevations, most of them poor and many of them poisoned by sneezeweed that they had been forced to eat.

Today 30,000 head of sheep go to Amercan Flats for summer grazing. They proceed up the rugged trails in an orderly way. Furthermore, instead of crowding, mixing, and otherwise competing for favorite spots, they range on specified allotments that have been designed by the Division of Grazing. These allotments have been worked out by the licensees themselves in cooperation with Federal officials and the local advisory board. Truly this is orderly use that is already paying dividends. I mention this example because the circumstances are so familiar to me. The same thing is happening throughout the one-hundred-and-twenty-odd million acres of Federal range in the 50 grazing districts of the West.

Is There a Democratic Way Out of Unemployment?

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. VOORHIS of California. Mr. Speaker, I am convinced there is a democratic way out of unemployment.

I believe the key to it lies in measures which will balance the Nation's power to produce with an equivalent flow of buying power in the hands of all groups of people and especially those who have the least buying power today. The whole structure of business and investment must always rest upon a foundation of consumer purchasing power. I know that this increased buying power cannot indefinitely be provided by an unbalanced Budget and large-scale Government borrowing and that other methods must be found. But I also know that deflation is not the answer and is the one method most certain to make matters tragically worse.

The following five measures which, in my opinion, Congress should take now would, I believe, give us a democratic way out of unemployment.

First, simplify and improve our tax laws. We are raising too much revenue by taxes on consumers and on active business—that is, on money that people do spend and invest. We are not raising enough revenue by taxes on individual incomes, inheritances, gifts, and values created by society. And we have not yet devised what may be the most necessary tax of all—namely a special tax on hoarded income—that is, income neither spent nor invested currently. Neither have we finished the job of doing away with the last vestiges of tax exemption both as to salaries of public officials and as to income from public bonds.

A balanced Budget is important, but it is equally important to balance it at a point where there will still be enough revenue for Government to be continually feeding into the purchasing-power stream enough active consumer buying power to make up for that portion of current income which is neither spent nor invested by those who receive it. Unless Government performs this function unemployment will continue. Clearly, therefore, it is important for our taxes to fall where they will be most effective in discouraging hoarding and encouraging investment.

My second measure is the development of the machinery whereby government can act to maintain a general even flow of consumer demand. This must include a national system of pensions to those who have reached the age where industry no longer will hire them plus a complete social-security system of benefits to dependent children, the disabled, and other groups which clearly cannot and ought not to be employed. A portion, at least, of the funds required to support such a system should come from the general government revenues.

Third, we must defend with all our power the principle of work, not doles, for the unemployed. To this end there should be worked out a long-term program of public works, which will be largely a program of governmental investment. We should resolutely determine that no American family which has an employable member shall be without at least one member at work, either in private industry or on this program. As much as possible, the works undertaken should be self-liquidating in whole or in part. This means conservation, power development, slum clearance, and similar things. Insofar as such projects are self-liquidating, they should be financed, not by the sale of bonds but by a direct use of the Nation's credit advanced on the security of the revenues from the projects.

Fourth. Make the now privately owned 12 Federal Reserve banks Government institutions, and use them as they always should have been used, as Government banks of issue. We shall then be in a position to prevent the possibility of either inflation or deflation taking place, and to keep in circulation a volume of money sufficient to transact the business of our Nation, and to maintain a constant and stable buying power in our dollar. Only so can we make possible a continuous rise in prosperity and standards of living without constantly mounting debt. And this measure is of especial importance to the American farmer, the prices for whose crops are so sensitive to monetary influences, and whose present low income is depriving American industry of a market here at home far greater than any foreign market in the world.

Finally, we have a job to do in restoring opportunity for the small-business man in America. For nothing is more certain to lead to increasing governmental regulation than is the growth of private monopoly. Either we must require of monopoly full production at reasonable prices, with fair guaranties against loss, or else, if we would find a democratic way out of unemployment, we must take measures to restore competitive conditions wherever possible, and especially to make credit available to the small man as readily and on as fair terms as to the giant corporations.

The Naming of the State of Colorado and of the Capital City of Denver

EXTENSION OF REMARKS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. TAYLOR of Colorado. Mr. Speaker, for many years I have felt that it would be appropriate for some Member of the Colorado delegation in either the Senate or the House to insert in the CONGRESSIONAL RECORD a description of the naming of our State and our capital city.

With that thought in view I have obtained some data on those two subjects, which I submit herewith:

THE NAMING OF THE STATE OF COLORADO

The Territories of Kansas, Nebraska, Utah, and New Mexico were created prior to the Territory of Colorado. When the Senate bill (S. 366) providing for the creation of the Territory of Colorado came up for consideration and was passed by the Senate on February 4, 1861, it created the Territory of Colorado from certain portions of those four Territories. It took from the Territory of Kansas all of the western part of that Territory extending from the present eastern boundary of Colorado to the ridge of the main range of the Rocky Mountains, containing 34,740 square miles, nearly one-third of the area of our State. From the Territory of Nebraska, it took a strip about 70 miles wide, extending from the present eastern border of our State to the crest of the Rocky Mountains, containing 15,014 square miles. From the Territory of New Mexico, it took a strip about 50 miles wide, extending to the crest of the Rocky Mountains, containing 15,250 square miles. From the Territory of Utah, it took all that part of the present State of Colorado west of the Continental Divide, containing 38,980 square miles; making the total area of our State 103,984 square miles.

The bill as originally reported by the committee and presented to the Senate designated this region as the Territory of Idaho. In the course of the debate, Senator Wilson of Massachusetts offered an amendment to change the name from Idaho to Colorado, for the reason that the great river of that name had its source within the region that was proposed to be created into a Territory. The amendment was approved, and on February 28, 1861, President Buchanan signed the bill officially naming this region the Territory of Colorado. The Territory was admitted to the Union on August 1, 1876, as the "Centennial State."

With all due respect to the State of Idaho, I feel that every loyal son and daughter of our Centennial State has always been proud of the fact that such an amendment was made and approved, and that we owe a tribute to the memory of Senator Wilson as a debt of gratitude for giving our State that most appropriate name. During the course of the debate, it was said that "Colorado" was the most beautiful name that could be given to any Territory or State. All Coloradoans will forever acquiesce in that sentiment.

By reason of the fact that Senator Wilson had a marvelous public career and was Vice President of the United States when he died, I am inserting the brief biographical sketch of his life and public career as it appears in the Congressional Directory, as follows:

Henry Wilson, a Senator from Massachusetts; born in Farmington, N. H., February 16, 1812; his parents' name was Colbath, and his name was Jeremiah Jones Colbath until he was 17 years of age, when he had it changed by the legislature to Henry Wilson; pursued an academic course; located in Natick, Mass., in 1833, and learned the shoemaker's trade; traveled in the South in 1836; returned and attended the Strafford, N. H., Academy, and academies in Wolfsboro and Concord, N. H., until 1837; taught school in Natick, Mass., and later engaged in the manufacture of shoes; member of the State house of representatives 1841–42; of the State senate 1844, 1845, 1846, 1850, 1851, and 1852, and president of the senate 2 years; delegate to the National Whig Convention in Philadelphia in 1848 and withdrew; delegate to the Free Soil National Convention in Pittsburgh in 1851 and its president; defeated in 1852 as the Free Soil candidate for Congress; delegate to the Constitutional Convention of 1853; defeated as the Free Soil candidate for Governor; elected to the United States Senate by a coalition of Free Soilers, Americans, and Democrats, to fill vacancy caused by the resignation of Edward Everett; three times reelected and served from January 31, 1855, to March 3, 1873, when he resigned; in 1861 he raised, and commanded for a time, the Twenty-second Regiment Massachusetts Volunteers; elected Vice President of the United States in 1872; died in the Capitol in Washington, D. C., November 22, 1875.

THE NAMING OF THE CAPITAL CITY OF DENVER

The House was recently visited by a distinguished former Member, the Honorable Matthew R. Denver, of Wilmington, Ohio. During 4 of the 6 years of his service in this body, I served with him. We lived at the same hotel.

While I always had an admiration for his manly character and ability, I felt especially close to him because our superbly beautiful capital city of Denver was named in honor of his distinguished father, Gen. James W. Denver.

General Denver was Governor of the Territory of Kansas when the little settlement on the bank of Cherry Creek was founded in October 1858, and that afterward became our capital city of Denver. The town was at that time within the Territory of Kansas and General Denver was a very efficient and popular governor. He was also a Member of this body in the Thirty-fourth Congress. He had both a thrilling frontier career and a heroic military service record. I

have always looked upon him as one of the most intensely patriotic and truly great western characters of his generation.

In view of the fact that, in the judgment of all Coloradoans, that little settlement of prospectors has become the most modern, symmetrical, and beautiful city of its size in the world, I feel perfectly warranted in extending some remarks in the RECORD concerning that courageous western character whose name our capital city bears. There are many reasons why Denver is one of the most attractive, outstanding, and beautiful cities in the world. I need mention only one feature which cannot be duplicated by any other city of its size on this planet. No other city of over 300,000 population has as few frame houses in it as the city of Denver. Another reason for the distinction of our capital city is that there are only three large cities in the United States that are named in honor of an individual; namely, the city of Washington, named in honor of our first President; the city of Cleveland, named in honor of Moses Cleveland, a great frontier engineer, who located, surveyed, and platted that city; and the city of Denver, named in honor of General Denver. Neither of those men ever lived in the city that bears his name. But they were three of our greatest pioneer Americans, eminently worthy of all the distinction that posterity is giving them.

I believe that the following sketch I have prepared is substantially accurate:

GENERAL JAMES W. DENVER, 1817–1892—AN APPRECIATION

James William Denver was born near Winchester, Frederick County, Va., October 23, 1817. His grandfather, Patrick Denver, was one of the United Irishmen, in the rebellion of 1798, and in 1799 fled to America to save his life. He and his family arrived in the United States on the day that General Washington was laid to rest.

In 1804 he and his son, Patrick, Jr., located in Frederick County. Patrick, Jr., was first a lieutenant and later a captain in the War of 1812. He married Jane Campbell, of Scotch ancestry, whose family also contained men distinguished for military service. In 1831 Capt. Patrick Denver, Jr., moved his family to Ohio, and in the spring of the following year located at Wilmington, later removing to his farm adjoining the town. James W. was the eldest of 11 children, and his early life consisted largely of the hard labor of the older children on a farm. He attended the common schools until he was 14, when he was forced to give his whole time to the farm work, but continued his studies at home. The hardships endured by him brought on a severe illness when he was 21, and he then studied surveying, and for a while worked with the county surveyor. In the spring of 1841 he went to Missouri, seeking employment in the surveys of public lands in that State, but failing to obtain a contract, he taught school for a year. At the close of the term he returned to Ohio, and took up the study of law in the office of Griffith Foos. He also studied at the Cincinnati Law School, from which he graduated in the spring of 1844. He first opened an office at Xenia, an adjoining county seat to Wilmington, where he also edited the Thomas Jefferson, a Democratic paper in that town. The following year he returned to Missouri, opening a law office at Plattsburg, and later at Platte City. He continued in the practice until April 9, 1847, when, at the age of 30 years, he organized a company for service in the Mexican War, the men averaging 6 feet in height. He was commissioned captain of Company H, in the Twelfth Regiment United States Volunteers, Infantry; placed under the command of General Pierce, afterwards President, he joined General Scott at Pueblo, and took an active part in the battles of Contreras, Cherubusco, Molino del Rey, Chapultepec, and Las Garites, which culminated in the fall of the city of Mexico. During this time he was prostrated for a period by yellow fever, contracted at Vera Cruz.

At the close of the war Captain Denver returned to Platte City, where he continued the practice of his profession for a few years, and also bought and edited the Argus.

In 1850, following the gold discoveries in California, he went overland with a small band of followers to that State, on this occasion he also taking charge of the first overland mail. He and his company of 34 lost the most-traveled route and reached California by the then unknown route of Wyoming and the Snake River. Death overtook 8 members of the company, and Captain Denver read the burial service before the poor victims were laid to rest beneath the trackless sands of the desert. It is highly probable that the sufferings on this journey made such a deep impression on his mind and created such a close sympathy for those similarly situated that it had a major influence on the regrettable event in later years of his duel with Edward Gilbert.

In September he reached Sacramento, going later to Trinity County, where he engaged in trading between Humboldt Bay and the mines. Thus engaged, he was forced to travel over the mountains, enduring the severest hardships and danger with unflinching courage and dauntless energy.

In the fall of 1851, the people elected him one of their Senators in the State legislature. While a member of that body he introduced and secured the passage of a bill empowering married women to control their own estates and businesses—the first bill of the kind passed in this country, and the substance of which has since been adopted by all the States of the Union.

It was in 1852, while the legislature was in session, that word came that thousands of emigrants who attempted to cross the trackless regions between the older settled regions and the Pacific coast were in desperate straits, stranded by heavy snowfalls, hungry and dying in the Sierra Range. Governor Bigler asked the legislature to appropriate $2,500 to organize rescue trains and relief parties to meet this situation.

The money was quickly raised and Governor Bigler designated Captain Denver to have charge of the relief expedition. The Governor personally escorted the party through the capital city. The day after the expedition left the city an article appeared in the Alta California, a newspaper of the opposite political party, founded and edited by Edward Gilbert, a man of Denver's own age. Gilbert had been in trouble with John Nugent, editor of the San Francisco Herald. This first trouble was adjusted without a recourse to arms, and it was reported that Nugent had the best of the adjustment, which embittered Gilbert. Captain Denver, having gone on the relief expedition, did not hear of the Gilbert article for several weeks. The article itself was very sarcastic, and critical of Governor Bigler and the entire scheme of relief, stating that it would be of no avail, of much expense to the State, and was intended only to enhance the political popularity of the Governor. About a month later a card appeared in the Sacramento Democratic State Journal, signed by Denver and 10 other members of the relief train, in which they stated that they "had read with indignation a statement of the Alta California, in which it is made to appear that Governor Bigler had made himself ridiculous," and so forth, and added:

> We are well satisfied that none but a personal enemy could imagine any such thing, and that enemy must be of the smallest possible caliber, who could descend so low as to pervert facts—

And so forth. Gilbert returned to the attack on July 26, reiterating his criticisms of June 26, and adding:

> If any gentlemen attached to the train, or any other friend of the Governor, desires to make issue upon the matter they know where to find us.

Denver replied on July 29 that he would be with the relief train during the summer, and on the first Monday in January next, he expected to be in Vallejo. This called forth a personal letter from Gilbert to Denver, both of whom were former soldiers and experienced men with firearms, in which Gilbert stated that he was the author of both articles, and concluded by saying:

> I find it my duty to demand from you a withdrawal of the offensive and unjust charges and insinuations which you have made.

Denver immediately replied that—

> Not one word of the cards you allude to can be withdrawn by me until the articles calling them forth have been withdrawn by you.

The following further account of the duel is taken from the San Francisco Post, of October 5, 1895. It also appears in The History of the Bench and Bar of California:

The affair had by this time assumed a serious phase. Gilbert sought out his friend, Henry F. Teschemacher, and requested him to tender a challenge to Denver. Teschemacher was a man of the highest standing, afterward being elected mayor of San Francisco. On the receipt of the challenge Denver named Vincent E. Geiger as his second.

At sunrise on Monday, August 2, the duel took place. It was one of the most beautiful midsummer mornings, and as the rays of sunlight filled the sky, nature seemed to awaken everywhere, and soon the world was filled with joyous sounds, which little befitted the tragic scene about to be enacted. The preliminaries were quickly arranged, the distance named being 40 paces. As the principals came upon the field and faced each other, they met for the first time. Both were unflinchingly brave men—Denver willing to make peace or fight to the death, and Gilbert possessed of a stubborn determination that nothing but blood should atone for what had passed.

Denver's second won the word, and the first interchange of shots followed. Both men missed their marks; both stood uninjured. The sun was now well up, and in the full glory of the newborn day the two men stood waiting for the second shot. The word was given, and almost immediately Gilbert fell. General Denver was uninjured. All quickly gathered about Gilbert as he lay apparently unconscious on the ground. General Denver was never molested for the part he took in the unfortunate affair.

The History of the Bench and Bar of California also contains the following history of the duel by an eyewitness, W. A. Cornwell, written in 1880, namely:

The State, learning of the distress of the emigrants, provided means for their relief; and the duty of dispensing it was delegated to the secretary of state (Denver). This was prompt and humane, but it was bitterly criticized and sharply assailed by Gilbert. Denver is clear-headed, sound mind, sensitive, and brave. He retorted, and his retort was terrible. Gilbert, who was a member of Colonel Stevenson's New York regiment, challenged Denver, and the parties went upon the field. The weapons were rifles at short range, and I assert, as a witness, that no man in the tide of all the centuries, ever displayed a more dauntless temper than Denver. He knew that Gilbert was a brave soldier, and that he was reckoned to be a deadly shot. Nevertheless, Denver reserved his fire, and purposely threw away his own. Happily, Denver escaped unhurt. Every effort was then made by the seconds and by mutual friends for peace; Gilbert was informed that his antagonist wished to clasp hands, but Gilbert refused the request in terms which showed his friends that he had determined to kill Denver. The principals returned to their positions.

"Now," said Denver in a tone I shall never forget, "I must defend myself." And at the word Gilbert fell, pierced through the heart.

We have gone into the matter of the duel at length for the reason that while it could not be avoided, yet with the prejudice of the laymen, it probably had a deciding influence when General Denver was prominently advocated for the Presidency in 1876, and in later quadrenniums. Although he was later repeatedly honored by Governors and Presidents, and rendered many valuable services to his country, yet it did result in unjust censure from persons not informed of the particulars, just as General Jackson was criticized under like circumstances. Students of the history of the time realize that Denver had no alternative other than to meet the issue. He threw away his first shot, hoping to satisfy his challenger, and after that pursued the only other course left open to him, the course of self-defense.

He was in reality compelled to fight that duel. No courageous man could do otherwise. He would have been forever branded as a coward if he had refused to fight. While dueling was a terrible custom, it was a sign of the times in California in those days, and no man with courage, self-respect, or hope of any future, could refuse to fight when he was challenged. No man ever questioned General Denver's honor, his courage, or his conscientious devotion to public services.

After the conclusion of the work of the relief expedition he was appointed secretary of state for California, and served as such until November 1855. In the fall of 1854 he was elected to the Thirty-fourth Congress, and took his seat in December. As chairman of the Special Committee on the Pacific Railroad, he had an important part in introducing and framing the legislation, subsequently adopted, providing for the Union Pacific Railroad.

Perhaps his most important work in Congress, that which is the best remembered by his western constituents, is the blow he struck at the scheme of plunder relative to California land claims; and to him and his reports and debates, more than to all other men, are the people of the great West indebted for the magnificent system of law applying to the Pacific States and Mexican territorial acquisitions.

At the close of his congressional term, and at the beginning of President Buchanan's administration in 1857, he was appointed by the President as Commissioner of Indian Affairs. At the time this office was not only of much importance, but was also exceptionally hard to execute. He filled the duties thereof with great success, to so great an extent that after his services as Governor of the Kansas Territory, the President reappointed him to the commissionership.

In December 1857 special duties took him to Kansas. When Governor Stanton was removed from the office of secretary of the Territory, Denver was appointed to that position. He assumed the duties December 21, 1857, and as no Governor had been appointed to fill the vacancy, he became the acting Governor of the Territory. Kansas at that time included one-third of the territory that later became the State of Colorado. On May 12, 1858, the President appointed him Governor.

The most eminent men had been his predecessors as Governors. Among them were Governors Reeder, Woodson, Geary, Robert J. Walker, Wilson Shannon, and Stanton, all of whom had wrought faithfully, but in vain, on the work of pacification, and had either thrown up the task in despair, or had been removed for inefficiency. The legislative bodies of the Territory only served to promote and augment, upon political grounds, the riotous violence and disorders of the country. The army was useless; and it was the constant practice of these insurrectionary bands to warn the Governors themselves, and all well-meaning officials, threatening them with death if they attempted to interfere with them in their lawless acts.

The prospect was unpromising, and might well appall the stoutest heart; but General Denver came promptly and cheerfully upon the field and with the aid of his California experience soon gathered around him the wisest and best people of the Territory. He fully realized the causes and extent of the crimes prevailing, and the different organized bands, or brotherhoods, and their leaders, with the objects by which they professed to be governed.

After proper proclamations, the language of which was not to be mistaken, he moved actively through the Territory, regardless of threats, restoring order, courage, and confidence everywhere, giving to the people the power of concentration, self-reliance, and self-protection. Thus by his steadfast, manly presence, his sound judgment, fearless nature, and cheerful, but determined spirit, in less than 12 months he was able to resign the office and leave the Territory with an established civil government. But with the influences at work on the slavery question, and with the two sections of the country lined up for and against, the national civil strife could not be postponed. A brief résumé of the situation will be of interest.

In June 1857, delegates were elected to a constitutional convention, and the proslavery people framed what was known as the Lecompton constitution. The constitutional convention described slave property to be "before and higher than any constitutional sanction," but provided for a popular vote on the alternative, "the constitution with slavery," or "the constitution without slavery." If the "constitution with no slavery" should be adopted, slavery should cease "except that the right of property in slaves in the Territory should not be interfered with." The free-state men regarded this as including the right of property in offspring of slaves and therefore, as pure fraud. Governor Walker stood firmly against this scheme. But President Buchanan, under southern influence, repudiated his former assurances. He abandoned Governor Walker, who left Kansas, and he dismissed Acting Governor Stanton, for convoking the new free-state legislature. This body promptly ordered a vote

on the third alternative, "against the constitution." The free-state men ignored the alternatives set up by the Lecompton constitution, but participated in the provisional election for the offices under the Lecompton government, capturing all offices, and then, the same day, voted overwhelmingly against the constitution.

Before this time, January 4, 1858, General Denver had been appointed Governor, and the Encyclopedia Britannica says:

Nevertheless, Buchanan, against the urgent counsel of Governor Denver, urged on Congress (February 2) the admission of Kansas, under the Lecompton constitution. He was opposed by Senator Stephen A. Douglass, the leader of the northern democracy; the Senate upheld the President; the House of Representatives voted down his policy; and finally both Houses accepted the English bill, by which Kansas was offered some millions of acres of public lands if she should accept the Lecompton constitution. On August 21, 1858, by a vote of 11,300 to 1,788, Kansas resisted this temptation. The plan of the administration thus effectively miscarried, and its final result was a profound split in the Democratic Party. * * * The struggle in Kansas was of paramount importance in the breaking up of the Whig Party, the first establishment of an uncompromising antislavery party, the sectionalization of the democracy, and the general preparation of the country for the Civil War.

Although General Denver advised against the administration policy in Kansas, he fully retained the confidence of the President, and upon his resignation as Governor, he was reappointed to the office of Commissioner of Indian Affairs. That this is true is shown by the following letter:

WASHINGTON, *March 13, 1859.*

MY DEAR SIR: It is with sincere regret that I accept your resignation as Commissioner of Indian Affairs. Your conduct in that highly responsible office has received my cordial approbation as well as that of the Secretary of the Interior. It will be difficult to supply your place.

But I cannot consent to sever our official connection without expressing my lasting obligation to you for the able, discreet, firm, and successful manner in which you performed your duties as Governor of Kansas under the most difficult and trying circumstances.

Wishing you health, prosperity, and success throughout life, I remain,

Yours very respectfully,

JAMES BUCHANAN.

Hon. J. W. DENVER.

The Washington Union of November 9, 1858, said editorially:

Gov. J. W. Denver, having resigned the executive office of Kansas, much to the regret of the administration, and we doubt not of the whole country, has resumed his position as Commissioner of Indian Affairs.

Of all the persons who have successively filled the governorship of Kansas, Mr. Denver is the first one who has succeeded in giving general satisfaction to the people of the Territory and of the Union at large. He is probably the first Governor, also, who has resigned the office with the regret of the whole country. His administration has been at once firm, decided, and peaceful. The law has been enforced, violence has been subdued, and order thoroughly established. His course has been firm, straightforward, and upright, commanding the respect alike of Kansas and the Union. His conduct has been characterized by good sense and good faith; his measures have been just in themselves, and in accordance with the instructions of the Federal administration, between whom and himself relations of the most perfect harmony and confidence have subsisted throughout. His administration has been as unambitious as it has been successful, and he has won the highest reputation for ability and capacity of all the Governors of Kansas, simply by a quiet, firm, and unostentatious discharge of the duties of his office. We do not recollect that Governor Denver has made a single stump speech during his whole administration. The telegraph has had a few of his formal progresses through the Territory to herald, and no "sensation" bulletins concerning him to retail to professional agitators in the East. The universal sentiment of the country in regard to Governor Denver, we dare say, is one of regret that he was not Governor of Kansas long before, and that he cannot be its Governor while she continues to be a Territory. It will be difficult to fill Governor Denver's place.

When the Territory of Colorado was formed from the Kansas Territory, the town of Denver was selected as the Territorial capital, and with its creation as a State, continued in that capacity.

The settlements which later merged into the town bearing the name of Denver were instituted in 1858–59, while he was Governor of the Kansas Territory, which, as stated, included approximately one-third of what is now the State of Colorado. A number of little settlements had sprung up, populated by miners and Indian traders. It was barely in evidence in 1858. In that year a few log cabins mingled with the smoke-browned tepees of the Indians on the present site of Denver, at the joining place of Cherry Creek and the Platte. This had long been a favorite camping ground of the Arapahoes and other tribes.

Indeed, all the land over which the gold seekers were roaming belonged to the Indians, and settlements were started without titles. It was not until the Indians gave up their rights by treaty, some years after the first towns were started, that the white settlers were secured in actual ownership.

Continuing the story from the Story of Colorado, by Arthur Chapman, we quote:

The Green-Russell party, as it was called, had established a camp, known as Placer Camp, not far above Cherry Creek on the Platte. Another outfit of prospectors, known as the Lawrence party, because most its members were from Lawrence, Kans., joined the Green-Russell party at Placer Camp and laid out a town a mile from there. This town they called Montana City. Fifteen or twenty cabins were built there in the fall of 1858—the first houses in the upper Pikes Peak region. Montana City was a little more than 4 miles from the present State Capitol, and was situated on the east bank of the Platte River.

The Lawrence party, finding that Placer Camp was not going to pay any great amount to those who were searching its sands for gold, laid out a town site on the east bank of Cherry Creek, where the erratic stream joined the Platte. They named this town St. Charles. Two Indian traders named Smith and McGaa were associated with them. After the town site of St. Charles had been laid out, most of those in the Lawrence party went back home, intending to return in the spring.

Other settlers were arriving, and these, with the Russell party, on November 1 organized the town of Auraria on the west bank of Cherry Creek, opposite the St. Charles town site. Auraria grew rapidly, while there was only one cabin, and that unfinished, on the St. Charles site—this building having been put up by the promoters to hold the property.

Soon after Auraria had been organized, a large company of Kansans, known as the men from Leavenworth, arrived on the scene and "jumped" the town site of St. Charles. Denver was the name chosen for the new town which thus supplanted St. Charles. The town was named for Gen. James William Denver, who was then Governor of Kansas Territory, in which the new gold diggings were included.

In the History of Denver, edited by Jerome C. Smiley, appears the following note:

The name of the new city was bestowed in honor of Gov. J. W. Denver, fifth Territorial Governor of Kansas, the organizers and promoters of the new enterprise having been his admirers and partisans, and three of them came here armed with commissions as county officers which bore his signature. For a great city to bear the name of an individual is a rare distinction. Washington, D. C.; Cleveland, Ohio, so called for Gen. Moses Cleveland, of Connecticut; and Denver, are the conspicuous ones in our country named for native Americans. The founders of Denver builded better than they knew, for it is not likely that the visions of their wildest dreams ever pictured anything approaching the reality that is now before us.

Following his resignation as Commissioner of Indian Affairs in 1859, General Denver returned to California and was nominated as Democratic candidate for United States Senator, but was defeated by two votes. He remained there in the practice of his profession until the outbreak of the Civil War, when he enthusiastically espoused the Union case. On August 14, 1861, he was, without any solicitation on his part, appointed by President Lincoln as brigadier general of volunteers. His first duties were to organize the troops of Kansas—a very difficult task, as everything there was in a chaotic condition. After great labor this was done and he was ordered to report to General Rosecrans in West Virginia. He served on a court-martial commission at Clarksburg, and then on a board of examiners at Beverly. Thence he reported to General Halleck at St. Louis and was put in command of the military district of Kansas. In a letter to the Honorable E. M. Stanton, Secretary of War, General Halleck speaks thus of his appointment to the district of Kansas:

In detailing General Denver for the command in Kansas I followed the advice of the officers of General Hunter's staff. They gave it as their opinion that he was best suited for the place, and as I had very little personal acquaintance with him, I felt bound to follow the best advice I could obtain. Subsequent information convinces me that it was good, and that a better selection could not have been made. There are few, if any, enemies in Kansas, and the

qualities most required there are administrative. I think General Denver would preserve peace on the border and enable me to send most of the Kansas troops into the field, where they might be of use. As it now is they are really worse than useless, for they compel me to keep troops from other States on the Missouri border to prevent these Kansas troops from committing murder and robberies.

In a short time he was relieved of this command and ordered to report to General Halleck at Pittsburgh Landing, Tenn. He joined General Halleck in time to take part in the advance on Corinth, and was put in command of the Third Brigade of Sherman's divison, consisting of the Forty-eighth, Fifty-third, Seventieth, and Seventy-second Regiments, Ohio Volunteer Infantry, with position on the extreme right, beside Gen. Morgan L. Smith's brigade, and next that of Gen. John A. Logan's brigade. In this short siege he was noted, as shown in Official Records, volume X, for the firm and steady manner in which he continually carried forward his brigade, generally in advance of the others; so that, through woods, underbrush, and across fields, in the face of the enemy, he arrived inside their deserted works on the morning of the 30th of May, at the very time that General Smith entered down the opened road, being the first of the Union Army to enter Corinth.

On the 16th of the same month, during the advance, being informed that the enemy had entered the woods between his main force and his skirmishers, he ordered forward two companies to reinforce them, and took command in person. He was highly praised by General Sherman for his gallant advance and the able manner in which he handled his men, and their own steady behavior.

Leaving Corinth the army went to Memphis, where he was put in command at Fort Pickering, then being built. Here his command was increased to a division, consisting of three brigades. After various movements of the army, in Tennessee and Mississippi, having had his division increased by the addition of other regiments so that he had under him no less than 30,000 men, he relieved General Logan at La Grange and assumed the command and control of all the railroads in that part of Tennessee. This was the most important and difficult part of his military service. In an enemy's country, and having command over such an extensive field, his duties were very exacting and trying, but such was his executive ability that all moved without a jar or break. Such was his humane and just conduct that the people of those parts to this day remember him with reverence and love. It was a trying duty for him, in April of 1863 while in this command, to sever his connections with the Army, yet the necessities of his private affairs at home were such that he was forced to resign and return to his family.

In 1870, and again in 1886, General Denver accepted nominations as the Democratic candidate for Congress in the Ohio district which included his home town of Wilmington, but was defeated by narrow majorities in districts which, because of post-war feelings, were strongly Republican. In 1876, and again in 1880, he was prominently mentioned for the Democratic nomination for the Presidency, having many strong adherents in all parts of the country.

General Denver was of splendid physique. He was 6 feet 2 inches in height, broad-shouldered, and deep-chested, carrying his 260 pounds with ease. His manners were genial, though dignified, and he was easy of approach, always interested in humanity and its affairs. He was especially kind and friendly to children and to those in trouble, whom he was always ready to assist.

Following his Civil War experiences he was engaged in the practice of law in Washington, D. C., while retaining his home in Wilmington, where his farming and banking affairs were situated.

In 1873 he took an active part in organizing the Veterans of the Mexican War, and continued as President of that organization until his death. It will be of interest to add that a splendid oil-painting portrait adorns the capitol building at Denver and also the quarters of the Kansas Historical Association. At Nebraska City, Nebr., at the "Old Morton Home," there is a "Denver Room," and at the head of the stairs an oil painting, showing General Denver in conference with the Indians. In the town of his youth, Wilmington, now a city, a fine modern hotel, erected as a municipal project, bears his name, with an oil painting prominently displayed in the parlors.

On November 26, 1856, General Denver was married to Miss Louise C. Rombach, of Wilmington, and to this union four children were born, viz, Mrs. Katharine Denver Williams, who for many years was president of the Clinton County Red Cross, active in all public works and charities, who died in 1937, leaving one son, James W. Denver Williams, and two grandsons; Col. J. W. Denver, Jr., who died in 1898, an executive in the Clinton County National Bank, of Wilmington, which was founded in the year 1872 by the Denver-Rombach business interests; Mrs. Mary Louise Lindley, of New York City, who still survives, with two children; and Matthew Rombach Denver, who is, and has been for many years, at the head of the Clinton County National Bank & Trust Co. and the allied manufacturing interests in the city of Wilmington. As indicating the political heritage from his famous father, he has been chairman of his Democratic county executive committee for more than 40 years, and has been delegate to eight Democratic National Conventions, four as representing his congressional district and four as representing the State of Ohio at large. He is a worthy son of a great father. He has also represented his congressional district in Congress for three consecutive terms, the district being strongly Republican, and retiring without defeat. During his service in the House of Representatives he was a member of the powerful Rules Committee. He has also served a term as president of the Ohio Bankers Association. The present head of the family was married October 24, 1900, to Miss Veda Slack, daughter of a prominent Wilmington family, and they have one daughter, Mrs. Virginia Denver Williams, who resides at Portsmouth, Ohio, having three children, a daughter and two sons.

General Denver's career was ended by death August 9, 1892, at Washington, D. C., just as the sunset gun told of the day's decline, and a gentleman at his bedside remarked, "What a fitting time for a soldier to die." His body lies in beautiful Sugar Grove Cemetery, Wilmington, Ohio.

The War Debts

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER OF JUNE 26, 1939

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial, which appeared in the New York Enquirer on June 26:

[From the New York Enquirer of June 26, 1939]

AMERICAN TAXPAYERS MUST PAY UP WHILE WAR DEBTORS GO FREE

With the exception of a remittance of $160,693 on the part of Finland, our European war debtors have again refused to remit their semiannual payments to the United States taxpayer, which fell due on June 15.

It was small comfort to the American taxpayer, who has to make good every cent of our trans-Atlantic friends' dishonesty, that June 15 was also income-tax day, the day upon which his Government required his paying outrageously tiresome Federal imposts under burdensome penalties.

The indulgent and cooperative attitude of the American taxpayer's Government toward the foreign nations who have ganged up on Uncle Sam and are defrauding him out of $13,000,000,000, is vastly different from its treatment of those who, by taxation, pay the bills of that Government.

Dealing with this discrimination the New York Sun the other day offered an excellent illustration of how it works. This wide-awake and influential American newspaper pointed out that our Government, in May and early June, forwards bills to numerous of its debtors, in order to jog their memories as to sums due on June 15. To one set of debtors it courteously says:

"Excellency, I am requested by the Secretary of the Treasury to transmit to you the attached statement showing the amounts due and payable on June 15, 1933, to June 15, 1939, inclusive, from your Government pursuant to the terms of the debt agreement of June 19, 1923, and the moratorium agreement of June 4, 1932.

"In presenting this notice of amounts due under the agreements signed by your Government, I take the occasion to reiterate that this Government is fully disposed to discuss, through diplomatic channels, any proposals which your Government may desire to put forward in regard to the payment of this indebtedness, and to assure you that such proposals would receive careful consideration with a view to eventual submission to the American Congress."

So much for the foreign nations who by their default have not only swindled the Government that accords them this extraordinary courtesy but have also saddled upon the American taxpayer the task of earning and paying what they have declined to remit. There is no courtesy in our Government's reminder to its taxpayers. Its notice to them exhibits such phrases as these:

"Statement of income tax due for calendar year."

"Demand is now made for the installment due on the date shown hereon."

"This installment must be paid on or before June 15. (See reverse side.)"

"Important notice: The payment required by this notice must be in the collector's office before midnight of June 15. If mailed, this installment payment should be placed in the mails in ample time to reach the collector's office before midnight of June 15. Failure to have payment in the collector's office before such time will cause interest to accrue at 6 percent per annum, and the full amount of the unpaid tax will be due immediately, the taxpayer thereby losing the privilege of making further installment payments."

Uncle Sam's trans-Atlantic welshers are polished swindlers. In their replies to our Government's notification concerning remittances falling due, they take care not to be outdone in courtesy. Here is the general form which their responses assume:

"SIR: In accordance with instructions from the Principal Secretary of State for Foreign Affairs, I have the honor to acknowledge the receipt of your note enclosing a statement of the amounts due from my Government under the provisions of the debt agreement of the 19th of June 1923, and the moratorium agreement of the 15th of June 1932.

"I am directed to express the appreciation of my Government of the assurance that the Government of the United States is full disposed to discuss any proposals which my Government may desire to put forward in regard to the payment of this indebtedness; and in return I am to assure you that my Government will be willing to reopen discussions on the subject whenever circumstances are such as to warrant the hope that a satisfactory result might be reached."

We all know what would happen if the American taxpayer adopted toward this Republic the attitude disclosed by those European nations constituting the anti-American swindlers' bund, directed by England and France, and given every possible encouragement by the American taxpayer's Government.

The nonpayment of these debts is by far one of the most serious issues facing the world today. It has shaken international confidence and good will to the very foundation, and the longer our Government permits it to go on, the worse it will be for us and all others concerned.

When the British sovereigns were here, creating an atmosphere for the exacting of further tribute by John Bull, in American blood and wealth, Representative MARTIN L. SWEENEY, of Ohio, thrilled the Nation by addressing to George VI the following telegram:

"Because London dispatches have characterized your visit to the United States as an official one, I believe that I am acting within the boundaries of propriety in demanding, as a representative of the people in the Congress of the United States, that you publicly state what your Government intends to do about payment of war debt due this Nation in the sum of approximately five and one-half billion dollars. If your Government can continue to spend a few billion dollars each year for armaments, continue to subsidize the construction of supersteamships like the *Queen Mary* and *Queen Elizabeth*, do you not think it is the decent thing to give some consideration to the obligation you owe the United States of America, whose assistance in the last World War made possible the continuation of Your Majesty's Government as a world power?"

The official record reveals that Representative SWEENEY's reading this message was applauded. And small wonder.

Lest there should be any misgivings as to Uncle Sam having rescued John Bull from an imminent and ignominious death, let the testimony of no less an authority than the Marquess of Lothian, who will soon replace Sir Ronald Lindsey as British Ambassador at Washington, be quoted:

"Britain could not have emerged a victor from the World War except for the assistance from the United States before and after her entrance."

In face of all the claims which this Republic has upon the gratitude of England for snatching her from destruction in 1914–18, Germany, the very power from whom we saved her, is receiving at the hands of England preferential treatment as against that accorded us. There is a big lesson for Americans in this recent United Press dispatch from London:

"The question of Britain paying the war debt to the United States was raised in the House of Commons today, without reaction from the Government.

"Leslie Hore-Belisha, War Secretary, revealed that Britain is continuing to pay royalties on the Bren gun of Czechoslovakia, adopted by the British Army, despite the German annexation of Czechoslovakia.

"A member asked whether Hore-Belisha is aware that 'we are increasing the financial strength of Germany by continuing these payments.'

"'Maybe so,' Hore-Belisha replied, 'but it is not customary for this country to repudiate payments which have been legally contracted.'

"'What about America?' cried an unidentified member.

"There was no reply."

When statesmen of the patriotism, forthrightness, and discernment of MARTIN L. SWEENEY are placed in charge of our Government, the American taxpayer will be treated as an American and this Republic will cease to be the world's laughing stock.

The New Deal Is Sinking

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. THILL. Mr. Speaker, slowly, surely, inexorably the New Deal is sinking into oblivion. Eight long years of political experimentation have been foisted upon an unsuspecting people. Naive in their acceptance of the honeyed words of Franklin D. Roosevelt the American people are now learning to their sorrow that they have been misled by promises which could not be fulfilled and by wild-eyed experiments which could only be disastrous. The President has surrounded himself with a coterie of left-wingers who have consciously or unconsciously led him astray.

The foundation of this Government rests upon a philosophy of living which subscribes to the principle of equal oportunity for all in a land of plenty where hard work and initiative pay handsome rewards in material profits and mental satisfaction. The individual, not the state, is supreme in our way of living.

Under the New Deal, regimentation and socialization are substituted for the principles of private initiative and self-advancement which have made America great. In 1940 the voters of this country will demonstrate they want no more unsound socialistic New Dealism but sound, sane Americanism.

Fox Furs and the Canadian Trade Agreement

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. BREWSTER. Mr. Speaker, on January 1, 1939, there took effect a reduction in tariff rates on silver- or black-fox furs from 50 percent to 37½ percent ad valorem under the terms of the trade agreement of the United States with Canada, which through most-favored-nation clauses became applicable to the other producing and competing countries, which import large quantities of these furs into the United States.

It is becoming apparent from a comparison of import figures for the first 4 months of 1939, which are all that have been compiled to date, with those of the corresponding 4 months of the past 3 years that the lowering of the tariff is threatening serious injury to American producers and is greatly aggravating an already grave situation resulting from economic conditions. Total imports of fox furs have increased in these months by from 30 percent to as high as 330 percent over the corresponding months in the 2 preceding years, and in no month of 1939 was there any decrease.

Imports of fox furs from Canada since January 1, 1939, including the last available figures, are as follows, by months, with figures for the corresponding months of the 3 preceding years:

Imports from Canada—silver fox, dressed or raw

	1936	1937	1938	1939
January	511	4,521	2,225	10,014
February	148	1,502	388	2,977
March	148	802	1,095	1,819
April	317	428	94	971
Total	1,124	7,253	3,802	15,781

A striking illustration of the effect of the tariff reduction on imports from Canada is shown by a comparison of figures for January to April 1939 with those for the full years of 1936, 1937, and 1938:

1936	6,402
1937	7,959
1938	8,685
January to April 1939	15,781

Should the rate of imports remain unchanged for the balance of this year, imports from Canada for 1939 will be over 600 percent more than the average imports for the preceding 3 years.

It should be particularly noted that in April of this year alone the imports from the United Kingdom, a classification used by the Department of Commerce, amounted to 1,668 as against total imports from the United Kingdom for 1936 of 7,844, for 1937 of 11,656, and for 1938 of 5,396; and the imports from all sources in January and February of this year alone exceed the total imports of the whole of the year 1938 by 25 percent.

Concurrently with the increase in imports the price of fox furs in the United States has decreased severely during the first 4 months of this year, the average price dropping approximately 28 percent from the average price of the first 4 months of 1938—that is, from $35.21 in 1938 to an average price of $25.50 in 1939.

The foregoing figures testify eloquently to the adverse effect of the present tariff rates made effective through the trade agreement with Canada and demonstrate the resulting very serious injury that has been suffered by an American industry. It is of vital interest to the American fox breeder that present conditions be remedied or at least ameliorated by a restoration of the 50 percent ad valorem duty.

California Legislature Endorses Voorhis Bill

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

RESOLUTIONS OF THE CALIFORNIA LEGISLATURE

Mr. VOORHIS of California. Mr. Speaker, as a means of expressing my appreciation and encouragement at the action of the California State Legislature in endorsing my bill providing Federal aid to States for meeting the needs of homeless nonresident people and in drawing attention to the pitiable condition of what are aptly termed our "agricultural refugees," I am pleased to have printed in the CONGRESSIONAL RECORD the two following resolutions recently passed by the legislature of my State:

Senate Joint Resolution No. 13, relative to the holding of an Interstate Conference on Agricultural Refugees and memorializing the President and Congress of the United States to sponsor such conference

Whereas the plight of agricultural refugees is a matter of concern to all States and to the Nation as a whole; and

Whereas the distressing conditions under which agricultural refugees now exist demand immediate amelioration: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the legislature of this State hereby memorializes the President and Congress of the United States to sponsor an interstate conference on agricultural refugees in distress, with participation therein of Governors of the States of origin and States of destination of the migrants, together with the participation of appropriate Federal agencies, and that the Members of the Senate and of the House of Representatives from California are hereby urged and requested to use all honorable means to bring about such a conference; and be it further

Resolved, That copies of this resolution be forthwith transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the Members of the House and Senate from the State of California.

Senate Joint Resolution No. 14, relative to the Voorhis bill and memorializing the President and Congress of the United States to take immediate steps for the passage of such bill

Whereas there is pending in the Congress of the United States a bill known as the Voorhis bill designed to provide Federal financial aid for the care of destitute nonresidents, and to secure uniform residence requirements among the States; and

Whereas passage of this measure is of vital importance to the State of California because it receives disproportionately a heavy influx of destitute farmers; and

Whereas California is financially and otherwise unable to shoulder the relief burden imposed by such influx in the absence of Federal financial aid and uniform residence requirements among the States: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That the legislature of this State hereby memorializes the President and Congress of the United States to consider and enact said Voorhis bill into law and that the Members of the Senate and of the House of Representatives from California are hereby urged and requested to use all honorable means in the furtherance of the enactment of such legislation; and be it further

Resolved, That copies of this resolution be forthwith transmitted to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, and the Members of the House and Senate from the State of California.

Lend-Spend Program Must End

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. BENDER. Mr. Speaker, all dressed up in a new overcoat, the same old stuffed baby doll which made its debut under the New Deal in 1933 is ready for a repeat performance. The trimmings are different, but the boys who knew her in the good old days have no trouble whatever in recognizing the old girl. Under the guise of a new "lending" program, the National Government is offering for the fiscal year 1940 the same program which collapsed so miserably in the still-remembered days of 1938.

In the last 6 years Congress, driven by the whip of the White House master, has appropriated more than $20,600,000,000 for purposes of recovery and relief. Of this huge sum, more than $18,000,000,000 has been spent. Way back in 1933 the public-works bill set up a fund of over $3,000,000,000 for public construction. Within a year another $650,000,000 was added to the original sum. Even then the pattern was growing clear. Every appropriation meant an additional supplemental appropriation to round it off. We found ourselves moving along into the almost forgotten era of the C. W. A.—the Civil Works Administration. The triple A league to solve the farm problem was beginning to bat out a few hundred millions a year. That was the day of the Blue Eagle and General Johnson's National Recovery Administration.

By 1935 everyone recognized that the first act had closed and the show was a sorry failure. But the author was given another chance, and Congress voted him a lump sum of $4,880,000,000. Within 2 years, after a false-recovery boom

had vanished into thin air, we were right back where we had started from.

Certainly after two smashing failures it was time to start on a new tack. But men convinced against their will remain of the same opinion still. All that we learned as a result of our experience was ignored. Under the leadership of the "brain trust" we launched a third spending-lending program. This time the magic figure was to be $3,750,000,000. Most of this went into the activities of W. P. A. and P. W. A. We found ourselves turning over $300,000,000 for building loans. The R. F. C. was authorized to lend $1,500,000,000 more.

When are we to come to our senses? All of these things have failed. Every lend-spend program adopted so far has collapsed, leaving us precisely where we were. Our more than 10,000,000 unemployed remain out of work. Our "idle men, idle factories, idle money" remain idle. Certainly it should be apparent that the technique of the New Deal has not and cannot induce recovery.

Today we are being "sold" a new idea. The Government proposes not to spend our way but to lend our way back to prosperity. We are asked to lend out $3,860,000,000 this time. Part of this fund is to be lent to foreign governments in an effort to fight the growing influence of the dictators in South America. What manner of unseemly hocus-pocus is this? Is this a loan? The nations lying to our south, no matter how much we may desire their friendship, have not yet paid their existing debts to Uncle Sam. Let us not deceive the American public. If we are to give this money to Latin America in an effort to buy their good will, let us admit it frankly. If we are hoping to get it back from them on any normal loan basis, we are simply deceiving ourselves bitterly.

And as for many of the other aspects of the administration's proposals, these, too, suffer from the same defect of camouflage which characterizes our "loans" to foreign states. Self-liquidating projects, such as sewage-disposal plants, toll brides, toll roads, and hospitals, are worthy of every citizen's hearty approval. If there were some accurate estimate possible by which we might honestly come before the people of our Nation to say, "Every penny spent on this job will be returned to the Treasury by a definite date," we should rise in complete accord with the entire plan. But we know from the constantly repeated lessons of our history that it is one thing to build your hospital and another thing to make it "self-sustaining." We owe a duty to our people to make clear our intentions when we approve an appropriation.

The President and his advisers know well that our people are rapidly tiring of the endless disbursement of public funds which produce no recovery. It is because they recognize the unacceptability of a new "spending" program that Capitol Hill has invented a new set of symbols to accompany its latest spending spree.

It is our job to convince the Nation that even though the words are different, it is still the same old music, and every one of us must pay the piper if we choose to listen. It is our job to induce the Nation to turn off the record before the instrument breaks down completely.

Hearing of the Securities and Exchange Commission in San Francisco

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

EDITORIAL FROM THE SAN CARLOS (CALIF.) BULLETIN

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the San Carlos Bulletin of June 23, 1939:

[From the San Carlos (Calif.) Bulletin of June 23, 1939]

AND THIS IS AMERICA!

The Federal Securities and Exchange Commission is holding a hearing in San Francisco, which involves the brokerage firm of Walston & Co. and that pioneer and reputable banking house of Giannini.

This observer does not know the facts in the case, and if he did this would not be the place, in the process of a hearing, to pass judgment on them.

But this observer does wonder, in looking in on this hearing, whether it is being held in San Francisco, in the State of California, of the United States of America, or in darkest Russia.

The "examiner" sent out from Washington to hear this case is presiding as judge, jury, and prosecutor.

He is making his rules of law as he goes along, and it is seldom, indeed, that he will sustain any objection.

This case, as we understand it, involves only a few technicalities of the S. E. C. as set up by the alphabetic New Deal.

But surely, whatever may be those technicalities, they do not justify upsetting our American precedent of court procedure in a free country wherein any defendant is presumed to be innocent until found guilty.

Visitors at the hearing report many strange interludes. Lawyers are aghast at what they say are violations of ethical conduct.

Early in the hearing, they say, a defense attorney was hastily overruled on attempting to interpose an objection, and on protesting that he had not been allowed to state his grounds, was informed that all his objections were overruled, even before they were made.

When a charge was made that a defense witness had been approached by an attorney for the S. E. C., intimidated, and told that he had "better go along with the Commission," no attempt was made to investigate this important circumstance.

A charge made from the witness stand that the same Commission attorney had attended a surreptitious meeting with a few members of Transamerica's board of directors in an apparent attempt to foment dissension was strenuosly denied one day and admitted the next.

While the Commission had the right to subpena witnesses and records, this right is not being extended to defendants except at the discretion of the Commission, which demands to know in advance the nature of the testimony sought.

OR IS THIS RUSSIA?

This hearing, as we view it, takes the old Moscow attitude, that you're guilty from the word go, and that you can take "the works" or run for it.

The Securities and Exchange Commission, most admittedly, has accomplished some good reforms in this country—but the confidence instilled in the public by those reforms will be destroyed if such methods as now being used in San Francisco are to become precedent and procedure.

Prosecution is one thing—but when an "examiner" becomes judge, jury, and "district attorney," that isn't, to our way of thinking, the just and free American way of doing things.

Sit in at the hearing for a couple of hours yourself, see what you think—and ask yourself whether you, as an American citizen, would like to "stand trial" and have the reputation of your family attacked, without recourse, as those reputations of the Giannini family are being attacked in this "trial."

Our state of mind is not concerned with what the facts may or may not be in this case. Our concern, more important, is with the belief that no quasi-judiciary, such as set up by the S. E. C. in this hearing, can use the brass knucks of judicial arrogance and expect to receive anything but the Bronx cheer from the great democratic gallery that is the voice of fair play in this land that is America—where we're willing to stand trial in a real court, but where we don't want to be "pushed around" by some political appointee.

Let No One Misinterpret America's Will to Peace

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

EDITORIAL FROM THE LIVINGSTON (MONT.) ENTERPRISE

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which

appeared in the Livingston Enterprise, of Livingston, Mont., on June 25:

[From the Livingston (Mont.) Enterprise of June 25, 1939]

LET NO ONE MISINTERPRET AMERICA'S WILL TO PEACE

Gradually one by one, as war hysteria grows, Americans seem to be slipping away into the resigned belief that "there is going to be a European war; we can't keep out of it; and maybe it's just as well, because somebody has to stop the aggressor nations. Besides, maybe it would be good for business."

Bruce Bliven, a keen observer, has gone so far as to say that the American attitude toward Germany is now about what it was in February 1917.

This is, therefore, exactly the time to sit back, light a cigarette or eat a gumdrop, according to preference, and think a minute.

True, a chorus of loud and angry voices make the United States at the moment seem very bellicose. Certainly the people are deeply concerned, puzzled, angry, at the way the world goes. But the country is not nearly as angry, not nearly as bellicose, as some of the voices would indicate.

Behind every voice demanding "a strong stand," "firm measures," "being armed to the teeth," "standing for no more nonsense," "taking up our place in world leadership," and all those ringing phases there are thousands of silent, inarticulate men and women who cling to peace. They saw the results of the last great crusade in 1917–18. They look on a world tottering to ruin largely as a result of that war. They see today's wars, more destructive, more ruinous, more ruthless than of old.

These same people would fight to the death any imminent menace to our country, its lands and people, its vital interests.

But war is still hated and despised in this country as in no other. When President Roosevelt said "I hate war!" a murmur of approbation swept across the whole country. When he said "quarantine the aggressors," there was not unanimous applause, but division. And when he was quoted as having said something to the effect that "the Rhine is now our frontier," there was such a storm of indignation that he was forced to explain 3 days later that he said no such thing.

Let no one misinterpret America's will to peace. Some of the American colonists, before the Revolution, used a flag with a coiled snake and the motto "Don't tread on me!"

Not "Don't tread on Joe Doakes!" or "Don't tread on our particular conception of democracy," but "Don't tread on me!"

There has been considerable thrashing in the bushes near us. Some heavy footprints have clumped down perilously close. But as yet no foot has trodden on us. Until something like that happens, let us remain cool, unhysterical, and vigilant.

A Suggested Compromise on the Devaluation Measure

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 28, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, as a western Congressman representing a silver-producing State, I find myself in a dilemma in regard to the monetary bill which we are sending to conference. When this measure was before the House some weeks ago I fought hard to continue the stabilization fund, to continue the President's power to devalue the gold dollar, and I hoped to continue the power of the President to continue the purchase of domestic silver. Of course, I hoped that the President would see his way clear under this power to fix a price for American-mined silver at not less than 77 cents per ounce. As the bill left the House in April, a part of my desire was fulfilled in the measure at that time. As the measure has passed the Senate, a great change has taken place in it. That part of the Senate bill dealing with silver pleases me, but the other part does not. Now we are sending it to conference to see what compromise may be quickly worked out.

Any agreement which the conferees can reach should, of course, be reached quickly, for this legislation expires on June 30. I do earnestly hope that we may have a satisfactory conference report before the end of the fiscal year. No doubt very far-reaching effects will be felt, if there should be a failure of Congress to act on this matter before the end of the week. I certainly shall be willing to hold night sessions in order to get this matter satisfactorily disposed of on time.

GOVERNMENT CONTROL OVER THE DOLLAR

As a Congressman from Arizona I should like to see the President's power continued to devalue the gold dollar to the extent of 50 percent of its original value, and I should like to see the law provide for the purchase of American-mined silver at a price not less than 77 cents per ounce, and have the purchase of foreign silver left optional with the Secretary of the Treasury at any price he might deem reasonable. In the give and take of the conference I do not expect to see all of this wish of mine materialize, but since all legislation is the result of compromise, what is more logical than to expect some such compromise as the following: That the House conferees accept the Senate proposal in its twofold aspect regarding silver, and that the Senate conferees accept the House provision extending the power of the President to devalue the dollar and to continue the stabilization fund?

If I were a conferee on the part of the House in this case, I should expect that the Senate insist on stopping the purchase of foreign silver, and that the Senate also insist that it be obligatory on the Secretary of the Treasury to purchase American-mined silver at something over 77 cents per ounce. As a House conferee, I could concur in that matter, although it is a compromise, and does not represent all that a silver supporter could wish for. Furthermore, if I were a House conferee, I should feel that the overwhelming vote of the House some time ago to continue the stabilization fund and to extend the power of the President for dollar devaluation within a limit prescribed by law, would certainly justify my determined stand that the Senate should agree in this case to that House provision. Now, such a conference report would be logical, for it would be reporting out of conference two of the House proposals and two of the Senate proposals. I cannot think of a fairer compromise arrangement.

I have, on several occasions during this session, spoken at great length concerning silver, and I must not take time to do so now and here. A reference to my remarks in the CONGRESSIONAL RECORDS for February 24, 27, and 28, and again on April 18, will indicate my views on the use of the white metal in our monetary system.

SILVER PURCHASE WAS PROFITABLE

However, I would like to say one more thing in regard to our silver policy. I have heretofore explained that the purchase of American silver not only furnishes useful employment for thousands of laborers in the production of wealth but that to discontinue it would throw hundreds of thousands on relief and would cost four times as much to take care of them as the Government has thus far spent in the purchase of domestically produced white metal.

The so-called sound-money men of the East, whose spokesmen are the big bankers, have always raised the cry of inflation when anything was asked for the benefit of silver. These men wish to retain the control of our money system within their own hands, and they do not want an abundant supply of the people's money furnished as the Constitution says our money shall be furnished. I am not a rank inflationist, but I know several kinds of inflation far greater and far worse than to monetize all the silver there is mined in our country as it is produced.

Sometimes we are told that our Government has gone on a mad spree of buying silver. It is true that we bought a considerable quantity of silver under the Bland-Allison Act, and later under the Sherman Act of 1890, but I feel confident that Uncle Sam was not the loser thereby—in fact he was the gainer in the long run by this transaction. This great stock of white metal, after it had served a useful monetary purpose, became more valuable during the World War as a wartime necessity than its mint value as money. During the World War, silver as a commodity reached the price higher than $1.29 per ounce. It has been contended that the Government broke even on the cost of that silver but lost the interest over the period in which it was held in

storage. My answer is that this silver served in our coinage and also served as backing for a needed supply of silver certificates. Thus the Government had the use of the silver in a wholesome way for 40 years before finally selling it at a profit.

INCREASING INDUSTRIAL USE OF SILVER

The opponents of silver contend that the purchase of silver today at more than the world price is a pure waste. I certainly cannot agree to that. We must remember that silver plays a double role. It is not only a valuable metallic base for our currency, second only to gold in that respect, but it is a valuable commodity in the arts and trades. In this latter respect it is of increasing importance according to an announcement of a remarkable discovery recently made by one of our leading scientists at a great engineering school. A noncorrosive building material has been produced using as an alloy a very small percentage of silver. Who can say in the rapid progress of metallurgy today what will be the ultimate importance of silver as an alloy in the steel industry and in industrial lines?

For my own part I believe that all the silver that can be produced in this country can be properly used in our money system, and I am inclined to believe that the industrial use of this commodity, together with its wartime necessity, is likely in a short time to make our purchase of the metal now a wise and valuable investment. Not only do I plead for the mining industry of the West which produces silver directly or as a byproduct, not only do I plead for the kind of money known to our fathers, but in addition to that I have a hope amounting almost to a conviction that the present investments in silver will turn out to be a profitable investment in the commodity itself. Certainly if I were a House conferee, I should insist on this final legislation continuing the Government purchase of American-mined silver at a price of 77 cents per ounce or better.

American Legion State Convention in North Carolina

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 29, 1939

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, JUNE 26, 1939

Mr. REYNOLDS. Mr. President, on last Monday morning, June 26, at Raleigh, the capital of my State of North Carolina, the members of the American Legion in annual State convention assembled, had the pleasure of hearing our distinguished colleague, the Honorable JAMES M. MEAD. I ask unanimous consent that his address on this occasion be published in the Appendix of the RECORD. I am confident that those who read this address will find it extremely interesting, informative, and inspiring.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Commander, officers, delegates to the convention, ladies, and gentlemen, it is indeed a deep pleasure for me to visit the beautiful city of Raleigh, and to address members of the American Legion who are gathered here this week.

You are here to enjoy yourselves and certainly you could find no more choice spot than this clean, modern city located in the historic South. But, aside from the lighter vein of your convention, you have serious work to do and grave issues to discuss.

The attitude of your great organization in dealing with questions of neutrality, of armaments, and of peace, are appropriate subjects for your consideration. The lawmakers of the Nation will well take guidance from your counsel and advice on these and kindred subjects of national concern.

The American Legion has always been, essentially, a serious body. Its leadership has been constructive and its principles have been founded on a real concern for American welfare. You have evidenced calm and considerate judgment on matters of peace and neutrality. Today, you who have the knowledge that springs from experience—the bitter experience of war in all its horrible aspects—see the contemporary issues with clarity. You know the price that has been paid in the past because of the shortsightedness, the impulsiveness, and the avarice of mankind. You know the sufferings and sacrifices and sorrow that accompany armed conflict, and you know the victory is never commensurate with the cost in human life.

It is your duty to maintain leadership today. Twenty years ago you fought on the battlefields for your country. Today the battlefield is here and we fight for peace. The struggle must be no less militant—the goal no less precious.

Sometimes we are overwhelmed with the fatalistic predictions of those who can visualize no happy solution to the political and economic disturbances which rock the world today. Sometimes we are inclined to wonder whether the day will ever come when the bonds of brotherhood will be stronger than the bonds of hatred. Sometimes we grow weary of hoping that tolerance and amity will eventually triumph over bigotry and envy.

We have reason to be optimistic, however, for every man, regardless of his race, is inherently peace loving. What we need everywhere in the world is a stronger moral force as a weapon against oppression, persecution, and ruthless ambition wherever it may exist. The inherent nature of man and the history of his education and development lends encouragement to our conviction that there is a solution to these troublesome times and the role which we must perform is clearly indicated.

The constant, yearning, searching, propelling struggle of man for equity and stability in government will never be halted. Man is a restless, insatiable being; his passion for personal liberty and his desire for security are fundamental elements of his nature. They may at times be dissipated or polluted by moral degeneration, by oppression, or by violence, but they are never wholly destroyed.

Man has always struggled to perfect government to suit his current needs. Great civilizations have thrived under conscientious leadership; they deteriorated under autocracy and violence to personal liberty.

The tragedies of civilization are written in the finished chapters of vast and wealthy empires that decayed under misrule and maladministration.

After the last war the world seemed ready to accept democracy on a wholesale scale. New nations were carved out of old kingdoms and forms of representative governments were established. A metamorphosis in the governments of mankind was under way.

But, during the past 20 years, violence has been done to democracy. Social and economic conditions have rapidly changed. Government has had to keep step with sudden, breath-taking economic changes. European democracy proved itself too slow and too inept to cope with such changes and, as a result, representative government has found itself shunted aside for a more direct rule.

In America, the democratic system has stood the test for over a century and a half. It came as a rather natural development in the minds and hearts of men who sought to rid themselves forever of the liberty-shackling systems of Europe. Men came to these shores to escape oppression, persecution, and intolerance that colored the governments of their homelands. They labored and fought and suffered here to establish decency and liberalism in government. They meant this government to endure and to be so operated that it might serve the needs of all the people, in every conceivable circumstance. They took from Great Britain—the oldest representative government on earth—what they considered most workable here. They wrote a Constitution that, in humble yet eloquent terms, established the framework of a political structure combining simplicity, practicability, and strength.

Here was an effort on the part of liberty-loving people to join their ideas and ideals—their mutual hopes and fears—into an humanitarian doctrine that would adequately serve their needs.

Here, at last, conceived in hope and born of experience, was the essence of the most liberal government known to man.

Could this new neighborhood of men, combining many races and many creeds, establish and maintain those high principles in man-made government?

Could they provide the necessary machinery to protect this new Government from invasion and usurpation either at home or from abroad? Could they construct its framework so that it would be adequate to meet future unpredictable needs? Could they tie fast and forever the precious prerogatives of liberty and self-government? Could they, at the same time, provide an instrument of sufficient flexibility to satisfy the desires of the governed and yet preserve it from attack? After 150 years of successful service, men continue to marvel at the political handiwork of our forebears and at the triumph of this vast new venture into democratic government.

Representative self-government has succeeded in the United States because it satisfies human demands. Naturally, the representative form of government advocates human justice; pleads the cause of economic opportunity; teaches the futility of warfare and strife; points the way to happier relations between man and government.

But where do we stand today? We are firm adherents to the democratic philosophy. We have an enduring faith in its efficiency. We cannot help, therefore, being apprehensive at the fate of representative governments in the world today. Frankly the

outlook for democratic governments on earth today is not encouraging. It is beclouded by the European parade of new and tempestuous dictatorships. Communism, fascism, and nazi-ism are displacing weakened and distorted republics as well as tottering monarchies. Revolt, civil strife, oppression, and the wholesale splintering of representative government is the unhappy picture of today.

Meticulous care, powerful safeguards, and heroic defenses must be provided by democracy's friends to ward off every malicious attack threatening its welfare.

Human rights and personal liberties are flouted in many nations today. If the World War was a triumph of right over might, its effectiveness has been dissipated. Do we stand again (God forbid) on the threshold of human destruction?

Here are the wretched facts that bespeak contemporary international political immorality: World War treaties, agreements, and pacts have been sabotaged; the League of Nations made a mockery by its so-called friends; collective security given way to intense nationalism; international trade and finance thrown into hopelessness; violence, oppression, and persecution made part and parcel of political programs; democracy scorned and ridiculed by the new totalitarian states and sometimes questioned by its friends.

These conditions describe the plight of representative government today. There is nothing new in the usurpation of human liberties. There is nothing new in war itself. But, by reason of modern invention, human slaughter is made more horrifying than ever before in history. Just as mankind has developed new and violent forms of government, so, too, has he created new instruments of murder and torture.

The deadliness of new weapons; the speed in transportation and communication that has come with our age; these are factors that contribute to swift and merciless death in modern battle.

Will economic bewilderment and ruthless ambition destroy the gains which have been achieved by centuries of struggle and determination? Will they blot out another civilization? What will be the fate of dictatorships of this day and age? Will they succeed where democracies apparently have failed? Will they exert a continuing concern over human rights and individual security? Will they decimate representative self-government and institute a new and permanent political philosophy?

The history of man-made governments predestines the failure of totalitarianism. The class rule of the modern dictator cannot succeed because it is founded upon racial hate, territorial ambition, and vulgar paganism.

Today we need more morality in government and an intensified faith in democracy. Cooperation of all the people in national efforts to adjust the agencies of government to meet modern needs has never been more earnestly demanded.

As a Nation we are dedicated to high ideals and to the cause of liberty. We could never subscribe to any political philosophy but representative self-government.

Democracy is government plus liberty. Autocracy is government plus oppression. We must overlook no opportunity to strengthen the former. We must make every provision against invasion of the latter. We must fortify ourselves against unwelcome political philosophies by strengthening our agencies of government; by employing means for the security and well-being of all our people; by preserving inviolate the dignities and the liberties that man, of right, should enjoy.

This Nation has made its gains the "hard way." We have fought physically, economically, and politically for a more perfect government. Now we must fight for an awakening of national consciousness to existing threats to our welfare.

Man is still searching for the ultimate in government. Right at this moment in many nations of the world he appears to have wound up in a dark and dangerous alley where he must grapple with a new and terrible foe. He succumbed to the attraction of a misleading short cut to economic betterment. We have learned that there is no short cut to human happiness, no substitute for personal freedom. Let us apply ourselves today to what may prove to be the sternest battle of our Republic—the preservation of the institutions of free government.

Stabilization Fund and Weight of the Dollar

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Thursday, June 29, 1939

TELEGRAM FROM THE COMMITTEE FOR THE NATION

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a copy of a telegram sent today to numerous Senators and Representatives by the Committee for the Nation, on the subject of our monetary policy.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

The action by the Senate in rescinding the President's power over the gold content of the dollar in itself does not materially change, so far as price level or business conditions are concerned, the situation that has existed since February 1934, when the dollar was made equivalent to one thirty-fifth of an ounce of gold. It can become an important step forward if Congress will now use the monetary powers which it has recovered to lift the depression as many other nations have done.

Farm organizations and the Committee for the Nation have consistently urged that Congress live up to its constitutional duty "to coin money" and "regulate the value thereof."

The most constructive step that could be taken to bring about a prompt recovery would be the enactment during the present session of Congress of the monetary authority bill drafted by the late Frank A. Vanderlip and introduced into the CONGRESSIONAL RECORD by Senator WILLIAM BORAH, on June 20, 1936. This bill had the support of the major farm organizations and of the Committee for the Nation.

The purpose of the bill was to bring money under the control of the Government and to leave credit under the control of bankers. The bill would set up an agency of Congress. A monetary authority, as disinterested as the Supreme Court, to maintain a stable dollar with unvarying buying power in relation to a cross-section of thirty to forty of the most important basic commodities. Thus the dollar would be kept constant in relation to the necessities of life instead of a fixed weight of gold.

There would be set up in America a free gold market, such as exists in England, making it possible for all to purchase and own gold. Simultaneously, silver would also be released in a free market, which, with the 1926 price level restored, would mean a 60-cent to 70-cent open-market price for silver without Treasury subsidy. Thus American banks, corporations, and private citizens could own and store their wealth in the precious metals, the prices of which might fluctuate from day to day as other commodities do, but the dollar's buying power over the average of all commodities would remain constant.

When the history of the Roosevelt administration is written in its proper perspective, its most constructive and helpful act will be found to have been the restoration of prices in 1933 with the abandonment of the gold standard. This was the course urged by the Committee for the Nation and the national farm organizations. It was not devaluation but a revaluation to remove the swollen and harmful purchasing power that gold had acquired. While the price of gold was raised 69 percent (from $20.67 to $35 an ounce), farm and other basic commodity prices rose 67 percent, and the cost of living rose only 3 percent. Three and a half million men went to work in private enterprise in 4 months. Between March 1933 and February 1934 the value of stocks and bonds listed on the New York Stock Exchange increased approximately 50 percent, or more than $20,000,000,000. Private enterprise was being revitalized and our democratic institutions safeguarded.

The moving finger of history will also record that the greatest economic error of the Roosevelt administration was abandonment of this policy of restoration of prices by monetary action in favor of a fixed price of gold in January 1934. America, almost the last of the great nations to partially free itself from deflation by leaving the gold standard, was the first to return to it in January 1934.

Since then, during the past 5½ years, we have had only normal fluctuations in business around a depression level. There was a minor upswing that followed a rise in the world gold prices during 1936 and 1937. Then a new wave of world-wide hoarding brought about a rise in the value of gold and a collapse of commodity prices in the latter part of 1937 and 1938, pulling down farm income, general business, and employment.

With continuing high value for gold resulting from unrest, war preparations, and hoarding, this depressed condition is likely to continue, possibly for long periods. It will be accompanied, if we adhere to the present price of gold, with low prices and distress for farm and other basic commodities, except silver, and by heavy unemployment and poor business conditions. This will lead to an extension of price fixing for agricultural products, continued efforts to regiment business, and more State intervention.

Is it not time for the United States to heed the experience of the sterling nations? The principal producers among them have increased their prices of gold much more than the United States. Selling their commodities in world and domestic markets for the same reduced amount of gold as our farmers receive, they have an average price, in their own currencies, 30 percent higher than the 55,000,000 farmers and basic producers of the United States. These nations have high employment, profitable business, two to four times as much building activity, and generally balanced budgets. During the past 4 years, with 600,000,000 of population, their cumulative budget deficit has been less than one-third billion dollars while the United States, with one quarter the population, has had a deficit nearly 40 times greater—more than $12,000,000,000.

Since 1929 our price level has been distorted. It has been like trying to play billiards on a stepladder. Those on the floor had to keep calling for subsidies to lift them up.

It was not lack of productive power since 1929 that caused our distress. Our farms were able to produce food and fiber in abundance. Our factories were the best tooled, under the most efficient management, equipped with the best scientific processes the world has ever known. We had millions of the most skillful workers asking for nothing but a chance to produce and earn. What was at fault was our mechanism of distribution—our monetary system. Chaos was written on our price tags. A free-enterprise system can function only when the price tags remain in balance under free competition between all groups. Then only can goods and services be exchanged in highest volume. The swollen value of the gold in our dollar still holds the dollar prices of basic products depressed and in unbalance. Only when Congress corrects this shall we have general prosperity. Only then can the whole Nation swap goods and services on a level plane as formerly.

COMMITTEE FOR THE NATION.

The Democratic, Roosevelt, and American Way

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Thursday, June 29, 1939

RADIO ADDRESS BY J. FRANCIS SMITH, JUNE 23, 1939

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be published in the Appendix of the RECORD a splendid address entitled "The Democratic, Roosevelt, and American Way," delivered by Mr. J. Francis Smith, chairman of the Democratic State Central Committee of Connecticut, over station WTIC on June 23, 1939. This address is very enlightening, and will help to set aside much of the unfortunate misunderstanding now existing concerning the Federal relief program and the problem of men who cannot find private employment.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow citizens of Connecticut, the subject of my talk tonight will be jobs. More specifically, it will be about jobs in private industry. This subject does not happen to be the exclusive property of Republican propagandists. For that matter, I think that it can be readily shown that interest in providing jobs has been very much more the major policy of the Democratic Party than it is that of their critics. During the political campaign of last fall the advertising experts of the Republican Party concocted the notion that they could sell a bill of goods to the people of this State by harping on the subject of jobs for everyone, without taking it upon themselves to tell what they were going to do about the problem other than to indicate their pious interest and mournful concern.

This policy has been carried forward to date. It leads me to lay before you the cold facts of a situation which is certainly the most serious problem facing this State and this Nation. The problem, in fact, is far too serious to be used as a political football or as a stepping stone for personal ambition.

I believe in the capitalistic system. I believe that only under that system can we enjoy the privilege of personal freedom of thought and action, religious and political, as well as economic, which we consider essential to a life worth living. Nevertheless, if, under this system, men and women who are capable and willing to work to earn their livelihood must be forced to rely on public or private charity, this situation can only be described as intolerable. This is no time to mince words. It may as well be understood that such a situation will not be tolerated. Either the unemployment problem will be solved or the capitalistic system will be destroyed, and with that system go democracy and all of the freedoms which we cherish.

I do not believe that there is a single informed person in the United States who is not keenly aware of the vital and overwhelming importance of this problem. I willingly give our Republican friends credit for a sincere desire to see our unemployed fellow citizens back at work. It is incredible that any honest American, regardless of party affiliations, should fail to be sincerely interested in the correction of a situation that threatens the very existence of our form of government as well as our future prosperity and well being.

Make no mistake about it—the issue is not whether or not the problem of jobs exists; it is not even whether or not there is interest in the problem; the issue is: What is going to be done about it? How did the problem originate? What is being done about it? What are now the alternative proposals?

As to the origination of the problem, I think that no one will deny that our present situation developed following 9 years of Republican national administration and grew more acute for 3 more years of that administration. When we come to consider the present Republican proposals for the correction of our difficulties, it is well to consider what were the circumstances in 1929 and in the immediately preceding years. The eminent historians, Charles and Mary Beard, in their excellent book America in Midpassage, describe the situation as follows:

"For nearly 10 years, it so came about, great business interests, to whose ingenuity and initiative the prosperity of the golden glow was attributed by admiring editors and publicists, pursued their course of 'free enterprise' without encountering insurmountable barriers. They demanded higher tariffs, and their demand was granted. They called for a material reduction in the heavy taxes on large incomes to release money for the expansion of industry, and their argument was accepted. They besought the Government to refrain from producing electric power on the public domain and along navigable waters and distributing it directly to consumers, and their beseeching was heeded. Under the easy laws of indulgent States they formed corporations, investment trusts, and holding companies, ever larger and more intricate in structure; they issued stocks and bonds at pleasure within the mild terms of generous legislation—without submitting their accounts and valuations to the scrutiny of Federal inquisitors. They wanted to be let alone, and in all those years not a single major statute adversely affecting their rights of property was written in the law books of the Union.

"Abroad as well as at home, business interests enjoyed the favor and protection of a benevolent government."

In other words, ladies and gentlemen, none of those restrictive, annoying, and irritating factors, which are now proclaimed by our Republican friends as the causes for the persistence of unemployment today, were present as we entered the pleasant autumn of 1929.

I am not going to recite the unpleasant events which you all remember, and which followed so closely a period of adherence to the policies now advocated by certain reactionary Republicans. Two brief newspaper quotations tell the story: "December 3, 1929, 'Hoover's message to Congress expresses optimism, covering all aspects of trade and industry.' December 12, 'stocks decline in widest break since November 12.'" And then later in 1930; "May 2, 'wave of liquidation.' May 3, 'another violent break in stocks.' June 6, 'market weak.' June 7, 'another sharp break.' June 8, 'stocks break heavily.'" In 1930 there was no fear of irritation, of antagonism, of restriction by the Federal Government. There was no expectation of anything but the most benevolent protection and assistance of business and industry; and yet here we had the large holders of securities predicting, through their sales of securities, economic disaster.

We come now to the subject of jobs. The number of unemployed rose rapidly from 2,000,000 to between fifteen and sixteen million, that figure being reached early in 1933, shortly before President Hoover left office. I call the attention of my Republican friends to what must be to them an amazing fact: The problem of jobs, especially jobs in private industry, had developed under a thoroughly benevolent Government.

I want to remind you now of what I said earlier about the fate of the capitalistic system and of democracy if the unemployment problem is not solved. Here are statements from two conservative groups of wage earners. First, the railway brotherhoods told Mr. Hoover that "there is a growing demand that the entire business and social structure be changed because of the general dissatisfaction with the present system. We cannot longer ignore this situation." Mr. William Green, of the American Federation of Labor, declared: "Finally, after 3 years of suffering, we, the organized workers, declare to the world, enough; we shall use our might to compel the plain remedies 'withheld by those whose misfeasance caused our woe.'"

I wish that history could say, or that I could say, that business with the assistance of a benevolent Government had proceeded to correct the unemployment problem as it developed. Of course, this was not the case. As early as 1931, Nicholas Murray Butler, a leading Republican, president of Columbia University, said there was "a lack of competent, constructive, courageous leadership—political, social, and economic." The answer of the Republican Party and Mr. Hoover to our difficulties was an extension of the benevolence and the protection of Government toward business. He poured out hundreds of millions of dollars to banks, insurance companies, railroads, and other large institutions, in the mistaken belief that if industry were helped, it in turn would be enabled to help the people. We know the result. The only progress was a progressive collapse.

In a speech on June 21 of this year, Gov. Raymond E. Baldwin asks the question: "Are we to have a government from the top down or from the bottom up?" The answer is that under a Democratic administration we will have not only government from the bottom up, but economic assistance from the bottom up.

When President Roosevelt assumed office in March 1933 the entire basis of the approach to the question of jobs was drastically changed. In fact, it was reversed. Every move was designed to directly affect the wage earner. It was intended, and it has worked out, that helping the man who earns and consumes, helps also those above him in the economic pyramid. The C. C. C. gave jobs directly to a number of youths, as did the N. Y. A. The P. W. A. created jobs on all sorts of public works. The W. P. A. gave jobs to millions of unemployed. Starting with the N. R. A. and carrying through with legislation designed to shorten hours, improve wages, and to establish the bargaining power of labor, efforts were

made directly to create employment on a basis consistent with American standards.

Obviously, the improved purchasing power of those persons directly affected has resulted in purchases of necessities, and, in turn, in business and employment. Furthermore, a direct attack on real causes of unemployment has been made by the application of common sense to our foreign trade, by the elimination of unnecessary holding companies and by applying regulations for the sales and securities of all sorts. We may ask where the much-desired confidence would be today if the fairly exposed abuses found in high financial places had been permitted to continue unchecked.

The Democratic way, the Roosevelt way, and, we think, the American way to attack the problem of jobs is to directly help those who are in need of jobs. Furthermore, the system works, as the Hoover Republican system did not. It is all very well for Governor Baldwin to say that we still have 11,000,000 unemployed and that the administration has made no progress. Actually there are a million more employables today than there were when the problem was created. There are 10,000 more people employed today in the city of Waterbury alone—and this is typical—than there were in 1932. The national income is estimated at $65,000,000,000 for this year as against $38,000,000,000 in 1932. Definite progress has been made, although no one would claim that the problem has entirely been solved.

We have all seen what happened under the system of benevolent assistance to industry. We have seen the progress that has been made by a direct attack on the problem. We now request the suggestion of alternative methods. What are they? I know of no positive suggestions for the improvement of unemployment in this State or in this country that have been offered by Republican spokesmen. Governor Baldwin is quoted as stating that business and industry and science stand ready, capable, willing, and eager to provide the more abundant life. This is not a proposal; this is a hope—a pious hope. He comments in the same speech about our national debt being permitted to go no higher. This means an immediately balanced Federal Budget. This, in turn, means the complete elimination of every expenditure for relief and employment, direct and indirect. In plain language this means the firing of some millions of persons tomorrow. The entire Republican philosophy as expressed by Governor Baldwin consists of having the Government cease to do anything about the jobs that concern him and his associates so greatly. The substitute for this direct assistance is the hope that business will in some miraculous way gain encouragement from the loss of billions of dollars of consumer purchasing power and will dash forward to prosperity and jobs for all. Unfortunately, this hope is exploded beforehand by the disaster of 1929 and the futility of 1930–32.

Whether we like it or not, the time has passed when the welfare of the individual citizen is to be left entirely to chance. The Government has assumed a responsibility that it will not be permitted to relinquish. No one will accept the idea that we can afford to cease our efforts and to hope that everyone will therefore receive a good job in private industry.

I am going to finish by quoting again from Dr. Butler. He refers to the situation as it existed in 1931, and he says:

"The universal answer of the officeholding class is 'Wait.' * * * Gentlemen, if we wait too long somebody will come forward with a solution that we may not like. Let me call your attention to the fact that the characteristic feature of the experiment in Russia, to my mind, is not that it is Communist but that it is being carried on with a plan in the face of planless opposition. The man with a plan, however much we may dislike it, has a vast advantage over the group sauntering down the road of life complaining of the economic weather and wondering when the rain is going to stop."

These words are worth thinking about. They warn us that when we hear someone offering vague promises of jobs in the event of Republican success we should be very sure that we know exactly how this desirable situation is to be attained.

Origin of the Name America

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, June 29, 1939

ARTICLE AND POEM BY LT. COL. C. I. KEPHART

Mr. REYNOLDS. Mr. President, I respectfully ask unanimous consent to have printed in the Appendix of the RECORD a brief article by Lt. Col. C. I. Kephart regarding the origin of the name "America," and in addition thereto a poem by Colonel Kephart entitled "Old Glory."

There being no objection, the article and poem were ordered to be printed in the RECORD, as follows:

ORIGIN OF THE NAME "AMERICA"

(By C. I. Kephart)

As Americans, I wonder how many of us really know the origin of the name "America." The assertion that it came from the forename of an Italian navigator, Amerigo Vespucci (1451–1512), is only the end of the story and not its beginning.

For centuries prior to the Christian Era the powerful nation of the Goths (or Getae), a Nordic people, inhabited the region now known as the Ukraine, north and northwest of the Black Sea, including the valleys along the lower Danube River. During the reign of Emperor Domitian (A. D. 81–96), of the Roman Empire, the Goths, in fear of treachery on his part, broke a long truce and attacked and defeated the Roman forces on the lower Danube. Oppius Sabinus was then the Roman Governor and Dorpaneus (Dekebalus) was the Gothic King in Dacia. A larger Roman army was then sent forward, but it, too, was defeated. So overwhelming were these successive Gothic victories and so well handled were some later reverses suffered at the hands of the Roman Emperor Trajan that the leaders were deified by the people and their descendants became the ruling family of the Gothic nation.

The first of these heroes was named Gaut, followed in successive generations by Hulmul, Augis, and Amal. Apparently by Amal's time the kingship of the Gothic nation had become hereditary in his family, for it is by his name that the renowned Amal family has come down in history. When the Visigoths withdrew from the nation in A. D. 476 upon the invasion of Europe by the Mongolian Huns the Amali continued to furnish the kings and other leaders for the Ostrogothic nation, even after the latter had broken away from the defeated Huns and had settled in Italy, until the extinction of the male line upon the death of Theodoric the Great.

Now—which is more important to us—it happens that this name Amal is also the origin of the name America, as applied to the Western Hemisphere. Used by admirers in the same way that American children are named for Washington, Jefferson, Lincoln, and other great Americans, the form became Amalric (from Amal-ric), meaning literally the "mighty Amal" and figuratively, as later used, "all-conquering leadership (or service)." When the Ostrogoths overran Italy, it became Amalrico, which was softened in the Italian patois to Amerigo. Then upon the proposal of Waldseemüller, a German geographer who relied on Vespucci's assertions of his discovery of the Western Hemisphere, the forename of the latter, Amerigo (or Americus in Latin), gradually came to be used on maps of the new world in the feminine form (America), as grammatically applied to land.

The Goths, with the Germans, Kimmerians, and others constituted the ancient liberty-loving nations of northern Europe, which resisted the advances of the Roman Empire in their directions and from which peoples we are largely descended. It is not too much to say that to their success in withstanding the despotic Romans we may attribute our existence as a self-governing people today. Thus it is quite auspicious as well as inspiring that the name of such a noble leader of the Goths should now be applied to the hemisphere of which our country is a part. The name of Amal might well enter our history books as representing a worthy antecessor of our own immortal Washington, who likewise demonstrated "all-conquering leadership (or service)."

OLD GLORY

America, our native land,
Home of the free divinely planned,
  Was gained by mighty men.
Unfurl Old Glory to the air;
It leads the strong, the brave, the fair
  As truly now as then.

No feudal lord or tyrant king
Shall o'er this worthy people fling,
  In ruthless unconcern,
The yoke of arrogance and shame
While waves that banner in our name
  So it all may discern.

The resolution that arose
From Valley Forge and struck its blows
  With glorified success
Shall be our everlasting might
To guard our land in sacred right
  And keep it from duress.

To all within and all without
Our righteous zeal will leave no doubt
  That this inheritance,
So won by valor unrestrained,
By our strong hearts shall be maintained
  In its pre-eminence.

God of our fathers guide us long
In constant aim and spirit strong
  And with a love of truth,
That our designs may e'er be just
And that flag saved unstained in trust
  To pass on to our youth.

The American Flag

EXTENSION OF REMARKS

OF

HON. W. WARREN BARBOUR

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Thursday, June 29, 1939

ARTICLE FROM NEWARK STAR-EAGLE

Mr. BARBOUR. Mr. President, I am glad to accede to the request of Mr. Paul Block, president and publisher of the Newark (N. J.) Star-Eagle, and ask permission to have printed in the RECORD an article which appeared in an advertisement sponsored by Newark Post, No. 34, and Suburban Post, No. 78, Jewish War Veterans of the United States, and published in the Newark Star-Eagle of Wednesday, June 14, for the purpose of promoting greater love for the American flag.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A REMINDER TO THE YOUTH OF AMERICA ON FLAG DAY

A flag is a symbol. It may stand for something good. Or it may mean something wicked and destructive to all mankind.

Old Glory waves over a land that represents "liberty and justice for all" * * * in vivid contrast to other lands blighted by barbarism and godlessness.

Americans have more reason today than ever to be proud of America—to uphold it in peace, to defend and fight for its ideals.

To the youth of America we say: Fight for your country in peace by driving its enemies from you. Cherish the freedom you now enjoy. It's your birthright as an American.

A traitor has no place in our midst. Especially when he comes to undermine our country. Shun the scoundrel who would destroy our national unity by preaching group hatred. He may call himself Communist, Fascist, or Nazi. Recognize him for what he is * * * an avowed enemy of America. America does not want him.

America wants no blood purges, no murder cults, no wholesale destruction of all religion. Swastika or hammer and sickle * * * both alike are a blight and a menace.

A PAGE FROM AMERICAN HISTORY

In the Revolutionary War, Col. Isaac Franks, of Philadelphia, was aide-de-camp to General Washington. Haym Solomon gave his entire fortune to save the American cause. He died penniless. Hundreds of Jews served in the Revolutionary Army.

In the War of 1812, Uriah P. Levy, commander of the brig-of-war *Argus*, ran the British blockade and destroyed 21 British merchantmen. He died a commodore, the Navy's highest rank.

In the War with Mexico Gen. David de Leon, of South Carolina, was twice honored by Congress for valor and ability. Moses Albert Levy served as Surgeon General.

In the Civil War 10,000 Jews served North or South with distinction and honor. In the Confederacy Judah P. Benjamin was Secretary of War; L. M. Harby, commodore of the Navy. In the North, Frederick Knefler, of Indiana, rose to the rank of major general. Edward S. Solomon survived every important engagement to become a brigadier general. Lincoln handed Leopold Newman, of New York, his commission as brigadier general while he lay dying of wounds received at Chancellorsville.

In the Spanish-American War 5,000 Jewish volunteers answered the call of their country.

In the World War 250,000 fought. Forming 3½ percent of the population, Jews contributed nearly 5 percent of the fighting forces. Approximately 10,000 Jews held commissioned rank. Over 1,100 Jews were cited for valor in action. Four Congressional Medals of Honor were awarded to Jews; 200 won the Distinguished Service Cross. Of 14,000 Jewish casualties, 3,400 made the supreme sacrifice.

The Milk Bill

EXTENSION OF REMARKS

OF

HON. HOWARD W. SMITH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 26, 1939

Mr. SMITH of Virginia. Mr. Speaker, the House has before it for consideration H. R. 6316, entitled "A bill to amend the act entitled 'An act to regulate within the District of Columbia the sale of milk, cream, and ice cream, and for other purposes, approved February 27, 1925.'" The committee struck out the entire bill and inserted an amendment which repeals all existing law and regulations for inspection and control of milk and cream in the District of Columbia. In place of the original bill the committee has inserted an amendment which by reference to a publication known as the United States Public Health Service milk ordinance of 1939 enacts that publication by reference only as the law for the control of the milk supply for the District of Columbia.

In subsequent sections of the amendment, however, certain exceptions are made to the United States Public Health Service milk ordinance which prohibits the local Health Department of the District of Columbia from controlling by inspection the quality and healthfulness of the product imported into the District of Columbia.

If one has been fortunate enough to obtain one of the mimeographed copies of this so-called Health Service Milk Code, he will find it provides specifically for inspection of the milk supply by local health authorities. If this were not so, the local health authorities would have no control or supervision over the milk and milk products imported into the District of Columbia and the way would be wide open for all of the serious and dangerous results that would follow from uninspected and unsupervised milk supply; but look at the provisions of section 6 of this bill, which I will refer to later. In the very foreword of this ordinance put out by the United States Public Health Service in mimeographed form is the warning that it should be adopted only "subject to the approval of the local legal authority." In view of the unprecedented manner in which the bill was considered and reported by the District Committee, I wrote to the Chairman of the District Commissioners, to the health officer, and to the corporation counsel asking each of them to advise me whether they had been consulted or their opinion asked relative to the advisability, propriety, or legality of this legislation. I received prompt replies from all three advising me that the bill had never been referred to them or any one of them, nor had their opinion as to its advisability from a health standpoint, from a legal standpoint, or from any other standpoint been asked. My information is further that this United States Public Health milk ordinance was never before the District Committee in its consideration of the bill, and I challenge any member of the committee to explain its provisions and their effect.

It is essential to an impartial consideration of this measure that we should know at least something of the background behind the bill, particularly in view of the unseemly haste of those in charge of the measure in bringing it to the House today (Monday) for consideration when the bill was not reported on the calendar until last Friday morning, when the report of the investigating committee directed by this House to investigate the subject has not been printed, when the hearings before the investigating committee have not been printed and have been abstracted from the committee room of the District of Columbia Committee by one member of the committee, and have not since that time been available to any other Member of Congress. The statement in the report of the committee on the bill at the bottom of page 2 that the record is accessible is not a fact unless it became accessible this morning too late for any Member of Congress to inform himself. I wish to make this statement quite emphatically, because my experience in Congress has generated a profound conviction that the membership of this House believes in fair play and fair consideration, and I am convinced that if the House knew the facts and the effects of this bill that there would not be 50 votes for it in this body.

Now, to the history and background of this bill: The Maryland and Virginia Milk Producers Association is a purely cooperative, nonprofit farmers' organization organized under the authority and encouragement of legislation enacted by Congress, for the sole purpose of marketing the product of its membership through the system of cooperative, collective bargaining devised and encouraged by the Congress. Its

members consist of about 1,300 farmers in Maryland, Virginia, Pennsylvania, and West Virginia, who supply about 90 percent of the fluid milk consumed in the District of Columbia. Sometime ago they discovered that a large amount of uninspected and unlicensed cream was being brought into the District of Columbia illegally by the Embassy-Fairfax Dairy under cover of darkness and by secretive and devious ways. After obtaining conclusive evidence of what was occurring, representations were made to the District Commissioners, who directed the Metropolitan Police to investigate the situation and clean it up. As a result of that investigation, James J. Ward, the president, and other officials of the Embassy-Fairfax Dairy were caught red-handed in the nighttime and arrested during the act of unloading a truckload of this unlicensed cream into their dairy plant. A few days ago the Embassy-Fairfax Dairy plead guilty to the charge and was given the maximum fine provided by law.

The congressional investigation of the bootlegging activities in the District ensued. The report of that committee was recently filed but has not yet been printed and therefore not available to the Members as a guide in forming their opinion as to the advisability of this legisation. In the evidence, upon which that report is based, is unrefuted and undisputed testimony that for months and for years this Embassy-Fairfax Dairy had been importing unlicensed cream, some of which was in such bad condition that it required the use of a neutralizer; that large quantities of unsalted butter of unknown quality was melted, mixed with this cream and skimmed milk and a reconstructed milk was produced through this process which was sold in large quantities in the District as grade A milk in flagrant violation of the law, and in competition with licensed milk of honest dairy farmers from whom they buy. In substantiation of the fact that this unlicensed and uninspected cream of unknown quality was imported and used by the Embassy-Fairfax Dairy, there was the testimony of several former employees of that concern which was undenied and undisputed, which gave the details as to the method and extent of these unlawful activities. Before the conclusion of the hearings of the investigating committee, the attorney for the Fairfax-Embassy Dairy who had been present at all of the hearings and heard the evidence, was invited to have his client take the stand and make any statement he desired relative to the subject matter. He declined, and the unquestioned evidence of the foregoing series of unlawful acts stands unchallenged in the record of those proceedings. In the light of that record and in view of the haste with which this bill has been brought to the consideration of the House, the suspicions of disinterested persons will naturally be aroused, and the question which first comes to mind is the obvious one, namely, Who will benefit by the enactment of this legislation?

I will try and direct my remarks to an answer to that query.

There are only four classes who could possibly benefit by the enactment of this law. They are: (1) The dairy farmer who produces milk; (2) the public of the District of Columbia who consume milk; (3) the legitimate and honest distributors who buy milk from the producer and sell it to the consumer; and (4) the chiseling distributor who cheats the producer by buying an inferior quality of uninspected product and manufacturing therefrom reconstructed milk, and who then cheats the consuming public by selling them this inferior product under the false label of grade A milk.

Let us analyze the situation with respect to each of these four classes. As to the dairy farmers who produce the milk, they would be the chief victims and chief sufferers from the enactment of this bill. They do not want it and have protested against it as vigorously as they know how. All they ask is an honest market in which all producers and all distributors will be treated alike and required to observe the same inspection and regulation. I can speak for them authoritatively on that subject. Not only has the local Cooperative Producers Association opposed this bill but the National Milk Producers Cooperative organization, speaking for a large number of dairy cooperatives throughout the United States, has vigorously opposed the bill and given unanswerable arguments against it, which could be found in the record of the hearings of the investigating committee if they were available to the Members of Congress.

At this point I wish to refute the statement and dispel the illusion that there is any trade-barrier wall about the District of Columbia so far as milk is concerned. Any producer within any distance that the District Health Department can inspect the farm can apply for and obtain a license to ship milk to the District of Columbia. The so-called milkshed is constantly expanding and widening and no one has objected or can object. But the city of Washington, like every other sizable city that I know anything about, that has any regard for the health of the community, requires inspection of the source of its milk by its own inspectors and any deviation from that policy would be a distinct backward step in health protection, as emphatically testified to by Dr. Ruhland, health officer of the District of Columbia.

(2) Would the consuming public benefit by this legislation? It would not, and an experience right here in Washington shows that it would not. The undisputed evidence is that the Fairfax-Embassy Dairy has not only been bringing in unlicensed cream, but reconstructing it with butter and skimmed milk and making a profit, according to the committee's report, of 26 percent on its capital investment, plus a possible 200 percent more through money mysteriously transferred from company accounts to accounts of the owners, but has not reduced the price even of this reconstructed milk to the consumers of Washington.

And, in the second place, the unquestioned evidence before the investigating committee was that, while the price of milk in Washington is 14 cents per quart, the average price of cities of comparable size in the Middle Atlantic portion of the country is 14.4 cents per quart. So that all of this wild talk about the high price of milk in the District is based purely upon imagination and is refuted by authentic statistics. Furthermore, I assert that it is neither to the interest, nor the desire, of the consuming public of Washington to lower the health standards of its milk supply, which, at present, is admittedly one of the very best in the United States.

(3) While representatives of practically all of the distributors of milk in the District of Columbia were present throughout the hearings and were accorded the opportunity to testify, not one expressed any desire for the adoption of the United States Health Service Milk Code except the attorney for Embassy-Fairfax Dairy, the concern that has been making huge profits through violation of the present milk law.

(4) The only class left who could or would benefit by the bill is the class of chiseling, cheating, dishonest distributors who wish to be free to pursue their nefarious practices of the past, in the future, with their immunity from prosecution for their delinquencies insured by this act of Congress. It is easy to see how they will benefit by this proposed legislation, and easy to understand their recent activity in attempting to bring it about.

Let us analyze the situation as it would be under the proposed bill. If this bill were adopted, any distributor could for the next 12 months under its terms have three classes of milk in his plant, namely, grade A, grade B, and grade C. There is no earthly power that could police such plants and prevent them from mixing the inferior grades with grade A and selling it for grade A price. The bill would deliberately place a premium on dishonesty amongst milk distributors and enable the dishonest distributors, without let or hindrance by any power or authority, and without any means of detection, to buy grade B and grade C milk at a cheaper price and sell it to the public as grade A. I challenge anyone to examine the Health Service Milk Code and attempt to refute this statement.

The real "joker" in the bill, however, is found in section 6. The opportunity to mix A, B, and C grade milk as heretofore indicated is as nothing compared to the opportunities afforded the dishonest distributor in this section 6. Adroitly spaced between two relatively unimportant sections, it amends the

United States Public Health Service Code by exempting entirely from the code shipments of milk and cream for "manufacturing purposes." The committee report on the bill advocating the adoption of this code for some strange reason omits all mention of section 6, which amends the code and exempts milk for alleged manufacturing purposes.

The whole theory of the report of the committee is based on the adequacy and perfection of the Public Health Service Code and yet, when you examine section 6, which is not mentioned in the report, you find that a large percentage of the milk and cream to be imported is excepted from the provisions of the code. Section 6, if enacted into law, may be rightly designated as the reward of Congress to the bootlegging distributor for his flagrant violation of the law in the past as disclosed by the undisputed testimony before your investigating committee. Under its provisions, the dishonest distributor is invited to continue his nefarious practice of "manufacturing milk" by reconstruction processes and selling it as pure grade A milk in competition with honest producers and honest distributors, because it was only through the provisions of section 4 of the present law permitting the importation of uninspected cream for ice-cream purposes that the scandalous conditions so recently revealed were made possible. To broaden and enlarge those opportunities for dishonest practices is the necessary effect of section 6.

There is but one issue in this legislation. I have no objection to any bill that Congress deems desirable, provided that all producers are treated alike and subjected to the same inspection by the health officer of the District of Columbia. To subject one producer to one character of inspection and regulation, and permit another producer to operate under less-stringent inspection and regulation, is manifestly unfair to the dairy farmers, and is manifestly inadequate for the protection of the health of the city. No amount of debate, argument, or discussion can change or diminish the eternal truth of that statement.

If Congress chose to stretch a corps of inspectors from here to Kalamazoo under the District Health Department, it could do so, and no one but the taxpayer could justly complain; but to subject the milk supply of the people of Washington to the examination and fancies of the local inspection forces of 48 different States would be little short of a crime against the health of the consuming public.

The report of the committee on page 3 says that the adoption of the Public Health Service Code "does not contemplate Government control or supervision except insofar as inspection of barns and dairies and the products themselves are concerned." This statement is utterly without foundation in fact and can be excused on the ground that the committee never had before it for consideration the Public Health Service Code which it now proposes to enact into law, and therefore is not familiar with its provisions. There is nothing in the wording anywhere that provides for any inspection, by the Federal Government, of any kind, character, or description of either the barns, the dairies, or the products thereof. The report of the committee claims that 2,300 local communities have adopted this milk ordinance. The evidence before the investigating committee was that the vast majority of this number were small communities with inadequate health departments, that of 10 cities of over 600,000 where inquiry was made, not 1 of them had adopted this ordinance and the undisputed testimony of all was that these communities that had adopted the ordinance all reserved and maintained the right of local personal inspection of the dairy barns and dairy plants supplying their communities with milk.

A lot has been said about opening this milk market for the benefit of dairy farmers from distant States, so as to give them a better market for their milk.

I respect the sentiment and views of the Members from those States who are properly on the alert for every opportunity to help the farmers in their own district in every way possible, and I would have no argument with those Members if I believed that this bill would do their farmers any good. On the other hand, I know this House well enough to know that there is not a Member here who would purposely and knowingly injure the farmers in any other section of the United States without corresponding advantages to his own people. I feel, therefore, that I can ask you to calmly analyze with me the effect of this bill, with the assurance that if you are convinced that it will hurt my people and not help yours that you will vote against it.

With that premise, let us see what would be the practical effect in operation of the proposed bill. The individual dairy farmer in Indiana producing 50 gallons of milk and shipping it to Chicago or Indianapolis could not as a practical matter ship his milk to Washington on account of the distance and freight involved. As an individual, he could not for the same reason ship his cream to Washington. The practical effect would be that he would sell his milk or cream to some local dairy, as he does now. The dairy, after handling, pasteurizing, and processing, would ship it to Chicago, Indianapolis, or Washington, as the case may be, and in the net result the individual dairy farmer would not get one dollar more for his cream than he gets today. When those dairies from Indiana and 47 other States began shipping their cream into the District of Columbia the net result would be to force down the market in Washington, compelling the local producers to meet the competitive prices, which they could do and would do on account of the differential in freight. There would obviously, therefore, be a loss to the local dairy farmers without any corresponding gain to those too far away to compete with the local freight rate.

So much for the effect upon the farmer.

The report of the committee has had much to say about monopolies. Let us see what the effect would be with respect to creating and fostering monopolies. The large dairy distributing concerns, of which there are some four or five, have plants located in strategic cities all over the United States. They all buy their milk on what is known as the two-price plan, namely, a certain price for what is known as "base milk," or milk used for fluid consumption, and a much lesser price for what is known as surplus milk not consumed by the fluid market, but used for manufacturing purposes. The natural and obvious practice of these large general distributors would be to take their surplus milk in one milkshed and ship it in large quantities into those milksheds where the price to the farmers were higher and to break down the price to the farmers on one milkshed after another. On the other hand, the small independent distributor without these facilities for shifting surplus milk from one area to another would be utterly unable to compete. The independent distributors in the country would be put out of business and the four or five huge distributing chains would enjoy a complete and unchallenged monopoly.

It has been freely asserted by those favoring this bill that it was in the interests of the consumers of Washington. Notwithstanding that only 3 days elapsed between the time the bill was reported and the time when the bill was brought up on the floor for consideration, the following consumers' organizations of Washington passed resolutions vigorously opposing the bill: The Housekeepers' Alliance, Brightwood Citizens' Association, Rhode Island Citizens' Association, Columbia Heights Citizens' Association, and the District of Columbia Federation of Women's Clubs.

If certain areas of the country persist in a policy of overproduction, that is no reason why they should be permitted to preempt and destroy the markets of other areas where, through cooperative methods, the farmers have maintained orderly production and orderly marketing.

I cannot conclude my remarks without expressing my surprise at the vicious attacks made by some Members in debate on the farmers' cooperative known as the Maryland and Virginia Milk Producers' Association. It has been charged that the farmers who have joined this cooperative have created a monopoly, that they have built trade barriers and that, by joining themselves in a cooperative movement, they have done a reprehensible thing. Surely Members of Congress who represent farming areas and know the difficulty of the farmer in obtaining anything like a fair price for his products will resent these aspersions which re-

flect upon every farm cooperative in the United States. Such criticisms are but the entering wedge to destroy all farm cooperatives.

If we proceed here to take away the farmers' right of collective bargaining through his cooperative association, we not only deal a staggering blow to all the farming interests of the country, but we reverse the policy of Congress that has been adhered to by both parties for a generation.

For a long period of time both the State and Federal Governments have indicated through legislatve action their approval of the encouragement and development of farmer-owned and farmer-controlled nonprofit cooperative marketing associations.

The right of such associations to organize and to operate collectively have been guaranteed by Congress. Congress recognized the problems of farmers associating themselves together collectively by exempting in the Clayton Antitrust Act the activities of farmers when associated together in nonstock, nonprofit cooperative associations.

This exemption was extended by Congress through the passage of the Capper-Volstead Act in 1922 to cover all cooperative associations, stock and nonstock, owned and operated by farmers. I am quoting the pertinent reference on this subject taken from the Capper-Volstead Act:

Be it enacted, etc., That persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers may act together in associations, corporate or otherwise, with or without capital stock, in collectively processing, preparing for market, handling, and marketing in interstate and foreign commerce, such products of persons so engaged. Such associations may have marketing agencies in common, and such associations and their members may make the necessary contracts and agreements to effect such purposes: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof, as such producers, and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or,

Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

And in any case to the following:

Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

This policy of the Congress toward farmers' cooperative associations was continued and extended in 1926 through the passage of legislation setting up a Cooperative Marketing Division in the Bureau of Agricultural Economics and authorizing annual appropriations for the use of such a body in developing and encouraging cooperative marketing among farmers.

In 1929 Congress enacted the Agricultural Marketing Act, the purpose of which was designed to place farmers as rapidly as possible on economic equality with other groups. Congress authorized and directed the enactment and carrying out of the agricultural program in such a manner as to promote and encourage the establishment of farmer-owned and farmer-controlled cooperative associations. This legislation has been amplified and continued by the present administration through the development of the Farm Credit Administration.

The Farm Credit Administration has set up banks for cooperative associations in the 12 Federal Reserve districts of the United States. Such banks, together with a central bank located in Washington, D. C., make available to cooperative associations financing which is not readily accessible from the private banking industry. In addition the Farm Credit Administration operates and maintains a Research and Service Division, whose function it is to assist farmers' cooperative associations in solving their operating and economic problems.

Under the present agricultural program Congress has specifically authorized the Secretary of Agriculture to give such encouragement to farmers' cooperative associations as will be in line with the established governmental policy toward the development of farmers' associations of this character.

The Agricultural Marketing Agreements Act of 1937, which authorizes the establishment of marketing agreements for milk and other types of agricultural commodities, specifically recognizes the place of the farmers' cooperative association in the marketing picture.

In addition to specifying that the Secretary shall give such favorable consideration to farmers' associations as is in line with the policy of the Government toward such associations, Congress in this act specifically recognized the right of farmers' cooperative associations to represent their members and vote for such members in referenda conducted by the Secretary of Agriculture in connection with the establishment of marketing-agreement programs. Congress has also recognized in this act the right of such associations to blend the proceeds of milk of all its producers and make returns to its farmers on a blended basis, subject to such differentials as are ordinarily used in the market served by the farmers' association.

When the Robinson-Patman Act was adopted in 1937, Congress carefully attempted to safeguard the rights of farmers' cooperative associations by providing that nothing in the Robinson-Patman Act could be construed as preventing such associations from returning to their members the net earnings or savings of such associations in accordance with the patronage offered to such association by its individual member producer.

In addition to this long line of Federal statutes clearly expressing the policy of the Federal Government to encourage the formation and development of farmer-owned and farmer-controlled cooperative associations, the various State governments have enacted State legislation of similar character. Today more than 45 States have cooperative-marketing statutes authorizing the establishment of such associations within the State and granting them privileges not accorded to private groups.

Neutrality

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. ANDREWS. Mr. Speaker, referring to recent expressions to me covering the neutrality situation, our relations with foreign governments and various attitudes on where this country should stand, I have been simply flooded with letters relating to this subject—so much so that it seems impossible for me to answer each letter in full. Hence, in justice to these communications, I wish to take this opportunity of giving my general views on this very important situation.

I have been greatly impressed by the many thoughtful recommendations which I have received and I think it safe to say that they represent almost all the conflicting views of which we hear today. Furthermore, it is evident to me that a great amount of hysteria and emotionalism has been unduly created in the minds of people generally, some even of great intelligence. This I attribute to unnecessary and tactless statements by public officials and the resultant headlines in the newspapers, comment by the columnists, wide use of the radio, and a general dissatisfaction with our present state of national being.

May I say first that I am unalterably opposed to war except in our own national defense and in support of the Monroe Doctrine insofar as this country is concerned. All of my energies as a member of the Military Affairs Committee are being directed toward peace and the national defense of only what we look upon as the continental United States. I am strongly opposed to any foreign entanglements, secret treaties, alliances, and secret handling of any matters in this connection by the President. Moreover, I am against extending to him any extraordinary emergency powers or any power beyond that provided for under the Constitution. Were you in my position as the Representative of our congressional district I feel sure you would be immediately impressed with a similar general attitude on the part of a very large majority

of fellow Members of the Congress. For this reason I see no possibility whatever of this country being involved in war and I do not believe that any attack upon us is in any way imminent.

You may rest assured that I am giving my best thought and study to the question of neutrality and how we may best remain neutral, no matter what might happen abroad. To my mind, actual, downright neutrality in the abstract is almost impossible of attainment—that is, upon any one set formula over any great length of time. Any statement or credo adopted now or at any one time may, as we have seen, not be a sound one for us later on as certain conditions abroad are changed. I am led to say this because of the thousands who wrote to me advocating the adoption of the present Neutrality Act 2 years ago, some 30 or 40 percent thereof, on a check-up which I made subsequently, switched their opinion to favor lifting the embargo on Spain, obviously upon the conviction that under that act we were passively favoring Franco, the aggressor. I cite this merely as an example.

In conclusion, it is evident to me that the entire subject is a much more profound one than the average person realizes, looking to continued peace for this country. I want you to know that your views have been appreciated, and you may rest assured that as your Representative in Congress any action I may take in the form of a vote on this question will be the result of my best judgment based purely upon those grounds which I feel will make for the best neutrality we can attain and maintain looking to the preservation of peace for this country.

Neutrality

EXTENSION OF REMARKS

OF

HON. W. O. BURGIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE CHARLOTTE (N. C.) OBSERVER OF JUNE 26, 1939

Mr. BURGIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Charlotte (N. C.) Observer of June 26, 1939:

[From the Charlotte (N. C.) Observer of June 26, 1939]

CRUX OF THE NEUTRALITY ISSUE

It is probably true, and, if true, it is unfortunate, that the average American citizen does not clearly comprehend the so-called neutrality controversy now raging in and out of Congress. The real issue is one of tremendous importance to this Nation and its people.

But it is not so simple as to be adequately described as a mere question of whether this Nation is to be neutral or not when war breaks out in Europe or elsewhere.

The present so-called Neutrality Act, as a matter of fact, already during its brief lifetime has had the effect of placing this country in an unneutral attitude by helping one side and not the other in foreign wars.

The debate now centers in the question whether the United States shall impose a mandatory embargo on arms, munitions, and implements of war to combatants.

The present Neutrality Act contains such a provision. The bill approved by the House Foreign Affairs Committee does not; neither does the Pittman bill which the Senate Foreign Relations Committee has before it.

Should either of these measures become law, therefore, the outbreak of war in Europe or elsewhere would not automatically cut off the sale of arms to both combatant nations. But such sales would be placed in the same category as the sales of any other commodities that enter into international commerce and be subject to whatever rules are laid down to govern trade with nations at war, as Barnet Nover explains.

Opponents of the Bloom and Pittman bills argue that these measures are unneutral since they would, in practice, favor Great Britain and France, which control the seas, and work against Italy and Germany, which do not. It is argued that, permitted to sell arms to all and sundry, the United States would, in actuality, find it possible to sell such necessities only to the Anglo-French bloc and would thus incur the hostility of Germany and Italy.

Advocates of a mandatory arms embargo say the proposals mean, in the long run, being drawn into the next war as the sale of munitions to Great Britain and France between 1914 and 1917 meant involvement in the last war. It is argued that, to avoid such involvement, the sale of arms, munitions, and implements of war to all belligerents must be stopped the day war breaks out.

Those holding such views obviously take no stock in the theory held by many thoughtful Americans that if there is a war in Europe, American interests would, in the long run, be far better served if Great Britain and France won than if those nations were defeated by the dictator axis powers.

And it is equally apparent that they take no stock in the argument that a neutrality measure of the kind which the foreign affairs committee of the House has approved might prevent war by making it clear to the totalitarian powers that they would have to reckon with the vast supplies which the United States could furnish to their enemies.

And, last but not least, as Mr. Nover points out, it is clear that the advocates of an automatic arms embargo deem it far more reprehensible for the United States to sell arms and munitions and airplanes to belligerents than to sell them scrap iron and cotton and copper and gasoline and food, even though actually a nation at war can no more get along without such commodities than it can without arms and munitions.

On this point Mr. Nover states the case logically. He says "there is today only a distinction of degrees rather than kind between arms and munitions and the material out of which those arms and munitions are made; between, say, the bombing plane and the high octane gas without which it cannot leave the ground; between the bomb which destroys innocent men, women, and children in civilian centers and the scrap iron without which these bombs cannot be manufactured.

"In other words, the distinction between arms and munitions and strategic raw materials which play an equally important role in war making is emotional rather than practical.

"If it is reprehensible for the United States to serve as an arsenal for one set of belligerents, it is no less reprehensible for us to serve as a reservoir of those innumerable commodities which all nations at war must have if they are to continue fighting.

"On the other hand, if there is nothing wrong in selling scrap iron and gasoline and motor trucks and cotton, the same applies to arms and munitions. Yet there is not a single Member of the House nor of the Senate, including the most vehement proponents of mandatory neutrality, who has proposed that once war breaks out the United States ban all sales to belligerents."

America's Bill of Rights

EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

ESSAY BY DWIGHT C. BURNHAM, OF MACOMB, ILL.

Mr. JOHNSON of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following prize-winning essay of 50 words written by a student of the Western Illinois State Teachers College:

I'm proud to be an American because my country, in making and upholding the Bill of Rights, has proved her tolerance, decency, intelligence, and respect for human rights. America's policy of being governed by majority rule is typical of her sportsmanship; on numerous occasions she has demonstrated her generosity and understanding in adjusting foreign and domestic problems.

DWIGHT C. BURNHAM, *Macomb, Ill.*

The Lending-Spending Plan

EXTENSION OF REMARKS

OF

HON. A. WILLIS ROBERTSON

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

STATEMENT BY H. B. ELLISTON

Mr. ROBERTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement

by H. B. Elliston, financial editor of the Christian Science Monitor:

THIS CHANGING WORLD—THE LENDING-SPENDING PLAN—PRESIDENTIAL PROGRAM ANNOUNCED WHEN BUSINESS INDEXES ARE TURNING UPWARD—ECONOMIC AND POLITICAL TIMING

(By H. B. Elliston)

President Roosevelt has undergone three fiscal metamorphoses. First, he was an economizer, rigidly committed to a balancing of the Federal Budget after President Hoover's "extravagance." This column could not go along with him on that Spartan tack. It was too deflationary, doubly deflationary, in fact, because budgetary thrift was combined with the locking up of billions of check money in those banks which were not allowed to open.

Then the President, taking to heart the recession that overtook business in late 1933, came out for Government spending as "compensation" for the falling off in business spending. The most popular name for the practice was "pump priming." In the nature of things temporary the object was to buoy up business with both funds and example, and, after recovery had been achieved, to taper off the Government spending. This was the type of program we had advocated in the Hoover regime. It was attacked severely in the academic world.

But as Prof. D. H. Macgregor says, in his book Enterprise, Purpose, and Profit, the method of encouraging business recovery by public works is "in the strange position of being argued out of existence by very detailed analysis, and restored to vigor by broad statements of common sense." The President's Budget message of January 1934 was packed with common sense.

Now there is a third fiscal metamorphosis expressed in the new lending-spending program. This is the fourth such spending plan. But it is different from its predecessors in that it is not inaugurated during a declining spell in business activity, nor is it intended to be temporary. For these reasons this column cannot see any economic wisdom in it.

A glance at the index of business activity published by the Christian Science Monitor will prove that business is not declining. Our index touched its lowest level 2 months ago, on April 8. It is now pointing up. Other business indexes are rising. In Washington the Bureau of Agricultural Statistics, regarded as the best forecasting agency at the service of the Government, is optimistic about summer business. And its hopefulness is echoed for the first time in many months in the current bulletin of the National Association of Purchasing Agents. The pump, in other words, is already working again.

As a matter of fact, the condition of the pump is the last consideration in the new spenders' ideas. They now say that it is the operation of the pump and not its condition that requires attention. The Government, it is argued, must give private enterprise a hand at it. As the President himself says, the new program is to be "a permanent policy of the Government."

The President's statement is vastly significant of an entirely new concept of government, I wonder whether we can appreciate all its implications. Under "compensatory spending" no new theory of government was involved except an extension of service to the community in helping to put private enterprise back on its feet. The new plan, however, contemplates the setting up of a state capitalism.

And the field of operations of the state as capitalist is pretty vast as the President has sketched it. In the nature of things that field will widen and deepen. Private capitalism, on the contrary, must contract, in the face of a new competitor with unmeasurable aspirations. For self-liquidating projects are the kind of business that private enterprise itself does.

Inevitably the new scheme of public enterprise is a means of first directing the economy and then of controlling it. Moreover, the State as capitalist will operate under politically manipulated conditions. What this will mean requires no elaboration in the light of the experience with relief. The year 1940 is said to be governing all calculations in Washington. Accordingly the new program has been weighed already in the 1940 scales. Anyway, it would be absurd to think that the new lending-spending program could be operated as a purely economic proposition. Any government that runs the economy must be in a position to buy up the electorate.

Maybe it is necessary in these complicated days for government to play an important economic role for even a democratic society. But in a democracy, surely, such a role must be primarily expressed in encouraging private enterprise. The one is dependent upon the other. If one is superseded, the other is, too. I can conceive of many "encouraging" services by government. Subsidies for men thrown out of work by technological changes or by changes in the tariff, manipulation of the tariff to prevent price rigging, financial encouragement of economic research and invention, revision of the patent laws, and so on. They would all release energizing forces of private enterprise.

The Government has recently taken such an "encouraging" step by revising taxes on venturesome capital. In itself this was constructive. But the good effect of the measure is offset by the sight of the state moving into the realm of private enterprise like a leviathan. Private investors are not going to take risks when they see government branching out in every economic direction. One uncertainty has been removed, but only to be displaced by another.

Accordingly, the only point I see in the lending-spending program is political. Economically speaking, it would have been less harmful, in my opinion, for the administration to announce that it was going to take over the railroads and use them as an economic fulcrum. At least the area of government intervention would then have been known. The new lending-spending program, on the contrary, puts up no such limit, and the way is thus paved for a further deterioration of the free economy.

Devaluation of the Dollar

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE NEW YORK TIMES OF JUNE 29, 1939

Mr. THOMAS of New Jersey. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of today:

[From the New York Times of June 29, 1939]

MR. ROOSEVELT AND THE DOLLAR

There is one ground on which the President's sharp rebuke to the Senate for its failure to renew his power to devalue the dollar would be logical. It has long been evident that the administration has regarded this power as an ace in the hole for a purely domestic "emergency." If business continued to drag despite the Government's efforts to "prime" it, if farm prices continued to fall despite the elaborate schemes that have tried to peg them, if one great "spending program" after another succeeded only in adding new burdens to the national debt, then there was always the possibility of using the President's power of devaluation to give business and prices another quick "inflationary" boom. To one school of the administration's advisers it has always seemed, in fact, that devaluation was the most important single factor in the vigorous if short-lived spurt of business and of prices that began in the spring of 1933. If the thing worked once, even for a little while, why couldn't it be made to work again—perhaps on the eve of an election? But it cannot be made to work again, it cannot even be tried again, unless the Senate now reverses itself and consents to give the President the power of devaluation. On this ground the chagrin of the administration at the Senate's vote is understandable. It is as if a perplexed magician discovered late in the second act that someone had taken his white rabbit.

On any other ground the President's objections to the Senate's action do not stand the light of examination. As he states the case, the Senate's refusal to give him personal authority to devalue the dollar, jeopardizes the national defense, puts "Wall Street" in control of the country's currency, and opens the door of opportunity to "the ring of international speculators" whose activities once before threatened, and now threaten again, to destroy the stability of the dollar.

But this is exactly what the Senate's action does not do. It is a fact to be remembered now that there was no question of the stability of the dollar until Mr. Roosevelt himself took office. The dollar was stable in terms of gold until the spring of 1933. It began to depreciate only when rumors first came from Washington that the new administration intended to force action which would cheapen it. It continued to depreciate only so long as this new administration played the extraordinary role of a "bear" on its own currency, in the most gigantic speculative operation which history has witnessed. It recovered stability when that amazing Government-managed speculation ceased.

What is the situation now? The fact of the matter is that opportunity for private speculation in the value of the dollar has been present only because of the existence of the very power whose impending loss the President now so bitterly deplores. "The ring of international speculators" whose activities he properly condemns has its only opportunity to gamble in the value of the dollar when word comes out of Washington, however ill-advised, that something will be done to change this value—that Mr. Roosevelt himself is once more contemplating making use of his power to devalue. Then rumors go around, "short selling" starts, and the dollar dips in terms of foreign currencies. The record of the last 5 years will show that every temporary decline in the dollar's value has been the direct result of such rumors of devaluation. These rumors can find credence only so long as it is possible for a single man, exercising a power never before given to an American President in the whole history of the United States, to devalue the dollar overnight, according to his own personal judgment or his private whim. Take that power away, and there goes with it the only opportunity for speculation which the situation now affords.

The American dollar is in a strong position so far as the reserves behind it are concerned. This country holds today more than half of the world's reserves of monetary gold—actually more than $2 in gold for every dollar of American currency outstanding. In these circumstances there is only one threat to the stability of the dollar. That is the possibility that Congress will restore the power to devalue and that the President himself will use it.

Neutrality—Food for Debate

EXTENSION OF REMARKS

OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. MASON. Mr. Speaker, the following excellent article on the subject of neutrality, taken from the Christian Science Monitor of Monday, June 26, 1939, is both timely and pertinent to the great question now before the Congress, and it does provide food for thought. It is a thoughtful nonpartisan, impersonal analysis of the problems involved in the question of neutrality. It expresses my attitude upon this most important matter, and therefore I offer it for the consideration of the Members of this House by having it extended in the RECORD.

"NEUTRALITY"—FOOD FOR DEBATE—AN INTIMATE MESSAGE FROM WASHINGTON

(By Saville R. Davis)

Just how important is this question of war and peace? The House of Representatives has allotted 10 hours—a generous amount, so it was suggested—for debating the basic new text of what American wartime policy is to be. The Senate probably will be treated to a filibuster—an extremely dubious instrument ordinarily used by an undemocratic minority to coerce the majority—as its chief contribution to enlightenment on the subject.

The Bloom bill, which is currently the asking price of the administration on Capitol Hill, may represent the considered and earnest judgment of the State Department to the effect that broad latitude ought to be given the Chief Executive in matters of foreign policy. But from the standpoint of telling the people what their foreign policy is to be, and enabling them to share in the decision on it, the bill is so vague that the press is full of very natural misstatements as to its content.

If anyone does wade through the text of the bill, and study it in the light of the liberties recently taken by Mr. Roosevelt with the present neutrality law, he finds that the Bloom bill says simply to whomever is President: "In time of war, you may conduct American foreign policy approximately as you choose."

And what, then, is the policy of the administration which is thus to be the controlling factor? After some weeks of checking up I think I know; I think the President and Secretary Hull sincerely intend to support democratic powers against aggression with all the economic and moral resources of the United States, while yet stopping rigidly short of military action. But I couldn't prove this in the public print if I were offered a fortune. Nor could anyone in the press corps here.

WHY SECRET DIPLOMACY ENTERS

The reason is all too simple—and baffling. The administration has two foreign policies. It talks big to the axis, in an effort to contribute to the organization of peace and the discouraging of aggression. And it talks small to American public opinion which is only slowly coming to tolerate this dangerous business of active peacemaking. This may be a two-faced procedure, but it is not dishonest. Those in the extreme opposition who accuse the administration of deliberately leading the country down the path to war in the name of the strictest neutrality are making a grievous mistake. The fact of the matter is that a dual and hence a partially secret foreign policy is exceedingly difficult to avoid in a democracy at this stage of world affairs.

Consider the reasons why:

Diplomacy at the present stage of human development operates through reason backed by potential force. Reason has yet proved unable to convince a sufficient preponderance of men and nations that it can stand alone. The object of a peaceful diplomacy, then, is to see that force is sufficiently equated, as between rivals and rival alliances, so that neither side could win any selfish national aims by fighting, and both must inevitably turn to reasonable negotiation. If you voluntarily renounce the force behind your own reason, this careful balancing is wiped out, and, as someone has said, it may take two to start a quarrel but only one to commit a murder. The other fellow has all the force in such a case and you have nothing but persuasion.

You can dignify it with the name of moral force if you choose, but that is a perilous business in this day of sovereign nationalism; the chances are that there are enough skeletons in your national cupboard so that an opponent can make your self-asserted "morality" seem ludicrous to his own people. Your country may have the bulk of right on its side today simply because it vented its wrongs yesterday.

THE ROOSEVELT ARGUMENT

But this is to venture into an endless debate on right and wrong in international affairs, a debate which is highly complex in a period of profound social and political transition such as the present. To come back to the question of force as a means of countering force and thus opening the way to reason: The Roosevelt argument is that you cannot sustain a national strength for this purpose if you deliberately say to an aggressor that you will not fight, no matter what.

Moreover, there is no use in building a huge military and naval establishment and then serving blanket notice that you do not propose to use it except for defense, when it is a basic military and naval maxim that the most effective defense is offense. This is not the way that the diplomacy of balancing forces operates. Until such time as there develops a genuine international system with its collective police action, it is necessary for you, as a single nation, to encourage a lively doubt in the mind of a potential aggressor that you do not propose to see one country after another gobbled up, until finally you are left confronting the swollen opponent.

This—agree with it or not, as you choose—is what the administration is now doing. Talking big to the axis. And it is not all bluff, either, for there never has been a test of strength between pacifism and a fighting crusade since the peace movement became strong after the World War. It simply isn't possible to say now what the people would do.

But where—and this is the core of the matter—where does this leave the American people in their effort to make up their mind on the issues of war and peace? Even Congress had to be reassured as to the President's nonmilitary intentions by means of secret sessions at the White House and in Secretary Hull's hotel apartment.

THOUGHTFUL BUT LIMITED OPPOSITION

Those who would never trust Mr. Roosevelt to have a free hand in a matter of this delicacy have only one choice, of course, and that is to oppose at all points. This they are doing—though it is not to be forgotten in the search for a healthy opposition that many a good Republican follows the Landon conviction that "politics stop at the water's edge." But there still remains the far larger group of those who do understand the Roosevelt-Hull program in all its sincerity, and still have these profound doubts: That in helping to organize world peace by means of economic and moral pressure there is the gravest danger that the situation will get entirely out of control and the country be swept into the vortex of hatreds and killing, powerless to save itself at that late date. These persons have no adequate national forum for their views. And hence the vast undecided element among the people does not have both sides of the issue presented adequately for the vital national purpose of making up the people's mind.

There are occasional radio speeches on the other side, to be sure; and the various radio forums have done yeoman work after the fashion of America's Town Meeting of the Air. The local press does its best. The March of Time has just put out a powerful motion picture whose net effect on most people will be to counter what is bluntly termed British propaganda. One wing of the peace organizations is valiantly urging the case for great legislative caution.

But against these and other elements there is arrayed the great power of the Administration to fill the channels of news and opinion, and the disposition of Congress to fight shy of an issue on which there is so deep a cleavage. Such opposition news as there is, is minor and not of front page headline variety; all too frequently, it is necessary for the reporter to go out and turn up stories in order to give the other side a hearing.

GREAT NEED FOR PUBLIC DISCUSSION

If the foregoing facts and arguments point to any conclusion, it is this: That the Democratic system is already well advanced into another crisis in the long struggle of the people, under God and through their individual consciences, to control their destiny.

When the Constitution was drafted it was almost axiomatic that the people would not know very much of the issues of war and peace; these were largely left to the Government and particularly to the Executive. Even lately it has been traditional during one national election after another to say that the two parties differed little if at all in the major political issues of foreign policy. But today, as the peace movement grows, as the people come to realize that human statesmen are subject to many limitations and to overwhelming mental pressures in time of panic, this delegation of power no longer can so lightly be made.

There never was greater need for all of the channels of public opinion to open themselves to the best available thinking on both sides. If the administration is barred by the terms of secret diplomacy at this stage of the game from emphasizing restraint, and has to spend the most of its time arousing people to their enlarging responsibilities, Congress still is freer to speak its mind. And if Congress is timid, and limits itself to 10 hours of debate in the House and a filibuster in the Senate, the people will find other means. Two-sided debate is the people's way of educating itself, and education there must be in this all-important matter, so that the people can make the right decision when the time comes, and so that the statesmen will be compelled to listen.

An Understanding Official

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE MINNEAPOLIS TRIBUNE OF JUNE 25, 1939

Mr. KNUTSON. Mr. Speaker, under permission kindly granted by the House I insert herewith an editorial by James S. Milloy, Washington correspondent of the Minneapolis Tribune, which appeared in that excellent publication on June 25, 1939.

[From the Minneapolis Tribune of June 25, 1939]

HANES IS NEW DEAL'S APPEASER TO BUSINESS—UNDER SECRETARY OF TREASURY CREDITED WITH WRITING MOST OF NEW TAX MEASURE; MORGENTHAU STANDS STRONGLY BEHIND NEW ASSISTANT

(By James S. Milloy)

WASHINGTON, D. C., June 24.—The passage of the 1939 tax bill, it is conceded, marks a definite step in progress toward better teamwork between business and Government. Credit for its enactment must be given to conservatives in the Senate and House, led by Senator PAT HARRISON, and Secretary of the Treasury Henry Morgenthau and his Under Secretary, John W. Hanes, rather than the White House.

It is an established fact that President Roosevelt at one time acquiesced to a tax bill that would carry some provisions aimed at meeting objections by business leaders to the present tax on corporations, then suddenly deserted the tax-reform advocates at the behest of the little clique of business baiters who surround him. Finally, he went along when he realized that he couldn't saw off the limb Morgenthau and Hanes were operating from or swerve Senator HARRISON from his course without widespread repercussions that would have definite bearing on 1940 elections.

THREE DEFINITE DEVELOPMENTS

In 1938 Congress went beyond what the President desired in a tax bill, and he permitted it to become law without his signature. He later denounced the changes made in the undistributed-earnings tax, his pet approach to Huey Long's share-the-wealth goal. That a Democratic national convention, in which he has great personal interest, is due in June of next year, with general elections the following November, can be taken as the explanation for his statement that the 1939 version is satisfactory to him. He couldn't help himself, even if the bill just passed goes further in meeting the demands of business than the measure which he disliked some 12 months ago.

The tax bill's journey through Congress this year has brought out three very definite developments. First, it has demonstrated that Congress generally feels it is reflecting the view of the rank and file of voters when it takes steps to break the deadlock between business and the administration.

Second, it caught Harry L. Hopkins, as the new Secretary of Commerce whose aims and intentions were overpublicized, in a spot where he had to live up to his promises or run out on his Des Moines business appeasement speech and continue in the role of a subservient minor social worker who believed the spotlight for a brief period suddenly and peculiarly endowed him with extraordinary political judgment and statesmanship. When he deserted the tax-reform group at the first intimation that Mr. Roosevelt intended to execute one of his right-about-face plays, Hopkins continued the same team play that permitted the W. P. A. political scandals in Kentucky and other States. Friends and foes alike wrote him off as even an approach to a top Secretary of Commerce and disassociated him with presidential possibilities.

The third important development was that it set Henry Morgenthau, Jr., off in a new light and revealed John W. Hanes as measuring up fully to the expectations of his friends.

STOCK-EXCHANGE MEMBERS

John Wesley Hanes, from the tobacco industry of North Carolina and the stock-exchange atmosphere of New York, became a part of the administration just 18 months ago as a member of the Securities and Exchange Commission. He had become a member of the New York Stock Exchange in January 1935, and a week later was named to its board of governors.

That in itself was an unusual tribute to a man in his early forties. He was of the younger crowd, opposed to the so-called old guard, and his good friend and intimate of President Roosevelt, ex-Governor O. Max Gardner, of North Carolina, broke the ice for him at the White House through James Roosevelt. He was a director of more than a dozen corporations, had been president of the New York Tobacco Exchange before its liquidation, and held memberships in the New York Cotton Exchange and the New York Board of Trade.

After a few months on the Securities and Exchange Commission, Secretary Morgenthau became acquainted with him, admired him and finally drafted him as his Under Secretary. He immediately loomed up as a logical get-together man between business and financial interests and official Washington.

His talents in this direction soon drew him a volume of publicity, for men within the Roosevelt circle who have an understanding of business have been few and far between. About a year ago he contributed an article to a Sunday issue of the New York Times entitled "We Face a Test of Our Common Sense," which gave the higher-ups in business an insight into his sound thinking. He openly challenged the tendency within the New Deal to bear down on big business and cater to the small-business man.

He proclaimed that businessmen should assume sincerity on the part of administration in efforts to arrest the spiral of depression, and declared that changes in the tax laws should be credited to the willingness of either the administration or Congress, or both, to act.

When the preliminary discussions on the 1939 tax revision began, Hanes was assigned to represent the Treasury, and his capacity to interpret what business really needed and to remove some of its lack of confidence and under-dog resentfulness soon won for him the confidence of the more conservative members of the Senate Finance and House Ways and Means Committees.

At first he was inclined to spread his talents but, possibly taking cue from Secretary Morgenthau who has the happy faculty of concentrating on one goal until it is attained, he made tax reform his one and only objective. He worked so nicely with Senator HARRISON and Congressman ROBERT L. DOUGHTON, chairman of the House tax committee, that he even had a hand in preparing formal requests from the committee chairmen to the Treasury for its views.

He came to learn that Secretary Morgenthau, heretofore credited with one outstanding characteristic and that complete loyalty to the President, would stand by him in an effort to secure essential tax reform with or without the President's cooperation.

STRANGE WASHINGTON SET-UP

Hanes has been able to accomplish things because he seems to have a natural talent for meeting this strange set-up in Washington where the President's most influential advisers are not in his Cabinet, with one or two exceptions, nor in Congress, nor in the top flight of Democratic Party officials. They are spotted in minor posts throughout the Government.

Hanes may exchange intimate observations with Morgenthau, but closest friends hear from him no word of criticism of the White House inner circle or for the frigidaire treatment he receives from its occupant. So the inner group cannot trump up any charge of disloyalty against him.

It should be written up to the credit of Secretary Morgenthau that he insists on Hanes finishing the job of tax reform he started and it is understood that Mr. Roosevelt cannot shake off Hanes' affiliation with the administration without accepting Morgenthau's resignation.

So John W. Hanes is not likely to be discarded as have so many others who brought some actual knowledge of business thinking to this administration. He will continue to do a very excellent job in exceptionally difficult circumstances and under conditions that would force out a less resourceful and tenacious person in 30 days.

Competition and Free Enterprise

EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE CHICAGO DAILY NEWS OF JUNE 22, 1939

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD I include an editorial of nonpartisan nature written by Col. Frank Knox, Republican nominee for Vice President in 1936. This editorial entitled "Competition and Free Enterprise," appeared in the Chicago Daily News, of which Mr. Knox is the editor, under date of June 22, 1939.

I emphasize that it is not of partisan nature. In my opinion every Member of Congress should thoroughly read it.

[From the Chicago Daily News of June 22, 1939]

COMPETITION—FREE ENTERPRISE

There is no class in the country more emphatic in its denunciation of the trend toward a regimented, planned economy, directed

by political officials, than the leaders of business and industry. There is no group more vocal in its lament over the progressive emasculation of the free-enterprise system than the men who occupy responsible managerial posts in the American factories, mills, banks, and stores. These men lift strident voices in shrill protest as they see government assuming greater and ever greater authority over private business, determining more and more what business can do and cannot do; supervising investment and the returns investment may earn; relations with and compensation for those employed and other conditions of employment; specifying methods of accountancy; and every year impounding more and more earnings for the support of a recklessly extravagant administration of public affairs.

Of all these things American businessmen are intensely aware, and most of them become almost lachrymose when they attempt to recite them.

But what are the leaders of American business and industry doing to save the free-enterprise system?

No one can doubt that economic freedom provides the very foundation for all other freedoms—freedom of speech, freedom of press, freedom of religion. If someone else holds complete control over your own and your family's means of livelihood, how much are you going to indulge in speaking your mind? If a dominant political bureaucracy controls the sources of a publisher's income, how free will be the press, the pamphlets, the books that find circulation? How free will religion be if it must rely upon political largess for its support?

Similar certainty characterizes the bald statement that there can be no free-enterprise system without competition.

It is competition, and competition alone, that gives feasibility and usefulness to a free-enterprise system. Without competition to correct the abuses that flow from selfish rapacity, or from an equally dangerous reaching for power, the free-enterprise system cannot operate at all. If competition is not given the chance to operate its corrective powers, the substitution of the socialistic system, either Fascist, or Communist, is certain.

There are only two choices.

We can restore a free enterprise system by reviving the competitive spirit and getting back upon the same prosperous road that in 150 years made the United States the most prosperous country in the world, with the highest living standards; or

We can surrender to those elements who believe the free enterprise system is outworn, and no longer workable, and who are deliberately planning to change our economy to that of the socialized state, where everything and everybody is regimented by an all-powerful political dictatorship.

There is no middle ground. We cannot be half free enterprise and half socialistic.

What has been the plainly marked policy of American business, as a whole, ever since that fateful day in October 1929 when our flimsy house of paper profits, following upon a period of frenzied borrowing upon future prospects, collapsed about our head?

It has consisted of an unceasing effort by leaders of commerce, industry, labor, and agriculture to keep prices up.

This in the face of a fall in income from eighty billions in 1929, to a low of forty billions in 1932. The farmers were subsidized not to grow crops, when millions of people in the cities were without many of the necessities. The labor unions insisted upon wage and hour schedules that increased unit costs of manufactured products, and thus inexorably reduced sales volume, and increased unemployment. Industry sought shelter from a competitive price war behind the N. R. A., which it cried aloud for and helped to organize. Commerce demanded the bolstering aid of an R. F. C. to shield it from the penalties of overcapitalization. And all this was done in a futile effort to preserve the price level of an $80,000,000,000 income, on a $40,000,000,000 national pay check.

No wonder we piled up a debt of $20,000,000,000. No wonder taxes mounted until out of every dollar of a depleted income everyone surrendered 38 cents to the tax collectors.

And we did this while stifling competition.

We said we wanted to preserve the free-enterprise system, but we deliberately sidestepped the sole corrective in that system that makes it work.

We would not face the realities.

We refused to pay the inexorable price of our excesses and our follies of the wild, mad days of the twenties.

We are either going to witness a steady slide into the hopeless, level morass of a socialized civilization and economy or we are going to face the bitter truth to which history with unerring finger points. The only way this or any other nation has recovered from previous depressions was to let prices follow the immutable law of a sharply lessened demand to lower levels until they reach the bottom, following as they will, and must, the lowered purchasing power of depression income. We have tried all sorts of artificial expedients to avoid this, but none of them has succeeded. None will succeed. None ever has.

We will get back to a healthy free enterprise system and a new prosperity when we remove the restraints and impediments we have put in the way of real competition. Excessively high tariffs, which make a monopoly of our domestic markets for certain favored industries, are one of the artificial barriers that must be swept aside. The efforts of labor leaders to raise wages and shorten hours in a time of depression and thus increase unit costs is another deterrent to a revival of widespread employment and the return of good times.

Trying, by means of loans from the Government, to keep afloat businesses that ought to undergo capital reorganization, only helps to postpone ultimate recovery. Paying billions of dollars in subsidies to farmers for not growing crops, has left the farmer worse off than he was before the Government assumed control of agriculture, and has increased food costs to the consumer, including the worker out of a job.

And we have all been guilty. We are intellectually dishonest if we try to load it all on the shoulders of the new dealers. They did, in the main, what the majority of us wanted them to do—that is, try to avoid the penalty of our own folly. Now, when all of the New Deal expedients have failed, we raise a great cry that we want a return to the old accustomed successful methods of a free economy.

If we do, then there is one vital move upon which the majority of us must agree, and that is, actually to restore competition.

Battlefront of Democracy

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

RADIO ADDRESS BY THOMAS E. STONE, JUNE 7, 1939

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include therein an address made over radio station WQXR, New York City, June 7, 1939, by Mr. Thomas E. Stone, chairman of the Council of United States Veterans, entitled "Battlefront of Democracy."

The address is as follows:

We begin this series of broadcasts, my friends, and particularly my comrades of the World War, at a time of common peril for the run of men in America. We lift our voices for the purpose of exposing a number of serious and sinister developments which cause and contribute to that peril. We have observed the actions of certain Nazi agents in the United States preparing disruption of our national unity at a time when Adolph Hitler has leveled a threat of war against the democracies of the world. And we have observed the actions of certain individuals and groups raising within our borders the banners of fascism, compounding what we consider to be treachery to our national tradition and treason to our national safety.

In these circumstances, we of the Council of United States Veterans, composed of men who have served this country in time of war, propose to throw ourselves into head-on collision with any such developments. We shall lay the facts before you. We shall clarify the issues as we see them, and we shall suggest a course of action in keeping with the situation.

Several months ago a large purple envelope, mailed from Erfurt, Germany, to an individual in New York City, came into the hands of Roy P. Monahan, chairman of the National Americanism Committee of the Disabled American Veterans of the World War. The purple envelope was a propaganda kit, containing 32 separate pieces of literature, all but five of them written in English, and mailed from Germany for distribution by Hitler's agents in the United States.

Invariably this literature pounds and beats the cause of Adolph Hitler, praising his friends and attacking his enemies, and invariably it attacks the Jewish religious minority in the United States.

Let's take the bulletins of the American Nationalist Confederation contained in this propaganda kit mailed from Germany. They state that they are published weekly from a post-office box in a small town in West Virginia. Across the top these bulletins bear three broad bands of color, the red, white, and blue, while stamped across these colors are the four crooked arms of the black swastika of Nazi Germany.

The bulletins of the American Nationalist Confederation list numerous other organizations, agencies, and individuals in the United States whom they recommend their readers to support. Included among these are the German-American Bund; the Defenders of American Liberty in Iowa; the Anti-Communism Society in Pennsylvania; the Pelley Publishers in North Carolina; Industrial Control Reports, Washington, D. C.; America in Danger, Nebraska; the Tomahawks, Washington; and a Reverend Winrod, who, during the last election in the State of Kansas, was a candidate for the office of Senator of the United States.

The following is supplied by the Institute for Propaganda Analysis, 130 Morningside Drive, New York City. I quote: "There are today in the United States some 800 organizations that could be called pro-Fascist or pro-Nazi. Some flaunt the word 'Fascist' in their name or use the swastika as their insignia. Others—the great majority—talk blithely of democracy or 'constitutional democracy' but work hand in glove with the outspokenly Facist groups and dis-

tribute their literature. All sing the same tune that lured the German people headlong onto the reefs of fascism.

"The Fascist technique is simple," continues the Institute for Propaganda Analysis, "First make the words 'Jew' and 'Communist' so odious that people will shrink from anything or anybody on which they may be pinned. Then you have only to call those people you don't like Communist or Jewish in order to destroy them. Hence, when Dorothy Thompson attacks the German Government, Liberation, the silver-shirt weekly, snaps back that her real name is Dorothy Thompson Levy. Alfred Landon attacks Dr. Winrod and immediately Liberation points out that M. stands for Mossman, which proves conclusively that Mr. Landon is Jewish. The New Deal is Jewish, the Democratic Party is Jewish, Cordell Hull is Jewish, Franklin D. Roosevelt is Jewish, the Masons are Jewish, the C. I. O. is Jewish, the A. F. of L. is Jewish—so they say."

It is reported to me from a source which I am not at this moment privileged to disclose, that one paper manufacturing company delivers to one of the organizations already mentioned in this broadcast sufficient paper to permit the distribution of over 300,000 copies of its bulletins of Fascist propaganda every week in the year.

It is now high time, my friends and comrades of the World War, for us to make up our minds as to how we are to meet these treasonable developments. Particularly since a retired major general of the United States Army has had the effrontery to join his efforts with those of the German-American Bund, has made a bid for the leadership of the Fascist conspirators within our borders, and has adopted the Hitler tactics of building up the label Jew and Communist for the purpose of pinning it on any one of us who may disagree with him.

Let us understand that these conspirators, when they level their attack against a minority among us, are actually driving their daggers into that basic value in our tradition which holds that every man shall stand equal among us, whatever his race or color or creed.

And let us understand that they are attempting to deceive us into believing that their first attack, on the first of the values that constitute our American tradition, is the end all and be all of their purposes.

Lets get this straight, my friends and comrades of the World War. Lets get this straight if we wish ourselves to avoid the necessity of marching with blood-stained feet in some future Valley Forge as we fight for our personal rights, our personal liberties, and our personal safety. Lets get this straight—our tradition stands intact in its entirety or it doesn't stand at all.

Our tradition may be compared to a dike which protects our liberties, your liberties and my liberties, the liberties of the run of men in America. It is a massive bulwark, tennoned in the granite bedrock of the Declaration of Independence, erected boulder by boulder and pebble by pebble out of the Bill of Rights and every last rule of law that gives the Bill of Rights specific application to the problems of our daily lives.

Beyond the dike, forever threatening our precious liberties, lie the restless forces of personal ambition, the surging forces of the private armies of terrorism, the ever-surging, ever-restless seas of potential tyranny, now agitated by the winds of foreign propaganda and blown up to turbulence by the storms of universal crisis.

Behind this dike of American tradition stand we—the run of men in America—moving about our humble but to us very precious affairs—seeking through democratic institutions to work out our common destiny while with some degree of foreboding we listen to the storm that whistles overhead.

Suppose that in these times of common peril for the run of men, suppose as the seas of potential tyranny are pounding against this mighty dike, suppose that we should hear borne down the wind a voice that called "There is one rock in that wall which is the cause of all the trouble. Dig out that rock and the seas will subside." Suppose that we, turning in wonder to look into each other's eyes, should then hear a voice among us saying, "The voice from the storm is right, forsooth. Tear out the rock and the seas will subside." Suppose that we should hear this voice in our midst persist in saying, "Let in the seas of tyranny. They seek but to drown only one small group among us and all the rest will be safe."

But, friends and comrades, we in our right minds have already heard the voices of ambitious men saying, as they expounded the creed of Adolph Hitler, "Tear out that rock of your tradition which protects all men, whatever their race or color or creed, for it is only one small group among you, one tiny minority, that causes the restless seas to move." And we have heard among us the voices of those who have not yet stopped to think, saying, "Tear out the rock as these ambitious men are demanding; for it is only this small group among us, this tiny minority, that the seas of tyranny seek to drown."

And now, friends and comrades of the World War, let us give our answer to these men whose ambition overleaps itself. And let us show an example to those who have not yet stopped to think. Our answer is this—wise, courageous, honorable, and as sure as instinct. That this wall, which is our American tradition of liberty, democracy, and equality, cannot stand for an instant, if it is breached by the tiniest fissure, the tiniest hole. That there can be no rights for the run of us unless we safeguard to the last iota, the rights of the least of us. That the flood of tyranny cannot select to drown any minority among us without drowning us all. And that we do not propose to let in the seas of tyranny against any one group, to find, when the storm subsides, that we must walk among our children with heads bowed down in a desolate waste that once was called noble America.

And now, let this be heard boldly and clearly above the storm. Let it be dinned into the ears of the traitors and into the ears of those who have not yet stopped to think. That we propose to defend the wall of American tradition, down to the last pebble, down to the last grain of sand. And that we stand ready to block with our bare fists, if need be, the tiniest hole that force or treachery may strive to open in the dike of our tradition, by denying liberty, equality, and the pursuit of happiness to any American on the score of race or color or creed.

And now you—you ambitious gentlemen who sound your horns as you stir your pack to bay the blood lust call to persecution of an American religious minority—you traitors to our American tradition.

We hale you before the bar of American opinion. We charge you with compounding internal treachery to our ideals of democracy at a time when Adolph Hitler is making a frontal attack on the democracies of the world. We find you guilty and we ostracize you—we banish you from the society of decent Americans and we condemn you to the Tower of Coventry, there, by the stern white light of your consciences, to read and reread until you know by heart every syllable of the Declaration of Independence, the Bill of Rights, and the Gettysburg Address of Abraham Lincoln.

And you, my friends, and you, my comrades of the World War—at this time when the precious rights of all of us stand now in peril—we charge you with a duty. In the name of common sense and common safety and in the name of common devotion to our democratic ideals, we charge you, each one of you, in your homes, in your offices, in your workshops, and on the street corners to show by your actions that you have made a common front with any minority whose freedom is under attack because of its race, its color, or creed. We charge you, in the defense of our common liberties, to join with us as we show by our actions that, although we may not agree with a single tenet of any such minority, we are nevertheless prepared to defend to the death, if need be, its right to hold and express it.

Neutrality Legislation

EXTENSION OF REMARKS

OF

HON. ROBERT A. GRANT

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

LETTER OF MR. FLOYD O. JELLISON

Mr. GRANT of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written me by a constituent, Mr. Floyd O. Jellison, of South Bend, Ind., on the subject of neutrality and neutrality legislation. Mr. Jellison is a veteran of the Spanish-American War. He is active in veterans' and in civic affairs, and is a respected member of the bar. His letter follows:

SOUTH BEND, IND.

Hon. ROBERT A. GRANT,
Member of Congress, Washington, D. C.

DEAR SIR: Received your letter dated the 24th instant together with extract from House Report No. 856 in regard to the 1939 proposed Neutrality Act. I presume that the Congressman would not object to my offhand comment in regard to the same. Therefore, I will say:

Generally speaking, I am opposed to granting any more powers to the President. Having in mind the preservation of peace, the framers of our Constitution provided that the declaration of war shall be vested in the Congress, and I think that should be preserved in every respect.

It would take a lot of space to say what I have in mind on the subject of peace and war. However, there is a thing in our practice as lawyers known as the common law, which is the pronouncement of what is right. This has grown and developed from as far back as the days of Queen Elizabeth, and further, for that matter, to the present time, and as times have changed, we have had new pronouncements coming from the judiciary. Not that the judiciary makes the law, as the law is the right. The judiciary merely pronounces or proclaims what that right is.

On this subject the people have been too nervous to remain quiet and have rushed into the legislatures of our States with a view of getting acts passed so that they can have something to read, and have the law fixed so that they may know it by the words written into the acts of our legislatures. Now, this seems to be coming true of recent years in regard to our Federal Government.

Our international law is the common law of the nations, clearly defined by precedent, and each precedent makes a new pronouncement of it, so that every sovereign nation knows what the international law is and what the rights of a sovereign power are—not only in regard to its power within its borders but its rights on the sea, in the air, and everywhere.

There is no dispute in regard to this international law anywhere along the line. There was no dispute about the international law when Mussolini went down into Ethiopia; there was no dispute about international law when Japan went into China; there was no dispute about the international law when Hitler took over Czechoslovakia. In fact, there was no argument in regard to international right at the time Germany waded across Belgium in the World War. All of the acts that I have mentioned above grew out of pure cussedness bent upon aggression, bent upon thievery, bent upon taking something that did not belong to them.

Now, when that motive prompted the conduct on the part of these nations that motive cannot be curbed by writing a law into an act of Congress, because the motive will remain there still. I am opposed to the passage of a lot of acts by our Congress in a feeble-minded hope that it will help preserve the peace of this country.

I want this country to attend to its own business and to maintain the right to attend to its own business—and its chief business is to maintain its own sovereignty. When a sovereign nation surrenders any of its rights, then it is no longer sovereign—and by rights I mean not only to occupy its own land and to fight anyone, if they step their feet on its soil, but I mean the rights to enjoy its rights on the sea and its rights of commerce and its rights to build and maintain necessary coaling stations throughout the world and a right to sell its surplus products to anybody in the world who desires them. Those are our rights. Those rights must not be curbed. Another right that we have is to maintain our present form of government, although our present form of government may be a little bit difficult to define.

I like to think of our country as a republic. That is what my old "jograffy" used to say when I was in the primary grades, and I have never forgotten it. I still think that is what we have, although it has certainly been abused during the present administration. Some like to call it a democracy. That is all right if they want to call it a democracy—a representative democracy. Perhaps that is all right, but a representative democracy and a republic is one and the same thing—a representative form of government; a republic. We have to come back to that.

What I was going to say is this: If we have a right to maintain a representative form of Government, then it should be our privilege, if that right is imperiled, or about to be imperiled, to assert ourselves before it is too late.

I am not at all interested in having the United States go into the world with its armed forces in order to settle any quarrel between any nations of Europe, but I am interested in maintaining the right to maintain our present form of Government.

Let me ask you this question: Suppose that the United States of America was the only Republic on earth, or representative democracy, or democracy as it is called, and all other nations were of the dictatorial type with their dictators, kings and queens, and what not, just how long in that lonesome environment could we maintain all the rights of a sovereign power hereinbefore enumerated.

As I say, I want the United States of America to maintain its sovereign power. I want it to be free and untrammeled. I do not want it at any time "hamstrung" in advance in regard to any belligerency in the world. I want it to be righteous, and to be loved by the righteous nations of the world. Likewise I want it to be a silent, potential menace to the wrongdoer, but never to be put in motion by one man. But let the Congress speak when the time comes. This silent, potential menace to the wrongdoer will be America's greatest contribution toward maintaining world peace.

The Congress are our representatives—men of our selection, the best men presumably that can be selected from among our midst. They are the representatives of our representative democracy—our democracy—our Republic, and the best we can do is to leave it to our Congress—a Congress that is free and not "hamstrung"—to do the thing or not to do the thing when the exigencies arise, that our safety and permanent security seems to demand.

Very respectfully,

FLOYD O. JELLISON.

Campaign Contributions by W. P. A. Workers in Rhode Island

EXTENSION OF REMARKS

OF

HON. CHARLES F. RISK

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. RISK. Mr. Speaker, on Tuesday last the gentleman from California [Mr. GEYER] placed in the RECORD by unanimous consent a statement entitled "W. P. A. and Politics."

In the statement he made reference to two incidents which occurred in the last campaign in Rhode Island. One was that William H. Vanderbilt, then candidate for and now Governor of Rhode Island, had erroneously made a statement to the effect that certain W. P. A. workers had been laid off and men from another section in the State sent in to replace them on work necessitated by the hurricane of last September. The gentleman from California further stated that Mr. Vanderbilt later admitted his error. These two statements of the gentleman from California are true. So what about it? In my opinion it is to the credit of Mr. Vanderbilt that he admitted his error immediately after he found out that he had been misinformed.

The other criticism that the gentleman from California makes of the Republican Party in Rhode Island is that 101 W. P. A. workers are said to have donated a dollar each to the Governor's campaign fund. At this point I wish to insert a short article in the Providence Evening Bulletin of yesterday, which tells the story.

[From the Providence Evening Bulletin]

VANDERBILT FUND INQUIRY REQUEST IS GIVEN REBUFF—CELLER SEES NO NEED FOR PROBE OF W. P. A. CONTRIBUTIONS IN CAMPAIGN

WASHINGTON, June 28.—Yesterday's request by a Democratic Congressman from California that the House Judiciary Committee investigate a contribution of 101 one-dollar bills from as many W. P. A. workers to the Vanderbilt campaign fund last year met a rebuff today from the committee.

Representative EMANUEL CELLER, Democrat, of New York, acting chairman of the committee, said he saw no reason why the committee should call in Gov. William H. Vanderbilt and others to explain the contribution, as suggested by Representative LEE E. GEYER, Democrat, of California.

BILLS NOT SOLICITED

Vanderbilt declared last night the 101 one-dollar bills were not solicited. Today CELLER said:

"Even if the funds were solicited, it was no violation of present law.

"What Mr. GEYER pointed out happened in many States, and we are seeking to prevent it from happening again by reporting out the Hatch bill."

CELLER disclosed that the House Judiciary Committee hopes to report out the Hatch bill for favorable House action tomorrow. The Hatch bill is designed to minimize political activity by W. P. A.

Congressman GEYER suggested yesterday that the committee "request Governor Vanderbilt to inform it whether or not this reputed campaign contribution was used for his campaign, whether it was given to some charitable institution or whether it was given back to the W. P. A. workers."

He further asked that former Republican State Chairman Peirce H. Brereton and former State Committee Treasurer Edwin H. Arnold "be called before the committee to testify whether or not this money was solicited from W. P. A. workers, and also to inform the committee whether or not this was just a publicity move, using W. P. A. as an agency to solicit votes." GEYER urged the investigation in connection with the present consideration by the Judiciary Committee of the Hatch antipolitics-in-relief bill.

EXPLAINS MATTER

Governor Vanderbilt, at his summer home in Williamstown, Mass., said last night: "The story is exactly like this: A man came to the door of a friend of mine in Newport during the campaign, asked for the man, saw him, and gave him 101 one-dollar bills, and told him they were from 101 W. P. A. workers in Newport for my campaign fund. He knew the man was a friend of mine, he said. My friend did not know who the man was, and the man walked away after handing over the money. The money could not be given back to the W. P. A. workers because we did not know who they were. It went into the campaign fund."

Congressmen HARRY SANDAGER and CHARLES F. RISK said they "knew of the donations at the time and know they were entirely unsolicited and voluntary," but would communicate with Governor Vanderbilt to learn what he wished to do in answer to the Geyer statement. SANDAGER characterized GEYER as "erratic."

GEYER, who in a speech in the House said there was a "huge" Republican campaign chest in Rhode Island, declined to reveal his source of information.

One cannot deny the truth of the remark of Mr. Austin T. Levy that such a contribution was the "most significant contribution in this campaign," as quoted by the gentleman from California. It certainly was significant that 101 workers drawing down only the meager pay allowed by W. P. A. were willing voluntarily and anonymously to contribute a dollar apiece to the Republican campaign fund. It was evidence of the truth of statements made then and still being made that the men and women on W. P. A. are sick and disheartened at the prospects of nothing better. They have seen the ruinous

policies of this administration cause them to lose their positions in private employment. They see no future but misery and want under the New Deal. One hundred and one of them took this way of showing their dissatisfaction.

None of the gentlemen mentioned by the gentleman from California, Governor Vanderbilt, Mr. Levy, Mr. Brereton, or Mr. Arnold need be defended on the floor of this House. Theirs was a difficult job last October and they did it well. All of us who were candidates and in conference from time to time during the campaign know that there were two bugaboos standing in the way of a successful campaign—W. P. A. money and a stolen election. I know something about this combination, because I was a victim of it in 1936 and a near victim in the last election.

The gentleman from California rightly said "that the honest citizens of Rhode Island desire to be enlightened on the political activities and maneuvers of those who used the relief agencies in their State for political purposes." They do so desire and they did last October and they were enlightened. They proved that on election day beyond any reasonable doubt.

And the gentleman from California, in seeking to know what the campaign funds were used for, would be enlightened when he found out by far the greatest items in the Republican election expenditures in Rhode Island would read something like this:

(1) For educational program to secure honest election.

(2) For educational program to secure for W. P. A. workers the privilege of voting as they pleased without intimidation on the part of Democratic politicians and ward heelers.

Jitterbug Economics

EXTENSION OF REMARKS
OF
HON. DUDLEY A. WHITE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1939

Mr. WHITE of Ohio. Mr. Speaker, President Roosevelt's latest $3,800,000,000 proposed spending program is not only another ascent into the stratosphere of New Deal jitterbug economics, but, if adopted, it would be the first major step toward State socialism under which the Federal Government would take over private industry and the United States would become a totalitarian nation.

That is the real and startling situation which confronts the American people today. That they are for the most part unaware of the stark reality and the impending menace to democratic institutions is due to the intricacy of the subject and to the deceptive subtlety of the New Deal theorists who are using all of their bag of tricks to disguise outright spending as lending and socialistic projects as the normal functions of democracy.

Panic-stricken at the thought of retribution in 1940, now that the people at last realize the magnitude of the failure of the pump-priming schemes, the rule-or-ruin New Dealers are eagerly embracing the socialistic concept in an effort to escape the consequences of their economic follies. The bright young wizards of the inner circle have set the stage for another trick performance. So far the country has seen, in the proposed spending program only what the master magicians want it to see.

Yet there were telltale lines in the President's letter to the Democratic leaders on Capitol Hill. First, Mr. Roosevisit emphasized that only self-liquidating projects shall be included in his program. Then he made this highly important statement:

> There seems no reason why there should not be adopted as a permanent policy of the Government the development and maintenance of a revolving fund fed from the earnings of these Government investments and used to finance new projects at times when there is need of extra stimulus to employment.

Highly significant is the President's abandonment of the pretense about the existence of an emergency to justify his program and his contention that what he is proposing now should become permanent policy of the Government—a permanent policy of Government financing of self-liquidating projects. There is the key to the proposal. Explore the implications of that statement and the New Deal drive toward what might be euphemistically called "state capitalism," but which is better known as socialism, is laid bare.

The implications of the President's references to self-liquidating projects and to permanent policy become clearer if they are considered against the background of a memorandum recently submitted to the Temporary National Emergency Committee by Assistant Secretary of State Adolf A. Berle, who ranks high in the "brain trust." One of the less politically minded and more outspoken of the New Dealers, Mr. Berle, gave away what is behind this new rabbit-from-the-hat scheme.

"Either we are on the eve of a change in our financial system," said Mr. Berle, "or we are on the eve of a change in our social system."

Too clear a thinker not to see that the inevitable result of the New Deal plans, including his own, is a Socialist state, Mr. Berle stuttered in abashed confusion over the word "Socialist" in the sentence which follows, in his memorandum, the one just quoted.

Plainly—

he says—

> a revised financial system should not be conceived to settle the question of whether the United States becomes a Socialist country which, of course, I am not advocating. That will be determined partly by economic forces and partly by the thinking and desires of the country itself.
>
> In consequence, the system of finance has to be so adapted that it can serve equally well private enterprise, public enterprise, or a combination of both, and any intermediate forms which may appear.

The Berle memorandum, it will be recalled, was submitted in connection with his proposal to create a banking system for capital and capital credit. It assumes that it is a function of Government to create wealth by creation of Government debt. Mr. Berle put it this way:

> The Government can create, and does create, wealth in the form of roads, parks, public buildings, public hospitals, and the traditional public services of the Federal, State, and local units. Plainly, these, as they now stand, are not sufficient to serve as the market for more than a fraction of the capital-goods production in the United States.
>
> Briefly the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must be inevitably that the Government will ultimately control and own those activities.
>
> Put differently, if the Government undertakes to create wealth by using its own credit at the rate of $4,000,000,000 or so a year, and if its work is well done, the Government will be acquiring direct productive mechanisms at the rate of $4,000,000,000 worth a year, or thereabout.
>
> Over a period of years, the Government will gradually come to own most of the productive plants of the United States.

In other words, Mr. Berle contends—and correctly so—that we cannot go on spending billions of dollars for parks, highways, hospitals, and the like. But if Government spending on "self-liquidating" projects is to be "a permanent policy," we must turn to other types of projects. What kind? Why, as Mr. Berle puts it, "the direct financing of activities now supposed to be private" until, as he says, "the Government will gradually come to own most of the productive plants of the United States."

There you have it in a nutshell. The end visualized by Mr. Berle is but one stop removed from what Mr. Roosevelt now openly proposes. Perhaps Mr. Roosevelt does not see eye to eye with Mr. Berle in his objectives; perhaps he thinks he can stop within the limitations of what he now proposes.

But he cannot stop as long as he makes Government spending on "self-liquidating" projects in order to stimulate employment a "permanent policy" of the Federal Government. What he now proposes is a direct consequence of the last 6 years of New Deal spending. The proposed program already encroaches seriously on private enterprise. The next

dose of such spending will encroach further on private enterprise and so on until the Federal Government will "own most of the productive plants of the United States," unless the policy is abandoned in the meanwhile.

I cannot believe that Congress ever will authorize embarking on such a program. But if it does, we can take consolation in the fact that a saner and sounder administration will replace the new dealers before the second and third steps of what Mr. Berle visualizes are reached. If this is not true, then America indeed faces a dark future.

Jones in Key Spot—World's Biggest Money Job Comes to Texan on His Record as R. F. C. Chief

EXTENSION OF REMARKS

OF

HON. LYNDON B. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE AUSTIN (TEX.) AMERICAN-STATESMAN OF JUNE 25, 1939

Mr. LYNDON B. JOHNSON. Mr. Speaker, I want to quote a concise, well-written editorial which is indicative of how the people of Texas feel about the President's appointment of our fellow Texan to the world's No. 1 finance job. This editorial appeared in the leading daily newspaper in the capital of Texas, the Austin American-Statesman, June 25, 1939.

It is as follows:

[From the Austin (Tex.) American-Statesman of June 25, 1939]

JONES IN KEY SPOT—WORLD'S BIGGEST MONEY JOB COMES TO TEXAN ON HIS RECORD AS R. F. C. CHIEF

The world's No. 1 financial job was placed in the hands of a Texan when President Roosevelt made his logical and expected selection of Jesse H. Jones as head of the new Federal Credit Administration.

This appointment called the Texan to a financial post more important than the head of the Bank of England, far greater than the Chairman of the Federal Reserve System, or the Secretary of the Treasury.

It in effect made Jesse Jones the lending official to every citizen and to every institution in the United States which shares the direct financial partnership with the Government.

Mr. Jones has proven himself in his service as a member and Chairman of the Reconstruction Finance Corporation. He has proven his service to the Nation was one of patriotism and not of politics; and if he does as well the work ahead as in the past, he will bring justice, fairness, and opportunity to the humblest citizen who needs his house repaired, and to the largest of the railroads, faced with problems of meeting pay rolls and keeping employed their hundreds of thousands of workers.

Above all, the billions of dollars this Texan lends on behalf of the Government will be lent intelligently.

It is safe to predict that the financial mind of Jesse Jones will carry on the lending division of the Government at a profit to the 130,000,000 people of the Nation.

Texas legislators a few weeks ago heard an address by Mr. Jones. They heard in it a disclaimer of political aspirations; more than that, they heard a straightforward pledge of allegiance and loyalty to the aims and objectives of the Democratic administration, a direct commitment to aid the Democratic Party bring to fruition its purposes and programs.

We believe it is correct that the skill, sagacity, and wisdom of this Texan had much to do with making the Reconstruction Finance Corporation program a success, of gaining for it the record of both stimulating employment and animating business, and at the same time making it pay its way. Thus we see the mind and statesmanship that caused to be created this tremendous new agency of Government cooperation with business and the citizen entrusted with the mandate to make it work.

Texas has confidence this job, big as it is, will be carried through to the credit of its chief and to the benefit of the people.

Devaluation of the Dollar

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. THORKELSON. Mr. Speaker, I regret that no time was given to me for reply to a member of my own party who yesterday voluntarily stepped forward to apologize in my behalf for having inserted my own remarks in the RECORD, in which I have discussed nothing but constitutional facts. It is not my intention to reply to the most distinguished gentleman nor is it necessary for me to acknowledge the gentleman's remarks. Members of Congress, however, should keep in mind that we are elected to represent the people in the United States, adhere to constitutional government, and state facts so that the people may be reliably informed as to what is happening to their own government.

Experience has taught me that misstatements fall by themselves, and I believe it is generally recognized that nothing but truth will prevail. If I am in error, if I am wrong, it will be better to designate the point wherein I am wrong, for I am always ready to defend my position, and I make no apology for any statements that I have made. No one realizes better than myself the forces behind this move. It will be only a short time until the people in the United States recognize the issue as clearly as I do.

The daily statement of the United States Treasury on June 22, 1939, presents the fact that thirteen and a half billion in gold certificates is held by the governors of the Federal Reserve banks and interests outside the Treasury. The statement also lists that the President and the Secretary of the Treasury have free use of $2,000,000,000 in gold. The gold in the Treasury is subject to withdrawal when needed to balance foreign accounts or other claims. The gold certificates held, as I have said, are claims against the gold in the United States Treasury, and so is any United States security held by a foreign government. This statement is confirmed by a letter from the Acting Secretary of the Treasury in the RECORD of June 22, 1939. The power which this gold wields is in the hands of international bankers and brokers, and this power is responsible for the condition of our country today. It reaches a little further than that, because the removal of gold from other nations is a tremendous power which may be used to cause dissension within such nations as are deprived of gold as a medium of exchange. It might in reality bring about such antagonism against the United States as to lead us into war. This power, I venture to say, is wielded by no more than 300 people.

It is indeed unfortunate that a small number of people wield such influence over the Nation's destiny that a spade cannot be called a spade.

Personally I am not a good hater, and at the present time I do not harbor such feeling toward anyone. I do not hate even those who are engaged in the destruction of our own Government, because I believe they are innocent victims of a few misanthropists. What I would like them to bear in mind is that in becoming party to subversive activities they bring about their own destruction, for those that are now leading the Nation to rule and ruin will, if they take charge, liquidate those who helped them in wreckage. As I have said before, labor itself and those who are now dupes of the radical and Communist will in time, if these wreckers are successful, shed tears on the ruins of their own liberties.

Our republican form of government is, in my opinion, the best government any country has ever had. It has carried us

for 150 years to prosperity and all good things in life that any people could ever hope to attain. It was founded by a people who were well informed about all sorts of governments, for they had lived amidst intolerance and persecution. With this experience they created the Government of the United States as a democratic republic. It is our duty to take the torch of freedom and carry it on so that we may perpetuate for ourselves and for our children the ideals of those who created the Republic of the United States.

Mr. Speaker, in glancing over the Evening Star, I saw an article to which I shall refer, because it is interwoven with the Neutrality Act of 1939:

DEVALUE POWER HELD NECESSARY FOR DEFENSE—PRESIDENT ROOSEVELT REBUKES ACTION, ADDING IT IS NOT FINAL

HYDE PARK, N. Y., June 27.—President Roosevelt said today that control over money would revert to Wall Street and international speculators if he were deprived of his power to devalue the dollar further.

The discontinuance of that authority, he said at a press conference, also would strike a very definite blow at national defense, because a country can be weakened by hurting its foreign trade.

Misleading information is the order of the day. It is to confuse all of those who are not in the sacred international monetary ring in Wall Street.

Devaluation of the international dollar to 12.4 grains of gold will automatically raise the gold to double its former value. It was $20.67 before 1933, and it will be $41.34 if the dollar is again devaluated. What does that do? It allows foreign nations to buy the same merchandise with 1 ounce of gold today that they bought with 2 ounces of gold before 1933. In other words, let us say that cotton was 10 cents a pound and wheat $1 per bushel before 1933, and both of these items the same price today.

Before 1933, when the dollar was 25.8, the farmer received 2,580 grains of gold for 1,000 pounds of cotton, and 2,580 grains of gold for 100 bushels of wheat.

Today, under full devaluation, the same farmer will receive 1,290 grains of gold for his 1,000 pounds of cotton, and 1,290 grains of gold for his 100 bushels of wheat.

Who takes the loss? No one but the American farmer and the manufacturer. The New Deal calls this good business, or a good-neighbor policy.

This constant meddling with money is for no other purpose than to fool the public so that we will not understand how the smart boys in Wall Street are selling us into serfdom. We now have bonds on the market that sold for $1 with 25.8 grains of gold, and since 1932 we have bonds on the market that were sold for $1 with 15.521 grains of gold. If the dollar is again devaluated, we will have another issue on the market selling for $1, which contains 12.4 grains of gold. This makes very little difference to the American people, for we are not allowed to use money secured on gold. The smart boys let us use hocus-pocus or play money, for they need the gold. This system creates confusion and consigns all international transactions into a pure gambling game. The Secretary of the Treasury's and the President's $2,000,000,000 gold stabilization fund is used for such purpose, for gambling on the international stock market.

This little play on further devaluation to which the paper refers is no doubt created by the inner circle as a smoke screen. Further devaluation does not matter. As a matter of fact, it would be better did we not have the fixed gold content for the international dollar. In such event, all international trading would be conducted as it is now, on grains of gold nine-tenths fine, but we would not be tied to a dollar with a fixed gold content. The power wanted was control of gold and further extension of the $2,000,000,000 gold stabilization fund. In order to pull the wool over our eyes, devaluation was set up to fool the statesmen, and it did, for the congressional gab fest was on further devaluation.

It is the Gold Reserve Act that sold the American Nation into poverty, and it is the Gold Reserve Act that deprived our own people of gold. It is the same act that has bestowed the right of ownership of all gold to the international money kings, who are now laughing up their sleeves at the imbecility of Congress. This motley international crew now holds title to $15,537,875,078.95 in gold, and we, the people, are left whistling on the corner with a tin cup in our hands.

In these remarks I have dealt entirely with international money and monetary transactions. The President should express no fear that monetary control may return to Wall Street. For it is there now, 100 percent. Over $15,000,000,000 in gold, if you please, is now owned and controlled by the money changers in Wall Street, and it is the first time in American history that the international pirates have had such control. This is not all, for the same gentlemen are using a hocus-pocus or commodity money and credit to acquire control of industries, business, real estate, railroads, and the merchant marine. They do not even have to use gold money for that. They buy this property, which was developed and built with gold money, with a hocus-pocus or commodity money. And this is the President's good-neighbor policy to the international money kings. When this spectacle ends, we will find that we have been sold and bought out in exactly the same manner as the German people were sold and bought out during the inflation. It is well to bear in mind that transfer of property is taking place today. And it would be interesting to know who the actual owners are or will be. I am reasonably sure that German history can be duplicated here.

Congress appropriates money for airplanes, and contracts are given to certain selected companies. Why does not the American people ascertain who owns and controls such companies? I mention this because little or nothing is granted to independent companies which can actually build aircraft as good and with higher speeds than the companies to which the contracts are given. I say, Why should not Congress look into that? It is this body that is responsible for appropriating this money.

We are in the most corrupt and rotten mess we have ever been in. The invisible government's press, radio stations, cinema, and propaganda bureaus, including the Federal propaganda bureaus, are hand-in-hand with this attempted sell-out of the Treasury. I wish we all could understand that it is we, the people, who are the suckers for this bunch of international monetary pirates. We are forced to use hocus-pocus money, but the money changers use gold. We stand in the breadlines, but the nobility in Wall Street live on the fat of the land and in shining palaces. Our own worker is beating the streets looking for jobs, while foreign labor is steadily employed.

Other nations' undesirables are allowed free entrance into the United States, for no other purpose than to create more confusion and poverty.

These glorified financiers are not satisfied with that, for they want to perpetuate another Gabriel, not over the White House, but within the structure itself. The same crew that has deprived the American people of sound security, sold them into poverty, created idleness and despair among our own people, is also intimately interested in the Neutrality Act which is up for consideration today.

The Neutrality Act of 1939 is for no other purpose except to involve the United States in war on the side the President may select. It is useless, for contingencies which this act attempts to regulate are already regulated under the rules of international law. The first paragraph of the act states exactly that:

Whereas the policy of the United States in foreign wars not affecting the defense of the United States is a policy of neutrality in accordance with the rules of international law.

The Neutrality Act is the offspring of a supreme egotist, for no nation is going to be very much disturbed by the

manner in which we pursue neutrality. It is regulated by international law, and this act will not change such regulations. Strange as it may seem, the New Deal is not satisfied unless it can meddle in everybody's business. In pursuing such course, our own industries and business are in the "dog house." I say, therefore, anyone who presumes that he can regulate the whole world is in my opinion a supreme egotist.

Let us get this picture straight. Congress alone has the power to declare war, and we may maintain peace by minding our own business. We cannot always preserve peace for ourselves, because it depends on whether other nations will allow us to remain peaceful. But we may be reasonably sure, if we do not stick our neck out, our head will still remain in place. There is no provision in the Constitution which delegates power to Congress to declare the President of the United States an international umpire on war, peace, and neutrality. If we are to estimate such ability upon past performance, there will be an international family row, as soon as he takes his position.

The act itself is a childish attempt at regulation, and the President will be in the same position as Johnny Tittle Tattle in school. He will stand aside and shout, "Tommy struck him first" when he proclaims the aggressor nation. It would be a good comical show for the rest of the world.

It does not take the President to inform the American public when nations are at war. Any child 8 years old knows that. Out in the Rocky Mountains, when two gunners start working, most of us duck to get out of the line of fire. That is the position of a neutral nation in international warfare. Keep out of combat areas. This can be done by denying our own ships the right to sail in such areas, and by not permitting our own citizens to travel in such areas on foreign ships except at their own risk. If any of us are so all-fired curious that we must travel across the Atlantic or Pacific to see men kill each other, we should also provide arrangements for our own funeral.

It is further well to bear in mind that we, the common people of all nations, are not those who create war. War is created by the same people who now own and control the international gold, and they are the same people who are responsible for nearly all wars. This crowd started the World War, the Russian revolution, the Spanish "red" revolution, the inflation in Germany, which led to race hatred, and the involvement in China, where communism prevails. It is the same crowd that made dope addicts of the Chinese, a people who were educated and well informed before we could read. It is the internationalists in the monetary group who are behind the communistic activities which are now attempting to destroy civilization. It is the same group of East Indian-Europeans who are now in control of narcotic trade and white slavery on the California coast. All of them combined are at odds with Japan for refusing to become a party to their trade.

The Neutrality Act will aline the United States definitely on the side of the Communist, which is clearly evident when I quote section 6:

SEC. 6. The foregoing provisions of this joint resolution shall not apply to any American republic.

It can be seen from this that in excluding American republics, Mexico is the republic which this bill has in mind. It is to Mexico that the casualties of the red revolution will be admitted, and the purpose is to aid their brother Communists in the United States. Mexico is also to be and is a departure point for illicit immigration, for entrance of those who crawl over the borders at night or along the coast line by boat. It is quite possible that airplane fields within the Mexican border will harbor bombing planes that can attack and set fire to a radius of not less than a thousand miles. Within such radius we will find many large cities and many large industrial plants for peace and war needs. We will not be attacked from across the water, and the Army and Navy are well aware of that, but we are not safe from activities in the nation south of us. Our attack will come from within, directed by the Third International through their agents in the United States, and necessary aid will be rendered by their brothers across the border in Mexico.

The Neutrality Act will help in consummation of this most abnormal state. The act further provides for disarming of our own people, and that is very important, because we will then be easier victims for the Communist who is well armed.

If any of us should object or fail to comply with the President's orders, we may be fined $50,000 and put in jail for 5 years. In the event that he should vent his spleen on a corporation, each and every important individual in such organization may be fined $50,000 and jailed for 5 years.

Personally I cannot conceive of any legislation that will more nearly place us in the same category as Russia than this neutrality bill. It empowers the rulers to get rid of the intelligentsia, as was done in Russia; and, if Canada were not to the north of us, I suppose many would be banished to the shores bordering the Arctic Ocean. Those who drafted this bill should not be very proud of it, for it is impractical in application and dangerous to our people. It is the most deliberate attempt to involve us in a war and place us at the mercy of our enemies that has ever come to my attention.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. WADE H. KITCHENS
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1939

LETTER FROM THE SECRETARY OF STATE

Mr. KITCHENS. Mr. Speaker, on June 23 Congressman DITTER had placed in the CONGRESSIONAL RECORD a letter from Mr. Millard Brown, president, Continental Mills, Philadelphia, to the Secretary of State relative to trade agreements. Herewith is the Secretary's reply to Mr. Brown. The error referred to in this correspondence was corrected in the CONGRESSIONAL RECORD.

JUNE 26, 1939.

Mr. MILLARD D. BROWN,
President, Continental Mills, Inc.,
Armat and Lena Streets, Philadelphia, Pa.

MY DEAR MR. BROWN: I have received your letter of June 3, 1939, containing further observations with respect to the trade-agreements program and, among other things, calling attention to a statistical error in my letter to you of May 15, 1939.

The error to which you allude was a rather obvious typographical one which should, of course, have been caught before the letter was released. Promptly upon its being called to our attention, steps were taken to make the necessary correction in the CONGRESSIONAL RECORD and elsewhere to which copies of my letter had been sent in response to incoming letters pertaining to this matter.

With regard to the other points raised in your letter, most of the arguments you advance have already been covered, either directly or by implication, in discussions and testimony relative to the trade-agreements program already available to the public.

Sincerely yours,

CORDELL HULL.

Neutrality

EXTENSION OF REMARKS
OF
HON. LEON SACKS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1939

RADIO ADDRESS BY HON. PATRICK J. BOLAND, OF PENNSYLVANIA, JUNE 28, 1939

Mr. SACKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of my colleague from Pennsylvania, Hon. PATRICK J. BOLAND:

This week is most critical in the history of the United States. The Congress has under consideration the Neutrality Act of 1939.

So that we could get the real opinion of America on every phase of this important topic, the Democratic majority has opened the bill to any pertinent amendment. Conscious that our world relations transcends domestic political consideration, we want our new legislation to be American legislation and not partisan Democratic or partisan Republican. We want it to be American legislation and not Asiatic or European legislation.

The House Committee on Foreign Affairs, which reported the pending bill, held extensive and most informative hearings on America's neutrality policy during which all testimony was devoted to various legislative methods to keep us out of war. The committee adopted the plan of Secretary Cordell Hull as the best practicable legislative enactment, in the light of all the circumstances, to maintain America and to save us from war.

We hope, for the future of our country, that partisanship does not taint the vote on this bill. This thought has been best expressed by the Republican New York Herald Tribune, which said on June 18 of this year, "It would be highly unfortunate if the fight over the neutrality legislation in Congress should be determined by votes cast upon a purely party basis.

"Neutrality is not in any sense a partisan question. The problem is not one of upholding Secretary Hull and President Roosevelt as members of the Democratic Party, but rather of deciding whether the measure which these gentlemen urge is soundly based. Such opposition as has been voiced to date has come almost exclusively from Republican sources. The minority report of the House committee is signed by 9 out of the 10 Republicans on the House Foreign Affairs Committee."

This committee has been confronted with the difficulty of adjusting and extending an American national policy so that it would apply in a world where international obligations and the rights of man have been suspended. This the American people realize as does the Congress. In the face, though, of this social disruption the committee has produced an American bill which, while in accord with the American policy fostered in a better and less-savage world and so fair to all people, at the same time safeguards America as a neutral and obviates our recourse to arms. The bill plans to maintain our economic life during a time of foreign wars without the medium of force and arms. This objective is within the scope of our national policy, and if the bill did not so provide America would legislate itself to economic ruin in a war it never made.

As Dr. Esther Brunauer, of the American Association of University Women, stated to the Committee on Foreign Affairs, "neutrality legislation has come to be the symbol of American foreign policy. Actually, it is only a small part of the whole foreign policy of the United States. Moreover, it is domestic law and governs only the actions of persons within the legal jurisdiction of the United States. Nevertheless, its implications for the general course of international affairs are far-reaching. No nation can formulate its own foreign policy without taking into account what one of the largest and most powerful nations in the world is likely to do in a given situation."

The best way to be neutral is to discourage war by any nation. This bill may accomplish that, for it affects the preparation for war made by the war-minded by giving all nations who can pay and transport an opportunity to draw on American resources. It does not, as does the existing embargo, close our markets at the expense of our own economy or in the interest of the war-prepared—prepared in spite of the American-sponsored Kellogg Pact, which means outlawing war.

The automatic embargo should be repealed, for it takes us out of world trade and out of the family of nations and alines us with those nations who have with deliberation determined on a rule of the world by force. The embargo forces us to repudiate our own plighted word under the Kellogg Pact, and is contrary to the principles laid down by accepted international law, as well as to the teachings of the great peacemakers. How inconsistent is the embargo with the teachings of Pope Leo XIII and Pope Benedict XV, Pope Leo said, "Consequent upon the repudiation of those Christian principles which had contributed so efficaciously to unite the nations in the bonds of brotherhood and to bring all humanity into one great family, there has arisen little by little, in the international order, a system of jealous egoism, in consequence of which the nations now watch each other, if not with hate, at least with the suspicion of rivals. Hence, in their great undertakings they lose sight of the lofty principles of morality and justice and forget the protection which the feeble and the oppressed have a right to demand."

As an American Congressman, fully realizing the great importance of the statement of this great humanitarian, my contention is that America should lift this embargo and not place us in the embarrassing position of helping an oppressor nation against the oppressed.

Pope Benedict XV pronounced against nations who would invoke force, when he favored: "As a substitute for armies, the institution of arbitration, with its high office of peacemaker, according to norms to be agreed upon and sanctions to be determined against a state which would refuse either to submit international questions to arbitration or accept its decisions."

The present bill embodies the plan of Secretary of State Cordell Hull, whose experience with the old act has convinced him that it is not workable in the interest of America. The Washington Post in a very thoughtful editorial makes a statement concerning the Secretary, which I believe most acceptable to the American people: "The proposals of the Secretary deserve the most favorable consideration, first, because they come from him. Nobody in the Cabinet enjoys a more universal trust and esteem than does the Secretary of State. He is not impulsive; he is singularly free from prejudice; he is, in this administration, remarkably consistent; he is not susceptible to pressure groups; and he is a man of peace."

The Hull plan and the bill ends the automatic embargo and reestablishes the cash-and-carry feature of the law, which feature lapsed on May 1 of this year. Instead of the embargo on munitions the cash-and-carry provision will apply to munitions as well as to other articles of trade.

Much congressional criticism is founded, not on the efficiency of neutrality control set forth in the bill, but on a prejudiced viewpoint of the President. Critics overlook that the President's control of foreign affairs is paramount to Congress excepting that Congress has the power to declare war. Those who wish Congress to have the absolute control of the neutrality policy present a ridiculous alternative to the neutrality bill in that they insist that Congress stay continuously in session to avoid war. We cannot declare war unless Congress is in session, and the philosophy of the critics of this legislation, therefore, in my opinion, would have Congress in continuous session which would be the only condition under which we could possibly be involved.

They present another dilemma when they state that the present neutrality bill is designed to make the President a dictator and at the same time that the bill is not neutral as against the dictators; in other words, they are stating that the President is against the dictatorship idea in government and at the same time wants to be one. This lack of logic only comes from a blind partisanship that the New York Herald Tribune condemns.

The Supreme Court of the United States said in the Curtiss-Wright case, "It is quite apparent that if, in the maintenance of our international relations, embarrassment—perhaps serious embarrassment—is to be avoided and success for our aims achieved, congressional legislation which is to be made effective through negotiation and inquiry within the international field must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved."

President Roosevelt is not the first President of the United States who has insisted that the President be given some discretion and freedom from legislative restrictions in regard to foreign affairs. George Washington, the first President, said: "The nature of foreign negotiations requires caution, and their success must often depend on secrecy."

The other and main point of attack on the present bill is the repeal of the embargo. For over 150 years this country developed without an embargo against a munitions provision in our law. We had the embargo for a short time and we have found that it works directly contrary to our own objectives and our own national pledges to the people of the world.

It became most apparent that this was so during the Asiatic troubles. If the President had declared the embargo in the undeclared war of Japan on China we could not have shipped munitions to China, but we could have shipped all raw materials necessary for munitions to Japan, which was in a position to process them into munitions, and China did not have such facilities. So, had the President declared the embargo, we would then have given material help to Japan, which had already violated the Nine Power Treaty and the Kellogg Pact, both of which we signed. We would have been in the same position as a man who helps his worst enemy destroy his best friend. This was neither human nor ethical nor practical from America's own interest in the progress of the world.

Moreover, the embargo in case of another world war would have put the war-making powers in the position of saying, "America must stop its trade." Strange to say, many of those who uphold the embargo are criticizing the administration because of unemployment. I venture to say that the unemployment of this country would be almost tripled if our trade were blocked by our legislative embargo. Strange to say that some of the critics of the embargo repeal have associated themselves with those who attacked the bill because it denies us freedom of the seas, due to the cash-and-carry provision.

Another class of critics insist upon the embargo because they say its repeal is unneutral in the event of war between the axis powers and the democracies. They are quite content to overlook the fact that the embargo would make us unneutral in favor of the dictators against the democracies; and, what is more important, they seem quite unconscious of the Kellogg Pact, which we instigated and which, at least morally, bound us to be against aggressive nations.

Chief Justice Charles Evans Hughes said of the second article of the pact: "It is not a profession but a pledge, positive and comprehensive. That is the heart of the treaty."

The militant American churchman, William Chase, of New York, argued before the Foreign Affairs Committee, saying that if America does not execute its own law, the Kellog Pact, we are not honest, and we cannot go before God and expect His blessing.

The Kellogg Pact was ratified by the United States Senate under the guidance of one of our foremost American statesmen, Senator BORAH, and there can be no question but that we gave up our so-called traditional, though somewhat mythical, policy of isolation when we entered the family of nations by signing the Kellogg Pact.

Partisan critics of the bill are deserting the official position of the Republican Party concerning neutrality. The Republican platform of 1928 endorsed the proposed Kellogg Pact, which was nonneutral as far as war and the makers thereof were concerned, and the Republican platform of 1932 went one step further, favoring

congressional enactment authorizing the United States to call or participate in international conference in case of any threat of violation of the Kellogg Pact. That proposal was never passed, but those who advocated it as a firm step against aggressors are today advocating an embargo which helps the aggressors violate the Kellogg Pact.

Some state this neutrality bill will help the defending democracies because they are in a position through their naval and maritime supremacy to come to our shores and get our goods, and that the dictators are not in a similar position. They have forgotten that the reason the democracies are in this position is because of the Washington Disarmament Conference, which was adopted during the time of President Harding and which gives Great Britain a supremacy on the high seas. We had nothing to do with other treaties which were made with Great Britain and Germany concerning the limitation of naval armament, which also put Great Britain in a position to acquire our goods by the cash-and-carry provision. We are making our law in time of peace on the status of power to which we have contributed and by which we secured certain important admissions from other countries. By the Kellogg Pact our Monroe Doctrine was recognized by the world.

President Roosevelt is not responsible for the Kellogg Pact, but President Roosevelt, under the constitutional oath of office, must recognize its obligations and so must the Congress.

There is little of logic and less of law in the objections to this bill. There is neither political neutrality nor international neutrality in the objections. It represents a very well worked out compromise between various thoughts as to safeguarding America from war, and all through the bill there is carried the idea of American rights and American obligations. Nothing better could be said for the bill than the words of our very able peace-loving and respected Secretary of State when he wrote the Congress the following guiding remarks: "These proposals are intended to aid in keeping the United States from becoming involved in war. They contemplate primarily a state of affairs in which relations in the world have ceased to be peaceful.

"Our purpose must be, at all times, to endeavor to foster that state of relations among nations which will maintain the fabric of world peace. In pursuance of that aim we have done, and must do, everything possible within the limits of our traditional policy of noninvolvement in overseas affairs.

"In considering the present proposals for legislation, we must keep in mind that, no matter how much we may wish or may try to disassociate ourselves from world events, we cannot achieve disassociation. The simple fact of our existence as a great Nation in a world of nations cannot be denied; and the substance of the legislation adopted in this country inevitably influences not only this country but also other countries. The problem for us is not whether we shall help any foreign country or any group of foreign countries. Nor is it that of passing judgment upon or interfering in other people's controversies. Rather, it is that of so conducting our affairs and our relations with other peoples, both before and after the outbreak of war elsewhere, that we shall be more, and not less, secure; so that we shall not become parties to controversies; and so that our attitude and actions will encourage other people to avoid rather than to become engaged in controversy."

The Far East in American University Curricula

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, June 30, 1939

ADDRESS BY HON. ELBERT D. THOMAS OF UTAH

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah, ELBERT D. THOMAS, before the Institute of Far Eastern Studies at the University of Michigan, Ann Arbor, Mich., on June 27, 1939, on the subject "The Far East in American University Curricula."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Three nights straight talking on subjects which I have loved to think about for a generation leaves me in a quandary as to whether to make these talks a trilogy of repetitions or to attempt definitely each night to stay within the given bounds of the announced subjects. If I had stayed within bounds, I should never have wandered over the earth. If I had remained with the conventional, I should never have thought of teaching oriental subjects. I could never have been poetic as Nitobe was, who wanted to learn so that he could be a bridge to carry eastern culture to the west and western culture to the east. My hope was merely to bring the eastern scheme of thinking into our western thought.

You may have a better time and learn much more if I stay in bounds, but I will not have half as much fun. Our meetings here at this institute are definitely for mutual benefit. Please let me go my way, get thoroughly mixed up, and enjoy myself for the minutes I am before you. From experience I have known for a long time that a visiting lecturer's task is merely one of being an irritant to furnish stimulus to what a generation ago we called the regular professor's raspberry remarks.

What is the place of the Far East in the curricula of American universities? Of course, the Orient always has had a place in all teaching and classroom discussion, but is it worthy of a branch of study by itself? More and more I answer, "Yes."

Anyone who will seriously study our earth will discover, at almost any period wherein he will take a broad approach to the study, a unity which is startling in its aspects. A university must aim at the great universals. The world, therefore, must of necessity be one of these universals.

Since this is a time of economic interpretation, let us approach the place of the Far East in the only true approach to economics that man may take today. The known world throughout all history has been an economic unit. Since the invention of money and the development of trade on a money basis men and their wares have gone into every nook and corner of known places, and the men in offering these wares have braved for the purposes of gain and advantage the vast unknowns. In this day when nations are attempting to build self-sufficient nationalistic entities, if the Far East impressed itself as it should, if the study of it were stressed in every institution, the fact of this economic world unity would prove the economic interdependence of nations and our vital relationships to that unit would be made plain.

Having accepted this thesis, we realize that our national economic ills probably could be solved if the study and the thought that is being put into an attempt to solve those national ills were tempered by a recognition of the actual fact of world economic unity. If this earth is an economic unit, do you not see that the economic ills of the world cannot be solved on a strictly nationalistic basis? Since the invention of money the universal acceptance of gold and silver as money throughout the earth has brought a money unity into the world. There are many kinds of money, but each has a common denominator, and that through the ages has been gold and silver. In the production and the consumption of the earth's products the outlet for surpluses has been some far-away ultimate consumer. The ultimate consumer in this world-wide economic scheme will therefore be that people with the ability to absorb and pay for surpluses. The ultimate consumer will therefore be that part of the world where the greatest mass of population is. The ultimate consumer will therefore also be found in that part of the world where there has always been an ability to absorb profits and take all surplus investments.

In what I have said I have assumed a world unity based upon gold and silver money economy. Some thinkers are suggesting that the day of metal-based money is passing and that the world of the future will be one where economically organized nations will compete with one another on the basis of nationally combined labor and resource strength. If that day ever comes that people closest to the ultimate consumer, with the cheapest, lowest labor standards, labor and the greatest labor surplus, will have the greatest advantage. America's interest in the Far East will then not be merely an academic question; it will be one of the most vital concern if we are to maintain in any way our living standards.

Leave for a moment that thought and return to this one, made so plain to us by Mr. Sloan, of the General Motors, when he testified before the Monopoly Committee. General Motors had become self-sufficient. That great organization did not need to borrow; it was not dependent upon a second party for financial resources. Its products, therefore, have always found an outlet with profit. Where has this outlet been? It has been the whole world, and there has been in the world the ability to absorb. Then, in connection with the testimony, it was pointed out that the United States last year made $18,000,000,000 in profits that had to seek investment or be left as simple savings. Due to the fact that our economic scheme had become national in its scope, the investment channels abroad had become closed. America's economic world had in a sense therefore become bounded by the oceans. This was not entirely our fault; it was primarily because of the conditions among those peoples whom we shall term the ultimate consumers of our surpluses in goods and investing money.

Now, throughout history, or at least for the last 2,000 years, gold and silver as basic moneys have always remained comparatively scarce in Europe and America because of the greater degree of power in eastern Asia to absorb, to retain, and to keep whatever surplus in these two metals the world had produced. Let us state it in another way: For 2,000 years the mere fact that in China we have had private property and private ownership and hundreds of millions of people gainfully employed has meant that China has taken ultimately the surplus of practically everything. So much so has this been the case that I venture the assertion that an economically sick China has in the course of two or three seasons spelled an economically sick Europe and America. Having ventured that statement, let us look at the facts: We have had war and an economically sick China since 1911. I shall have to leave this

thought with this conclusion, which will be my first reason for suggesting that the Far East has a place in our university curriculum: We know where the world's surpluses can be consumed providing the people have the buying power. For the first time in China's history the Chinese in this long period since 1911 have had drained from them that which they have always relied upon to continue their purchases, regardless of pestilence, famine, war, or privation. Since 1911 the foreigner, especially in exploiting China, has taken his profits in the metals. He has drained from the Chinese the Chinaman's hoarding, and China today, exhausted, is unable to buy. In olden days, or in the days before 1911, when the individual made a profit, he put that profit in silver slugs. He hid these pieces of silver in his adobes or mud plaster when he built his house. Fire came; all was destroyed; his apparent wealth was wiped out. But no; in the ashes and in the debris he searched and found again his capital to start him going once more.

We must remember that the concept of private property and the theory of personal or family ownership, the two economic fundamentals of a democratic society, have persisted in China since times before Christ, and on these two simple principles has economic democracy there rested. If we are to restore prosperity to Europe and to America, based upon the use of money in free buying and selling, which has reflected the economics of the world for centuries, we must in some way or other cease thinking in terms of a simple national economy and base our efforts upon what are the facts—a world-wide economy. Has the Far East a place in economic study? Probably the greatest and most important place. One season after peace is restored in the Orient and Chinese labor has a chance to accumulate its ordinary New Year's holiday spending, there will be no American surplus cotton.

Yet, materially sordid as we Americans are supposed to be, I would not leave a justification of bringing the Far East into our curriculum on merely an economic basis. Has there not been throughout history this similar unity in other fields also when we have studied properly? How else can we account for such close, almost identical practices in the laws of the lands that we find when we compare the canon of Shun with the code of Hammurabi? How can we account for great centuries of spiritual outpourings, like the sixth century before Christ, where so much that is the best of China, the best of India, the best of ancient Palestine, in religious thought is discovered?

We recognize these unities when we study world conquests. We recognize these unities when we think of the history of Buddhism or of Christianity and the spread of these great systems along the channels of world trade.

We recognize these unities, too, in given periods like the seventeenth and eighteenth centuries, when the thought, coming as a result of the newly discovered world and newly opened trade lines, burst upon Europe, producing a unity which shows itself in great universal social and political revolutions. Just because the unity is only apparent during periods of great activity, great catastrophes, great war, it does not follow that it has not been there all the time. The young Dauphin who became Louis XVI took an interest in printing, printed and made a book written by Fenelon, whose title was "Telemaque." Proudly Louis went to his grandfather with the first copy. Louis XV opened it and read: "The sovereign * * * should show himself a model of virtue, of respect for religion, and an example of piety and zeal."

"Monsieur le Dauphin," said the King coldly, "you have done enough. Break the plates."

Confucian political thought had dawned upon Europe.

Does anybody imagine that the political philosophy of the Chinese sages had not influenced that thought? Who could attempt today to write on English or American literature and leave out consideration of the imagist poems brought into our scheme of poetry as a result of contact with the Japanese Hokku and Tanka poems? What would a study of religion be without some reference to Confucianism or Buddhism? How can we explain the transplanting of western nationalistic thought based upon loyalty to the King into the Mikado cult of Japan without understanding the possibilities of using some theory of Shinto to develop the thoroughgoing modern national state such as exists in Japan today. If we see the contributions of the west in the great activities that are taking place in the east, so if we but study the east, we shall see the influence of it upon our thought, our literature, our history, and our economic life in the west. What better answer can we find to the racial crudities which are being taught today in Germany in regard to the purity of the German race than to discover how thoroughly mixed the Japanese people are racially speaking when the facts are brought to play upon their own notion of constantly and everlasting thinking of themselves as a racial unit?

We think in America that we like democracy, its toleration, its great freedoms of thought and action, its recognition of personal and private property, its right to buy and sell, its devotion to peace. Probably we can find the results of those institutions which we here point out as the characteristics of our democracy upon the habits, the characteristics of a people, if we will study deeply China, the long-lived empire, whose similar institutions have made for stability there as well as contributing to China's ability to live down miseries, sufferings, and disasters.

I wonder if the student of today could not understand Europe's warring states and Europe's economics, Europe's revolutions, a little better if he had studied, or let us say if he had thought of the period of China's warring states as a laboratory for deduction. There is a thousand-year block of history open to the student of sociology, politics, international relations, and interstate conflict, the like of which is not presented anywhere else in the world to the scholar who will attempt to analyze present-day Europe and predict its future. If we want to be thoroughly and completely objective about the possibility of the evolution and development of an international law based upon morality, where better could we turn than to China to study the history of the conflicting states and realize from actual historical fact what happens to a great number of states when they exhaust themselves in strife instead of building themselves up in cooperative endeavor?

Then, too, there is Japan, the great meeting place, where theories which evolved in the east and in the west have been fused in the building of a nation.

In economics, then, the Far East has a place in our curriculum. In history, then, if the Far East is left out we have no concept of world-wide trends. In literature and language, in religion, and in social science, and especially if we remain in the fields of geology, archeology, and anthropology, we shall always find a place for the Far East in our studies.

In education there must of necessity be that approach which brings out the facts of world unity rather than emphasizing the assumed facts of diverse and nationalistic entities, which are responsible for so many of the ills which striving, contesting nationalisms are attempting to solve for themselves.

In 1909 or 1910 President Eliot visited the Far East. He felt that eastern Asia had not much to contribute to our educational scheme. His deduction was based upon the thought that the east had not evolved a scientific method. But sad to relate we had not evolved a scientific method in our study of the east. This institute proves that today we now have the scientific attitude. Much will come from this.

The National Scene—Its Recent Past and Its Immediate Future

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, June 30, 1939

ADDRESS BY HON. MILLARD E. TYDINGS, OF MARYLAND, BEFORE THE AMERICAN IRON AND STEEL INSTITUTE

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by the Senator from Maryland [Mr. TYDINGS] before the American Iron and Steel Institute on May 25, 1939, at the Waldorf Astoria Hotel, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a distinctive honor and a particular pleasure to be asked to address this distinguished gathering of Americans. Here are represented the leaders of one of the great industries of our country. In talking to you tonight I shall make some comments upon the national scene, its recent past and its immediate future. Of course, the past is behind us. It cannot be changed. The future, on the other hand, is yet ahead and is ours to make what we will.

Out of the abundance of our great wealth and the accumulations from former periods of prosperity, it has been possible during the last 7 years to experiment in the field of government in a most lavish fashion. If one experiment did not work well, it could be discarded and a new one attempted. Our resources were so great that at first the cumulative effect of experiments, both good and bad, did not deliver its full impact upon our economic life.

However, even in a country with resources as great as ours, a decline in these resources and a tiring of the patience of the people with continuous Government innovations in the end more than ever demand sound remedies.

We are now approaching that point in our national economy. At the beginning of the depression in 1929, our national debt was less than $20,000,000,000. Today it is $45,000,000,000. How much is $45,000,000,000? Well, if we were to begin paying off this debt at the rate of $500,000,000 a year, it would take five generations of American citizens to discharge it.

The interest charge on our national debt alone is now more than $1,000,000,000 a year. If we were to begin at once a policy of paying current interest on the debt and decreasing that debt in principal $500,000,000 a year, it would consume 25 percent of our present entire national income for 90 years. The interest on the national debt takes 17 cents out of every dollar which the people pay in Federal taxation.

It would take 3 generations, or 60 years, to bring down our national debt to where it was 8 years ago, if it were reduced $500,000,000 a year.

This is the situation into which the "brain trusters," the "rubber stamps," and the "Yes, Yes" boys have got the financial affairs

of the United States Government. The men who advocate spending oneself out of debt are the ones who advocate drinking oneself sober. In fact, these self-styled and pseudo liberals are the real reactionaries. They are the forces which are selling the American people into economic slavery.

Always they proclaim that next year, as a result of Government spending, the income of the country is to be increased 20 to 30 percent. In the meantime, while they spend, elect, and experiment, confidence in the future is lost, the army of unemployed mills about the streets of our cities and towns as it has done for the past 10 years. In the meantime, agriculture has known few periods of even remote prosperity.

The man on the side lines, who views it all, is driven to the belief that under the guise of improving the condition of the people, the National Government is actually squandering their substance and prolonging the misery of the masses.

Obviously, this cannot go on interminably. To keep on, year after year, borrowing against the future, and chasing the mirage of prosperity in a desert of reckless and wasteful expenditure is to embrace real disaster eventually.

The whole reckless program is carried on in the same fashion that Mark Antony employed with the Roman populace. You recall that Mark "came to bury Caesar, not to praise him."

Today, the same emotional build-up is used in this country to put over certain programs. As soon as common sense commences to dissipate the sophistry and lure of mere words, a new emotional build-up, interlarded with name calling and epithets, is begun.

Last Monday night I listened to the address of President Roosevelt before the Retailers National Forum. In the course of his address, the President said, I quote: "It would be bad for business to shift any further burden to consumers' taxes. * * * Remember, as businessmen and as retailers, that any further tax on consumers, like a sales tax, means that the consumers can buy fewer goods at your store."

I agree thoroughly with the position taken by the President. It would be more interesting to have the President's comment upon the effect on consumers' purchasing power when the day comes—if it ever does—when the lavish expenditures which he has constantly advocated are to be paid for, as they will be, by the consumers of the Nation.

The President feels, he says, that a consumers' tax would be very bad for business. But the President did not say that eventually it will be the consumers of this Nation who are going to pay off the tremendous debt which the present administration is foisting upon many generations to come.

If additional consumers' taxes would be injurious now, they will be injurious whenever they are laid, and they will have to be laid as I shall presently prove if the debt is not to be repudiated, directly or indirectly.

Now bear with me. Out of the $5,520,000,000, which the Budget Bureau estimates will be the total tax income for the United States in 1939, all of the corporations and all of the income-tax payers of the Nation will pay $2,086,000,000. How is the remaining $3,434,000,000 raised? It is raised now, and always has been raised, by taxes on the masses of the people, the consumers of the Nation. And keep in mind that while the masses of the people—the consumers—are now paying over 60 percent of our total national tax revenue, it is not enough to make income match outgo, for at the same time we are annually spending billions of dollars more than we are taking in.

It is, of course, true that when debt-payment time comes that the corporations and the income-tax payers alike are going to have to pay heavy additional taxes. But even if we take every cent of income from all of the people in this Nation who receive more than $100,000 a year, it would only amount to $974,000,000. It is obvious that the well-to-do, if we took every cent they received, could not produce the money needed to meet our present expenses or to make up the sums needed for the eventual payment of the debt. The billions to be raised annually must come out of the sweat and toil of the working masses of this Nation, the white-collar worker, the farmer, the laborer, and the skilled mechanic.

The President's logic that consumers' taxes hurt business is sound. If this is sound and true now, it will be equally sound and true when the consumers of the United States pay, as I have shown they must pay, the additional taxes necessary to liquidate the national debt.

Of course, if the President is playing a hunch that prosperity, which has been continually promised each year for the last 6 years, really does come, say after January 20, 1941, then all may be well. But if the President's hunch should be wrong, what then? It is bad policy to run a government on hunches. It is bad to run it on money that five future generations will have to raise in order to make the Nation solvent.

Obviously, the policies of the present administration cannot go on interminably. Indeed, to pursue the course much further is to hasten disaster. How, then, can we turn the flank of this movement, so shot with sophistry? That is the task of those who are in positions of leadership, in and outside of government, the task of getting the 120,000,000 men, women, and children of this country back on the road of real recovery and improved conditions.

I shall attempt to prove tonight that there is only one way, in the main, in which this can be achieved, and that is by the revival of the private business of the Nation.

By business, I mean agriculture, mining, electric light, power and gas, manufacturing, construction, transportation, communication, trade, finance, services, and miscellaneous enterprises.

In normal times 50,000,000 persons find employment in one or the other of these activities. At present some ten or twelve million of those normally employed are without work or only partially employed.

How, then, can the machinery of business be started so that at least a large part of the army of the unemployed can be absorbed in everyday work, so that taxation and governmental expenditures can be decreased, and through the orderly exchange of goods and services we can again know a normal life in this Nation?

First, I am of the opinion that much of the half-baked legislation, some of which has been discarded, such as the N. R. A. and the A. A. A., the spend-yourself-out-of-debt and similar panaceas, has had its roots in a lack of comprehension of what the businesses that I have named really mean to the Nation.

Our people have forgotten, it appears, that the only place in which a citizen can find work outside of government is in some line of business, whether it be manufacturing, transportation, or agriculture; that government has nothing in the way of revenues except what it derives from the conduct of private business; and that unless business can be resuscitated, unemployment, burdensome taxes, annual deficits, and a disastrous national debt are inevitable.

In my judgment, the people of this Nation, particularly the working people, do not appreciate fully how much they have at stake in the revival of business. Until they do, bad legislation, useless experimentation and innovation, and evil times are likely to persist.

The charts which you see on the wall were prepared during the administration of Franklin D. Roosevelt. They are not my figures. They are the figures of the Department of Commerce of the United States Government.

The first chart is entitled "Business Savings From 1929 to 1937," a 9-year period

It deals with every business in the country, including agriculture. Look at the figures. In the year 1929 the business of the United States took in $2,583,000,000 more than it paid out.

In 1930, all the businesses of the Nation paid out $5,000,000,000 more than all the businesses of the Nation took in.

In 1931, all the businesses paid out $8,052,000,000 more than they took in.

In 1932, all the businesses of the Nation paid out $8,942,000,000 more than they took in.

In 1933, all the businesses of the Nation paid out $3,094,000,000 more than they took in.

In 1934, all the businesses of the Nation paid out $1,429,000,000 more than they took in.

And in 1935, for the first time in a 5-year period, all the businesses of the Nation took in $310,000,000 more than all the businesses of the Nation paid out.

The startling summation shows that from January 1, 1929, down to and including December 31, 1935, all the businesses of the Nation paid out $23,529,000,000 more than was taken in.

Business, during the years from 1930 to 1934, inclusive, was living upon the resources it had collected and set aside in good years. During this period of time, most of these resources were used up. While it is true that in 1936 and 1937 business as a whole was able to make a small profit, it was not sufficient to replenish the resources which business itself, not Government, spent during the 5 deep years of the depression. Business, during these 7 years, 1929–35, inclusive, has spent practically the same amount of money which the Federal Government has spent in an effort to overcome and survive the depression, for business has used up $23,529,000,000 of its accumulated resources in the period I have indicated. Without these resources, built up in good years, there would have been universal bankruptcy and economic chaos in this country. It was only because business had set something aside in the sunny days that it was able to carry on through the long storms and economic rain of the 5 years succeeding 1929.

And yet, in the face of that contribution, high personages in Government lose no opportunity to berate, belittle, and attack, and sometimes to persecute men who have carried on through the depression at a greater loss of resources than the National Government has experienced.

The man who preaches to the American people a general hatred of all businesses teaches them to hate the very source to which they must look for food, shelter, and clothing for themselves and their families. No one has a bigger stake in the revival of business than have the 50,000,000 people who in normal times find employment in these various businesses.

Let me next refer you to the chart on manufacturing, embracing all the various activities of our people in the production of heavy and consumers goods—the steel, the automobile, clothing, furniture, typewriters, tools, bricks, and the like. What do we find? We find that out of every income dollar which the great manufacturing interests of this Nation have taken in, an average of more than 80 cents of that income dollar was paid to labor.

When a man buys an automobile from one of the large automobile manufacturing concerns, it never occurs to him that about 82 cents out of every dollar he paid for that automobile went for labor. He assumes that in the plant where the machine was fabricated, the component labor percentage was a good deal less than 82 percent of the cost. He fails to realize that labor is a part of the cost of all the materials used, of transporting, and manufacturing the steel in the product; that labor is a part of the cost of taking the coal out of the ground, with which the plant

is operated; that labor is a large part of the cost of growing the rubber, transporting it to this country and fabricating it into the tires with which the machine is equipped.

But a careful examination of all these facts, made under this very administration in Washington, shows that 82 cents out of the manufacturing income dollar goes to labor.

Let me next transfer your attention to transportation, under which are included the railroads, the bus companies, the boats, and other agencies engaged in transporting cargo and persons. Out of every income dollar received by the combined transportation industries of this country, approximately 75 cents goes for wages.

Let me next call your attention to the field of mining and quarrying, where the millions of miners in all branches of that activity are employed. Again we find that approximately 80 cents out of every mining-income dollar goes to pay wages.

The cost of the materials and equipment used in the mines is made up largely of the cost of the labor necessary to gather, transport, and fashion them into objects for use. This is part of the labor cost of operating the mines, as well as the payment of the labor which actually does the mining in the mines.

Now look at the great field of construction. Here again we find that approximately 80 cents out of every income dollar goes to pay labor.

Again, if we combine all of the industries of the Nation together, including agriculture and forestry, in which the labor content is extremely low, we find that about 65 cents out of every income dollar from every source of work in the Nation goes to pay labor.

In sum, who has a larger stake in the revival of American business than do the millions of men and women employed in these activities?

My primary desire in wishing to revive the business of the Nation is not so the well-to-do can make more money, but so the very poor may have an opportunity to work at fair wages and steady hours, so they may support themselves and their families according to the American standard of living. And where else in the United States can the unemployed find work at such a level of pay and steady employment except in a revival of business?

When I hear of sit-down strikes and efforts to array class against class, and hear businessmen denounced as a group, and see the chaos that everywhere is evident, I know these things would not be if to those who are employed could be brought the knowledge that out of every income dollar which most businesses receive, approximately 80 cents goes to those employed in that business.

Too many people who are employed assume that labor is only a 10-, 20-, or 30-percent charge against the income dollar of the business in which they are engaged and this lack of knowledge puts them in the frame of mind where they become the prey, the tools, and the pawns of those who really exploit them in the name of progress.

Again let me remind you gentlemen that these charts and these figures were prepared in the Department of Commerce under the present national administration. They are in book form and can be obtained by any citizen upon requesting copy of booklets on National Income in the United States. There you will find these studies carried out in more detail than time will permit me to bring out here tonight.

I would like to see these charts hung in every business house and plant of this Nation, along with other charts showing that the masses of the people—the consumers—pay 60 percent of the national taxes. That would lay the foundation for some good solid common-sense thinking. For the same working people who get the income from some line of business pay approximately three-fifths of all the tax money which the Government of the United States collects. They would then come to realize, first, that in the revival of business there is employment for all; and, second, that in lavish governmental expenditures there are additional burdens for all to pay.

What I have heretofore presented are facts that cannot be refuted, explained away, or denied. No one in this Republic will deny that the masses of the people are now paying and have been paying three-fifths of all the taxes which the National Government collects. Certainly the present administration will not deny that in most lines of business activity the workers of the Nation receive about 80 cents out of every income dollar from employment in private business. These two facts in themselves show that the real hope for prosperity is in the revival of business, big and little, and there is no hope for prosperity from any other source whatsoever.

The classic example of the havoc wrought by the governmental policies now in force in this country is that of ancient Rome.

When Rome was a republic, with a government similar in many ways to that of the United States, discontented pressure groups began electing senators pledged to give more relief to the unemployed and who would favor the trade guilds, which were very powerful in Rome during the last days of the republic. Under these conditions, prices kept going up, unemployment increased and the trade guilds eventually obtained a monopoly of all jobs. As their wages went up and up unemployment increased. Inflation came about and reached such proportions that money became practically worthless—gold practically disappeared from circulation as it was so precious. At one time oyster shells were used as money.

All of these measures, which led to the ultimate destruction of Rome, were of course offered in the name of suffering humanity, to relieve distress, and to provide a more abundant life, by the boys who were "going to do something about it."

They were the so-called progressives and liberals of the Roman era, just as their successors of the modern age are called the progressives and liberals of today.

These were the conditions that caused the fall of the republic. These minority groups ushered in the parade of the dictators, Sulla, Pompey, and Crassus, who in turn gave way to the Caesars. The dictators, during their terms of office, it is true, managed to straighten out to some extent the evils and distresses brought on by these minority groups, but under the Roman Empire the same thing occurred again.

The policies which I have criticized in this country—that is, of attacking and harassing business and preventing its normal revival—have created every dictator in Europe.

The swiftness with which policies are promulgated and in the face of criticism, altered and changed but never abandoned, induces a goodly proportion of our people to think that all proposed action is progress. Sometimes it is, but many economic crimes are committed in the name of progress because the experience of the past is disregarded, because the remedies, while temporarily beneficial, are often in the end worse than the disease.

The present national administration is literally filled with the counterparts of those who wielded power in ancient Rome. These men preach democracy and free enterprise, while they set in motion the machinery to destroy it.

Frequently, they abuse the Governments of Russia, Germany, or Italy, heaping criticism on these governmental systems of state control and in the next breath they advocate the measures which will imitate them. In their advocacy of economic policies, they embrace the identical systems which they in generalities frequently condemn. They proclaim that the American system of government under which we live, and which has brought us to the highest standard of living in all the world's history, is in truth a great failure and must be replaced by systems that have proven over and over again to be a sure means of ruin.

They profess a belief in democracy, while attempting to get control of an independent branch of the Government, the Supreme Court; by attempting to drive out of public life, by the use of Federal funds and Federal power, the men who dare to disagree with them and dare to fight for the preservation of the institutions of this country.

These are the men who disregard over and over again the fact that the workingman, rather than the well-to-do, has been paying and will continue to pay over half of the tax revenues of the Nation; that it is the workingman and not the well-to-do who receives approximately 80 cents out of the business-income dollar.

I suggest to you gentlemen that you help carry these eternal truths to those with whom you are associated in business. Put the Government charts on the wall, about the pay and the taxes of the masses of the people, and you will begin to get a response, because the American working man and woman are sound at heart when they are in possession of the facts.

Some high authorities look with apparent scorn on the lack of confidence among businessmen in the present state of affairs. They think recurring deficits, continual tirades against business leaders, changing tax structures, and countless innovations of government are no impediments to a business revival. This point of view is so juvenile that it is unworthy of refutation.

No sensible man is inclined to take risks, to enlarge his plant, to replace outmoded equipment, to lay in a stock of goods beyond day-to-day needs, when he cannot even remotely guess what new experiment touching his business, what new tax, what new lavish and wasteful governmental expenditures are to be inflicted today or tomorrow.

In spite of the inspired derision there is to the lack of business confidence, if fear is banished and a genuine respect and confidence for and in governmental policy is restored, it is the one thing that will provide more jobs than all the relief appropriations will provide from now until doomsday.

I suggest the following as a partial program to restore confidence and to create new employment for the idle, in private business.

First, reorganize the Federal Government to accomplish not alone efficiency but real and general economy. Let me point out one item to illustrate. Many millions can be saved in all departments by dropping the press agents and propaganda and other activities which are costly, and more political than anything else.

Second, eliminate more than a score of borrowing corporations and agencies of the Federal Government and let the United States Treasury borrow as needed for all the Federal Government. Then our national obligations may be a part of our National Government business statement. Today many agencies are borrowing billions of dollars which the Government really owes but which are not carried as a part of the Government's obligation. An example of this is the United States Housing Authority which has so borrowed $800,000,000 and is now about to borrow $800,000,000 more.

Third, have a thoroughly honest purge of the welfare rolls and base relief on real need, coupled with a requirement that localities bear a definite portion of the burden so that local interests may be aroused and demand elimination of the frequent abuses.

Fourth, whatever moneys it is necessary to appropriate for the welfare of our people, have a tax program that raises sufficient revenue to at least approximate the staggering appropriations and recurring deficits of the present day. This can be done by broadening the income-tax base so that each citizen in the Nation, according to his ability to pay, carries a part of the national tax burden. We must wipe out the deficits or at least reduce them to understandable proportions.

Fifth, overhaul the Wagner Labor Act by giving the employer the right to the free speech guaranteed by the Constitution and the right to speak out and to act when he believes that influences are attempting not to help but to exploit those who work with him.

Sixth, revise the Social Security Act. Eliminate the intended accumulation of reserve invested only in the national debt. Place it on more of a pay-as-you-go basis. It is full of inequalities. At present the farmer gets no direct benefit from it, yet he pays his share of security taxes just the same, for the employers' social-security taxes are passed on in increased prices to this large group of our citizens.

Seventh, remove the expenditure of public funds from one-man domination, where too often political considerations rather than the public welfare dictate where and how it shall be spent, as was the case in the building of bridges in Maryland during the last campaign.

Eighth, keep the three branches of our Government—executive, legislative, and judicial—independent of each other, by resisting encroachments of any one upon the other two.

I believe that the accomplishment of these things will, more than any others, restore needed confidence and put our country on the road to better times. It may be that there are a score of important things to do in order to revive the business of the Nation. But do each and every one of them and fail at the same time to restore confidence in Government and they will not avail to accomplish the recovery intended. Without confidence there can be and will be no real business revival.

Finally, let me repeat: Let the 50,000,000 workers of this Nation employed in private business know, through information and education, that theirs is the biggest stake of all in a revived business; that the present state of affairs demands that business in every form, big and little, should be encouraged, not discouraged; helped, not hindered; supported, not attacked; for with the coming of confidence and the revival of business there is work for the unemployed at good wages and steady hours, a better market and better prices for the farmer, a decrease in the governmental burden of taxation, and a normal way of American life.

We are rapidly approaching a decisive moment in our national history. The men who love America cannot be content to stand on the side lines. The facts which I have attempted to present here tonight should be presented in understandable form to the scores of millions who work every day in private business for a living. The time to commence is now. America's past, by comparison with that of any other nation, is the greatest of them all, and her future will be the greatest of them all if those in positions of leadership, in and outside of Government, stand by the eternal truths of history and carry the facts about the present day to the millions of our fellow citizens.

Debunking Private Power Interests on the Tax Question

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 27, 1939

Mr. RANKIN. Mr. Speaker, we have about succeeded in debunking the Power Trust by showing the overcharges for electricity in the various States, by showing what electricity is worth, what it should cost the ultimate consumer, and by answering their propaganda against the T. V. A.

They have now come back with the plea that they pay taxes, that public power systems do not have to pay, and try to make the people believe, and to make the Congress believe, that those taxes absorb these overcharges.

We have now debunked them on that point. We have a complete report by the Federal Power Commission, showing the amount of taxes, cash contributions, and free services rendered by public and by private power companies in every State in this Union. After taking into consideration all their alleged free services, all their taxes, all their alleged contributions, and giving them credit for all of them, according to their own figures, they are still overcharging the American people more than $850,000,000 a year for electric energy.

During the year 1936, the last year of which we have a complete report of all phases of this issue, including the taxes paid, the people of these United States used 90,937,660,000 kilowatt-hours of electricity for which they paid $2,052,833,080. Under the Ontario rates the cost would have been $827,073,918, which shows that they were overcharged $1,125,759,062 according to the Ontario rates or the rates prevailing in the Province of Ontario, Canada, where they have one of the finest public power systems in the world.

But the private power companies come back and say that the Ontario system pays no taxes and attempt to lead the American people to believe that amounts paid in taxes by the private power companies are sufficient to absorb these differences.

The report of the Federal Power Commission shows that during the year 1936 the private power interests paid in taxes of all kinds, municipal, State and Federal, including income taxes, cash contributions, and free services, all told, $275,286,073.

That amount taken from the $1,125,759,062 overcharge, according to the Ontario rates, would still leave an overcharge of $850,472,989 a year, after deducting for all taxes, all cash contributions, and all free services rendered by private power interests.

And, strange as it may seem to the friends of the private power interests, according to their own reports to the Power Commission, they paid in taxes, cash contributions, and free services only 13.2 percent of their gross revenues; while the public power systems, including municipal plants and cooperative associations, paid in taxes, cash contributions, and free services 25.8 percent of their gross income.

Now, let us break these overcharges, cash contributions, and free services down by States and show what the overcharges to the people in each State amounted to after all these taxes, contributions, and free services were deducted.

ALABAMA

During the year 1936 the electric light and power consumers in the State of Alabama were overcharged $8,367,842, according to the Ontario rates.

Private power utilities in Alabama during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,188,634. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $5,179,208.

These taxes, cash contributions, and free services paid by the private power companies in Alabama during that year amounted to 13.4 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 16.7 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Alabama were overcharged $5,179,208.

ARIZONA-NEW MEXICO

During the year 1936 the electric light and power consumers in the States of Arizona and New Mexico were overcharged $6,875,027, according to the Ontario rates.

Private power utilities in those two States during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,305,275. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $5,569,752.

These taxes, cash contributions, and free services paid by the private power companies in Arizona during that year amounted to 15.7 percent of their gross revenues, and in New Mexico they amounted to 8.7 percent; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, in Arizona, amounted to 34.5 percent of

their gross revenues, and in New Mexico they amounted to 28.9 percent.

Although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems in 1936, yet, after deducting all taxes, cash contributions, and free services paid by the private power companies to the States, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Arizona and New Mexico were overcharged $5,569,752.

ARKANSAS

During the year 1936 the electric-light and power consumers in the State of Arkansas were overcharged $6,572,934, according to the Ontario rates.

Private power utilities in Arkansas during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,113,298. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $5,459,636.

These taxes, cash contributions, and free services paid by the private power companies in Arkansas during that year amounted to 10.9 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 38.6 percent of their gross revenues.

While the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Arkansas were overcharged $5,459,636.

These overcharges in Arkansas in 1936 amounted to $5,540,389, although the Arkansas Power & Light Co. was buying power wholesale at 3.5 mills a kilowatt-hour, which is much below the T. V. A. wholesale rate; and the overcharges in Arkansas, according to the T. V. A. rates in 1936, amounted to $5,540,389, while in 1937 they amcunted to $6,470,500.

CALIFORNIA

During the year 1936 the electric light and power consumers in the State of California were overcharged $69,824,595, according to the Ontario rates.

Private power utilities in California during that year paid in taxes, cash contributions, and free services, according to their own reports, $16,821,488. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $53,003,107.

These taxes, cash contributions, and free services paid by the private power companies in California during that year amounted to 13.6 percent of their gross revenues, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 15.3 percent of their gross revenues.

Private power companies in California paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of California were overcharged $53,003,107 in 1 year.

Yet the Power Trust plead their taxes as an excuse for their exorbitant rates.

COLORADO

During the year 1936 the electric light and power consumers in the State of Colorado were overcharged $9,405,579, according to the Ontario rates.

Private power utilities in Colorado during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,019,683. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $7,385,896.

These taxes, cash contributions, and free services, paid by the private power companies in Colorado during that year amounted to 13.3 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 21.4 percent of their gross revenues.

Although the private power companies paid 50 percent less of their gross revenues than was paid by publicly owned systems in Colorado that year, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Colorado paid an annual overcharge of $7,385,896. And yet the power interests try to hide their rate extortions behind their tax smoke screen.

CONNECTICUT

During the year 1936 the electric light and power consumers in the State of Connecticut were overcharged $20,871,308, according to the Ontario rates.

Private power utilities in Connecticut during that year paid in taxes, cash contributions, and free services, according to their own reports, $4,821,124. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $16,050,184.

These taxes, cash contributions, and free services paid by the private power companies in Connecticut during that year amounted to 11.8 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 29.1 percent of their gross revenues.

Thus it will be seen that although the private power companies in Connecticut paid just a little more than one-third of the percentage of their gross revenues that were paid by the publicly owned systems; yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Connecticut were overcharged $16,050,184 in 1 year.

I wonder if the people of Connecticut realized that they were being robbed to this extent on their light and power bills.

DELAWARE, DISTRICT OF COLUMBIA, MARYLAND, AND WEST VIRGINIA

During the year 1936 the electric light and power consumers in the States of Delaware, the District of Columbia, Maryland, and West Virginia were overcharged $35,425,844, according to the Ontario rates.

Private power utilities in Delaware, the District of Columbia, Maryland, and West Virginia during that year paid in taxes, cash contributions, and free services, according to their own reports, $10,023,170. This includes all cash contributions and free services, as well as all taxes to the States, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $25,402,674.

These taxes, cash contributions, and free services paid by the private power companies in Delaware, the District of Columbia, Maryland, and West Virginia during that year amounted to the following percent of their gross revenues: Delaware, 7.4; District of Columbia, 13.3; Maryland, 9.9; and West Virginia, 13.5; while the taxes, cash contributions, and

free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to the following percent of their gross revenues: Delaware, 11; Maryland, 45.7; and West Virginia, 25.4. There are no public utilities in the District of Columbia.

After deducting all taxes, cash contributions, and free services paid by the private power companies to the States, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Delaware, the District of Columbia, Maryland, and West Virginia were overcharged $25,402,674.

DISTRICT OF COLUMBIA

I have just discussed the District of Columbia rates and overcharges in connection with Delaware, Maryland, and West Virginia.

FLORIDA

During the year 1936 the electric light and power consumers in the State of Florida were overcharged $13,679,913, according to the Ontario rates.

Private power utilities in Florida during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,823,922. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $11,855,991.

These taxes, cash contributions, and free services paid by the private power companies in Florida during that year amounted to 9.1 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 53.7 percent of their gross revenues.

Although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, 9.1 percent as against 53.7 percent, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Florida were overcharged $11,855,991.

And yet they plead their taxes as an excuse for robbing the people of Florida with an annual overcharge of approximately $12,000,000.

GEORGIA

During the year 1936 the electric light and power consumers in the State of Georgia were overcharged $13,170,549, according to the Ontario rates.

Private power utilities in Georgia during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,622,913. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $10,547,636.

These taxes, cash contributions, and free services paid by the private power companies in Georgia during that year amounted to 10.9 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 44.8 percent of their gross revenues.

Private power companies paid a far smaller percentage of their gross revenue than that paid by the publicly owned systems, only about one-tenth; yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Georgia were overcharged $10,547,636.

Behind this camouflage of taxes, they rob the people of Georgia of more than $10,000,000 a year.

IDAHO

During the year 1936 the electric-light and power consumers in the State of Idaho were overcharged $3,819,921, according to the Ontario rates.

Private power utilities in Idaho during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,506,265. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $2,313,656.

These taxes, cash contributions, and free services paid by the private power companies in Idaho during that year amounted to 17.7 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 69.6 percent of their gross revenues.

Private power companies in Idaho paid a smaller percentage of their gross revenues than that paid by the publicly owned systems—only about one-fourth—yet, after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Idaho were overcharged $2,313,656.

ILLINOIS

During the year 1936 the electric light and power consumers in the State of Illinois were overcharged $81,359,771, according to the Ontario rates.

Private power utilities in Illinois during that year paid in taxes, cash contributions, and free services, according to their own reports, $24,600,996. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $56,758,775.

These taxes, cash contributions, and free services paid by the private power companies in Illinois during that year amounted to 14 percent of their gross revenues, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 25.2 percent of their gross revenues.

Although the private power companies paid a much smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Illinois were overcharged $56,758,775.

No wonder the friends of the Power Trust in Congress voted the other day to prevent T. V. A. power from being transmitted into Illinois.

INDIANA

During the year 1936 the electric light and power consumers in the State of Indiana were overcharged $26,362,062, according to the Ontario rates.

Private power utilities in Indiana during that year paid in taxes, cash contributions, and free services, according to their own reports, $7,218,748. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $19,143,314.

These taxes, cash contributions, and free services, paid by the private power companies in Indiana during that year amounted to 12.1 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 35.4 percent of their gross revenues.

After deducting all taxes paid, cash contributions, and free services by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes in 1936, still the people of Indiana were overcharged $19,143,314.

No wonder the Power Trust is fighting to keep T. V. A. power out of Indiana.

IOWA

During the year 1936 the electric light and power consumers in the State of Iowa were overcharged $17,253,896, according to the Ontario rates.

Private power utilities in Iowa during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,182,661. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $14,071,235.

These taxes, cash contributions, and free services, paid by the private power companies in Iowa during that year amounted to 10.4 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 25.1 percent of their gross revenues.

KANSAS

During the year 1936 the electric light and power consumers in the State of Kansas were overcharged $13,243,207, according to the Ontario rates.

Private power utilities in Kansas during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,256,626. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $10,986,521.

These taxes, cash contributions, and free services paid by the private power companies in Kansas during that year amounted to 12.7 percent of their gross revenues, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 28.9 percent of their gross revenues.

KENTUCKY

During the year 1936 the electric-light and power consumers in the State of Kentucky were overcharged $11,657,132, according to the Ontario rates.

Private power utilities in Kentucky during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,313,474. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $9,343,658.

These taxes, cash contributions, and free services paid by the private power companies in Kentucky during that year amounted to 9.9 percent of their gross revenue, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 55 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a far smaller percentage of their gross revenues than that paid by the publicly owned systems, only about one-eleventh, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Kentucky were overcharged $9,343,658.

No wonder the people of Kentucky are crying out for protection against such robbery.

LOUISIANA

During the year 1936 the electric light and power consumers in the State of Louisiana were overcharged $11,242,378, according to the Ontario rates.

Private power utilities in Louisiana during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,510,074. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $7,732,304.

These taxes, cash contributions, and free services, paid by the private power companies in Louisiana during that year, amounted to 16.3 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 52.3 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Louisiana were overcharged $7,732,304 in 1 year. Yet the power companies are monopalizing the gas fields of Louisiana and producing power at less than it costs to produce and transmit it in Ontario. The people of Louisiana are simply being made slaves of the Power Trust.

MAINE

During the year 1936 the electric light and power consumers in the State of Maine were overcharged $8,327,764 according to the Ontario rates.

Private power utilities in Maine during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,601,337. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $6,726,427.

These taxes, cash contributions, and free services paid by the private power companies in Maine during that year amounted to 11.6 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 11.7 percent of their gross revenues.

Thus it will be seen that although the private power companies paid about the same percentage of their gross revenues for taxes as that paid by the publicly owned systems; yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Maine were overcharged $6,726,427 a year. I wonder how much longer the people of Maine will submit to being robbed in this way. Remember that Maine almost joins Ontario.

MARYLAND

I have discussed the Maryland rates and overcharges in connection with Delaware, the District of Columbia, and West Virginia.

MASSACHUSETTS

During the year 1936 the electric light and power consumers in the State of Massachusetts were overcharged $54,066,121, according to the Ontario rates.

Private power utilities in Massachusetts during that year paid in taxes, cash contributions, and free services, according to their own reports, $15,669,719. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $38,396,402.

These taxes, cash contributions, and free services paid by the private power companies in Massachusetts during that year amounted to 15.3 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 16.2 percent of their gross revenues.

Private power companies in Massachusetts paid a smaller percentage of their gross revenues than that paid by the

publicly owned systems in 1936, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Massachusetts were overcharged $38,396,402.

How can the people of that proud State submit to paying this tribute of more than $38,000,000 a year? No wonder the friends of the Power Trust worked so hard to defeat the Connecticut River project. It would have given the people of Massachusetts and Connecticut a yardstick that would have protected them from these exorbitant overcharges.

MICHIGAN

During the year 1936 the electric light and power consumers in the State of Michigan were overcharged $46,590,901, according to the Ontario rates.

Private power utilities in Michigan during that year paid in taxes, cash contributions, and free services, according to their own reports, $9,474,464. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $37,116,437.

These taxes, cash contributions, and free services paid by the private power companies in Michigan during that year amounted to 10.9 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 22.1 percent of their gross revenues.

Although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Michigan were overcharged $37,116,437.

Remember that Michigan joins Ontario. It must be a great punishment to the people of Michigan to have to pay this annual tribute of more than $37,000,000 a year under these circumstances.

MINNESOTA

During the year 1936 the electric light and power consumers in the State of Minnesota were overcharged $19,661,711, according to the Ontario rates.

Private power utilities in Minnesota during that year paid in taxes, cash contributions, and free services, according to their own reports, $4,509,410. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $15,152,310.

These taxes, cash contributions, and free services paid by the private power companies in Minnesota during that year amounted to 12.7 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 16.3 percent of their gross revenues.

Private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Minnesota were overcharged $15,152,310.

Minnesota also joins Ontario, but instead of enjoying Ontario rates her people are forced to pay this tribute of more than $15,000,000 a year.

MISSISSIPPI

During the year 1936 the electric light and power consumers in the State of Mississippi were overcharged $5,644,259, according to the Ontario rates.

Private power utilities in Mississippi during that year paid in taxes, cash contributions and free services, according to their own reports, $860,090. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $4,784,169.

These taxes, cash contributions, and free services, paid by the private power companies in Mississippi during that year amounted to 11.8 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicy owned systems, including municipal power plants and cooperative associations, amounted to 46.3 percent of their gross revenues.

Although the private power companies in Mississippi paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Mississippi were overcharged $4,784,169.

When you consider the fact that the people in the northern part of the State, which is served by the T. V. A., get their electricity at rates that are about equal to the Ontario rates, you can realize what a terrible burden this overcharge of $4,784,169 a year places upon the people of the rest of the State.

MISSOURI

During the year 1936 the electric light and power consumers in the State of Missouri were overcharged $28,005,786, according to the Ontario rates.

Private power utilities in Missouri during that year paid in taxes, cash contributions, and free services, according to their own reports, $4,952,715. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $23,053,071.

These taxes, cash contributions, and free services, paid by the private power companies in Missouri during that year amounted to 9.6 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 27.1 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a much smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Missouri were overcharged $23,053,071.

There is enough undeveloped water power in Missouri to supply the entire State, but these selfish interests have been powerful enough to prevent its development. They do not want to lose their power to rob the people of Missouri of this $23,000,000 a year.

MONTANA AND UTAH

During the year 1936 the electric-light and power consumers in the States of Montana and Utah were overcharged $10,093,040 according to the Ontario rates.

Private power utilities in Montana and Utah during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,174,164. This includes all cash contributions and free services, as well as all taxes to the States, the counties, the municipalities, and to the Federal Government, including income taxes. This amount, taken from the overcharge according to the Ontario rates, leaves a difference of $6,918,876.

These taxes, cash contributions, and free services paid by the private power companies in Montana and Utah during that year amounted to 14.7 percent in Montana and 14.8

percent in Utah of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted in Utah to 36.8 percent of their gross revenues. There were no public utilities in Montana.

Thus it will be seen that, although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the States, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Montana and Utah were overcharged $6,918,876.

No wonder the Power Trust is opposed to all public power movements in these two States.

NEBRASKA

During the year 1936 the electric light and power consumers in the State of Nebraska were overcharged $9,686,163, according to the Ontario rates.

Private power utilities in Nebraska during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,680,085. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $8,006,078.

These taxes, cash contributions, and free services paid by the private power companies in Nebraska during that year amounted to 11.7 percent of their gross revenue, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 18.4 percent of their gross revenues.

Thus it will be seen that, although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Nebraska were overcharged $8,006,078.

This explains why the Power Trust is so viciously opposing the efforts of Senator NORRIS to secure cheap electricity for the people of Nebraska. They prefer to collect this tribute of $8,000,000 a year.

NEVADA

During the year 1936 the electric light and power consumers in the State of Nevada were overcharged $1,344,276, according to the Ontario rates.

Private power utilities in Nevada during that year paid in taxes, cash contributions, and free services, according to their own reports, $276,051. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $1,068,225.

These taxes, cash contributions, and free services paid by the private power companies in Nevada during that year amounted to 11 percent of their gross revenues, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 38.6 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Nevada were overcharged $1,068,225.

Remember that Boulder Dam is in Nevada, which helps to hold these overcharges down.

NEW HAMPSHIRE

During the year 1936 the electric light and power consumers in the State of New Hampshire were overcharged $5,394,965, according to the Ontario rates.

Private power utilities in New Hampshire during that year paid in taxes, cash contributions, and free services, according to their own reports, $1,766,294. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $3,628,671.

These taxes, cash contributions, and free services paid by the private power companies in New Hampshire during that year amounted to 12.6 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 15.6 percent of their gross revenues.

Private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of New Hampshire were overcharged $3,628,671.

New Hampshire is almost in sight of Ontario, and yet the people of New Hampshire pay the highest light and power rates of any State in the Union, with the probable exception of Louisiana.

NEW JERSEY

During the year 1936 the electric-light and power consumers in the State of New Jersey were overcharged $57,442,472, according to the Ontario rates.

Private power utilities in New Jersey during that year paid in taxes, cash contributions, and free services, according to their own reports, $15,171,613. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $42,270,859.

These taxes, cash contributions, and free services paid by the private power companies in New Jersey during that year amounted to 16.6 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 35.5 percent of their gross revenues.

Although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet, after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of New Jersey were overcharged $42,270,859.

I wonder how the people of New Jersey can continue to meet this burden and pay this tribute of more than $42,000,000 a year.

NEW MEXICO

I have discussed the New Mexico rates and overcharges in connection with Arizona.

NEW YORK

During the year 1936 the electric light and power consumers in the State of New York were overcharged $190,237,801, according to the Ontario rates.

Private power utilities in New York during that year paid in taxes, cash contributions, and free services, according to their own reports, $47,638,465. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $142,599,336.

These taxes, cash contributions, and free services paid by the private power companies in New York during that year amounted to 15 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 14.4 percent of their gross revenues.

After deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of the State of New York were overcharged $142,599,336 a year, according to the Ontario rates, just across the line.

NORTH CAROLINA

During the year 1936 the electric light and power consumers in the State of North Carolina were overcharged $14,993,500, according to the Ontario rates.

Private power utilities in North Carolina during that year paid in taxes, cash contributions, and free services, according to their own reports, $4,672,228. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $10,321,272.

These taxes, cash contributions, and free services paid by the private power companies in North Carolina during that year amounted to 14.2 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 40.5 percent of their gross revenues.

Although the private power companies paid a much smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of North Carolina were overcharged $10,321,272 a year for power that is largely generated on the rivers of North Carolina that should be used for the people of North Carolina instead of compelling them to pay this tribute of more than $10,000,000 a year.

NORTH DAKOTA

During the year 1936 the electric light and power consumers in the State of North Dakota were overcharged $3,329,169, according to the Ontario rates.

Private power utilities in North Dakota during that year paid in taxes, cash contributions, and free services, according to their own reports, $557,351. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $2,771,816.

These taxes, cash contributions, and free services paid by the private power companies in North Dakota during that year amounted to 11.7 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 41.6 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of North Dakota were overcharged $2,771,816.

OHIO

During the year 1936 the electric light and power consumers in the State of Ohio were overcharged $61,783,138, according to the Ontario rates.

Private power utilities in Ohio during that year paid in taxes, cash contributions, and free services, according to their own reports, $15,992,845. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $45,790,293.

These taxes, cash contributions, and free services paid by the private power companies in Ohio during that year amounted to 12.8 percent of their gross revenue; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 18.3 percent of their gross revenues.

Although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Ohio were overcharged $45,790,293.

Ohio also joins Ontario, and a majority of the State is within distribution distance of the T. V. A., and yet they are forced to pay this enormous tribute to the Power Trust of more than $45,000,000 a year. Besides power could be generated with coal produced in Ohio and laid down in every section of Ohio at approximately the Ontario rates.

OKLAHOMA

During the year 1936 the electric light and power consumers in the State of Oklahoma were overcharged $13,211,777, according to the Ontario rates.

Private power utilities in Oklahoma during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,521,809. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $10,689,968.

These taxes, cash contributions, and free services, paid by the private power companies in Oklahoma during that year, amounted to 11.9 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 55.1 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet, after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Oklahoma were overcharged $10,689,968.

Electricity could be generated with Oklahoma gas, coal, or water power and distributed all over the State at rates that would save them this tribute of more than $10,000,000 a year.

OREGON

During the year 1936 the electric light and power consumers in the State of Oregon were overcharged $9,554,733, according to the Ontario rates.

Private power utilities in Oregon during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,991,543. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $6,563,190.

These taxes, cash contributions, and free services paid by the private power companies in Oregon during that year amounted to 15.8 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants

and cooperative associations, amounted to 17 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Oregon were overcharged $6,563,190.

We hope to relieve the people of Oregon from this enormous burden with cheap power from Bonneville Dam.

PENNSYLVANIA

During the year 1936 the electric light and power consumers in the State of Pennsylvania were overcharged $104,899,526, according to the Ontario rates.

Private power utilities in Pennsylvania during that year paid in taxes, cash contributions, and free services, according to their own reports, $22,760,997. This includes all cash contributions and free services, as well as all taxes to the States, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $82,138,529.

These taxes, cash contributions, and free services paid by the private power companies in Pennsylvania during that year amounted to 11.7 percent of their gross revenues, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 40.1 percent of their gross revenues.

Thus it will be seen that, although the private power companies in Pennsylvania paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet, after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Pennsylvania were overcharged $82,138,529.

Electricity could be produced in Pennsylvania with either coal or water power and distributed all over the State at rates that would relieve her people of this enormous tribute of $82,000,000 a year.

RHODE ISLAND AND VERMONT

During the year 1936 the electric light and power consumers in the States of Rhode Island and Vermont were overcharged $13,118,329, according to the Ontario rates.

Private power utilities in Rhode Island and Vermont during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,618,145. This includes all cash contributions and free services as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $10,500,184.

These taxes, cash contributions, and free services paid by the private power companies in Rhode Island and Vermont during that year amounted to: Rhode Island, 8.6 percent, and Vermont 16 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to: Rhode Island, one-tenth of 1 percent and Vermont 42 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet, after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Rhode Island and Vermont were overcharged $10,500,184.

No wonder the Power Trust opposes water-power development in New England.

SOUTH CAROLINA

During the year 1936 the electric light and power consumers in the State of South Carolina were overcharged $7,739,228, according to the Ontario rates.

Private power utilities in South Carolina during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,568,706. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $4,170,522.

These taxes, cash contributions, and free services paid by the private power companies in South Carolina during that year amounted to 20.4 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 38.8 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of South Carolina were overcharged $4,170,522.

We hope to relieve the people of South Carolina of these enormous overcharges when the Santee-Cooper and other public power projects in that State are completed.

SOUTH DAKOTA

During the year 1936 the electric light and power consumers in the State of South Dakota were overcharged $3,656,259, according to the Ontario rates.

Private power utilities in South Dakota during that year paid in taxes, cash contributions, and free services, according to their own reports, $532,229. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $3,124,030.

These taxes, cash contributions, and free services, paid by the private power companies in South Dakota during that year amounted to 10.4 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 43.1 percent of their gross revenues.

Although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of South Dakota were overcharged $3,124,030.

TENNESSEE

During the year 1936 the electric light and power consumers in the State of Tennessee were overcharged $13,131,487, according to the Ontario rates.

Private power utilities in Tennessee during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,456,604. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $9,674,883.

These taxes, cash contributions, and free services paid by the private power companies in Tennessee during that year amounted to 15.5 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and

cooperative associations, amounted to 37.6 percent of their gross revenues.

Thus it will be seen that although the private power companies paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Tennessee were overcharged $9,674,883.

TEXAS

During the year 1936 the electric light and power consumers in the State of Texas were overcharged $37,845,164, according to the Ontario rates.

Private power utilities in Texas during that year paid in taxes, cash contributions, and free services, according to their own reports, $6,357,439. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $31,487,725.

These taxes, cash contributions, and free services, paid by the private power companies in Texas during that year amounted to 10 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 38.7 percent of their gross revenues.

Although the private power companies in Texas pay a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Texas were overcharged $31,487,725.

Electricity could be generated with the natural gas that is now going to waste in Texas and distributed all over the State at the Ontario rates. But then the Power Trust could not rob them of this enormous tribute of $30,000,000 a year.

UTAH

I have discussed the Utah rates and overcharges in connection with Montana.

VERMONT

I have discussed the Vermont rates and overcharges in connection with Rhode Island and Vermont.

VIRGINIA

During the year 1936 the electric light and power consumers in the State of Virginia were overcharged $14,011,961, according to the Ontario rates.

Private power utilities in Virginia during that year paid in taxes, cash contributions, and free services, according to their own reports, $2,860,814. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $11,151,147.

These taxes, net contributions, and free services paid by the private power companies in Virginia during that year amounted to 11.7 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 53.1 percent of their gross revenues.

Although the private power companies in Virginia paid a smaller percentage of their gross revenues than that paid by the publicly owned systems, yet after deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Virginia were overcharged $11,151,147.

WASHINGTON

During the year 1936 the electric light and power consumers in the State of Washington were overcharged $15,662,930, according to the Ontario rates.

Private power utilities in Washington during that year paid in taxes, cash contributions, and free services, according to their own reports, $3,301,133. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $12,361,797.

These taxes, cash contributions, and free services paid by the private power companies in Washington during that year amounted to 12.5 percent of their gross revenues; while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 11.3 percent of their gross revenues.

After deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Washington were overcharged $12,361,797.

That is the reason the power interests are fighting Bonneville and Grand Coulee.

WEST VIRGINIA

I have discussed the West Virginia rates and overcharges in connection with Delaware, the District of Columbia, and Maryland.

WISCONSIN

During the year 1936 the electric light and power consumers in the State of Wisconsin were overcharged $25,323,124, according to the Ontario rates.

Private power utilities in Wisconsin during that year paid in taxes, cash contributions, and free services, according to their own reports, $7,712,058. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $17,611,066.

These taxes, cash contributions, and free services paid by the private power companies in Wisconsin during that year amounted to 16.4 percent of their gross revenues, while the taxes, cash contributions, and free services paid by the publicly owned systems, including municipal power plants and cooperative associations, amounted to 17.6 percent of their gross revenues.

After deducting all taxes, cash contributions, and free services paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Wisconsin were overcharged $17,611,066.

Wisconsin also joins Ontario. How can her people live and compete with the Canadians as long as they have to bear this overcharge of more than $17,000,000 a year?

WYOMING

During the year 1936 the electric light and power consumers in the State of Wyoming were overcharged $1,871,522, according to the Ontario rates.

Private power utilities in Wyoming during that year paid in taxes, cash contributions, and free services, according to their own reports, $279,413. This includes all cash contributions and free services, as well as all taxes to the State, the counties, the municipalities, and to the Federal Government, including income taxes. This amount taken from the overcharge, according to the Ontario rates, leaves a difference of $1,592,109.

These taxes, cash contributions, and free services, paid by the private power companies in Wyoming during that year amounted to 9.4 percent of their gross revenues. There are no public utilities operating in Wyoming.

After deducting all taxes paid by the private power companies to the State, the counties, the municipalities, and the Federal Government, including income taxes, still the people of Wyoming were overcharged $1,592,109.

CONCLUSION

Mr. Speaker, this is an appalling record. These figures showing the amount of taxes, cash contributions, and free services rendered by the private power companies are furnished by the power companies themselves. How can anyone read these facts and then defend these exorbitant overcharges?

I wish everyone who turns an electric switch anywhere in the United States could examine this report and see for himself the enormous burden of overcharges the electric consumers in his own State now have to pay.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I am sorry I cannot yield. But I will say to the distinguished gentleman from Pennsylvania [Mr. RICH] that, as I have shown, one of the States in which the people are most heavily burdened with overcharges for electric lights and power is that of Pennsylvania. [Applause and laughter.]

Paul V. McNutt's Record as Governor of Indiana

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

ARTICLES BY RAY E. SMITH

Mr. LUDLOW. Mr. Speaker, over and over again in my daily associations in the House of Representatives I am asked by Members of Congress:

"What kind of Governor was Paul V. McNutt? I have heard much favorable comment on his administration of the affairs of the State of Indiana and I would like to know more about his record in the Governor's office."

Interest in the brilliant, dynamic ex-Governor of Indiana, whose attractive personality is beginning to loom big on the national horizon, is keen, especially among students of government. They have heard of his masterful handling of the State's finances, which wiped out the State debt and brought the State to the felicitous situation of having a balanced budget with cash on hand, while Illinois on the west had a debt of $1,062,213,500, and Michigan on the north was struggling with a mounting levy and a State debt approximating $742,000,000, and many other States of the Union were debt-ridden, with no prospects of getting "out of the red."

They have heard of the Indiana gross-income-tax law, a McNutt creation, and how it saved the Indiana schools, and they are anxious to know how it works. They have heard how he reorganized the State government, at one stroke reducing the number of State departments from 169 to 8, thus abolishing waste and overlapping and saving the taxpayers of Indiana $2,000,000 a year.

They have heard of his masterful handling of the relief problem by which the needy were cared for in a manner that won unstinted praise, and they have been especially impressed with the fact that during the darkest, bitterest, most soul-wracking period of the depression every Indiana school teacher was paid promptly and in full when payment was due.

In order to satisfy what I believe is a very general desire to know more about Mr. McNutt's achievements as the chief executive of a great State, and what manner of man he is and what manner of governor he was, I present, by unanimous consent of the House for publication in the RECORD, four brief articles written by a distinguished journalist of Indiana, Ray E. Smith, editor of the Hoosier Sentinel, on the subject McNutt's Record as Indiana's Governor, as follows:

I

Now that more than 2 years have passed since Paul V. McNutt turned over the reins of Indiana government to his successor and soon afterward was appointed United States High Commissioner to the Philippines by President Franklin Delano Roosevelt, citizens of Indiana are becoming more conscious of the real accomplishment and progress during his 4 years as Governor.

In these past 2 years Hoosiers have had an opportunity to take inventory of the McNutt administration. Time has brought out the wisdom of the McNutt policies and torn aside the mantle of partisanship so that today those who formerly were Governor McNutt's bitter critics are acknowledging his statesmanship.

No Governor ever entered into office in more difficult times than Paul V. McNutt in January 1933. This State was in the throes of the worst business depression in its entire history. The State was in debt and its citizens were carrying an unbearably heavy tax burden. There was a threatened State deficit of $7,000,000. A hundred thousand families were hungry and begging for food, clothing, and shelter. Thousands upon thousands of men and women were able to work and willing to work but were idle because there were no jobs.

Citizens were losing their homes, their farms, and their life savings as bank after bank closed its doors. People could not pay their taxes and the credit of the State was seriously imperiled. Schools were closing for lack of funds, emptying children out into the streets.

Governor McNutt had a broad vision, however, and set about without delay to produce a remedy for each problem. He put through his program and pulled Indiana out of the mire. Hope and confidence were restored.

Before launching into a discussion of the McNutt program that redeemed Indiana, one should know the kind of man McNutt is. Tall, platinum-haired, handsome, able, well educated, and a brilliant speaker, McNutt is one of the most highly intelligent and well-schooled men who ever sat in the Governor's chair.

A graduate of Harvard University, he was professor of law and dean of the law school of Indiana University. He is a man of culture, great charm, and personal distinction. When he knows he is right, he drives ahead to accomplish his purpose.

While he had dabbled some in Democratic politics in his home county, McNutt got his first taste of "big time" politics in the American Legion, first as State commander of Indiana and later as national commander. It was then, back in 1929, that a group of his friends began to groom him for Governor.

McNutt is an ardent Roosevelt supporter. During his 4 years as Governor of Indiana he kept in step with the Roosevelt administration. It was his success as an administrator and his New Deal loyalty that caused the President to select him for High Commissioner to the Philippines.

McNutt was one of the most efficient and socially minded State executives in the country. He reorganized the decrepit State government and put through a number of enlightened acts. His administration was clean and economical. As early as 1934 he was talked of as a Presidential possibility, as Vice President in 1936 when President Roosevelt ran again, and as his party's choice for President in 1940. He declined to let friends boom him for Vice President, but there is a definite and well-defined movement now on foot throughout the Nation among his friends to place him in the White House in 1940, in the event Roosevelt does not seek a third term.

When the seventy-eighth general assembly met in early 1933, Governor McNutt appeared before the State lawmaking body and outlined a program designed to relieve the State from the dire effects of the depression. An emergency existed, he said, and the militant Governor demanded emergency action. He had a program to solve the State's ills and he laid it before the legislature.

He was favored with near-record majorities in both houses during the 1933 and 1935 regular sessions. Under his guidance the party whipped 292 acts and resolutions through the legislative mill during the 1933 session. During the 1935 session 352 acts and resolutions were written into the State's statute books, making them record volumes in size and content.

Keystone of the McNutt administration was the State government reorganization act passed by the 1933 legislature. It centralized the administrative control and responsibility with the Governor and reduced the number of departments from 169 operating during the previous administration to 8. The Governor, who is answerable to the people for his administration, was given the power to govern. The reorganization act did away with overlapping of duties of various State departments and resulted in a $2,000,000 annual saving in the operation of the State government. In McNutt's own words, "It put good business methods into the operation of our State government." The centralization brought cries of "dictatorship" from the opposition party, but was highly commended by the press.

II

The general assembly enacted record volumes of legislation during the administration of Governor McNutt to meet existing emergencies, to coordinate the State's program of legislation with that of the Roosevelt administration, and to fulfill platform promises.

The opposition party charged that the legislature was a "rubber stamp" for McNutt, but strong party lines led to enactment of virtually every measure that received administration approval. So intelligently had the McNutt legislative program been drafted that none of the new laws, although most of them were rushed through to meet an emergency, was voided by a court of last resort as unconstitutional.

Chief criticism against the McNutt legislative program centered upon the reorganization act, gross income, and liquor-control acts. The Governor defended each vigorously in the 1934 and 1936 campaigns while the opposition party assaulted them. The tremendous majorities given to the Democratic Party in Indiana in both elections was a vote of confidence by the people in the McNutt administration.

As mentioned in the first article, the Reorganization Act reduced the number of State departments from 169 to 8. Departments under the act were executive, commerce and industry, audit and control, education, public works, state, law, and treasury. The attorney general was made an appointive officer, serving at the pleasure of the Governor, instead of elective.

The act gave McNutt authority to appoint the staffs of all departments except private secretaries to elective officials. This created a wide source of political patronage, which gave the Governor a firm grip on his party organization.

The 1933 legislature passed a Gross Income Tax Act which levied a 1 percent tax on the gross business of retailers and income of individuals who make above $1,000 a year and a fourth of 1 percent on manufacturers and wholesalers. The gross-income tax became the principal issue of the State election of 1936. The Republicans pledged themselves to repeal the controversial measure. Chief opposition to the tax came from small retailers, who contended it bore heavily on them. M. Clifford Townsend, the Democratic candidate for Governor, pledged a continuance of the tax, but promised a conference at which alleged inequalities in the law would be considered. As a result, the 1937 general assembly raised the exemption on individuals and retailers to $3,000.

With the return of intoxicating liquor in 1933 after a long era of prohibition, a liquor control act was enacted by the McNutt administration. It gave the State control over the sale and dispensing of beer, wine, and spirituous liquors. It set up regulations against out-of-State brewers as a protection to Indiana breweries. Amendments to this act in the 1935 and 1937 legislatures remedied features of the original act, but it ranked as one of the best liquor-control laws in the country.

Other "model" laws were enacted to fulfill McNutt's promises to provide legislation governing operation of banks, building and loan associations, credit sales, and insurance companies in the State. The 1933 banking law, improved in 1935 after operating tests, is considered one of the best in the Nation. Numerous other States have copied it.

McNutt also pledged himself to furnish adequate financial aid to the aged and the physically handicapped. Indiana was among the first to enact such a program financed entirely by the State. In Indiana, at the end of his term as Governor, were 40,372 persons receiving old-age assistance, 2,008 receiving blind assistance, and 21,777 dependent children being cared for in private homes instead of State institutions. The aged and helpless are getting an average of $15.69 a month, the blind an average of $18.15 a month, and the payments for keep of dependent children average $12.70 a month.

In 1936 when the Federal social-security program was outlined by the Federal Government, McNutt called a special session of the general assembly to enact legislation to make the State program conform. Bills providing for unemployment compensation and pensions for the blind, aged, and dependent were hurried through the legislature, which pledged itself to consider only social-security problems.

Democrats held overwhelming majorities in the senate and house of representatives during both the 1933 and 1935 sessions. In the 1933 session the Democratic house majority was 91 to 9 and in the senate the majority was 43 to 7. The Democrats held a 65 to 35 majority in the house in 1935 and in the senate the majority was 38 to 12.

Another act sponsored by McNutt in the interest of governmental economy was known as the "skip election" act. City elections in the State were held in years when no other elections were due. To set up the ballot machinery for this one election was considered a needless expense, so the administration caused a bill to pass changing the city elections to the same year as county and township and State elections. City officials whose terms expired in 1933 were continued in office until the regular State election in 1934. This change in the election laws brought about a saving of $300,000 at a time when budget balancing was a chief issue.

III

A balanced budget, decrease in property taxes, and maintenance of the State's high educational standard by partial diversions of gross income and excise receipts into that channel were the chief financial accomplishments of the administration of Governor McNutt.

Income from taxes had fallen so low in 1932 and 1933 that when McNutt assumed office a deficit of $3,416,424 in the general fund at the end of the fiscal year, October 1, 1933, and twice that much the following October 1, unless remedial measures were taken quickly, stared him in the face. On January 10, 1933, McNutt appeared before the State legislature and said of Indiana's current fiscal affairs: "I realize that to balance a budget, not of your own making, is an undeserved hardship, but in this instance it is an imperative duty." He recommended strict economy and adoption of new sources of revenue.

McNutt was concerned about schools. In some parts of the State terms had been cut because there was no money to pay school teachers. Unless something was done, when it came time for school bells to ring in the fall of 1933 a number of schools could not open or keep open for more than 2 to 5 months at the most. By the first of 1934 school officials predicted at least 100,000 children would be running the streets because of closed schools.

The State legislature heard McNutt express his views on maintenance of school standards in this fashion: "Roads and buildings may wait, but not the children. The care of the State's wards and education of its children is an obligation the State cannot deny, even in times of great stress."

With the legislature geared for emergency action, McNutt began to move toward his objective with induction of the gross income, intangibles, auto license, liquor, and other tax receipts, and with the pooling of the State's resources in the general fund. He urged the legislators to consider a plan to divert State receipts into the school system.

To save the schools the gross-income-tax law was enacted. It provided that funds collected by the State would be distributed to local school units for payment of school-teachers' salaries. It was McNutt's hope that payments eventually would reach $600 per teaching unit. During 1934 first payments of $404 per teaching unit were made, including money collected in 1933 and 1934; during 1935 payments were $400 per teaching unit, and $425 the next year. Business improved so greatly that in 1937 payments were $500, and they climbed to $700 per teaching unit in 1938.

The gross-income tax saved Indiana's schools. The Hoosier State in 1935 was one of three in the Nation where every school teacher's salary had been paid and no school term had been shortened under 8 months. Governor McNutt received national recognition for this feat.

With the diversion of funds, the Governor immediately started an attack against local boards in an effort to reduce local property-tax levies. He contended funds awarded school corporations should aid materially in the effort to lift the tax burden from property owners.

Just how successful the gross-income tax and other new revenue-producing taxes of the McNutt administration were in lowering property taxes is best illustrated by comparing total property taxes. In 1932, the last year of Governor Leslie's administration, they were some $140,000,000. In 1936 property-tax levies, collectible in 1937, were only $97,786,000, or 30 percent less.

McNutt had promised that the tax basis would be broadened, because when he took office property taxes were carrying approximately 80 percent of the entire government load in Indiana. The gross-income tax distributed the tax basis by collecting the following amounts which otherwise would have had to come from levies on real estate: In 1934, $8,095,217; 1935, $8,044,600; 1936, $8,580,750; 1937, $10,035,250; and 1938, $13,913,550. This money goes into the general fund, and $4,000,000 was used for public-welfare program in 1937 and $6,220,392 in 1938, making it unnecessary to raise or create any new taxes.

Under the McNutt leadership the State cut expenses and created new sources of revenue, and ended the 1933–34 fiscal year with a balanced budget. The balance at the close of the 1934–35 year was $9,250,000. On July 1, 1936, McNutt announced a balance of $10,892,205 in the general fund and not a cent of State indebtedness. When the 1936–37 fiscal year ended on July 1, 1937, Indiana had the unobligated balance of $23,855,879.

McNutt left the State on a solid financial foundation, without a penny of indebtedness and with a tax system which many States have copied. The fame of the Governor's administration spread to New York and the Wall Street Journal sent a reporter to Indiana to write a series of articles about Indiana's achievement. After reviewing how Indiana had strengthened and restored its financial condition the famous New York financial paper declared: "Indiana has demonstrated that governmental economy and special tax legislation may be combined to meet changed business and economic conditions."

IV

The story of relief in Indiana under former Governor McNutt presents a record of high constructive achievement. It not only provided useful relief work for the State's needy unemployed, particularly those with dependents, but it contributed to the conservation, development, and expansion of material resources in the State and the physical equipment of various communities.

More important still, the program gave the State's unfortunates a glimpse of the finer side of life, teaching them to use their leisure for physical and intellectual advantage, to learn new trades by which to earn a living, restore their self-respect and heal their broken spirits.

It was the Governor's commission on unemployment relief, created by the general assembly early in 1933, which was made responsible for administering to the urgent needs of 100,000 destitute Indiana families. So efficiently was this work organized to eliminate waste, extravagance, and duplication of relief distribution that Indiana's per capita costs were the lowest in the Nation.

When the Civil Works Administration to create jobs through a public-building program was established by the Federal Government, the Governor's commission was functioning so capably that it was assigned the task of administering the Federal program in Indiana. When the C. W. A. was discontinued the commission became the administrative agency of the Federal Emergency Relief Administration for Indiana.

McNutt's farsighted program of taxation and businesslike management of governmental expenditures had placed the State in such sound financial condition that the Federal Government's edict that the States contribute up to 40 percent of the money needed to finance relief during the winter and all of 1935 brought no dismay. Indiana had been bearing about 40 percent of the load for some time, and was paying out about a million dollars a month while dispensing Federal money amounting to about $2,500,000 a month.

Wayne Coy, former secretary to the Governor and now administrative assistant to the High Commissioner, was made director of the Governor's commission on unemployment relief some months after the work was started, following the resignation of the first director. Carrying out McNutt's ideas for putting men and women to work rather than giving direct relief, Coy rapidly climbed to fame, and his executive ability was recognized in other States and in Washington.

In May 1935 Coy was called to Washington by Harry L. Hopkins, National Relief Administrator, to outline for President Roosevelt the program of the new Works Progress Administration in connection with putting 3,500,000 employable persons to work under the $4,000,000,000 work-relief law. He remained in Washington to assist in the final drafting of rules and regulations and to address a meeting of State administrators of the Works Progress Division who would handle the field work under the new law.

Indiana's relief machinery already was so complete and functioning so smoothly that the State was first to get the W. P. A. projects started on August 1, 1935. Three and a half months later the State had attained its job quota, as fixed by Hopkins, by placing 74,500 persons in jobs by November 18, 1935. There were on that date a total of 1,191 projects scattered throughout the 92 counties and numerous communities. Various types of construction projects were started for men, and the women were given work making garments to distribute to the needy, especially children; repairing school and library books; making surveys; or doing similar types of work.

McNutt's outstanding leadership in meeting the problems of relief in Indiana was recognized by Hopkins, who named the Governor to the advisory board of the National W. P. A.

Significant in the success of Indiana's relief plan as formulated by McNutt and carried out by Coy was the choice of projects which allowed the maximum amount of funds for labor. The aim was to have small projects that would use the most man-power instead of adopting those where a large percentage of funds would go for materials. Wherever possible communities were asked to supply materials so that more money would be available for labor.

From the start of the W. P. A. program until July 31, 1937, the allotments of Federal work-relief money to Indiana totaled $96,802,561. Sponsors' contributions to projects under this program during that period totaled $11,872,659. These figures represent a monthly average of more than $4,000,000 which were distributed over the State during 24 months. The handling of such huge sums efficiently and accurately was no small task, but the organization set up by former Governor McNutt and administered by Coy until he resigned to accompany the new High Commissioner to the Philippines has continued to function without a single breath of scandal or charge of inefficiency.

Cooperating with the national administration and objective of President Roosevelt as closely as possible, the Indiana work-relief program started by McNutt has continued to adhere to certain general principles which were evolved from experience during the early days of the depression. These principles were: First, persons on work relief should not be employed on jobs that any public unit ordinarily hires done. Second, work relief should in no way injure the standing of other workers. Third, the rate of pay should conform to the basic minimum for a decent living standard. The rate in Indiana was fixed at 30 cents per hour. Fourth, work relief should not be made so attractive as to deter workers from taking private employment when available.

In administering this program the Commission made no discrimination on account of party, creed, or race. Relief, both direct and work, was assigned solely on the basis of need. The public approved of the methods worked out by the Commission, because they were found to be more worth while than a mere dole, and the taxpayers got something tangible for their money in the improvements that were made as construction projects. Intangible gain was recognized in the revived courage and morale of the workers, which averted the danger of evils which have followed in the wake of enforced and prolonged idleness in other countries.

Government Expenditures

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, June 30, 1939

EDITORIAL FROM THE WEST UNION (W. VA.) RECORD

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial on the subject of Government expenditures, published in the West Union Record, of West Union, W. Va., under the heading, "Let's Stop It."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the West Union (W. Va.) Record of June 22, 1939]

LET'S STOP IT

In this year the Federal Government is spending four times as much for unemployment relief as the total cost of the Federal Government in 1916. I repeat this because I want this astonishing fact to sink in. This year the Federal Government alone is spending $2,741,000,000 for unemployment relief, as compared to $734,000,000 for all expenses of the Federal Government in 1916. Thirty-three States now take from the Federal Government for relief alone, exclusive of grants and subsidies, more than they pay into the Treasury from which they draw. Virginia and Illinois are among the 15 States in all the Nation drafting less relief money from the Federal Treasury than they contribute in tax revenue.

The interest charge on the Federal debt is now $1,050,000,000, and this is 40 percent more than the total Federal expenses in 1916.

Today for every dollar you pay in Federal taxation 20 cents goes directly to the payment of interest. If the Budget were balanced now, and the sum of $500,000,000 paid each year on the Federal debt, it would take 56 continuous years to reduce the debt to where it was 8 years ago.

We are being told that we are in a new era. We are listening again to the story that the old rules no longer hold; that the magic of new advisers and new tricks in financial manipulation have wiped out the significance of addition and subtraction. We are listening to the siren song of debt and still more debt. Wishful thinking and mere good intentions are not quite enough. In India the mother who casts her infant into the Ganges as an act of worship to the devouring crocodile is inspired by the most sacred intentions. But it is pretty hard on the infant. Is it any wonder that the average businessman, as Secretary Morgenthau says, has the state of mind of "What's the use?"

You know and I know that the extravagance of today must be paid by great taxation tomorrow. You know that tax-free Government competition throttles private enterprise. You know that oppression by needless governmental regulation stifles the business spirit.

The Federal Government alone is spending $23,000 every minute of every day and every night, including Sundays, and of this $11,500 is being added each minute to the public debt.—From a speech made by Senator BYRD of Virginia before the Illinois Manufacturers' Association at Chicago April 25, 1939.

The facts thus emphasized by Senator BYRD ought to alarm every patriotic, intelligent American citizen. We believe that if these facts could be presented to every citizen in the plain, simple, but forceful way in which the Virginia Senator has stated them, the people all over this Nation would at once demand that Congress put an end to extravagance and wild spending, add not another penny to the national debt, and immediately proceed to cut down expenses in all departments of the Government.

The spending program has been given a sufficiently long trial and it has failed to do what it was intended to do. It has been proved that a nation cannot spend itself into prosperity any more than can an individual.

Two and two make four today just the same as they did when we started out on our search for Utopia or for the more abundant life. The old-time virtues of thrift, economy, frugality, industry, and self-reliance are just as trustworthy today as they have ever been. Not a single time-honored principle of political economy, nor a single time-honored principle of private or public morality, nor a single cardinal virtue of any kind has been proved false or misleading in all these hectic years we have been trying to remake humanity and to establish a New Jerusalem here on earth. We have run into a stone wall every time we have gone contrary to any of those old principles or virtues, and practically all our troubles have come through our failure to be guided by them.

Everybody who has any sense at all knows well that we cannot go on indefinitely spending the way we are now spending and have been spending during the last 10 years. Nobody knows, not even the greatest financial experts, just how long we can continue to add to the already colossal national debt before we reach a state of bankruptcy or of financial and industrial chaos. But everybody knows that very thing will happen at some point or stage if we go on as we are now going and have been going. Why take chances on the happening of such a calamity? Why try to see just how far we can go without stepping over the precipice? Why not stop now while we are still on safe ground?

Every voter who can write and who believes our national debt has gone as high as it should go should write to his Senators and Congressmen urging them to do everything in their power to call a halt to the spending orgy.

Here is what the Industrial Review in a very able editorial recently said about our national debt:

Writing in the Saturday Evening Post, Harry Scherman, the distinguished economist and author of The Promises Men Live By, says, "There is only one alarming aspect of our national debt, in my opinion—the apathy and ignorance of the American public with regard to it. The common attitude is: If the experts differ as widely as they seem to do, why should an ordinary citizen add the national debt to his other workaday worries; sufficient unto the day are our own debts; if some great national disaster is really involved, poor posterity, not ourselves, will suffer it.

"But 10 or 12 years from now is hardly posterity. Quite a few economists are of the mind that this short period may easily witness an economic tornado arising from the debt if its uninterrupted rise is not permanently reversed."

This public callousness toward a fiscal policy that, long enough continued, can result in nothing else than national bankruptcy, is one of the most tragic things in our life as a people today. Nine short years ago the debt had just passed the $16,000,000,000 point, and millions of thinking people were worrying about it. Today the debt has reached $41,000,000,000—and most of us seem to take it for granted, as if it were as uncontrollable and as little important as a change in weather.

All the flag waving in the universe cannot save a spendthrift nation from revolutionary chaos. And that is something that the general public does not yet seem to realize. Public officials in the Nation's Capital are now almost helpless to stem the tide of spending, even if they so desired. The desire to stop spending the Nation into ruin has got to start at home. Every man and woman must come to realize that the Federal debt is rapidly approaching proportions that threaten the very foundations of individual liberty.

There is no such thing as "free money." As one public official, a United States Senator, recently pointed out: "We get the money from you * * * and you don't get it all back * * *. We take your shirt and give you a little piece of the shirt tail. Then you go back home waving and shouting, 'Look what Uncle Sam gave me.'"

The debt is controlled—or not controlled—by the men we elect to office—the Congressmen and the State legislators and county and municipal officials. And these men are controlled—or not controlled—by the people. The debt problem comes squarely back to us—the voters of America, who must decide whether we shall return to fiscal sanity or go whole hog toward ruin.

An Explanation of Neutrality

EXTENSION OF REMARKS
OF
HON. JOSH LEE
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Friday, June 30, 1939

ARTICLE BY HARLAN MILLER

Mr. LEE. Mr. President, on June 23 Mr. Harlan Miller, in his delightful column, had a very fine treatment of the neutrality law and the proposed neutrality legislation in the form of a conversation between father and son. I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in part in the RECORD, as follows:

[From the Washington Post of June 23, 1939]

OVER THE COFFEE

(By Harlan Miller)

A SENATOR EXPLAINS NEUTRALITY TO HIS SON

SON. Who'll have to fight if we choose the wrong kind of neutrality?

DAD. You will. So I'd better explain it to you simply.

SON. Why are there so many plans?

DAD. Because a few amateur statesmen think they're smarter than the State Department.

SON. Which bill do you favor? They mean well, don't they?

DAD. Sure; but I'm for Cordell Hull's neutrality-for-peace plan. He's an experienced statesman.

SON. But what's wrong with an embargo against selling to either side in a war?

DAD. Because that's exactly what the dictator war lords want us to do. Such an embargo is the same as giving Hitler 500 new submarines.

SON. How would Hitler vote on our neutrality bills?

DAD. He'd vote against Secretary Hull's peace-neutrality bill and cheer for embargo. Then he could go to war tomorrow, with the world at his mercy.

SON. But why do you call Mr. Hull's bill a peace bill if it would make Hitler mad?

DAD. It might make him mad, but it would discourage him from fighting, because the peaceful nations would be in better position to defend themselves.

SON. But why do some Senators favor a neutrality bill that would bring on a war?

DAD. Because they think we can stay out of the next world war—wishing will make it so. We might move off the planet.

SON. Then what do you think is the best way for us to stay out of the next war?

DAD. By doing all we can—and that's plenty—to prevent the next war.

SON. How can the embargo be neutral if it would bring on a war quickly?

DAD. It's about as neutral as sinking half of England's fleet or destroying half of the French air force.

* * * * * * *

SON. But just what does the Hull neutrality-for-peace bill do?

DAD. It lets our own Government decide where Americans can travel or trade, instead of letting the dictators decide that.

SON. But wouldn't it be dangerous to give that power to any President?

DAD. I think any President and State Department would be just as anxious to prevent war and keep out of it, and just as patriotic, as Congress. The "frozen neutrality" bills would let the dictators fix our foreign policy.

SON. But who is supposed to conduct our foreign affairs under the Constitution?

DAD. The Constitution puts the President in charge of our foreign relations. But he cannot get into a war or even make a treaty without the consent of Congress.

SON. Is Congress trying to take the President's constitutional power away?

DAD. It looks that way; and its as bad for Congress to encroach on the power of the Executive as for the President to encroach on the Supreme Court.

SON. Do you think there will be a world war this year?

DAD. Every move we make on Capitol Hill is being watched. If we don't repeal the embargo, and if we defeat the Hull proposals, it would be a signal for the aggressors to attack.

SON. We tried to be neutral in 1914, didn't we? But we couldn't stay out.

DAD. If England can't count on our help, and if Hitler can't count on our isolation, there won't be any war.

SON. Maybe we could keep out of the next war by resigning from the human race. * * * But we can't do that by passing a law, can we?

Well, It's Here

EXTENSION OF REMARKS
OF
HON. DAVID D. TERRY
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1939

ARTICLE BY MR. J. CARROLL CONE, MANAGER, ATLANTIC DIVISION, PAN AMERICAN AIRWAYS

Mr. TERRY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include an article by Mr. J. Carroll Cone, a former resident of my home town, who was a passenger on the *Yankee Clipper* on its first flight across the Atlantic. This was a history-making occasion and was the forerunner of a regular trans-Atlantic service. The article is as follows:

[From National Aeronautics for June 1939]

WELL, IT'S HERE—CHERISHED DREAM OF TRANS-ATLANTIC AIR SERVICE NOW A REALITY

(By J. Carroll Cone, manager, Atlantic division, Pan American Airways)

All the way out to the port I had to keep telling myself that this was really it, that men and machines were about to start cruising

over the North Atlantic Ocean between America and Europe on regular schedule.

This thing that men had talked about, had dreamed about, had planned for these many long years actually was here. I have been in the air business, in one capacity or another, for 22 years. I have heard engineers with tight scalps and less learned men with loose scalps and imaginations equipped with overrunning gears discuss flying the Atlantic with big transports. I have watched the airplane grow from a spindly legged upstart, so to speak, to a brawny man. I have listened to men who have flown the Atlantic say glibly that it was just a matter of a little engineering and nerve; and I have listened to others, their minds hedged around by inelastic figures, say it was impossible.

But here it was. And by the grace of Providence I was in on the start of it.

The car rolled smoothly to a stop in front of the base offices at Port Washington. The crew was on hand. All papers were in order. Baggage was weighed. Friends stood about looking rather envious. I couldn't blame them. Juan Trippe, president of Pan American Airways, and C. V. Whitney, chairman of the board, whose vision made all this possible, were obviously elated. Air lines run on chronometers, but sheer enjoyment is a matter of human emotion.

The *Yankee Clipper* was only one of three big flying boats in Manhasset Bay. There, too, were the sister ship of our plane, the *Atlantic Clipper*, and the veteran ship, *Lieutenant de Vaisseau Paris*, the latter newly arrived from France on an experimental flight. The bay actually looked cluttered up with transoceanic planes.

OFF TO EUROPE

The inevitable news reels, microphones, and newspapermen were accommodated. Good-byes were said.

"We are ready, sir," said Capt. Arthur La Porte to Mr. Trippe. Mr. Trippe and Mr. Whitney wished us "bon voyage."

We trooped down the long walkway to the float where the clipper rode easily, tethered fore and aft as a precaution against her eagerness to get away. Close up, her hull looked like the side of a skyscraper. We walked aboard, the 17 of us—14 members of the crew and 3 "observers." The hull door was closed. The big 1,500-horsepower Wrights coughed once or twice, caught, and began singing. A motor's roar may sound like noise to a landlubber but it is music to a pilot.

The lines were cast off. We taxied slowly out to our take-off lane.

Through the window at my elbow I could catch a glimpse of those ashore. Handkerchiefs were waving. A news-reel man was cranking his camera.

I had to bring myself up sharply. We were not flying to Baltimore or Bermuda. We were going to Europe. We were the first ever to fly the North Atlantic by commercial timetable. Others would follow. The whole operation up to this moment was deceiving. It was deceiving because everything was being done in 1-2-3 order, as though Skipper La Porte and his crew merely were carrying out a routine assignment.

We wheeled about into the wind. For a moment the motors continued to tick over. Then the throttles were notched up. Hull and wing responded. We were moving. White water fled past the windows. The bay water began to exert less drag. I knew we were on the step. It would be only a moment now.

There—we were up.

Well, I thought, I'd better look at the timetable. It said the next stop was Horta, almost 2,400 miles away. I wondered idly who had once proved, with paper and pencil, that this was impossible.

HAIL TO THE WORLD OF TOMORROW

Down below little boats drew tiny wakes on the water. Spectators at the base were pin points. We swung westward over the world's fair. La Porte talked with Chairman Hinckley, of the Civil Aeronautics Authority, while the brilliant colors of the fair swept beneath our wings. We wheeled east for the long haul over the Atlantic.

How can a person describe something he has looked forward to for so long, to find that it fills all his expectations? The motors, throttled back to cruising speed, sang on. Blue-coated officers went about their duties as casually as though they had been flying the North Atlantic for a hundred years. Every hour an engineer walked out into the spacious wings and checked up on the engines. The navigator took his sights. The skipper, an eye on everything at once, walked about the commodious bridge and occasionally sauntered forward for a peep at the controls.

Sleeping was easy—if a man wanted to sleep. I stayed awake as long as I could, hearing the officers talk about radio contacts. Finally I turned in. I was oblivious to the murmur of the motors. In fact, an hour after we were aloft I had to think about them to be aware of them. The mind schools itself to ignore sound which is ever present.

I dozed off. Then I was awakened suddenly. Someone was shaking my arm. What was the trouble?

"Telephone, colonel."

Telephone? In the middle of the Atlantic? I walked "upstairs" to the bridge. Maj. Lester Gardner, of the Institute of the Aeronautical Sciences, was calling from the S. S. *Washington*.

"I don't think we can hear him," I remarked.

He and Dr. George Lewis, director of research for the National Advisory Committee for Aeronautics, were off there in the Atlantic somewhere. The radiophone, I was told, would have to carry 280 miles northeast to the *Washington's* position.

Suddenly Lester's voice boomed in. It practically carried away my eardrum.

"Hello," he said. I helloed back.

Then, in the darkness of the Atlantic, Lester delivered a little speech across that 280 miles of ocean, speaking from a surface ship plowing along interminably to a great transport high above, streaking eastward at almost 180 miles an hour. Our Boeing was sliding along on a tail wind.

I suspected that Lester had that speech, wishing us Godspeed, all written out. I'll have to ask him.

HORTA "ON THE NOSE"

We flushed Horta right out of the middle of the Atlantic. The sun was coming up. The Azores lay there like little bits of green finery anchored in the middle of a blue millpond. As we swept in to put the hull of the Boeing on the water, Pan American's 55-foot patrol boat stood in the harbor proudly with the American flag whipping from her masthead.

As we settled into the water and slowed down, two welcoming boats, each with a brass band aboard, began circling. The bands blared forth. We tied up and disembarked. Girls swarmed around, flowers in hand. I had to smile a little as the girls presented the crew, those husky, sun-browned air mariners, with little bunches of posies.

We were entertained while the "first flight covers" were canceled, restamped, and loaded on the clipper. It took hours. In fact, we had to scour the islands for enough stamps to go around. To make up for the robbery, the clipper graciously delivered a consignment of stamps at Horta on the return trip.

Then we were off again.

I never have ceased to marvel at the uncanniness of clipper navigation. But picking up Horta was just a routine problem to La Porte's crew. Now, again streaking eastward, the bow of the clipper was splitting the middle of the river Tagus when Lisbon came into view.

A night's sleep and we were ready to be away again. But a mistral was blowing at Marseille. The waves, the reports said, were 7 feet high. Should we go? The skipper, who as always, had gone over his weather reports with his junior officers, nodded. La Porte knew his mistrals. Better yet, he knew his craft and its capabilities.

Our 7 hours aloft were uneventful. The wind, characteristically blowing only on the surface of the land and water, giving us no trouble aloft, had subsided somewhat, and the waves were kicking up with less frequency. We circled the harbor three or four times while La Porte studied the situation. Then we leveled off.

TAXI-ING IN REVERSE

I have done a lot of flying in my time but I've never seen anything like this. I scratched my head as the flaps came down. Was he really going to try it? The hull touched. The clipper came to rest with all the lightness of a baby carriage. The wind was too high to turn around, so La Porte cruised backward to his anchorage behind the breakwater. He actually sailed the ship stern-first.

More receptions. Officials of the city and of air France officiated. We had a prodigious taste of French hospitality. We dined. I learned anew what travelers talk about when they get poetic about French food. Then to bed.

We were up at 4:30 and away at 8:30. Flying by now had become one of those 10-minute tours over a relief map of the world. The Alps sprang out of the French countryside. Everybody aboard wanted to see Paris. After a few hours flying "over the top," we dipped through the clouds which swept under our great wings and looked down upon "Gay Paree," the city whose springtime inspired the writer of a popular song.

Then on to Southampton.

The return trip was repetitive. Swinging north of our course on the way to Lisbon, we passed over Issoudon, France, where I served as chief instructor in flying for some months before going to the front during the World War. Again my mind was filled with memories. Had men dreamed of trans-Atlantic service during those days when we strived so hard to meet the demands of the G. H. Q. for more pilots?

I caught glimpses out the window of Vatan, where the soldier-flyers more than 20 years ago entertained themselves on leave from camp, and of Chateroux, where many Americans received their wartime primary training in flying.

SIGNS OF STRIFE IN SPAIN

The clipper sailed serenely over the ocean, a half mile off the Spanish coast when we picked up the Bay of Biscay. I did not have to strain my eyes to see the marks of warfare. Santander and Finisterre had witnessed some of the bloodiest fighting in the Spanish conflict, and the destruction bore testimony to it.

At the border of Spain and Portugal we swung inland. The day was perfect. Oporto, famous for its wines, swept below our hull. Cliffs periodically reared high above the shore line, and in the spaces between were white-sand beaches.

Our welcomes at Lisbon and Horta were as cordial as those on the day we first dropped in for a visit. Specially trained girls worked like mad on mail cancelations in the Azores to speed our departure so that we could keep to our schedule. Even then, we remained in the harbor for more than 7 hours before the last sack of mail was put aboard.

We were up again, headed for Port Washington to complete our tour of a sizable portion of the world, to log 11,000 miles in a week. Our 7-league boots were striding westward to the cadence of four great motors.

Day waned. Dinner was served. The weather grew thick. We were in a warm front, which meant fog and rain. For 2 hours we

sped onward on instruments. We emerged, only to enter a cold front with high head winds.

"CHANGE COURSE FOR BERMUDA"

"We'll change course for Bermuda," remarked Captain La Porte, explaining that the character of the disturbance was such that the use of the alternate port seemed advisable.

Presently we flew out of one fork of the cold front, and the skipper elected to set his course for Port Washington again. Once more, as the magnitude of the storm became apparent, he pointed the clipper's nose toward Hamilton.

Up on the bridge the work went on. Engineers inspected the motors. I sat down in one of the comfortable armchairs on the flight deck, more spacious than the entire cabin interior of the conventional domestic transport. Here was a workroom built to order for the men who go "down to the sea in winged ships."

When the clipper tucked its prow into the warm waters of Bermuda, Skipper La Porte still had 1,100 gallons of fuel in his tanks. That was more than enough to fly on to New York. But he preferred to fly the way he had been taught—to take no chances, to keep his reserve fuel intact for a moment when he might need it to skirt a storm area.

Again we were entertained. As at Horta, Lisbon, Marseilles, and Southampton, Pan American base crews met us smilingly, aware that they, too, were parties to a historic occasion. Imperial Airways' Captain Powell took us to breakfast.

Then we were away again for Port Washington.

HOME AGAIN

Long Island's long, finger-like shore line appeared in the distance. Now we were over land again. The roof of the big hangar at the Port Washington base appeared off our port bow. The clipper swept by majestically, banked gently, and drifted toward the bay. The hull touched. Water streamed by the windows.

As we taxied toward the shore I could see bright blobs of color where people were waving us a greeting. A crewman tossed a rope out of the forward hatch. The motors were stilled. A boat drew alongside and we clambered aboard.

At the dock welcoming hands met us. Even the customs and immigration men, who are pretty serious about their duties, were smiling broadly. Mr. Trippe and Mr. Whitney were beaming with happiness over the success of their dream of 10 years ago. They had given to the United States the prestige of inaugurating the first commercial air service over the North Atlantic Ocean to Europe.

I heard Captain La Porte say, "I wish I could say the flight was spectacular, but I can't. It was just routine."

Riding easily at the float was a reminder that the *Yankee Clipper* merely showed the way. She had flown by timetable to Europe and back to establish the world's first commercial transport service across the North Atlantic. But other ships would follow. In fact, one was already pulling at its lines to be away. The *Atlantic Clipper* was ready for her stint, that same day.

As I rode back to the city from the base, I reflected that what men had dreamed about had come to pass. An ocean had been swept away and continents had been united.

But it will take me a little time to realize that we journey to Europe and back in the space of a week.

Sweden Day—New York World's Fair

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

ADDRESSES BY HON. GUSTAF MOLLER, MINISTER OF COMMERCE, OF SWEDEN, AND HON. FRANK CARLSON, OF KANSAS

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to include the addresses given by Hon. Gustaf Moller, Minister of Commerce, of Sweden, and myself, at the Sweden Day services at the New York World's Fair. These services were held at the Court of Peace on Sunday, June 25, 1939, at 2 p. m. The services were in charge of Count Folke Bernadotte, Commissioner General, and were rebroadcast in Sweden. Present at these services were several representatives of the Swedish Government, together with a large group of Swedish-Americans from all over the United States.

The following address was given by the Honorable Gustaf Moller, who has served his country with honor and distinction for many years as a member of the Swedish Parliament. He is the father of social-security legislation, and at present is Minister of Commerce.

It is a great honor to have been designated as the speaker for Sweden on Sweden Day at the New York World's Fair. I will try to explain as briefly as possible the leading principles which animate the Swedish community and the life of the Swedish people.

The Swedish people are a democratic people. Proof of their love of liberty appears on every page of Sweden's history, and this record goes back to dim antiquity. The feudal barons of Sweden never succeeded in making serfs of the Swedish farmers—as they did in most other European countries. Liberty in Sweden is therefore based not alone on the theoretical conviction that internal freedom is an indispensable condition for a people's happiness. Traditions of nearly a thousand years have made liberty as a matter of course a part of the atmosphere in which we live. We could as little imagine life without liberty as life without air. I think I have the right to say that I would pity the man who would seriously attempt to set himself up over the Swedish people as a dictator and try to deprive them of that share of their birthright which is liberty.

Liberty and democracy are one. Without liberty there can be no democracy and without democracy no liberty. But true democracy has many other elements. It can become firmly established only among an enlightened people. Every citizen must have a sound knowledge about both the political and the social systems. All citizens must learn to know the possibilities and limitations of each. In Sweden we try to spread such civic education to every corner of the land. As part of this work we have, what I believe to be, in proportion to the population, the world's most extensive system of adult education, including as it does thousands of groups in which serious studies are pursued voluntarily by both young and old.

In building a democratic Sweden on a permanent basis, we work earnestly to abolish all forms of social injustice. Among my listeners today may be many who left their native land because they despaired of being able to gain for themselves a decent livelihood. But the fact is that in the lifetime of the generation to which I myself belong, Sweden has passed through what might be called an economic and social revolution. A social reform of great scope has been put through. These reforms came to a climax during the past 6 or 7 years. Hundreds of thousands of Swedish men and women and their children, therefore, enjoy today actually more comforts than they did during the boom period of the 1920's.

The great industrial progress has laid the foundations and the organized labor movement has built up the high standard of living which is now general in Sweden and which, in respect to the industrial workers, is the highest in Europe. At the same time we have had the pleasure to see grow up in our country a new spirit—a new mental attitude, in which a will toward cooperation and mutual adjustment, instead of strife among the different social classes and population groups, has found a natural soil.

It is certainly true that we have achieved results—partly very good results. But that does not mean that we are satisfied. There are many important social problems yet unsolved. We still have many thousands of Swedes who are too poorly housed. And there are several hundreds of thousands whose income is still too low.

Being convinced that satisfactory social conditions are necessary, not only for the individual who lives under them but for society as a whole, both as a basic foundation and as an armored fortification against antidemocratic heresies, we are firmly determined to solve the remaining social problems in our land. We shall never tolerate the existence of substandard housing nor such low individual incomes that undernourishment and other consequences dangerous to health become inevitable. We are convinced that the resources of present-day Sweden are sufficient, if properly utilized, to enable every citizen willing to work, as well as his wife and children, to live a satisfactory life from an economic point of view. Our intention to reach this goal is a deeply serious one, and we do not purpose to allow ourselves to be blocked. In this way we intend to continue to build up a Sweden of democracy and liberty for the benefit of all—and I repeat—all its inhabitants.

One of the purposes of the Swedish exhibition is to give concrete illustrations in words, pictures, and figures both of what we have achieved and what we are still striving to achieve—in other words, both of the Sweden of today and the Sweden we are trying to create for tomorrow. Other parts of the exhibition are intended to show what the Swedish industrial art can produce. Parallel with our endeavors to remove from our community socially unworthy conditions, we are trying to give to our people an appreciation of quality and beauty in the building of a rejuvenated Sweden. To that end we must show that it is possible to combine, in the things which are to be used within the four walls of a home, beautiful form, suitability, and a reasonable price.

It is for me a rare privilege to be able to convey to this audience, in which there are so many Americans of Swedish ancestry, the most cordial greetings from the people of Sweden and the Swedish Government. In general, the ideals which inspire us and inspire the American people are identical. Especially the Swedes who have found a new fatherland in the United States cannot lose, as long as they are Swedes, the noble inheritance they have received from the land of their birth—namely, a deeply rooted love of liberty, democracy, and peace. If danger should threaten freedom and

democracy, it is my firm conviction that they would be in the first ranks as the defenders of those precious privileges. As supporters of the rule of liberty and democracy they will never fail or falter.

Following Mr. Moller's address, I delivered the following address:

Mr. Chairman, honored guests, ladies, and gentlemen, I want to assure you I regard it a distinct honor and pleasure to have the privilege of attending this Swedish Day exercise. It is an added pleasure to appear on this program with the Swedish Minister of Commerce, the Honorable Gustaf Moller. I want to add my word of appreciation to Mr. Grover Whelan and the New York World's Fair officials for their many courtesies. As Swedish-Americans we are grateful to them.

My only regret is that you were not privileged to have as one of your speakers this afternoon the honored and distinguished Senator from Minnesota, Senator ERNEST LUNDEEN. I am here, trying in my humble way, to perform a service he would have rendered with great honor and credit.

As one whose parents came from the Provinces of Ostergotland and Vermland in 1883, my veins throb with Swedish blood. They were among that group of settlers who heeded the call to go westward. The history of our Nation has been marked by glorious achievements of our Swedish pioneers and citizens. In fact, the history of our great and glorious Republic would not be complete without the brilliant chapters that have been written by the sturdy Swedish pioneers who began coming to our shores 300 years ago. They and their descendants have contributed so greatly to our country's development and security. The Swedish people are to be found on the rock-bound coast of New England, in the forests of Michigan, the sun-kissed prairies of the Middle West, as well as the Pacific coast. No one people who came to our shores so quickly embraced the American ideas. They became imbued with American ideals and in truth and fact became Americans. They are law-abiding, liberty-loving, God-fearing people.

As Swedish-Americans we should recall with honor and pride the names of great Swedish pioneers who have made history. It was John Morton, Swedish settler in Delaware, who arose from a sick bed and was carried to Independence Hall, where the Continental Congress was in session, to break the deadlock that existed over the Declaration of Independence. Be it said to his everlasting credit that he voted to strike the shackles from our people and to cast a vote in favor of liberty and democracy.

Another distinguished patriot of that period was John Hanson, of Maryland, who was elected and served with honor and distinction as the first President of the United States, being elected by the Continental Congress.

The history of the United States is not complete without mention of the inventive genius, John Ericsson. That great Swedish-American stands out as one of the foremost engineers and inventors of all times. Historians declare that next to the immortal Lincoln and Grant, Ericsson did more to save the Union than any other.

In recent history what name of Swedish descent is more dynamic than the name of Col. Charles A. Lindbergh. As Swedish-Americans we should not be too modest in telling the world that four stars in the first flag of the Union were from States settled largely by Swedish pioneers, namely, the States of Delaware, Pennsylvania, New Jersey, and Maryland. The first star is credited to Delaware, and it is an inspiration to every Swedish-American citizen who visits the Washington Monument in the Nation's Capital to note the inscription on the stone that carries the name of the State. It reads, "Delaware, the first State in the Union to adopt the Constitution, and it will be the last to reject it."

Mr. Chairman, we might continue to dwell on the glories of the past, but the history of the Swedish pioneers will continue to be written in the future. Isaiah, the prophet of old, wrote "Where there is no vision people perish." The Scandinavian citizens of our country have always had a forward look. In this day and age, with its domestic economic problems and with a delicate international situation, it is well for us to take stock of ourselves. Our ancestors came to establish their homes in a country where liberty, justice, and democracy would prevail. The three outstanding inheritances that we have received as a Nation from the Swedish pioneers are first, religious tolerance; second, a policy of peace and fair dealing; and third, respect for minority groups. Think what these three traditions of our civilization would be worth to some of the European nations today.

In our own country it is well for us to watch or we may lose these long-cherished traditions. Someone has said that our Nation can never be destroyed from without, but that we are in grave danger from enemies within. The darkest period in our Nation's history was from 1861 to 1865, when we were fighting among ourselves. In a world that seems to be teeming with isms, where class is being arrayed against class, where bigotry and where religious and racial prejudices are rampant, I believe it is high time for every American citizen to renew and pledge anew our faith in the principles laid down by our forefathers. In other words, as Americans let us serve notice that we have room in the United States for only one "ism" and that is Americanism. Our native country of Sweden has not only furnished our Nation with an excellent stock of citizens, but as a nation she stands out as a shining light for peace in a war-mad world. We might well as a Nation profit by their example and keep our heads in time of stress and unrest. Let us bear in mind that parting admonition of George Washington, the Father of his Country, when he said, "We should beware of foreign entanglements."

Unfortunately, European nations have fought over boundary lines for the past thousand years and will no doubt continue to do so in the future. In my opinion that is their problem and not ours. Let us assure the world that we have unlimited resources for national defense, but also let us assure our American citizens that never again will we send American boys to be slaughtered on foreign soil. Ours is a peace-loving Nation, but that does not mean we will not fight for the protection of our homes, our churches, and institutions.

In conclusion, let us clearly perceive these principles that were laid down by our Swedish ancestors and adhere to them. These were the same principles that gave us our independence. The same faith and the same loyalty will preserve that independence forever. I firmly believe that out of the clouds of unrest that are now enveloping the world our country will emerge stronger than ever. In seeking remedies for our present abnormal situation we must not destroy the initiative and incentive which drive nations and men alike toward a higher goal. I have confidence that the Swedish people of our Nation and their descendants, who have been so thoroughly imbued with the ideals of liberty and democracy, will continue to carry on. Finally, let us hope that religion will rise again like a great tide throughout the world and reach the hearts of men, so that they will not want to abuse or take advantage of each other. Perhaps, my friends, the real answer to our problem rests in religion and the church; for unless the hearts and minds of our people are kept clean, honesty and righteousness cannot be cultivated. If throughout the world we have noticed a weakening of the moral fiber and an increase in the lower warlike tendencies of men, we may all well wonder whether we need a change in our social order as much as we need a change in our hearts.

As Swedish-Americans, let us pledge anew our loyalty and devotion to our country.

Dare We Break the Vicious Circle of Fighting Evil With Evil

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

SERMON BY DR. HARRY EMERSON FOSDICK

Mr. BENDER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following sermon preached at the Riverside Church, New York, N. Y., by Dr. Harry Emerson Fosdick:

For some of us it is easier to believe in the Christian theology than in the Christian ethic. A generation ago many were saying: We cannot believe your Christian ideas of God, but the ethical principles of Jesus are the hope of the world.

Today, however, it is the ethical principles of Jesus that are difficult.

By the Christian ethic I mean no mere ordinary, humane decency, loving those who love us, but rather the radical, sometimes incredible, demands of Jesus that we love our enemies, that if smitten on one cheek we turn the other also, or if compelled to go 1 mile we go 2 instead, that we do good to those who hate us and pray for those who despitefully use us and persecute us. There is the rub today.

The reason for this is the extraordinary vividness with which a powerful temptation assails us all, the temptation to resist evil with evil. When on the western prairies a conflagration starts, men fight fire with fire, burning a swath across which the advancing flames cannot leap. What is thus well done in the physical world we are continually tempted to do in the moral world. We fight evil with evil.

WE COPY THOSE WE HATE

In war, if one side uses poison gas, the other side may at first be horrified, but in the end we all succumb. It takes poison gas to fight poison gas. If one side uses conscription, which is of the essence of dictatorship, the other side, being a democracy, at first is shocked, but in the end copies the technique of the enemy. It takes conscription to fight conscription.

In personal relationships we are habitually tempted to meet bad temper with bad temper, resentment with resentment, sometimes chicanery with chicanery, and in all this we are morally sustained because we think we are resisting evil—as, indeed, we are, but with evil.

At that crucial point Jesus parts company with us. It is there that his revolutionary ethic begins.

Listen to him: "How can Satan cast out Satan?" Hidden away in the third chapter of Mark's Gospel that searching question stands, summing up, I think, the essential meaning of Jesus' way of life. "How can Satan cast out Satan?" How can evil be the cure of evil? How can two wrongs make a right?

No question could be more pertinent to our modern world, where today violence rises on every side, ill will is rampant, aggressive iniquities must be resisted by good men, and the temptation to fight evil with evil is almost irresistible.

Nevertheless, the question of Jesus haunts the Christian conscience and in quiet moments of insight reveals a strange, uncanny common sense—how can Satan cast out Satan?

ANSWERING EVIL BY MORE EVIL

In the first place, how can the vicious circle of evil answered by more evil, answered by more evil, answered by more evil still, ever be broken unless, somewhere, someone refuses to go on with it?

Watch this vicious cycle of wrong answering wrong. Iniquity rises, demanding that we fight back. So, following the pattern of the natural ethic, against which Jesus took his revolutionary stand, we fight bitterness with bitterness, hatred with hatred, violence with violence, evil growing in a mounting crescendo as wrong answers wrong.

This process is afoot everywhere, from international relationships, where they bomb our cities and kill our women and children, and so we bomb their cities and kill them, to personal relationships, where we say, "He has been unjust, I will show him, I will pay the devil in his own coin.

In this regard how like we human beings are to dogs. For one dog barks and the other barks back and the first barks more loudly and the second becomes more noisy still, in a mounting crescendo of hostility. So one man excused his terrier to the exasperated owner of another, "After all," he said, "the dog is only human."

THE TRAGEDY OF NAME CALLING

From the time, as children, we fell into angry name calling, each trying to lay his tongue to some more stinging epithet, we all have faced this elemental problem; and now that, more mature, we are more dignified, our resentment taking a colder form but remaining still resentment quite unredeemed, who does not know that vicious circle of bitterness answered by bitterness, answered by bitterness again? It is the tragedy of the world.

Shakespeare dramatized this in Romeo and Juliet, which, far from being a drama of romantic love alone, is first of all a play about a feud—the house of Capulet against the house of Montague. The first and last words of the play concern the feud, one house against the other, hating each other, meeting violence with violence, evil growing by what it feeds upon and two wrongs never coming out right. Remember Mercutio, slain in the duel and in the insight of his dying moment crying, "A plague o' both your houses!"

"GIVE ME THY HAND"

In the theater one sees people go out before the final scene as though, the love poetry being over, they thought the play was done. Shakespeare would have disliked that. It is the final scene, the climax of the play that he was driving at, where Capulet and Montague stand ashamed and penitent, their long and bitter feud stopped in midcourse by a love that broke the vicious circle of its hate. In that final moment of the play, when a Christian might kneel as before the mystery of the cross, Capulet says, "O brother Montague, give me thy hand."

So Shakespeare after his own fashion dramatized what the Christian ethic would say, that the world's feud can never end and the vicious circle of wrong answering wrong come to a close until, somewhere, somebody refuses to go on with it. Jesus meant this by His homely saying that if a man is smitten on one cheek he should not smite back, starting thus an endless chain of retaliation.

Let him try a new technique. Better, He would say, that one adventure on a revolutionary ethic and, if two blows must be given, take both rather than give one. Let him see if he cannot thus break the endless sequence of fighting evil with evil, whereby we always become the evil that we fight.

This, of course, is what the pacifists at their best are driving at with reference to war. The most shameful aspect of our present international situation, I think, is the way we ape the enemies we hate.

ARE WE "YES MEN" TO DICTATORSHIPS

The dictatorships say, war, so we say, war. They build vast armaments, so we build vast armaments. Step by step, day by day, we become their "yes men." They say, dictatorial control of the nation for the sake of war's efficiency. So in Washington we propose bills that provide on the day of war's declaration that the Nation shall conscript life, property, labor, conscience.

The dictatorships say: Let the War Department determine the foreign policy! So we, too, against the tradition of our people and the very words of our Constitution say the same thing, and in Washington—witness the proposition for the fortification of Guam—not so much the civilian representatives of the people as the Army and the Navy begin to initiate, and so ultimately to predetermine our foreign policy.

WE FIGHT EVIL WITH EVIL AND BECOME THE EVIL THAT WE FIGHT

What apes we are! We copy those we hate. We fight evil with evil and become the evil that we fight. We will conquer them, we say; and so first of all we let them make us in their image.

All this we do, thinking Jesus to be a visionary idealist. He is not. His ethic shows a more realistic insight into what is going on in this modern world than does our boasted hardheadedness.

Despite their governments, the people of all the nations in their hearts and homes want peace. Somewhere, sometime, millions of men and women must stand up and cry: We're through; we will not go on forever with war causing more war, causing more war, causing more war still.

If someone says, But we may be compelled to go to war! I ask only that the meaning of that be realistically faced. For in the war you say America is compelled to enter, every cruelty that human beings, implemented with unprecedented instruments, can inflict on human beings will be inflicted. In that terrific wrestling bout no holds will be barred. The word "sacred" will be dropped from the human vocabulary, and neither child nor woman, home, church, school, honor, nor plighted faith will be respected.

NO ONE CAN REALLY WIN A WAR

If we are the apes of our enemies in peacetime, in wartime we will be apes, indeed. Every cruelty they devise we will match. Every devastation they inflict on human beings we will equal. In the end no barbarity will be beneath us.

The boys we bore in travail and reared in love in our homes, schools, and churches will become the "yes men" of the enemies we fight in every dastardly deed they do. They will be compelled to.

And when it is over, in a world where all agree that no one can really win a war with civilization, it may be wrecked, with a thousand new problems raised for every one solved and countless hatreds engendered for every one satisfied, I can think of only one factor that still will stand quite unimpaired; namely, the strange man of Galilee whom many call a visionary idealist still asking with infinite sorrow, "How can Satan cast out Satan?"

Let us take a further step and note that whether or not this principle of Jesus that evil is not to be fought with evil appeals to us, depends primarily on what it is that most of all we want. Do we really want to cast out Satan? Do we most of all desire to get rid of the evil of the world? Multitudes of people want something else altogether—their own prestige, personal or national, their gain and profit, their vengeance even, or their private conquest. Of course, to such Jesus' ethic is preposterous.

THE SUPREME AIM OF JESUS

We cannot see His meaning truly any more than we can see the windows of a Gothic cathedral until we go inside, and from within His life understand what most of all He wanted. Above all else He wanted to rid the world of its evil. Whatever it cost, whether it brought Him to the cross or no, somehow to rid the world of its evil was His passionate desire. If that is what a man wants, then evil is not an instrument to use.

It is only in the light of this supreme aim and motive of Jesus that one can see His ethical principles as reasonable. If one wants most of all to cast out Satan, then an alliance with Satan is no means to that end.

THE FOLLY OF VINDICTIVENESS

Translate this into personal life and its truth is clear. A man does a wrong to us; what do we want? It may be that our first impetuous desire turns to vindictiveness—an eye for an eye and a tooth for a tooth.

So one man I know of had an enemy. For years financially he laid for him until he got him, sold him out, lock, stock, and barrel, house, and furniture, and, with a satisfaction which only the vindictive know, cried, "My God! but that's conquering!" If a man wants that, then Jesus' ethic is preposterous.

When, however, a man did Jesus a wrong, Jesus felt concern for the man. There are different ways in which one can intimate the presence of need and more unmistakable than to be unfair, unjust, ungenerous. When a man does a wrong it is as though he flew unwittingly a flag of distress and uttered a cry for help.

Evil-doing may be variously interpreted. It may cry to us, "Revenge!" It may say, "Ignore me!" It may say, "S. O. S.; there is a need to be met, a deep want in this man's life, an evil that by good will, perchance, you may help to cure."

So, when the Samaritan villagers used Jesus despitefully, He was sorry for the villagers. When Judas betrayed Him He was heartbroken because He could not help Judas. It was the wrongheartedness itself He wanted to get rid of—the unkindness and bitterness He wished to banish from the earth. When one takes the measure of this supreme motive Jesus' ethic becomes not preposterous but inevitable. Satan cannot cast out Satan.

RISK AND SACRIFICE ARE NECESSARY

If someone says that this ethic is risky, that it is bound to cost sacrifice, and when used on some people is sure to fail, I answer, of course it is. During the last blizzard, we are told, a woman living on a branch of the Ohio saw a poor dog drifting on the ice floes and, touched with pity, ran to the stream, with difficulty launched her boat, fought for 2 hours before she reached the dog and brought him safely back. Then he bit her and she died of rabies.

There are human curs like that. Of all men in history do you think Jesus did not know it? But He would say, I think, "Take it any way you will, human life is risky; you cannot avoid risk in life; and the salvation of the world depends on men and women who will take this risk, to face ill will with good will, to try to break the vicious circle of evil's sequence, where wrong answers wrong, and, when two blows must be given, to take both rather than give one."

A MINISTRY OF GOOD WILL

If we say in certain personal relationships this ethic can be made to work, and it was only of these individual relationships that Jesus was thinking, I suspect that shows how little we know about Jesus' world. He was not tucked off in a forgotten corner of the earth. He lived on one of the major highways of the Roman Empire. Every breath of news, I suspect, from the Thames to the Euphrates, soon or late came to Nazareth.

He lived in a violent generation when force ruled the world and might made right as terribly as it does today. He lived in a nation seething with violent revolt. He dealt not only with Sadducees, compromising with Rome; not only with Pharisees, waiting for their supernatural Messiah to come from heaven and redeem them; but with zealots, fiery, militant, revolutionary rebels, crying out for bloodshed to make right their heinous wrongs.

This public situation, so dreadfully like ours, Jesus had in mind when he turned his back on revenge and bloodshed and based his ministry on undiscourageable good will.

It was this public situation he faced in the temptation at the beginning of his ministry, when the devil, as it were, showed him all the kingdoms of the earth and said, "All these things will I give thee, if thou wilt fall down and worship me."

How perennial a temptation that is! How terribly it assails us all today! To join forces with the devil to beat the devil, to fight evil with evil—ah, Christ, how did you resist the pressure of it in your time and how in a world like this do you expect us to follow you?

SATAN CANNOT CAST OUT SATAN

Yet when in calmer moments one faces the facts, one wonders if he is not right. Satan cannot cast out Satan. All history is a running commentary on that. The means determine the end. Everlastingly that is true—the means determine the end. We of all generations should understand that.

Did we not fight a war to make the world safe for democracy? We were resisting evil. We prided ourselves on that. We were morally indignant against a real wrong and sacrificially devoted to a holy cause. We would make the world safe for democracy. Conscription to make the world safe for democracy! Poison gas, bombing of open cities, blockades that starved millions, to make the world safe for democracy! Dictatorial control of the whole Nation's life—even of what we ate and wore—the very suspension of the Bill of Rights, to make the world safe for democracy! And in the end a treaty, the only kind of treaty modern war can issue in—vengeful, selfish, cruel—to make the world safe for democracy!

THE SANEST REALIST OF US ALL

So we woke up to find the world less safe for democracy than it had been in generations. We discovered that war, being essentially totalitarian and dictatorial, cannot defend democracy, but that the means determine the end. Ah, Christ, you are not a visionary idealist; you are the sanest realist of us all. Satan cannot cast out Satan.

Let us take a further step and note the positive power of this ethic when it is put to work. For it is not weak, as the average man thinks, but very strong. Of all ridiculous beatitudes, some would say, the most incredible is the one where Jesus sums this ethic up and the faith on which it is built: "Blessed are the meek: for they shall inherit the earth." What nonsense! says the average man.

Yet would you stake your credit upon the opposite? Blessed are the Hitlers, for they shall inherit the earth! Would you? Grant him every temporary victory you think possible. Would you say that in the long run he will inherit the earth? I know no intelligent person who thinks that. All history rises up against that.

EMPIRES BUILT ON FORCE FADE AWAY

Like children's sand houses built upon the shore, age after age the tides of destiny have risen and wiped out the empires built on force. Of all contrasts in history none could be more disproportionate than that between the Roman Empire on one side and Calvary's cross upon the other. Yet the Roman Empire has fallen and many another empire since, like children's blocks toppling in a row, but still that cross stands and haunts the conscience of the world.

So I think Jesus sat many a day upon the hills above Nazareth and looked across the plain of Esdraelon, stretching mile after mile before his gaze. There the historic battles of the world had been fought. There the empires of the Euphrates and the Nile had clashed. Age after age violence had met violence and kings and pharaohs had fallen in futility, and Satan had never cast out Satan yet.

It was from that vision, not first of an ideal but of the facts, that Jesus went out, I think, determined though he died for it, to introduce into the world a new and revolutionary ethic—meet ill-will with good will, dare to break the vicious circle of evil answering evil, never fight wrong with wrong. Satan cannot cast out Satan.

THE PROPER USE OF FORCE

This does not mean that all use of force is satanic. Coercion has its proper place in life, always indicating a pathological condition but capable of salutary use in the interests of the whole community, as, for example, against the insane or the criminal. Even in such realms, however, the Christian ethic has been so far influential that not retaliation but cure and reformation have become the test and aim of intelligent procedure.

Because one believes in municipal police one is not by any logic driven, as some seem to suppose, to believe in war. War is a highly specialized form of force, in its preparations, procedures, and results distinguishable from any other of force's exhibitions. One may believe in the police and think dueling wrong; one may grant the salutary nature of coercion communally applied for the good of all and still think gladiatorial shows are unmitigated and outmoded evil.

WAR IS SATANIC AND ONLY SATAN GAINS

So one may pray and work for an ultimate international community, in which the collective security of all is the aim of all and the policing of the world is the joint affair of all, and may still see clearly that at the present moment no war will mean that or anything aimed in that direction, but will be the old satanic, retaliatory process, motivated by imperialistic ambitions and waged with sadistic savagery to an end catastrophically evil. War is satanic and only Satan has anything to gain from it.

However, some may doubt the possibility of applying this principle to public affairs, how can one doubt its magisterial power in personal relationships? I would almost venture to say that any special fineness of spirit that anybody here possesses is his because sometime he has lived at the receiving end of this ethical principle.

For there are three kinds of goodness in the world. First, coerced goodness, where someone is good to us because we can require it. That is not impressive. Then there is deserved goodness, where we have been good to someone and now, quid pro quo, so much for so much, he is good to us. That is not deeply impressive. Then there is undeserved goodness, where we have been unworthy, ungenerous, unkind, unjust, and lo, someone comes back at us with good will and friendliness.

From the days at home when our parents so treated us through all our lives no force has reached so deep, laid hold so hard, lifted so powerfully as that. Thank God not everybody has slapped back at us. Thank God some people did go the second mile with us. The salvation of the world depends on the multiplication of people who understand and practice that adventurous ethic.

WHAT SHALL AMERICA DO?

Do not represent me as having said that it is simple to apply this principle to the world's large affairs. It is desperately difficult. No one of us is wise enough to see around the next corner. Only as Americans this seems clear, that we are at the fork of the road and that either we are going to throw the vast influence of this Nation on the side of those constructive forces that make for international good will and conference instead of violence or else we are in for an era dominated by our aping of our enemies.

They make war. We make war. They build vast armaments. We build vast armaments. They use poison gas. We use poison gas. They say, all restrictions off on the most brutal instincts of mankind. We say the same, until once more, fighting evil with evil until we are the evil that we fight, far from conquering our enemies we let them make us after their own image.

So at long last, at the end of a ruinous era we shall be facing again the question—which God grant us grace to face now before it is too late—"How can Satan cast out Satan?"

A Time for Rededication

EXTENSION OF REMARKS

OF

HON. EUGENE J. KEOGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE BROOKLYN EAGLE

Mr. KEOGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared recently in the Brooklyn Daily Eagle:

[From the Brooklyn Eagle]

A TIME FOR REDEDICATION

The Council Against Intolerance in America is urging a Nation-wide observance of Independence Day, devoted to a theme of "a stirring national rededication to American ideals of tolerance and freedom," to be sponsored in the various communities by a broadly representative group of organizations and individuals.

This suggestion comes at an opportune time. Current world developments are of a character to arouse the fear that tolerance is becoming a dead letter, that prejudice, hatred, and persecution are constantly becoming more conspicuous in human relations and that they are making for bitterness and strife.

Although these influences and forces are far more pronounced abroad than in the United States, there are all too often disturbing evidences that we have not been untouched by the virus of intolerance. It is not a pleasant thought to contemplate but nothing is to be gained by closing our eyes and our minds to the less appealing realities of life. That there are those in our midst who are disposed to whip up the furies of racial and religious animosities is hardly deniable.

Independence Day seems an acceptable time for an enlightened and a determined effort to stifle whatever threat to American ideals may exist. There is a need for a rededication to democracy, to the principles that found such eloquent expression in an immortal document, to the dignity of man, to all that is best in our life as a Nation. There is a great deal of oppression and terror in the world. Our traditions call for tolerance, peace, and liberty. Let us hold fast to them.

Pennsylvania Legislature Passes Law To Put Politics Into Relief

EXTENSION OF REMARKS

OF

HON. J. BUELL SNYDER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. SNYDER. Mr. Speaker, the House granted me leave to extend my remarks in the RECORD, and I include an editorial from the Philadelphia Record, as of June 28, 1939. The editorial is very timely at this particular time. The Congress of the United States has been making every effort to administer relief to the needy people in the United States on a basis of merit. The Republican Party leaders, and many of the so-called "spokesmen" of that party, have accused the Democratic Party and the Democrats for the last several years of using the Federal agencies, such as W. P. A., to boost the party and themselves politically.

The fact that the Democratic Party is the majority party and the party that is held responsible for making these Federal appropriations for relief, and the fact that in all democracies we must have at least two political parties, lest we be an autocracy or a dictator government, there would be nothing unnatural or out of the ordinary if political procedure would creep into these agencies the same as it has crept into every other Government agency since the beginning of the Government.

However, last fall, in the State of Pennsylvania, the candidate for Governor, Arthur H. James, and his cohorts abused the Democratic Party and the Democratic leaders shamefully on the ground that they used the relief agencies politically. He and his cohorts promised the people that if he were elected he would clean up Pennsylvania in that respect. The people elected him Governor last November 7. He has been Governor since January 16, 1939. I think it is generally conceded that he has forgotten practically all his promises to the people of Pennsylvania, and especially the one when he said he would "humanize relief." The following editorial, taken from the Philadelphia Record of last Wednesday, will tell better than I can tell how Governor James is preparing to use the Federal relief money that will be allotted to the State of Pennsylvania:

[From the Philadelphia Record of June 28, 1939]

PENNSYLVANIA ADOPTS THE HITLER RELIEF SYSTEM

Governor James has shamed himself and his party by signing the Van Allsburg and Pierson relief bills.

The first of these is a deliberate and systematic attempt to make the relief set-up a mere vote-getting adjunct of the party in power. It buys votes with public money.

The Van Allsburg Act removes civil-service protection from State relief employees. This is a natural beginning for the process of making relief into a political football.

Next, it gives county boards authority to fix amounts of relief payments to individual families and to delegate subcommittees of snoopers.

Experience has shown that local boards are more subject to political influence than a State relief system, and the Van Allsburg bill does everything possible to encourage the local boards to play politics with human misery. We'll be surprised if a lot of these "subcommittees" don't turn out to be composed of party workers, employers in search of coolie labor, etc.

But vicious as it is, the Van Allsburg Act is merely an extension of the worst practices of American plunder and patronage politics.

To find a comparison with the Pierson bill it is necessary to cross the ocean to Nazi Germany. There is nothing like it in the American background, nor has any American State adopted such a law.

"Germany has solved the unemployment problem." The remark is frequently heard. But how has Germany solved it?

Labor battalions are drafted from lists of the unemployed. Jobless engineers, clerks, factory workers have been given picks and shovels and put to work on the roads. Thousands have been farmed out as virtual slaves to big farmers. Stenographers have been pressed into domestic service.

That's the way Germany solved the relief problem.

The Pierson Act provides that any "able-bodied" person on relief shall be made available for work if requisitioned by any State, county, or municipal agency or institution. The work is free to the institution. The jobless man now receives merely his relief rate. No provision is made for increasing it to take care of transportation costs or the increased amount of food needed by a man doing hard manual labor.

The public agencies of Pennsylvania, under this law, become the foremost employers of sweatshop labor in the land. They can get work done at $6 and $7 a week.

What's more, private employers—corporations, farmers, etc.—can recruit labor from the relief rolls at prevailing rates of pay. The local boards decide the prevailing rates.

Where these boards are dominated by employers seeking cheaper labor, the board can certify a low prevailing rate, force unlimited numbers of reliefers into employment at that rate and undercut the wages of persons now working in private industry.

The underlying theory of the Pierson Act is identical with the underlying theory of the Nazi relief system—that when a person falls into the unemployed class he is fair game and can, under pain of starvation, be made to perform any kind of work at any kind of wages.

These are the two bills signed by Arthur James, the workingman's friend, the breaker boy, the statesman who was going to humanize relief.

These two bills are the G. O. P.'s contribution to the great problem of unemployment that faces the State and the Nation. Not a single attempt to create jobs (except for Republican Party workers); not a constructive idea in administration.

Of all the failures of the James administration to date, these relief bills are the most glaring and the ones most certain to turn the public against the Republican Party.

John Burrwood Daly

MEMORIAL ADDRESS

OF

HON. JAMES P. McGRANERY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 30, 1939

On the life, character, and public service of Hon. JOHN BURRWOOD DALY, late a Representative from the State of Pennsylvania

Mr. McGRANERY. Mr. Speaker, today I pause to pay my humble and respectful tribute to the loving memory of Hon. J. BURRWOOD DALY, who represented the Fourth District of Pennsylvania in this House, having been first elected to the Seventy-fourth Congress and thereafter reelected to the Seventy-fifth and Seventy-sixth Congresses, and who passed away during the present session, on March 12, 1939.

It was my pleasure to have known Congressman DALY most intimately for many years in the practice of law in the city of Philadelphia, where he was one of the city's most outstanding and distinguished lawyers. His kindly manner and keen intellect attracted to him many warm friends. His life was a full and complete one—the father of a large family, all of whom have been reared to adult life previous to his passing.

I like to remember him best on an evening last summer, when I had dinner with him in the garden of a restaurant on the river front in Washington, after he had spent the week-end at Manresa, a Catholic retreat in Maryland. At that time he spoke to me of life and death—he had no fear of death as life itself had been very kind to him. He discussed the happiness of his family life and the full and complete love and affection of a lovely and devoted wife.

There is no doubt in my mind that if "Burrwood," as he was happily known, had followed the easy road, he may have had many more days here upon earth, but his conscientious application to duty in connection with his arduous

task as a Member of the Appropriations Committee was a terrific strain upon him. He would not have it otherwise.

His family, his colleagues in the House, and his host of friends mourn him—he will always be enshrined within our hearts as a true and noble character; and in entering into his eternal reward, he has already heard "Well done thou good and faithful servant."

Competition—Free Enterprise

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, June 30, 1939

EDITORIAL BY FRANK KNOX

Mr. WILEY. Mr. President, I ask to have published in the Appendix of the RECORD an editorial written by Frank Knox, reprinted from the Chicago Daily News, Thursday, June 22, 1939, entitled "Competition—Free Enterprise."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Daily News, June 22, 1939]

COMPETITION—FREE ENTERPRISE

(By Frank Knox)

There is no class in the country more emphatic in its denunciation of the trend toward a regimented, planned economy, directed by political officials, than the leaders of business and industry. There is no group more vocal in its lament over the progressive emasculation of the free-enterprise system than the men who occupy responsible managerial posts in the American factories, mills, banks, and stores. These men lift strident voices in shrill protest as they see Government assuming greater and even greater authority over private business, determining more and more what business can do and cannot do; supervising investment and the returns investment may earn; relations with, and compensation for, those employed, and other conditions of employment; specifying methods of accountancy; and every year impounding more and more earnings for the support of a recklessly extravagant administration of public affairs.

Of all these things American businessmen are intensely aware, and most of them become almost lachrymose when they attempt to recite them.

But what are the leaders of American business and industry doing to save the free-enterprise system?

No one can doubt that economic freedom provides the very foundation for all other freedoms—freedom of speech, freedom of press, freedom of religion. If someone else holds complete control over your own and your family's means of livelihood, how much are you going to indulge in speaking your mind? If a dominant political bureaucracy controls the sources of a publisher's income, how free will be the press, the pamphlets, the books that find circulation? How free will religion be if it must rely upon political largess for its support?

Similar certainty characterizes the bald statement that there can be no free enterprise system without competition!

It is competition, and competition alone, that gives feasibility and usefulness to a free enterprise system. Without competition to correct the abuses that flow from selfish rapacity, or from an equally dangerous reaching for power, the free enterprise system cannot operate at all. If competition is not given the chance to operate its corrective powers, the substitution of the socialistic system, either Fascist or Communist, is certain!

There are only two choices.

We can restore a free-enterprise system by reviving the competitive spirit, and getting back upon the same prosperous road that, in 150 years, made the United States the most prosperous country in the world, with the highest living standards; or—

We can surrender to those elements who believe the free enterprise system is outworn, and no longer workable, and who are deliberately planning to change our economy to that of the socialized state, where everything, and everybody, is regimented by an all-powerful political dictatorship.

There is no middle ground. We cannot be half free enterprise and half socialistic.

What has been the plainly marked policy of American business, as a whole, ever since that fateful day in October 1929 when our flimsy house of paper profits, following upon a period of frenzied borrowing upon future prospects, collapsed about our head?

It has consisted of an unceasing effort by leaders of commerce, industry, labor, and agriculture to keep prices up.

This, in the face of a fall in income from eighty billions in 1929, to a low of forty billions in 1932. The farmers were subsidized not to grow crops, when millions of people in the cities were without many of the necessities. The labor unions insisted upon wage and hour schedules that increased unit costs of manufactured products, and thus inexorably reduced sales volume, and increased unemployment. Industry sought shelter from a competitive price war behind the N. R. A., which it cried aloud for and helped to organize. Commerce demanded the bolstering aid of an R. F. C. to shield it from the penalties of overcapitalization. And all this was done in a futile effort to preserve the price level of an $80,000,000,000 income, on a $40,000,000,000 national pay check.

No wonder we piled up a debt of $20,000,000,000. No wonder taxes mounted until out of every dollar of a depleted income everyone surrendered 38 cents to the tax collectors!

And we did this while stifling competition.

We said we wanted to preserve the free enterprise system, but we deliberately sidestepped the sole corrective in that system that makes it work.

We would not face the realities.

We refused to pay the inexorable price of our excesses and our follies of the wild, mad days of the twenties.

We are either going to witness a steady slide into the hopeless, level morass of a socialized civilization and economy, or we are going to face the bitter truth to which history, with unerring finger, points. The only way this, or any other nation, has recovered from previous depressions was to let prices follow the immutable law of a sharply lessened demand to lower levels, until they reach the bottom, following as they will, and must, the lowered purchasing power of depression income. We have tried all sorts of artificial expedients to avoid this, but none of them has succeeded. None will succeed. None ever has.

We will get back to a healthy free enterprise system, and a new prosperity, when we remove the restraints and impediments we have put in the way of real competition. Excessively high tariffs, which make a monopoly of our domestic markets for certain favored industries, are one of the artificial barriers that must be swept aside. The efforts of labor leaders to raise wages and shorten hours, in a time of depression, and thus increase unit costs, is another deterrent to a revival of widespread employment and the return of good times.

Trying, by means of loans from the Government, to keep afloat businesses that ought to undergo capital reorganization only helps to postpone ultimate recovery. Paying billions of dollars in subsidies to farmers for not growing crops has left the farmer worse off than he was before the Government assumed control of agriculture, and has increased food costs to the consumer, including the worker out of a job.

And we have all been guilty. We are intellectually dishonest if we try to load it all on the shoulders of the new dealers. They did, in the main, what the majority of us wanted them to do—that is, try to avoid the penalty of our own folly. Now, when all of the New Deal expedients have failed, we raise a great cry that we want a return to the old, accustomed, successful methods of a free economy.

If we do, then there is one vital move upon which the majority of us must agree, and that is actually to restore competition.

Neutrality

EXTENSION OF REMARKS

OF

HON. A. F. MACIEJEWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. MACIEJEWSKI. Mr. Speaker, no issue facing the American people is more vital than the problem of how best to safeguard the peace of the United States. It is not a problem susceptible of an easy or certain solution. For that reason it demands the best thought of the Nation regardless of domestic political considerations and party alinements. With Europe still preparing for the possibility of waking up some morning to find itself involved in another great war, our neutrality legislation is of most importance to America today.

For the past few days my office has been flooded with letters from my constituents covering the neutrality situation, our relations with foreign governments, and various attitudes this Government should take with respect to this important subject. Since it is humanly impossible to answer all of these letters in full, I am taking this means of giving my views on this vital question.

While the communications I have received impressed me very much, since I have every reason to believe they expressed the sincere and thoughtful recommendations of the writers, they, nevertheless, represent almost all of the conflicting views we hear today. In my humble opinion the people generally have been imbued with a great amount of hysteria attributable, undoubtedly, to statements by public officials, headlines in the newspapers, wide use of the radio, and a general dissatisfaction of the present state of our country.

First, let me say that the district I represent is typical American and my constituents are unalterably opposed to war except in our own national defense. To this view I subscribe wholeheartedly. In my humble opinion we should direct our energies toward peace and the national defense of only what we look upon as the continental United States. Having listened to the debate in the House during the past few days, it is my judgment the majority of the Members of the House do not approve of any foreign entanglements, secret treaties, or alliances, and, further designating to any individual in this country extraordinary powers beyond that provided for under the Constitution. However, the bill in its present form will undoubtedly be amended so as to provide certain changes that will permit of some neutrality legislation rather than none at all.

Second, let me say further that my best thought and study is being given to the question of neutrality and how we may best remain at peace no matter what happens abroad. To my mind downright neutrality is almost impossible of attainment; that is, upon any set formula over any great length of time. Any set formula adopted now may, because of changing events abroad, have to be changed later.

Looking to continued peace for this country is a much more profound question than the average person realizes. I should like to say to my constituents that their views are appreciated and, as your representative in Congress I assure you that any action I may take in the form of a vote on this question will be the result of my best judgment based purely upon those grounds which I feel will make for the best neutrality we can attain and maintain looking to the preservation of peace for these United States.

Devaluation of the Dollar and Stabilization Fund

EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

STATEMENT BY RICHARD A. STADERMAN

Mr. MARTIN of Iowa. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert herewith excerpts from the testimony of Richard A. Staderman, president of the American Good Government Society. Inasmuch as the monetary bill recently passed by the Senate this June embodied a number of the principles advocated in the bill proposed by the American Good Government Society in April, I believe the additional recommendations of this society—not yet acted upon—to be worthy of further study and consideration.

The matter referred to is as follows:

DEVALUATION OF THE DOLLAR AND STABILIZATION FUND

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE
ON BANKING AND CURRENCY,
Washington, D. C., March 16, 1939.

The subcommittee met at 10:30 a. m., pursuant to adjournment, in room 301, Senate Office Building, Senator CARTER GLASS (chairman of the subcommittee) presiding.

Present: Senators GLASS (chairman of the subcommittee), BANKHEAD, ADAMS, TOWNSEND, TAFT, and MILLER.

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STATEMENT OF RICHARD A. STADERMAN, OF NEW YORK CITY AND WASHINGTON, D. C., PRESIDENT, AMERICAN GOOD GOVERNMENT SOCIETY, WASHINGTON, D. C.

Senator GLASS. Please state your name and occupation for the record.

Mr. STADERMAN. My name is Richard A. Staderman, of New York City and Washington, D. C. I am president of the American Good Government Society, whose address is Tilden Hall, Washington, D. C. It is a nonpartisan, national organization dedicated to a happier America.

* * * * * * *

I believe most of the members of the committee have received copies of our suggestions on the gold and silver situation. Our proposal, in brief, for which we have a suggested bill, is that the foreign and domestic problems relating to both gold and silver be at the present time divided into more or less two parts, and our proposal is that the foreign purchases of both gold and silver be discontinued, while the domestic purchases be continued for 1 year.

* * * * * * *

Our reason for opposing the gold and silver coming in is not only the excess reserve situation but also the fact that foreign nations have obtained with this gold and silver total deposits and investments in this country of $3,000,000,000. Those are the Federal Reserve figures. On these investments the foreign nations can collect interest and dividends. In other words, they send us gold and silver which is, from the standpoint of our domestic customers, unproductive. They have unloaded this gold and silver on us and they actually draw returns on these investments. That is one of our major reasons which leads us to oppose the foreign-purchase policy.

There are a number of collateral details which would have to be taken care of, and that is provided for in our suggested bill.

Senator, to keep within the allotted time I might request at this time that our brief suggestions be incorporated in the record to give the precise details of our plan.

I happen to have a letter from William Allen White, who speaks very favorably of our plan, and if it is agreeable I should like to incorporate that into the record. Also a letter from the Treasury which acknowledges receipt of our proposal.

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ADDITIONAL TESTIMONY SUBMITTED BY AMERICAN GOOD GOVERNMENT SOCIETY BEFORE UNITED STATES SENATE COMMITTEE ON BANKING

INTRODUCTORY NOTE

(Not part of previous testimony)

In view of the expiration this year of certain laws relating to gold, silver, devaluation, and the Treasury stabilization fund, Richard A. Staderman, president of the American Good Government Society, appeared March 16, 1939, before above committee and presented the suggestions of the society's board of governors. It is worthy of note that Secretary of the Treasury Morgenthau is personally on record previously against the principle of subsidies of gold and silver sellers. Senators GLASS, TAFT, and TOWNSEND criticize the entire gold, silver, and devaluation program. Senator ADAMS opposes present gold program. Senator MCCARRAN and Chairman EDWARD TAYLOR, House Appropriations Committee, would abolish purchases of foreign silver but continue the domestic. Without necessarily committing anyone named above, approval of the bill below has come from persons of both major political parties, including William Allen White, who writes us: "I don't see anything I can add or subtract * * * strength to your arm and hang on to your idea."

The following revised bill and annotations are part of Mr. Staderman's additional testimony:

THE AMERICAN GOOD GOVERNMENT SOCIETY'S REVISED BILL

"To extend and amend existing legislation on gold, silver, and Treasury stabilization, and to provide dynamic stability in the international value of money

"Whereas present Federal reserves of gold and silver provide a reserve exceeding 200 percent of the amount of money in public circulation; and

"Whereas continuation of certain existing policies would enable aliens to send the United States additional gold and silver for the acquisition of stocks, bonds, and other wealth of the United States, and subsequent receipt of interest and dividends on such acquisitions; and

"Whereas such additional gold and silver to be buried in Treasury vaults would be of no practical use to the United States; and

"Whereas experience has proven that a fixed international price of gold brings depressions from other countries to the United States; and

"Whereas maintenance of adequate monetary policies within the United States is not dependent upon a fixed price of gold:

"Be it enacted, etc.—

"SECTION 1. It is hereby declared the policy of Congress to (a) establish dynamic stability in the international value of United States money as contrasted to present inflexibility arising from fixity in the price of gold; (b) to terminate present purchases of foreign silver by the Treasury; (c) to diminish excess bank reserves and the undesirable inflationary possibilities thereof caused by excessive inflow of gold; (d) to diminish the steady increase in securities of this Nation and its businesses held abroad; (e) to prevent future, sudden, and drastic changes in

foreign-exchange rates as might injure normal export and import trade; and (f) to avoid further devaluation of the dollar.

"SEC. 2. The Secretary of the Treasury is hereby authorized and directed to cease purchases of foreign silver not already contracted for. Silver now held in the Treasury shall remain valued for monetary purposes at present amount of approximately $1.29 per ounce.

"SEC. 3. Preferably through agreement with one or more foreign nations consuming large quantities of exports from the United States, he shall endeavor to stabilize the exchange rate of dollars in terms of one or more respective foreign moneys and through the stabilization fund use his best efforts to prevent the rate of such foreign money or moneys in terms of dollars from either rising or declining by an amount exceeding one-half of 1 percent per week variation from the average rate of known transactions during the previous week, such average to be weighted according to the proportionate amount of transactions at various levels. He shall take no part in influencing the rate between said one-half of 1 percent limits and shall discontinue purchases of foreign gold except insofar as necessary to prevent said one-half of 1 percent limits being exceeded, but any such foreign gold shall be purchased at as low a price in dollars and sold at as high a price in dollars as is consistent with the exchange stabilization herein provided, and he may pay not over $35 per ounce for any such gold, thereby avoiding further devaluation of the dollar in terms of gold. Should he find it impossible or unwise to prevent the exceeding of said one-half of 1 percent limits, he shall so permit, but shall apply the formula herein provided as soon as practicable.

"SEC. 4. There are hereby extended until June 30, 1941, present powers for purchase, by order of the President, of gold mined in the United States and/or silver mined in the United States, but the net prices paid therefor shall not exceed $35 per ounce for such gold nor $0.6465 for such silver. The value of gold shall remain $35 per ounce for Treasury reserves or bank reserves. The restrictions on holding, buying, or selling gold other than coin, and on holding, buying, or selling coin for numismatic purposes, are hereby repealed, but no gold shall be exported or imported except by the Treasury, or as authorized by and at the Treasury's discretion, in settlement of balances of payments in foreign exchange, except such as may be allowed under Treasury regulations for numismatic purposes or for dental or manufacturing processing.

"SEC. 5. All laws or parts thereof inconsistent with this act are hereby repealed: *Provided*, That, except as amended by this act, the stabilization fund and statutes relating to gold and silver shall have force until repealed or amended by the Congress."

REVISED ANNOTATIONS

While officially favoring extension of present legislation, Treasury Secretary Morgenthau in a carefully prepared release of March 23, 1939, admits that our fixed $35 price of gold allows wide fluctuations in foreign-exchange rates, this "less favorable position of the dollar" having helped cause our exports for January 1939 to drop 40 percent under those for January 1938 (p. 14). Our society would reverse this process by stabilizing foreign-exchange rates and allowing gold to fluctuate relatively freely, thus protecting export and import trade. The inflow of almost $9,000,000,000 of foreign gold and silver since January 1934 has bought billions of our securities and bank deposits on which foreigners collect interest and vote their shares of stock, causing a growing foreign domination of our industries. Mr. Morgenthau admits these foreign holdings to be "of dubious advantage to the United States" (p. 20), and a possible "disturbance" to us in "times of stress" (p. 21). Our bill corrects this.

THE AMERICAN GOOD GOVERNMENT SOCIETY,
Washington, D. C., April 25, 1939.

Hon. CARTER GLASS,
United States Senate.

MY DEAR SENATOR GLASS: A number of leading persons have recently responded favorably to our plan to improve present policies relating to gold, silver, and stabilization. These include Prof. F. W. Taussig, of Harvard, and Dr. Davis R. Dewey, of Massachusetts Institute of Technology.

Inasmuch as we are hopeful that the President of the United States may yet decide to send a message to Congress suggesting improvements in these policies, we have quoted these gentlemen in an open letter to the President (which we should like to request to be placed in the official record of the hearings before your subcommittee, along with our testimony on March 16).

We express our appreciation of your own stand for what you feel is right in our gold and silver policies, and hope that you may find our suggestions helpful.

Yours most sincerely,

RICHARD A. STADERMAN, *President.*

[Press release: Release not earlier than morning paper, April 26]

OPEN LETTER TO THE PRESIDENT OF THE UNITED STATES

WASHINGTON, April 25.—An open letter to President Roosevelt giving the views of leading economists on a plan for improved gold, silver, and stabilization policies was made public today by Richard A. Staderman, president and editor of the American Good Government Society, a national, nonpartisan organization with headquarters here. This society's plan was recently presented before the Senate Banking Subcommittee which is considering action on monetary legislation expiring in June. Text of the letter follows:

APRIL 25, 1939.

MY DEAR PRESIDENT ROOSEVELT: Eminent economists have recently commented upon our plan for improvement of existing legislation relating to gold, silver, and stabilization, which we transmitted to you on March 4 and upon which we testified to a Senate Banking Subcommittee on March 16. As you may recall, we advocate discontinuance of Treasury purchases of foreign silver, diminishing of purchases of foreign gold, temporary extension of power to purchase domestic gold and silver, and stability in foreign-exchange rates rather than price of gold.

While you were in the War Cabinet, the Chairman of the Tariff Commission was Prof. Frank W. Taussig, of Harvard University, which you and I claim as alma mater. As the author of leading books on economic theory and international trade, he is revered by many as the "dean of American economists." In a letter of April 14, Dr. Taussig says of our plan and proposed bill: "In general, I am in hearty accord with you," and despite our suggested changes, says: "I take it you have seen Secretary Morgenthau's recent statement in answer to questions from Senator Wagner about the gold fund and its meaning. That was a good statement, and there is little in it that is inconsistent with what is said in your testimony * * *."

Prof. Davis R. Dewey, of the Massachusetts Institute of Technology, is author of the many editions of the standard text, Financial History of the United States. In a letter of April 13, he expresses his belief that our plan is "in the right direction." We have also received expressions of interest in our plan from E. R. Stettinius, chairman of the board of United States Steel, and other leaders.

Economics Profs. Frank D. Graham and Charles R. Whittlesey, of Princeton, in the current issue of Foreign Affairs magazine, hold that: "To continue to buy gold as at present" will cause "the pot of gold in which rainbows are said to terminate * * * to turn to ashes in our hands." Their objectives are similar to ours, although their method would be to restrict inflow by "a sizable import duty on gold * * * accompanied by a corresponding export subsidy to facilitate an efflux of the metal without loss to foreign buyers." We should be glad to offer this as an alternative to the corresponding portions of section 3 of our proposed bill.

With kind personal regards, I remain

Yours most sincerely,

RICHARD A. STADERMAN,
President, the American Good Government Society.

Treadway, Travesties, and Trade

EXTENSION OF REMARKS
OF
HON. JOHN M. COFFEE
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, June 30, 1939

Mr. COFFEE of Washington. Mr. Speaker, periodically, during the present session, we have heard outbursts of opposition to the trade-agreements program which Congress wisely provided for in 1934. The latest general tirade of our Republican friends against trade agreements was on May 22.

TRADE AGREEMENTS AND THE PRESS

On that date the gentleman from New York [Mr. FISH] loudly and bitterly complained that the press was not fair because it did not carry critical statements, such as were being made on the floor of the House that day, against the trade-agreements program. The gentleman claimed that Secretary Hull's statements were headlined in the papers all over the country. On the following day the gentleman from Massachusetts [Mr. TREADWAY], who was apparently disappointed because his Republican round robin against the trade agreements was hardly mentioned in the press, attempted to set the press straight on what it should print about trade agreements. He did not like what he termed State Department propaganda being carried by the press.

Now it appears fairly obvious why the press does not carry statements such as these gentlemen continually make against the trade-agreements program. Newspapers are in the business of publishing news, and the very definition of what constitutes news precludes their carrying the words—yes, empty words—spoken by these gentlemen. Their statements have about as much substance as the huffing and puffing of big bad wolves, and that does not constitute news. I am told, however, that the papers in the districts of these gentlemen, as a matter of local pride, when hard pressed for copy, do carry an occasional critical statement of our colleagues.

When these gentlemen really have something to say, I am sure the press will carry the full story, even though it may be critical of trade agreements. I think the press is to be complimented on its stand regarding this national program and on its unbiased publishing of the factual news about trade agreements. Furthermore, as has been frequently pointed out, the editorial attitude of many leading Republican papers, such as the Herald Tribune, the Washington Post, and the Boston Herald, supports trade agreements. A survey of editorial comment made after the signing of the trade agreement with the United Kingdom and the new agreement with Canada indicated that something like 75 percent of the press, irrespective of party affiliation, was favorable to Secretary Hull's accomplishments.

The effort to increase the foreign trade of the United States by means of entering into agreements with foreign governments for the reciprocal lowering of tariff barriers has met with the general approval of outstanding citizens of all important political parties. They see in the present method a great improvement over the previous one; the people deplore a return to the old logrolling methods, where the loudest voice was customarily awarded the greatest tariff benefits, without regard to the national interest.

Now, in addition to a series of flimsy attacks on the trade-agreements program to the effect that this or that industry has been "sold down the river" and that concessions granted have flooded the country with imports, despite factual information to the contrary; that concessions granted to one country have been extended to other countries gratis, despite the improved treatment with respect to thousands of tariff items which the United States has received in return; that the delegation to the Chief Executive of the power to lower duties by means of trade agreements is unconstitutional, the attention of the House has been directed to the "efficient and high-geared propaganda machine of the State Department." Just what is propaganda? Are we to apply the word "propaganda" to information collected by the various departments and agencies of the Government merely because it happens to substantiate the position of the administration that trade agreements have contributed to the improvement in the foreign trade of the United States? No higher tribute could be paid to the quality of the material which is condemned as "misleading" and "one-sided" than that which the gentleman from Massachusetts [Mr. TREADWAY] and the gentleman from New York [Mr. FISH] themselves paid when they stated that it appeared in headlines of newspapers.

MR. TREADWAY'S BAD PROPHECY

I can well understand why the gentleman from Massachusetts does not like trade agreements. In the first place he had an important part in the enactment of the Hawley-Smoot Act, and the trade-agreements program is correcting some of the inequities of that act. To criticize the Hawley-Smoot Act has very much the same effect on the gentleman from Massachusetts [Mr. TREADWAY] as to tell a mother that her child's head is too large, that it is cross-eyed, or that its arms are too long. As in the case of the mother with her child, the gentleman from Massachusetts is prejudiced in favor of the Hawley-Smoot Act. From his point of view apparently there could be nothing wrong with that disastrous piece of legislation. The country, however, seems to have thought otherwise.

The other reason why I imagine he does not like trade agreements is that for the past 4 or 5 years he has maintained that through this program the United States would have an "unfavorable balance of trade"—that is, imports would exceed exports, and that this state of foreign trade would be disastrous to the country. The record has proven that the gentleman was dead wrong in this respect since exports exceeded imports by more than a billion dollars in 1938. He is now attempting to justify his bad judgment by dragging a red herring across the trail.

THE MOST-FAVORED-NATION PRINCIPLE ONCE MORE

According to recent remarks of Congressman RANKIN—May 23—Republicans themselves seem to have met all the issues raised against trade agreements by the gentleman from Massachusetts [Mr. TREADWAY]. Some Republicans, however, keep harping on the alleged evils of the most-favored-nation treatment as it relates to trade agreements. This principle is claimed by Republicans as having been originated by them. It is a necessary provision for trade agreements, irrespective of who is responsible for its adoption as a part of our commercial policy. I note that on May 26, in a speech in Salt Lake City, Utah, the Honorable Edgar B. Brossard, a Republican member of the United States Tariff Commission for the past 16 years, claims credit for this principle for his party. In explaining the Trade Agreements Act, Dr. Brossard said:

> In other words, all concessions granted to one country are generalized to like products of all foreign countries, except those countries found to discriminate against United States commerce. This provision is in accordance with the unconditional most-favored-nation policy first enunciated by Secretary of State Hughes in 1923 and later embodied in the Tariff Act of 1930.

The gentleman from Massachusetts [Mr. TREADWAY] must know that his party practiced the same sort of unconditional most-favored-nation treatment in all the rates of duties decreased and increased under the flexible tariff provisions of the acts of 1922 and 1930. Of course, it did not seem so bad in those days because most of the rates were being increased rather than decreased, especially those changed under the act of 1922. The most-favored-nation clause was then said to be operating in reverse, in that all countries were treated equally badly.

In connection with this most-favored-nation principle, it may be of interest to note that when President Hoover, on January 1, 1932, reduced the duty on "turned boots and shoes," as a result of a cost investigation by the Tariff Commission, the reduction applied to the imports of shoes from Switzerland, the chief competing country, and from Czechoslovakia, England, France, Germany, and all countries which exported any of these shoes to the United States.

The gentleman from Massachusetts [Mr. BATES] a few days ago claimed that great prosperity had come to the shoe industry on account of tariff protection on shoes from the break-down of the Czechoslovak agreement. I am glad that a member of the opposition admits that there is one industry in a prosperous condition, even if he does attribute it to the wrong cause.

A man coming from an important shoe district surely ought to have known that the rates of duty were not reduced in the Czechoslovak agreement on cement-soled shoes, which constitutes about 90 percent of the imports into the United States, the kind which are said to have come in strongest competition with domestic products. The principal thing brought about by the suspension of that agreement was the removal of the quota on imports which was fixed to protect the domestic producers. Now Germany took over that part of Czechoslovakia where the shoes were manufactured only in March of this year and the upturn in the shoe industry started last fall, according to the gentleman's own statement.

The principal reduction in duties on shoes in the Czechoslovak agreement was on shoes sewed or stitched by a process known as McKay; this reduction was from 30 to 20 percent; the rate established in the Tariff Act of 1930. This rate had been increased from 20 to 30 percent by ex-President Hoover at the same time he reduced the duty from 20 to 10 percent on turned boots and shoes. Even partisans ought to keep the record straight and keep the cause-and-effect relationship clear. I am glad the shoe industry is prosperous, but the elimination of the Czechoslovak agreement could have had little effect on it.

As has been pointed out by the Honorable Robert Lincoln O'Brien, sometime Republican Chairman of the Tariff Commission, there is this contrast in the most-favored-nation treatment as practiced in the present administration and the Hoover administration. For reductions made on this side under trade agreements we obtain some reductions in trade barriers on the products which we wish to sell foreign countries. I know it will be said that they made their re-

ductions on the cost-of-production formula. That is mere quibbling. All the reductions made under agreements are based on much more comprehensive information, and are made from the point of view of national good rather than the benefit of some pressure group.

EFFECTS OF TRADE AGREEMENTS ON AGRICULTURE

Since the gentleman from Massachusetts [Mr. TREADWAY] talks as if he is about the only representative of agriculture, particularly when the matter of trade agreements comes up, I want to submit the following trade figures in farm products with agreement and nonagreement countries, and I hope the gentleman will not designate it as "State Department propaganda." I know he does not like to have figures showing results of trade agreements in the RECORD, but this information happens to come from the Department of Agriculture.

United States foreign trade with trade-agreement countries[1] and with other countries

[Department of Agriculture figures]

	Year ended June 30			Increase (+) or decrease (−)	
	1935–36	1936–37	1937–38[2]	1937–38 over 1935–36	
United States (domestic exports):	*Mill. of dol.*	*Mill. of dol.*	*Mill. of dol.*	*Mill. of dol.*	*Pct.*
Of farm products:					
To the 16 countries	186	207	288	+102	+55
To all other countries	580	525	600	+20	+3
United States imports (for consumption):					
Of agricultural commodities:					
From the 16 countries	468	600	454	−14	−3
From all other countries	674	937	701	+27	+4

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

[2] Preliminary.

It is seen that farm products exported from the United States to the 16 countries with which agreements were in effect at the time rose by $102,000,000, or 55 percent, from the fiscal year 1935–36, when only three of the agreements were in effect throughout the year, to the fiscal year 1937–38. Farm exports to all other countries rose by $20,000,000, or by 3 percent, for the same period.

A detailed analysis of the increase in the exports of farm products to agreement countries shows that the major portion was in products on which foreign countries granted concessions. This occurred in spite of the fact that two of the greatest droughts in our history held down farm exports, while these droughts increased competitive imports from 1935 to 1937. The harvests of 1937 and 1938 have naturally had the reverse effects on imports of agricultural products, which were less than half of what they were in 1929.

WORKERS AND TRADE AGREEMENTS

As well as posing as the friend of agriculture the gentleman sometimes sheds a few hypothetical tears for workers because he alleges they have been treated so badly under the New Deal. I have mentioned the support given to trade agreements by the Republican press. On the question of wages and foreign trade I call the following excellent editorial from the Philadelphia Bulletin to the gentleman from Massachusetts [Mr. TREADWAY'S] attention:

WAGES AND FOREIGN TRADE

General recognition, which crosses party lines, has been given to Secretary Hull for his intelligent attempts to expand our foreign trade. The reciprocal-pacts program is the most extensive effort to restore normal conditions to international trade made by any of the great powers in recent times.

Wage earners are apt to be indifferent to such steps, or to view them with a certain hostility because of a fear that their standards of living will be lowered by competition with low-paid labor abroad. Aside from the fact that the principle of protection is not questioned by Secretary Hull, and is still in force to defend the American worker, he can be shown to be a positive gainer from an expansion of our exports.

The chief gains in exports under the reciprocal pacts have been in household refrigerators, radio apparatus, industrial machinery, and aircraft.

These are all industries in which the wages are among the highest in the United States.

High wages and effective industry are always found in each other's company. Foreigners want distinctive and well-made American products, and the high wages paid to the workers in those industries are no bar to their sale abroad.

American workers, after the experience of 1931–32, with the highest tariff of our history, no longer listen to the "full dinner pail" high-tariff fallacy. In those days they could hardly afford a dinner pail, to say nothing for food to go in it.

Is it "Little Sir Echo" of the American Tariff League, or "the Voice of the home-market club?"

The gentleman from Massachusetts [Mr. TREADWAY] has raised the point of propaganda. He uses all of the threadbare and discarded arguments of high-tariff lobby organizations in his attacks against the administration's reciprocal-trade agreements, although he says he is in favor of reciprocity. The gentleman from Arkansas [Mr. KITCHENS] a few weeks ago gave the gentleman from Massachusetts [Mr. TREADWAY] an appropriate title, possibly deserved by his many fulminations against the trade-agreements program, along the lines of certain groups always seeking excessive tariff subsidies. Mr. KITCHEN'S designation was "Little Sir Echo" of the American Tariff League. I do not wish to detract from that fitting title, but would like to submit a modification. The gentleman at times sounds very much like "the Voice of the home-market club." It is understood that the erstwhile, moribund home-market club raises its languishing head to take an occasional potshot against the trade-agreements program through "its voice" in the House.

Attack of Science Against Cancer Gathers Headway

EXTENSION OF REMARKS

OF

HON. WARREN G. MAGNUSON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

ADDRESS BY HON. HOMER T. BONE, OF WASHINGTON, AT LAYING OF THE CORNERSTONE OF NATIONAL CANCER INSTITUTE

Mr. MAGNUSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address by Senator HOMER T. BONE, of Washington, delivered at the National Cancer Institute building near Bethesda, Md., June 24, 1939, as follows:

This Nation is marshaling its forces to conquer cancer, the greatest scourge that has ever assailed the human race. Its causes shrouded in obscurity, and the methods of treatment uncertain, it has become one of the great enigmas of modern times. Medical science has enabled us to meet and conquer so many other dread diseases, but cancer has remained a challenge to the understanding and achievements of science.

The attention of Congress was repeatedly drawn to the fact that an increasing number of human beings were dying every year from this disease, but despite the earnest efforts of thoughtful men in Congress, they were unable to arouse interest to a point where the Federal Government itself would undertake the work of combating it. In 1937 a bill was introduced, having for its purpose the creation of a Federal institution to be known as the National Cancer Institute. Congress was advised that cancer at that time was killing 140,000 human beings in this country every year—that every 2 years the death toll took 70,000 more lives than were lost in battle and died of wounds in all the wars of the Republic.

Such a hideous and unnecessary sacrifice could no longer be overlooked, and on a hot afternoon in July of 1937 Senators and Representatives gathered in a big committee room in Washington to agree upon the form of a bill designed to set up a great beacon light of hope in a wilderness of fear. That proposed legislation became a splendid reality, and on the 5th day of August 1937 the President of the United States approved the legislation and the National Cancer Institute became an accomplished fact.

EVERY SENATOR SIGNED

For myself, I can only say that it was one of the happiest moments of my life when 96 Members of the United States Senate

attached their names to the bill creating this great institute and the legislative objectives of that bill appeared on the horizon as a magnificent reality. Never in the history of this Republic had the entire membership of either body of Congress sponsored a piece of legislation. Such an action reflected a great outpouring of sentiment and evidenced a grim determination to stamp out a disease that was threatening every home in America.

Scarcely a Member of either House had escaped some unhappy contact with this fell destroyer. So rapidly had the incidence of mortality increased that the shadow of death hovered over every home. As I speak to you today, one woman out of every seven is doomed to face the terrors of this awful disease. Its cruel ravages on women distinguish cancer as a thing apart and entitled to special attention at the hands of civilized government.

POOR HARDEST HIT

It is no respecter of youth or age. The chief bulwark of defense against it at the present moment is adequate diagnosis in the early stages, and because of this the expense attendant upon such diagnosis sets up an impassable barrier for the poor, from whose ranks comes an increasing number of victims. The tragedy of this whole picture is appalling.

The great institution coming into being on the spot where we stand represents the first effort to coordinate and give central direction to Nation-wide efforts to stamp out cancer. There have been outstanding contributions in this field, but little coordination of the work of the various research agencies, for, while they were not in the slightest degree wasting their efforts, there was a lamentable lack of understanding of what other research experts were doing. Radiation experts, biochemists, pathologists and other scientific workers were largely compelled to go their own separate ways.

INSTITUTE PROVIDES TEAMWORK

It is to the magnificent institute we are here creating that we look for teamwork, organization, friendly cooperation, and sympathetic direction which will in nowise interfere with the splendid achievements of individuals and groups which we know will work in complete harmony with the National Cancer Institute.

This institute represents no effort to regiment or to organize cancer research under the direction of a "super mind" or dictator. It is, rather, an effort to encourage and to hearten and strengthen those who labor in this field. It is here because even the marvelous achievements of science have so far failed to discover the real cure for cancer. It is here, a magnificent reality, because we are going to put money as well as brains behind those who give their time and their energy to work that will be a boon and a blessing to humanity.

CANNOT ADMIT DEFEAT

The conscience of the country has been touched by the ravages of this disease of which so little is known. Out of this is arising a high-minded purpose to meet and conquer an enemy worse than war. America, the greatest Nation that ever graced the tides of time, immeasurably enriched by the manifold beauties of modern science, cannot, and will not, admit defeat in the struggle which will center in the great institute, the cornerstone of which is being laid this day. Certainly the blessings of humanity should, and will, rest upon this noble effort.

Out of the work of the scientists who will breathe the breath of life into its activities will grow that body of knowledge concerning cancer which may for the first time bring hope to those who have suffered from a scourge that has been known to the practitioners of curative arts for 3,000 years.

We are timely in our efforts, for statistics show that 1 in every 10 persons past 35 years of age is destined to have cancer. I have seen those I loved deeply go down into the valley of the shadow, with the warm blood of youth still coursing through their veins and the love of life strong in them. I have witnessed their agony as they struggled against the thought of leaving loved ones. I have felt that terrifying sense of frustration and futility that comes to all who have seen the cruel manifestations of this dread disease. I have walked in the shadow with these friends who felt the touch of the destroyer; I have seen the futile efforts to check cancer's ravages.

RESEARCH IS ONLY HOPE

It has been estimated that the ideal application of all the available knowledge we now possess would reduce annual cancer mortality by about 25 percent; that is about 35,000 persons could be saved yearly. The other 105,000 would be doomed to death. The only possible hope of decreasing this vast amount of human misery is through fundamental and clinical cancer research.

The National Cancer Institute is the intelligent answer of a great people to that problem, and it is to this aspect of the institute to which we would do honor today. It ought to make us feel that our country is purposeful and that we are placing true values on human life—that the arts of peace and the love of our fellows are still the vital and essential part of the American way of life.

Here, in a beautiful setting made possible by the generous donation of the land by Mrs. Luke Wilson, this institute will carry on its work.

LEADERSHIP IS DISTINGUISHED

That I was able to contribute in any degree whatever to the realization of the dreams of scientists over the years will always be a source of joy and pleasure to me. I am happy in the thought that the work which will be carried on by the National Cancer Institute has been committed to able hands. The distinguished Surgeon General of the United States, Dr. Parran, and his associates in this work, Dr. Voegtlin, Dr. Hektoen, Dr. Thompson, Dr. Spencer, and others, whose work will be intimately related to the operations of the institute, are men whose scientific attainments should bring to us the assurance that all modern science can offer will be brought to bear in the work of discovering the causes of cancer and eliminating them as we have eliminated the causes of other tragic diseases. The men who constitute the National Advisory Cancer Council are men outstanding in their professions. To all of them the work in hand is a labor of love. Under their direction the efforts of all the forces in America fighting cancer will be coordinated and correlated.

CONGRESSMAN MAGNUSON HELPS

I would not permit this occasion to pass without paying tribute to the generous efforts of WARREN MAGNUSON, my young colleague in the House, whose home is in Seattle, Wash. When the bill was pending in the Senate, Congressman MAGNUSON introduced a companion bill in the House. Upon the bill's passage in the Senate, he gave freely of his time and energies in securing its passage in the body of which he is a Member. For all of us it is a most happy circumstance that not a single vote was recorded against it in the House of Representatives. I am glad that WARREN MAGNUSON is here to share with us the joys of this occasion.

WORSE THAN WAR

In view of the fact that the amount of money suggested for the work which this magnificent institute will accomplish is but a fraction of the cost of one of our smallest warships, it is to be hoped that Congress will be unremitting in its efforts to see that funds are made available every year to continue this work.

The annual death toll of cancer is greater than that of any war in which we have yet participated, and if there be justification for the preparations for war, there is certainly even greater justification for the modest expenditures which we propose to continue the work of combating this destroyer of human life.

INSTITUTE BRINGS ASSURANCE

I thank the men who are carrying on this work, and all their associates and assistants. From the bottom of my heart I thank the millions of women associated in various organizations, and the great army of thoughtful people in all walks of life whose intelligent appreciation of the grim necessity for action and whose enthusiastic cooperation in securing the passage of the Cancer Act made possible the creation of the institute, the cornerstone of which is being laid today. We may leave here today with the assurance that we are seeing the beginning of the work that will bring hope to millions, and upon which the blessing of Almighty God should rest.

Commencement Address

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Friday, June 30, 1939

ADDRESS BY PHILIP P. CAMPBELL TO GRADUATING CLASS OF BAKER UNIVERSITY, BALDWIN CITY, KANS.

Mr. CAPPER. Mr. President, on June 3 Hon. Philip P. Campbell, who represented the Third Congressional District of Kansas in the National House of Representatives for 20 years, delivered the commencement address to the graduating class of Baker University at Baldwin City, Kans.

This commencement address of Mr. Campbell is worthy of the reading and the careful—I might say prayerful—consideration of every American. In the hope that every Senator, at least, may read it and benefit from this inspiring message, I ask unanimous consent that it be printed in the Appendix to the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and fellow students, I am impressed with the many changes that have taken place while I have been away. The trees, the buildings, and the campus, all have changed. Fashions are not the same. Then, no one would have presumed to deliver an address, on an occasion like this, clothed in anything but a Prince Albert, buttoned to the neck and reaching to the knees. Even the table cloth, then, hid the legs of the table to the floor; now, a few doilies are scattered over it.

Then, too, the world was only 6,000 years old. The Ten Commandments were known as the statement of a natural law for

the observance and guidance of man. The Lord's Prayer was known and repeated. People were impressed with the wisdom and importance, to them, of the Sermon on the Mount. Men refreshed their souls daily with the things of the spirit.

At that time also personal industry, personal thrift, personal honesty, personal ambition, and the will to assume personal responsibility were cardinal virtues. Boys in the humblest homes were inspired with an ambition and determination to become good farmers, good lawyers, good preachers, good doctors, and worthy statesmen. It gave them hope to see successful men in every walk of life, recruited from the homes of the humble poor.

A large majority of the Congress of the United States come from the humble homes of our country. Many of them have started in what are now called the slums, in large cities, as newspaper carriers and bootblacks. Poverty at birth and lowliness of station has not been a handicap to them. No position has been so high as to be beyond the aspirations of the humblest youth. There were no boundaries beyond which they did not aspire to go. Frontiers opened to them in every direction. They saw opportunities in the arts and sciences, in the invention of new conveniences, and in the discovery and use of unused natural resources. They were inspired by the successful achievements of such men as Rockefeller, Carnegie, Edison, Bell, Ford, and many others, all of whom started as poor boys. They did not deem themselves underprivileged to make their way through difficulties to success. These personal aspirations and ambitions gave promise of newer and better things in the future.

If I were asked, this morning, what period in our history witnessed the greatest advance for the well-being, comfort, and happiness of mankind, I would say the period began when man assumed personal responsibilities for every relation in life. It was when the citizen became master of his government, and did not submit to being mastered by it. It was when men supported the government, and did not ask it to support them. It was when men were impressed with personal responsibility to self, to family, and to God.

Men impressed with a spirit of personal responsibility created new conditions and advanced civilization. They nourished their souls and awakened their imagination. They developed the arts and the sciences. They entered new frontiers. They created new opportunities and new industries. They made the impossible possible. They made the impracticable practicable. They initiated conversations between their homes and business places, and extended them across continents and over the seas. They made it possible for song and speech to be heard in the remote places of the earth. They developed new processes for the conduct of agriculture and industry. They made instruments that relieved labor of its drudgery. They created new materials which at first were looked upon as luxuries, then took the place of old necessities. They lengthened the span of life. They made living better and more comfortable. They made and wore better clothing. They provided and ate better food. They built and lived in better homes. They revolutionized transportation. They made new and profitable employment, then, for millions of men and women, and provided profitable investment, then, for billions of capital.

The hope of personal reward for personal effort inspired the ambition of the millions who participated in raising the material standards of life to the high plane of living upon which the world entered.

Those who achieved these results and made these new conditions were men and women who believed in themselves and believed in and trusted their Creator. They made their minds better by cultivating them. They developed their souls. They were inspired by the spirit with which God endowed them. They took their inspiration from the Creator and honored Him with their achievements.

The billions of wealth they created were widely distributed among millions of thrifty people. The wealth they stored up by their industry and frugality has been honoring drafts upon it, in recent years, that run into so many billions that they stagger the imagination.

It is not forgotten that when the world was tried in the crucible of a great war the men who believed in themselves, and assumed personal responsibility from their youth, provided the greatest amount of materials for military and civilian uses. They supplied food, clothing, and every instrument of war. They supplied billions of credit, capital, and material wealth. They contributed a strong manhood and womanhood that had been developed by personal responsibility. These men and women stood the test when the supports of civilization were attacked. They had the highest type of courage and ability. They had endurance. They had wisdom. They knew how to carry out a military order, though they had trained themselves as civilians.

It is worth noting, here, that one lone sergeant who had assumed personal responsibility from his youth, and who would, today, be rated as one of the underprivileged, believed in himself and believed in God. He crossed no-man's land alone and entered the enemy's trench. He brought back 29 men for whom everything had been planned from their youth. They were not taught to assume personal responsibility as they were maturing into manhood. They had been regimented, even as is done today with many of the youth of the world.

There was an opportunity to continue the great advance that had been made, for the benefit of mankind, into other and greater frontiers. But the Ten Commandments began to be observed loosely. The Lord's Prayer was largely neglected. The Sermon on the Mount was no longer impressive. The spirit was not depended upon to nourish the soul and fire the imagination.

The things that are important have not changed—nature, truth, and the natural law that governs life have not changed. These are the same as in the beginning. The relation of man to his Creator has not changed. Changes in men's opinions do not change or alter truth. The change in opinion with respect to the age of the earth has not altered or changed its age. Man has not been relieved from personal responsibility to the Creator. The Ten Commandments, the Lord's Prayer, the Sermon on the Mount are as important, in the daily life of men today, as they were when given to the world. The decree of God that man shall earn his bread in the sweat of his face has not been altered or modified. It is as true now as it was when uttered that a man may not reap where he has not sown. Personal responsibilities were imposed by the Creator upon every rational creature. Those responsibilities are from the beginning and to the end.

Groups entertaining various beliefs contrary to these fundamental truths have, during the ages, attempted without success to modify them. The world is, today, vexed with experiments by these groups. There are attempts by specious arguments to destroy the personality of men by making them a part of a common mass. Men are told they have no personal responsibility to their Creater. Men are beguiled into the belief that personal industry, personal ambition, personal achievement, are not important. Those who have hidden their one talent are taught to pity themselves and to accept a place in a mass group which is to be ministered to, at the whim of a bureau chief, from the increase made by those with five talents.

The creature to whom God gave a personality loses it when he enters a common mass in a regimented group. He loses his place in the world. He loses his identity. He yields his chance to make his own way.

This unnatural social and political philosophy is accepted by many, in many parts of the world. Those who accept that philosophy and are satisfied to live under it, not only sacrifice their personality and their opportunities to serve themselves, but they hold nothing back to leave to their posterity. The freedom, traditions, and religion they inherited from their ancestors are sacrificed.

All attempts by groups of men to alter the natural law that imposes personal responsibility on every man for the natural growth and maintenance of his body, for the development of his mind, and for the enlargement of his soul have failed, and will continue to fail until the nature of man and his relations to his Creator have been modified or changed by the Creator.

The world is suffering today from a tragic malady because man has defaulted in his personal and spiritual obligations.

There is need of a Great Physician upon whom the world is not calling. Quack doctors have offered their services, and their services have been accepted. These quacks are beguiling the people to accept specious but spurious remedies. The experiments they are making are leaving the world worse from day to day. They are making mankind unambitious, unhopeful, and sordid. The world is seeking only the material things that it looks upon as a daily necessity. It looks only to the hour. It faces downward, not forward or upward.

The tenets of the Sermon on the Mount are disregarded. The most powerful governments in the world are creating the greatest armies and building the greatest navies known in their history. One government creates an army and builds a navy for aggression, for the acquisition of additional territory, and for securing dominion over additional people. Another government creates armies and builds navies as a defense against aggression. Countries seize territory and subject its inhabitants to their control. Governments confiscate property belonging to the citizens of other countries and defend the theft as a national policy.

Class distinctions have been created between men. Men and women willingly accept opportunities to mortgage the future, for their children to pay, to secure what looks like easy money for present use. Politicians and political bosses have sold their influence for filthy gain. Judges have sold their opinions on the law, for cash. The distribution of billions from the public Treasury, in the name of charity, immediately before election, has been extolled by its distributors as a public virtue.

It is not strange, therefore, that the condition of man everywhere has been growing worse from day to day, from month to month, and from year to year, until despair is overcoming hope. The world is groping in a dismal night. Those who administer the affairs of some of the great governments of the world deny the existence of God. Others ignore God. Still others assume they have the power of God.

On May 23, 1939, 100 prominent clergymen of various faiths in the city of New York issued a statement in which they said:

"From a moral and religious standpoint, the cause of our tragedy is our refusal to govern our lives in accordance with the old truth that we are all persons of immeasurable dignity, struggling through the world together with brothers under one God, toward one goal."

These clergymen could have added to what they said that we can be relieved from further tragic disaster only by the cleansing power of the Spirit of God operating upon all the people in every walk of life and firing them with a personal ambition to assume personal responsibility.

The necessity for a general cleansing and regeneration of all, from the humblest citizen to those in the highest stations, cannot be overstated. The application of the cleansing power of the Spirit has not been more urgent than at the present moment.

The conscience of mankind everywhere must be awakened. All must be made to see the debauch the world is having and the tragedy it is bringing to men and women everywhere. They have defaulted in the things of the spirit and in their personal responsibility to themselves and to God.

The question that presses itself upon us for solution can be solved only by the resumption of natural obligations that go to the foundation of civilization. Defaults that invite penalties are facing us.

"If broken vows this heavy curse have laid,
Let altars smoke and hectacombs be paid."

It is as true of the Christian, the Mohammedan, and the Buddhist, as it was of the pagan, that penalties must be paid when men default.

I speak as a layman. I have had the experience of many of my fellow citizens. I knew, as a child, the most limited comforts in a little box house on the prairie. As a youth I knew responsibility and performed the labors of a man. I had the joy, after reaching maturity, of working my way through this university. I studied law on the farm during the week, and took examinations on Saturdays. The years I spent in the practice called upon every resource, mental and spiritual, I could command. The 20 years I spent in Congress were filled with great responsibilities. Since retiring from Congress my business has given me contact with men of affairs and with conditions in many parts of the world. It has all been a rich experience.

In the light of that experience, from the days of my childhood to the present hour, I am led to the conviction that the unsolved problems that vex the world today can be solved, only, by the people of the world renewing their relations to their Creator, assuming natural personal responsibilities, and by calling upon men of God to lead the governments of the world out of the murk, that, in its spiritual blindness, it wandered into.

But there is a ray of light that gives a sign of hope. Men are again beginning to require the things of the spirit. They are again beginning to look upon themselves as creatures of God with personal responsibility to themselves and to Him. They are finding the earth earthy. The things upon which they have been leaning are falling.

Ministers of God and laymen everywhere are awakening to their responsibility to relieve the future from the encroachments of the evils of the present.

The theater is recognizing the truth that sordid things do not satisfy. It is realizing that the Creator made man with a soul and that the soul must be satisfied. The radio now makes an appeal with sacred hymns. The theater is beginning to dramatize devotion to the Creator.

It is doubtful if ministers have had greater responsibility at any time during the Christian era than they have today. It is theirs to fully revive the longings of the soul for better things. It is theirs to aid in renewing in man a desire for the operation of the spirit, and in restoring a belief in, and a dependence upon God. It is theirs to lead in lifting the world out of its sordidness, and in helping it out of the distrust that makes the present so tragic. It is theirs to aid in restoring man's confidence in himself as he has confidence in his Creator.

It is appropriate, here, to say that many ministers, in the past, lost the opportunity for better service to mankind and to their Creator by attempting to shift responsibility for the personal conduct of men to the legislature and to the sheriff.

I have told you how the world rose into better things and the way that led it into evil. I have indicated how mankind can rise again.

Now, may I have a personal word with you?

You will not find it either profitable or enjoyable to begin active life by entering a struggle to get, what you may be told, is your share of what has already been created, by the initiative, the ambition, and the industry of others. New opportunities are beckoning you. New frontiers are awaiting for you to enter—in the creative arts and sciences; in architecture, in building; in chemistry, in the creation of new products; in the distribution of all products from points of production to places of consumption; in identifying what is now commonly called rackets, and removing the racketeers, whoever they are and wherever they are found. The world is anxiously awaiting the solution of that problem, of profitable production and distribution, of the products of agriculture and industry, so that no one among the teeming millions of the earth need fail to secure an abundance of the necessities and comforts of life. Your opportunities for service to yourself and to mankind are boundless in these fields.

You must not forget the truth, that in your relations to the affairs of the world there is no substitute for personal industry, personal integrity, personal thrift, providing for personal security and assuming all personal responsibility. When you do not forget these old virutes, and practice them, you will make your own way.

You must not forget that what Nature has created cannot be turned in ways that are contrary to Nature's laws. You must not forget the greater truth—that when you forget the things of the spirit you will suffer in the things of the flesh.

"Lord God of Hosts, be with us yet,
Lest we forget; Lest we forget."

Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. WILLIAM J. MILLER
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Friday, June 30, 1939

LETTER FROM MILL SUPERINTENDENT

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter recently received by me:

MATSON MILL, INC.,
South Glastonbury, Conn., June 21, 1939.

Hon. WILLIAM MILLER,
House of Representatives, Washington, D. C.

DEAR SIR: As we understand, the State Department is planning to reopen the agreements with France, Belgium, the Netherlands, Switzerland, Sweden, and Finland, we wish to call your attention to the fact that for the first 5 months of this year 4,368,000 yards of cloth were brought into this country from England alone.

Compared to the production of this mill, which was approximately 227,000 yards for the first 5 months of the year, and gave employment to 150 people, it would mean that we would have had 20 woolen mills the same size as our plant running in this country at the same rate we were over the same period. And when you figure the number of woolen mills which have been dismantled in this same period in New England alone it makes one wonder what the people of New England are going to do for work if this continues.

When you consider the number of people out of work in this State alone due to woolen mills being closed down, I am sure they would appreciate knowing that the men whom they have chosen to represent them are doing everything in their power to check this and get them back to work.

Yours very truly,

MATSON MILL, INC.,
H. A. LANDRY, *General Superintendent.*

The Townsend Creed

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, June 30, 1939

Mr. ANGELL. Mr. Speaker, the Townsend National Recovery Organization recently held the fourth annual convention in Indianapolis, Ind. There were upward of 12,000 delegates and representatives in attendance, representing most of the States of the Union. A program extending over 3 days was had, during which time many subjects in which this group were interested were discussed, particularly national recovery and old-age annuities.

There was adopted at this convention, by unanimous vote of the delegates, a Townsend Creed. This creed is a statement of sound American doctrines and is worthy of consideration, not only by the Members of Congress but by every American citizen who is interested in the welfare of our country. It is particularly of interest to those who want to do their part in restoring to America national recovery, so that the 12,000,000 of unemployed, as well as the twenty-two and a half million who are on relief may again find remunerative employment in private industry.

The creed is as follows:

TOWNSEND CREED

We believe in a Nation-wide retirement security program based on American principles of equity and justice without the possibility of discrimination on grounds of race, color, or religion.

We believe that technological advances, declining birth rates with the attendant decrease in the number of those acceptable to industry, constantly increasing demands for retirement of our

senior citizens, require retirement should begin at the age of 60 at the latest.

We believe that the retirement of the elders is a matter of concern to the entire body of society, and, therefore, should be financed by a universal tax based upon the total volume of business.

We believe that any social-security program should be made operative on a basis which will return to profitable employment all those not retired and, thus, open the doors of opportunity to the youth of our land.

We believe that stagnation of business, idle bank reserves, idle factories, idle men are caused because of the lack of purchasing power in the hands of the many.

We believe this condition can be remedied only by the release of the taxes collected from the people into the channels of trade and commerce on a scale that will permit the living of the people to be on the typical American standard instead of a bare subsistence level.

We believe that the immediate spending of tax moneys and their returns through the channels of trade should be restricted wherever possible to the purchase of American goods made by American workmen; that they should be spent within the United States and should be used discreetly to avoid returning employable persons to idleness, and this principle should be continued in any sound recovery program.

We believe that this and all other Government activities should be placed on a pay-as-you-go basis, as neither this Nation nor any other nation can survive constantly increasing indebtedness. We must have a balanced National Budget to protect the American way of life.

Neutrality Legislation

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. DICKSTEIN. Mr. Speaker, this is not the first time this House is called upon to pass a neutrality bill. In the present administration we have made and amended not less than three different measures dealing with this subject. At times the tendency of the House was to leave everything to the Executive, since under our constitution it is the President who has the sole responsibility of conducting our foreign affairs. Later on legislation was enacted which sought to tie the President's hands in every conceivable way.

The world is drifting toward war. Whether or not statesmanship of foreign countries is equal to the task of sustaining world peace, the time will come, if it is not already on hand, when our Government will have to reassert its traditional policy of being neutral when European governments see fit to fight each other.

Such was our position in the war of 1914, although 3 years later it became necessary for us to become ourselves parties to the conflict. Let us hope such will not happen when a new war breaks out in Europe.

The object of the present neutrality legislation is precisely how to avoid becoming involved in a new world war. We must make every effort to prevent this country from becoming a party to a new conflagration by taking appropriate steps to make our neutrality real and not illusory.

I am sure that world peace will be preserved if legislation is passed which will make it definitely impossible for our country to interfere in a world conflict. It is true that there are any number of textbooks and treatises dealing with the rights of neutrals under international law, but all of us who are old enough to remember the last war know also how the so-called rules of international law are being violated all around when a war really breaks out. Countries at war do not care how they trample upon the rights of others to achieve their military ends, and countries of peace are very hard put to it to be friendly to belligerent powers and yet maintain their neutrality. It is exactly such a situation which calls for stringent measures to safeguard our neutrality.

One of the most important features in any war is the obtaining of supplies to enable the military machinery to function. Modern warfare differs from the old-time military maneuvers in that whole nations are involved and not only the soldiers serving in the military forces of their respective countries. Every phase of national life is now involved in a war, and so-called contraband is not merely limited to arms and ammunition, or closely related commodities. At the present time contraband includes not only items which make warfare possible, but nearly every item which may be used for the ordinary purposes of daily life. A nation at war is no less anxious to keep cotton or petroleum, oil or coal from reaching an enemy nation than it is to keep guns and airplanes from reaching the armed forces of the enemy. It is, therefore, quite clear that in exporting coal or oil, or even agricultural products, we may become involved in war by being classed with those who aid the enemies of another nation at war.

This makes it absolutely important that if an embargo is to be placed upon our exports, rigidly and automatically our whole economic life would be ruined, whether we entered another war or not.

It is our policy not to become involved in any war, but can Congress foresee every situation which may arise in the future, or can the President foresee such situations? A general and inflexible automatic embargo on all exports would be a grave error.

As a matter of fact, such a provision of law might have just the opposite effect. If the world knew that under no circumstances could any supplies from this country reach a country at war it would be encouraged to continue with wars rather than avoid them. What we should strive for is to avoid conflict, but we can best do so if we avoid incidents which might involve us in a conflict.

Any embargo which may be placed on American exports should be left to the discretion of the Executive and should not be made automatic. By doing so, I am sure the cause of peace will be advanced, while otherwise we may become involved in a conflict which would even be bloodier than the one from which we emerged in 1918.

America Must Guard Against Involving Itself in Foreign Wars

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

TELEGRAM TO EDITOR OF THE PHILADELPHIA INQUIRER

Mr. RANDOLPH. Mr. Speaker, I did not participate in the so-called neutrality debate. I followed the speeches carefully, and at this time, just after the bill has been passed, I include the following telegram:

APRIL 5, 1939.

MANAGING EDITOR, THE PHILADELPHIA INQUIRER,
Philadelphia, Pa.:

Re wire twentieth, I do not believe the United States should participate in foreign wars unless by popular referendum and unless the citizens of our Nation vote to do so. I believe that the men and women of America who are to do the fighting and the paying in the event of war should themselves determine whether we should enter it. I think we should arm. I think we should have a strong defense with emphasis on increased air power. The scene of warfare has changed from land and sea to the air. We should never arm as an aggressor or for an alliance with warring nations. Such procedure would involve us in conflicts in which we should take no part. It is wrong for us to try to police the world. I know the mothers of America do not wish to rear their sons to become cannon fodder on foreign battlefields.

Neither should our money be loaned to warring countries. We have had a sad experience with debts owed to us by foreign

nations. Instead of making the world safe for democracy, the last war seems to have given rise to dictatorship. I feel that we should be more than a war-avoiding nation; I think we should be a peace-promoting people. We can best bring this about by minding our own business.

JENNINGS RANDOLPH, M. C.

Neutrality

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. ANDERSON of California. Mr. Speaker, it is with a feeling of tremendous responsibility that I approach the subject of neutrality that is now being discussed in the House of Representatives, a responsibility not only to my district and State but to the entire country, a responsibility that cannot be taken lightly at a time like this when the world is in a state of turmoil and the eyes of every nation are focused on the Congress of the United States.

It has been my privilege during the past few days to hear the subject of peace and neutrality discussed by some of the most able men in the country—men whose many years of experience in world affairs are capable of commanding our closest attention and most profound respect. Those of us who are less experienced must be guided by their mature advice and counsel. Many of them served in this honorable body during the trying years from 1914 to 1918, and their past experience and sound judgment now stands us in good stead.

We are all aware of the probable consequences of another great war. The world is in the throes of a tremendous economic depression, and poverty and want are not unknown in our own country. To take any action which would force our Nation into entangling foreign alliances would be unthinkable at this time. Our constituents are looking to us, as their representatives, for the necessary assurance that the United States will remain aloof from world-power politics while we bend our every effort to bring back prosperity and to maintain peace here at home.

I have the honor to represent a district in which reside approximately a half million citizens of this great democracy. It is my duty to protect their interests and, by my vote, to assist in making it certain that we will not become involved in another conflict such as threatened our very civilization some twenty-odd years ago. I sincerely trust that we, as representatives of the people of this country, will find it possible to pass legislation at this time which will insure a permanent and an honorable policy of true neutrality.

Ohioans Paying Dearly for United States Treasury Gifts

EXTENSION OF REMARKS

OF

HON. DUDLEY A. WHITE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

ARTICLE FROM THE CLEVELAND PRESS OF JUNE 20, 1939

Mr. WHITE of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Cleveland Press:

[From the Cleveland Press of June 20, 1939]

OHIOANS PAYING DEARLY FOR UNITED STATES TREASURY GIFTS—GOVERNMENT HAND-OUTS ARE OVERBALANCED BY LEVIES ON STATE'S PROPERTY

(By Ned Brooks)

WASHINGTON, June 20.—The huge hand-outs which Ohio is receiving from the Federal Government are more than counterbalanced by the millions of dollars which Buckeye taxpayers are being compelled to contribute to the support of poorer States, an examination of receipts and expenditures disclosed today.

While Ohio during the fiscal year 1938 was receiving $223,205,701 in Government largess of all forms, it was paying into the Treasury a total of $335,417,098 in Federal taxes, a difference of more than $112,200,000.

Actually, the burden was even heavier on the Ohio taxpayer, since the Government deficit during 1938 was $1,535,000,000. Had the Government been operating on a balanced Budget, the Ohio taxpayer would have been nicked for an additional $90,000,000. Instead, this sum is added to Ohio's share of the national debt.

In contrast to Ohio's adverse position on the Federal balance sheet are the records of less prosperous States in the South and West. Alabama during 1938 put $16,929,000 into the Treasury and got out $37,680,000. North Dakota paid in $1,579,000 and received $39,900,000. Arkansas contributed $8,046,000 and got back $43,202,000.

DEBT EXCEEDS FARM VALUE

Deficit spending has boosted Ohio's share of the $40,000,000,000 national debt to $2,095,460,000 on a population basis and the share is about $100,000,000 higher if computed on a ratio of taxes. Cleveland's proportion is approximately $290,000,000; Cincinnati's, $149,000,000; Columbus', $95,000,000; and Akron's, $84,000,000.

A compilation made recently by Representative DUDLEY A. WHITE (R., Norwalk), showed that Ohio's share of the Federal debt exceeds the assessed value of all farms and property outside municipalities by $522,821,000.

The debt share also is about one-seventh of the entire assessed property valuation of the State and some three-quarters of a billion dollars higher than the entire Government debt in 1916, before the United States entered the World War.

Approximately half of all Federal grants and expenditures in Ohio during 1938 went into the work relief and the National Youth Administration programs, according to an analysis just completed by the National Emergency Council. Major items of the $223,205,701 poured into the State included:

W. P. A. and N. Y. A.	$109,635,012
Crop-curtailment benefits	6,619,248
Farm Security Administration	5,666,575
Soil Conservation Service	976,284
Bureau of Roads	8,531,155
Civilian Conservation Corps	7,057,577
Public buildings (Treasury)	2,900,533
Public Works Administration:	
Non-Federal	7,324,128
Federal	447,401
Housing	5,840,762
Social security benefits	18,575,833
Rivers, harbors, flood control	9,118,984
Education and rehabilitation	1,061,807
Surplus Commodities Corporation	3,282,000
National Guard	1,785,944
Veterans' Administration	31,363,765

In addition to these direct expenditures and grants, Ohio received $39,405,396 through various Government loan agencies, including $17,160,923 from the Reconstruction Finance Corporation, $11,439,494 from the Farm Credit Administration, $1,707,923 from the Farm Security Administration, $3,179,826 from the Rural Electrification Administration, $1,910,787 in Federal Reserve loans to industries, and $2,107,000 in Treasury purchases of securities in building and loan associations.

Ohio also benefited by $28,113,437 in the insurance of notes and mortgages by the Federal Housing Administration.

To carry these expenditures and loans, assist in paying for the normal upkeep of Government and help support the poorer States, Ohio paid $335,417,098 in Federal taxes. The larger items of this total were:

Corporation income	$91,417,755
Individual income	63,204,670
Liquor	35,911,512
Tobacco	8,532,907
Stamp taxes	3,723,322
Manufacturers' excises	38,056,843
Pay roll (Social Security)	48,127,865

Of the $223,205,701 in grants and expenditures in Ohio, $23,952,762 went directly to State departments, the latter item alone constituting more than 20 percent of the State's revenue. The largest single item went for paying the Government's share of old-age pensions.

Neutrality Act

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1939

Mr. WOLVERTON of New Jersey. Mr. Speaker, it has been apparent as the debate on this bill has progressed that the differing viewpoints as to what should be the neutrality policy of this Nation has not been based upon partisan considerations. Nor should it be. The question is too vital to our national and individual welfare to permit any such consideration to dictate our thought or action.

The desire to keep our country at peace, and, prevent its involvement when war exists elsewhere, is the common desire of both Republicans and Democrats. Nothing more certainly proves the absence of partisanship, in the settlement of this issue, than the fact that members of both these two great political parties have in many instances expressed opposite views to that of their own party colleagues. Thus, the consideration of the bill has not been along strict party lines. Every Member of this House, regardless of political affiliation, is sincere in the desire to adopt a national policy that will preclude our involvement in war and enable us to remain at peace with all the nations of the world.

In determining the course to be pursued by myself, in voting upon the several questions that call for decision in formulating our neutrality policy, it has seemed to me that the surest way to avoid war, or entanglements that may lead to war, would be for this Nation to avoid all traffic in arms and munitions of war with nations that are engaged in a war to which we are not a party. Furthermore, such a course would be consistent with the idealism that has made this Nation the leader in every movement to promote world-wide peace. We are justified in the pride we have taken in this leadership, and, we should avoid the adoption of any policy that would have a tendency to weaken or destroy it.

For this Nation to advocate the discontinuance of war as a means of settlement of national differences, and then to sell the munitions and instruments of war that will produce the horrors of war, is so plainly inconsistent as to be without any justification whatsoever. To do the latter leaves us open to the charge that commercial gain means more to us as a nation than all else. Profit thereby supplants idealism and financial gain takes the place of the desire for peace. I am unwilling to relinquish our leadership in the cause of peace upon any such monetary basis.

Nor would the guilt of participation in a war not our own be avoided by a mere "cash and carry" clause that will permit a nation with the greater sea power to take the instruments of death from our shores. The fact that American ships cannot be used for the purpose of transporting war material does not remove the blot resulting from the fact that we have supplied the material, nor will it entirely preclude the possibility of our involvement. Of course, if we adopt a policy that permits the sale of war material to nations at war, then it would be wise to adopt the "cash and carry" clause, but certainly not with any thought that it absolves us from the guilt of participation in a war not our own.

I realize that in almost every conflict we can discern some element or circumstance that will induce us as individuals to feel sympathetic to one side or the other. But, from a national standpoint we cannot express our sympathy by extending aid without becoming involved.

There is no better substitute for avoiding entangling alliances that lead to war than a national policy that precludes the sale of munitions and instruments of war to nations engaged in war. The adoption of such a policy not only makes less likely our involvement in foreign wars, but it also places our Nation in a position where it may at all times consistently advance the cause of peace and good will among the nations of the world, and maintain that leadership of which we are so proud.

The numerous and varied discretionary powers delegated to the President by the provisions of this bill constitute, in my opinion, a condition that is serious enough to justify opposition to the bill.

My objection to these features of the bill has no relationship to the particular person who occupies the office of President. Today it is a Democrat. At another time it might be a Republican. My objection is more fundamental than partisanship. It is based on the opinion that no one man in this Nation, Republican or Democrat, should have the power to make decisions that might carry us into the throes of war. Congress alone has that power under the Constitution. Although this is true, yet it is conceivable that acts of the President under the discretionary powers in this bill may make war impossible to avoid.

No President would deliberately carry the Nation into war, yet a single move or decision upon his part might have that effect. The greater the discretion the greater the possibility. Many of the discretionary powers contained in this bill are fraught with danger, either from exercise or failure to exercise.

I cannot with clear conscience give my support to the bill in its present form.

R. E. A. Projects

EXTENSION OF REMARKS
OF
HON. KNUTE HILL
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Friday, June 30, 1939

Mr. HILL. Mr. Speaker, more than $200,000,000 has been allotted by the Rural Electrification Administration for the construction of power lines into rural areas throughout the United States. This has meant the projection of the comforts made possible through the utilization of modern conveniences to thousands of rural home owners. This in itself is a great achievement, but in addition the R. E. A. program has provided a business stimulant for industries in all sections of the country where are manufactured the materials which transfer electricity into home comforts. It means new orders for electrical equipment—radios, washing machines, flatirons, electric refrigerators, vacuum cleaners, and a host of similar appliances.

Under leave to extend my remarks, I ask unanimous consent to include therein a table showing how the extension of R. E. A. lines into rural areas stimulates the sale of electrical appliances, which in turn, creates jobs and releases currency.

Since this compilation, the R. E. A. has announced an eighth project for Washington, where its program is just getting under way. The project includes 258 members residing near Ellensburg, Wash., in the Fourth Congressional District. The R. E. A. loan was for $151,000. The seven former projects, included in the tabulation, include the Benton R. E. A., located near my home town of Prosser; the Orcas Power & Light Co., at East Sound; the Mutual Power & Light Assn., at North Bend; the Inland Empire

Rural Electrification, Inc., at Spokane, the Quinault Light Co., at Quinault; Public Utility District No. 1 of Cowlitz, at Longview; and Public Utility District No. 1, at Chehalis.

The number of new appliances purchased through the R. E. A. program in the 16 States included in the following table are based upon surveys:

State	Number of projects	Total allotment	Number of homes electrified	Value of materials ordered	Value of appliances ordered	Number of new radios	Number of new flatirons	Number of new washing machines	Number of new electric refrigerators	Number of new vacuum cleaners	Number of new water pumps	Number of new electric ranges
Alabama	14	$4,826,550	14,478	$3,137,257	$2,635,860	12,500	11,700	6,800	2,800	2,300	2,400	500
Florida	5	1,098,000	3,294	663,700	592,920	2,800	2,700	1,500	850	500	560	160
Georgia	34	10,927,615	32,771	7,102,949	5,898,780	27,200	26,500	15,400	8,500	5,200	5,500	1,600
Illinois	24	12,144,630	36,432	7,893,989	6,557,760	31,300	29,400	17,100	9,300	5,800	6,100	1,800
Indiana	34	12,776,195	38,200	8,304,526	6,881,040	32,800	30,900	17,900	9,900	6,100	6,500	1,900
Kentucky	24	6,782,720	20,346	4,418,768	3,662,280	17,500	16,500	9,500	5,300	3,200	3,400	1,000
Michigan	14	10,726,000	32,178	6,971,900	5,898,780	27,600	26,000	15,123	8,366	5,100	5,400	1,600
Minnesota	34	14,531,736	43,593	9,445,628	7,846,740	37,500	35,300	20,500	11,300	6,900	7,400	1,700
Missouri	26	9,342,000	28,026	6,072,330	5,244,680	24,100	22,700	13,100	7,280	4,400	4,700	1,400
Ohio	28	13,041,025	39,123	8,800,000	7,042,000	18,300	10,100	18,300	10,100	6,200	6,600	1,900
Oklahoma	18	5,834,000	17,500	3,792,100	2,940,360	15,100	14,200	8,226	4,550	2,800	2,900	870
Tennessee	12	4,235,058	12,705	2,742,787	2,286,900	10,900	10,200	5,900	3,300	2,000	2,100	600
Texas	52	15,499,185	46,497	9,982,820	8,361,460	40,000	37,000	21,800	11,689	7,400	7,900	2,300
Virginia	12	5,482,800	16,446	3,563,820	2,960,280	14,100	13,300	7,700	4,200	2,700	2,900	800
Washington	7	1,641,700	4,923	1,057,105	786,140	4,300	4,000	2,300	1,200	780	830	250
Wisconsin	29	11,259,300	33,777	7,318,545	6,079,860	29,000	27,400	15,875	8,782	5,400	5,700	1,600

Japanese Embargo

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

LETTER TO THE EDITOR OF THE NEW YORK TIMES

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a letter to the New York Times printed in the June 25, 1939, issue. This article shows admirably the threat to western democracies. The letter was written by Henry H. Douglas, of the Washington Committee for Aid to China.

[From the New York Times of June 25, 1939]

ADVISING BRITAIN—HER STAND IN CHINA VIEWED AS SHORTSIGHTED

To the Editor of The New York Times:

It seems incredible that Great Britain, if she wishes to maintain even a vestige of her influence and prestige in the Orient or in any part of the world, can continue to pursue the course she has been following in the Far East.

On June 14, R. A. Butler, British Under Secretary for Foreign Affairs, remarked, after the Japanese had begun the Tientsin blockade: "What measures will be appropriate must depend to some degree on the nature of the action taken by the Japanese." If the British, or any of the interested nations, for that matter, are now unable to see the nature of the action to be taken by the Japanese, there is small hope they ever will.

The Amoy affair was no mere incident. It was the first of a series of tests to see just how far Japan could go in defying the principal foreign interests in China. It was the beginning of another phase of the cycle of aggression that was begun by the Japanese uncontested occupation of Manchuria back in 1931.

Anyone but a Chamberlain should have been able to see the trend long ago. It has been expressed before, but on June 16 Tatsuo Kawai, official mouthpiece of the Tokyo Foreign Office, declared: "The days of foreign settlements in China are numbered. They are a relic of times when China was a quasi colony of western powers." The statement, "The days of foreign settlements in China are numbered" may, with no recourse to imagination whatever, be extended to mean that the days of all western influence in China are numbered.

AN OUTLINE OF COURSE

In the immediate world situation there are two other matters in which Japan's present action plays a significant part. The first is to stall the negotiations for an Anglo-French-Russian alliance against the aggressors, and the second to distract attention from Europe to pave the way for a move soon to be made by Hitler.

The course of the Japanese program is clear. China is to be conquered, all western influence is to be driven out, leaving the Japanese a clear field. Indo-China and the Netherlands Indies will follow, with Japan eventually controlling the whole Pacific and all of east Asia. Seizure of the Philippines will come as hardly more than a matter of course when the way has been properly prepared. With Japan in control of this vast area all trade there will be closed to the western nations. By that time Japan will have built up a vast modern industrial machine, fed with resources obtained by seizure, not paid for as we must pay, and operated by slave labor, which even now in China receives but the equivalent of about 10 cents a day. How can any western nation hope to compete against such a situation?

CONCRETE PLAN SEEN

Great Britain apparently regards the Tientsin situation as an isolated incident, which, however, it is not. It is part of a concrete program mapped out by Japan months and years ago.

To quote from a London dispatch of June 15: "The British are apparently insisting that they could find something to do. But at every turn the experts admitted that they ran into the hard fact that almost any step they could take would be double-edged and would hurt Britain as much as Japan." Any constructive action in such a situation requires some sacrifice. It is either a case of making a sacrifice now or losing everything in the end.

There is an effective, concrete step which could be taken by Great Britain now, and which would entail a minimum of sacrifice. She could stop all trade in war materials with Japan. In 1938 the British Empire supplied $63,379,547 of materials for war purposes to Japan, or 20.69 percent of Japan's total imports of such materials. The Empire feeds the Japanese war machine with vast quantities of tin, rubber, lead, nickel, aluminum, and zinc—all grist for the mill which sharpens Japan's weapons against those who so very thoughtfully supply them. British rubber and tin are very important items to Japan. She would have difficulty in obtaining them in sufficient quantity elsewhere.

AN AMERICAN STAKE

Any or all of the above considerations may equally well be applied to all western interests in China. Japan is concentrating on Great Britain at the moment, but each will have its turn. Today Japan's courtesy to Americans is disarming; tomorrow there will be no courtesy. Under other circumstances it might be a good thing for China to be rid of the foreign settlements and extraterritoriality, but should other nations get out at the demand of a country which has no more right there than themselves? Are they to yield to a power-mad bully who will, as they take to their heels, use his ill-gotten power to set back the clock of civilization for centuries and create a situation to plague the world for generations to come?

Japanese domination will mean the end of all foreign trade and influence in occupied China. It may already be too late, but if Great Britain, the United States, and the Netherlands, which supplied 85 percent of the $306,393,950 of war materials imported by Japan in 1938, were to cease supplying this material, it would soon stop Japan's aggression, contribute to the victory of a free, progressive China, vitally weaken the strategically effective three-cornered alliance of Japan, Germany, and Italy, with the ensuing assurance of peace, bring to an end the long series of blunders and bungling on the part of the democratic powers, and an end to our compounding of difficulties for the future. The democratic powers are now financing the program of the aggressor nations.

HENRY H. DOUGLAS,

Executive Secretary, Washington Committee for Aid to China.

WASHINGTON, *June 20, 1939.*

Establishment of Identity of Applicants for Visas

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

LETTER FROM THE SECRETARY OF STATE

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by the Secretary of State to the Honorable HATTON W. SUMNERS, chairman of the House Committee on the Judiciary:

DEPARTMENT OF STATE,
Washington, June 19, 1939.

The Honorable HATTON W. SUMNERS,
Chairman, Judiciary Committee, House of Representatives.

MY DEAR MR. SUMNERS: In accordance with the request made orally to Mr. A. M. Warren, chief of the visa division of this Department, by your committee, I am glad to furnish a statement of the precautions taken by our consular officers to establish the identity of persons applying for visas.

Our immigration laws divide aliens into the two major categories of nonimmigrants and immigrants. In the category of nonimmigrants are foreign government officials, temporary visitors for business or pleasure, aliens passing in transit through the United States, seamen, and "treaty aliens" entering the United States pursuant to the provisions of a treaty of commerce. Visas issued to nonimmigrants, other than seamen, are stamped on their passports. Visas to seamen are issued in the form of a visa on a crew list. Immigrants are issued either quota or nonquota immigration visas on forms printed and supplied by our Government. Immigrants are also required to present passports, but the visa is a separate document.

It is difficult to state accurately but it would be reasonable to estimate that approximately one-half of the nonimmigrants applying for visas, other than seamen, are known personally to at least one member of the consular establishment where the application is made. Many aliens, as you know, visit this country with regularity. An applicant who is not personally known to any member of the consular office is required to establish his identity. Each alien must also satisfy the consul that he is in fact a bona fide nonimmigrant. In so doing he is usually required to show what property and family ties he possesses, both in the foreign country and in the United States. Letters from banks, commercial houses, chambers of commerce, and prominent local individuals, and identity cards when available, are submitted by applicants having no personal connections with the consular establishment. Letters from banks usually bear a specimen signature of the applicant and chambers of commerce frequently affix photographs of the person concerned to their letters of introduction. Identity cards are usually issued by the police and ordinarily include a photograph of the bearer. In doubtful cases the applicant may be required to appear and identify himself with another individual known to some member of the consulate, and an independent investigation is frequently conducted.

Seamen are carefully examined to ascertain whether they are bona fide seamen. They carry identification cards bearing their photographs. Their names are carefully checked against card-index files maintained in consular offices. Independent investigations are made and in doubtful cases the alien's name is removed from the crew list.

The examination of nonimmigrants is in no sense perfunctory. The passport presented is a means of identification but the requirements to be met to establish nonimmigrant status are far-reaching and are far more effective than the passport in establishing the applicant's identity. If there have been cases in which a nonimmigrant has successfully personated another individual, and I am not aware of any such cases, I can state unhesitatingly that such cases are rare.

With immigrants, who only in rare instances are personally known to members of a consular establishment, it would be a more difficult task to be satisfied as to their identity if it were not for the safeguards provided in the immigration law. Section 7 (c) of the Immigration Act of 1924 requires every immigrant applying for an immigration visa to furnish, if available, two copies of his dossier and prison and military record, two copies of his birth certificate, and two copies of all other available public records concerning him which are kept by the government to which he owes allegiance. The documents are regarded as "available" when they can be obtained by reasonable effort even though their production may take time or cause inconvenience. Immigrants are also required to present passports which serve mainly as an official means of identification and as evidence that the immigrant has been authorized to proceed abroad.

The application of the average immigrant may be under consideration for a period of from 1 day to several months, depending upon the circumstances of the case and adequacy of the documents and other evidence presented. Many letters and affidavits concerning the applicant are also submitted. The facts related in these letters and affidavits are carefully checked against the applicant's independent statements. These in turn are checked with the official birth certificates, police and military records, and the passport. Doubtful cases are considered by boards consisting of two or more officers in the consular establishment and an independent investigation is conducted.

The immigration law and regulations thereunder have provided the foregoing means of establishing the identity of visa applicants. Our consular officers are constantly discovering cases in which aliens have presented false documentation or have personated another individual. They are alert to these attempts and, I am happy to state, are effectively controlling irregular practices of this character. For this reason it is my opinion that our present safeguards in this respect are practical and efficient.

Sincerely yours,

CORDELL HULL.

Let's Have Neutrality

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

Mr. REES of Kansas. Mr. Speaker, this is the most important measure that has come before Congress during this session. It is a problem in which our entire country is interested—an issue vitally affecting the welfare and happiness of people of every class and creed. It certainly is not a partisan or political matter in any sense of the word. This question transcends all political and economic lines. It involves our attitude toward other nations in event of a world crisis in which we may or may not be directly interested. We are endeavoring, as I view it, to provide legislation which will prevent, so far as possible, this country from becoming implicated in any way in the disputes and entanglements and even the armed conflicts among other nations of the world. It is a gigantic problem.

The bill before us this afternoon contains too many dangerous provisions. In my judgment it is not a neutrality bill. It places too much power, to much authority, in the hands of one individual in a time of severe crisis. It matters not how much faith we have in the judgment and the integrity of one man; it is manifestly wrong, under a democratic form of government, to clothe one person during a most crucial time, with all the powers and with all the authority provided in this measure. If there is a time when we do not want a dictatorship in determining questions of policy it certainly is in the time of a war crisis.

Let us take the cover off the ball. This is not a neutrality bill in the full sense of the word. I think it is wrong that the people of this country should be confounded and confused, and led to believe that it is a neutrality measure. A good deal has been said on the floor of the House from time to time about the manner in which this Congress for the past 6 years has surrendered its powers, its prerogatives, and its authority in favor of the Chief Executive. Now then, in enacting this most important piece of legislation—a bill affecting the lives and liberties of 130,000,000 men, women, and children—shall we, as Members of Congress, abdicate our power and authority in favor of one man?

There are 10 sections in the bill. Nineteen times in ten paragraphs you will observe the following words: "Whenever

the President shall find," or "whenever the President shall have issued his proclamation," or "whenever the President has invoked any proclamation"—he may do thus and so. I am not here to say that the man who now occupies the Executive chair will use the authority provided in this bill. I do not know. But I do say to you that the Members of the Congress of the United States who are, after all, the representatives of the people, should not extend these unheard-of powers to any one individual. I shall not support any measure placing the power and the responsibility in the hands of the President to name the aggressor among warring nations of the world.

Under this legislation the question of the arms embargo is thrown out of the window. Either directly or indirectly, as you want to put it, this country becomes the storehouse for arms and munitions of warring nations. This bill is fine for the munitions makers. Under it the sky is the limit for the sale of arms and war materials. America must not become the arsenal for foreign nations in time of war. Such action is bound to draw us into a world conflict.

Under an embargo act heretofore passed by Congress—even though, in my judgment, it was not properly invoked—we did try to prevent the sale and trade of arms and ammunition to countries engaged in armed combat. Our attention, as well as the attention of the administration, has been directed to the manner in which we have been taking part in the war with China. Recent figures show that 54 percent of Japan's imports of essentials for war purposes during the year 1938 came from the United States. We sold her 90 percent of her scrap iron and steel, 90 percent of her copper, 82 percent of her alloys, and 52 percent of the other iron and steel manufactured goods. She bought 76 percent of her aircraft from this country. The reason given for not imposing the arms embargo was that Japan had not officially declared a state of war with China.

In addition thereto, this country has become the great manufacturing plant for furnishing war materials to the various countries of the world. Under the terms of this measure, when it comes to the question of selling arms and munitions—the gate is open.

Right here I should like to add that we have paid Japan, during the last 2 years, about $2,000,000 in profits on gold which she has exchanged for these war goods—the profit being made because we pay more for foreign gold than it is actually worth on the world market.

It has been pointed out a number of times on the floor of this House that this bill provides that the President is given power in the event of war among other nations to designate the aggressor in such conflict. And as the bill now stands, he can go still further and designate areas of combat. Certainly, if the Chief Executive is given the right to designate the aggressor nations in time of such a crisis, right there we are taking sides in that conflict. And if we take sides, then we become an ally of one nation and an enemy of the other. If we are going to have a neutrality law, let us make it neutral in fact. If not, then let us designate it by another name, and let the people of the Nation know that it is not a neutrality law but simply a measure designating the policy or position we are going to follow in the event of foreign wars. Let us be fair and honest about it. It is not our province to take sides. If we are going to pass a neutrality bill, we cannot say to one nation, "We will help you because we have decided that your rights have been invaded," and to the other nation, "You are the aggressor; you are our enemy."

Certainly we must take our place and assert our rights among the nations of the world. But it should be our business to do our part in the advancement of peace by keeping out of the affairs of other nations. It is not for us to dictate the kinds of government they should adopt, or to meddle in their affairs. Let us adopt a motto of "minding our own business." Let us tell the world this afternoon that we are adopting a policy by which we will not ship bombs, bombing planes, war machines, or deadly weapons of any kind to any nation that will be used for the purpose of annihilating human beings. Let us serve notice today that we will not participate in any more foreign wars.

Wars do not decide anything. They never have. They never will. We found this out to our sorrow and disappointment. We tried as we saw it—not only to save our Nation, but to save the whole world, for democracy. Certainly, if any other nation or group of nations sees fit to attack us, we will defend our country against all odds and will use all our material wealth and the equipment we have at hand, to see that no foreign power is permitted to perform any act of aggression against our Government. Every man, woman, and child in this country will rise in support of the defense of our country and our Government against any and all aggressors. But we will not, so far as I am concerned, and I believe so far as most of the American people are concerned, send our boys to foreign soil to fight in foreign wars.

Neutrality or War?

EXTENSION OF REMARKS
OF
HON. HOMER T. BONE
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Friday, June 30, 1939

EDITORIAL FROM SEATTLE STAR AND TACOMA TIMES

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial on neutrality appearing recently in the Seattle Star and the Tacoma Times, both of which are members of the Scripps league of western newspapers.

Because this editorial points unerringly to the hideous dangers to the Republic which lurk in what seems to be our policy in the Far East, it is well worth the attention of thoughtful and patriotic Americans.

The author of the editorial has made a real contribution to the cause of peace in pointing out the grim significance of the so-called protection policy which was the greatest contributing factor in thrusting us into the World War. Fighting for the rights of a comparatively few Americans in China may destroy every right we cherish here at home; for the price of war might be the destruction of the Republic.

I believe that the great majority of the people of my own State agree with the conclusions of the writer of this editorial and that the people of this Nation want peace; for in the maintenance of peace lies the only hope for the solution of our own economic problems.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEUTRALITY OR WAR?

Is it worth a war?

That is the question that the American people must decide about happenings in the Far East. If our Nation is destined to assume control over events in Asia and influence the outcome of the Japanese-Chinese war, then we must be prepared to go to war in foreign lands. The Japanese Nation is too far involved in China to retreat now. This fact must be faced.

We can estimate the costs of a victorious war against Japan—perhaps a million American lives, perhaps $50,000,000,000, perhaps the end of American democracy.

We can estimate the fruits of victory—perhaps a democratic and free China and a Japanese people grateful for the overthrow of their militaristic government; but perhaps again a China still ruled by war lords; or taken over by Soviet Russia instead of Japan; perhaps a Japanese Nation made all the more bitter and warlike by defeat, like Germany.

The American people have a right to decide to go to war with Japan, if they so will it.

Until they have so decided, the Government of the United States owes it to our people to follow the proven paths of neutrality in the Far East.

We kept out of the Spanish civil war by keeping our soldiers, sailors, and marines out of the war zones, by telling our nationals to trade in the war zones at their own risk, by giving financial support to neither side. We can stay out of the Japanese-Chinese

war or a possible Japanese-British war by following the same course.

Or, we can be drawn into the far eastern war by a continuation of the present administration policy of persistently keeping American armed forces in the midst of the war zone, of encouraging Americans to remain in China and stand up for their "rights," of lending continued financial support to China or more silver purchases and more currency stabilization loans, of building Japanese enmity by continued diplomatic utterances directed against Japan.

We are a proud people. If we allow our Government to continue its disastrous policy of entanglement in Asia, sooner or later our national honor will be compromised and we will go to war, undoubtedly to a victorious war, but probably also to a national disaster.

Now is the time to decide before it is too late. Now is the time for the people of America to see that our Government unentangles itself and gets out of China, or to make up our minds to go to war against Japan.

Keep America Out of War

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, June 30, 1939

RADIO ADDRESS BY DR. GERALD B. WINROD

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD one of the finest addresses that ever it has been my fortune to read. I refer to an address by Dr. Gerald B. Winrod delivered over radio station XERA, at Del Rio, Tex., on Sunday evening, April 30, 1939, entitled "Keep America Out of War," a subject of heartfelt interest to every mother in our Nation, an address which I wish could be read by every citizen of the United States.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I speak to you tonight about the international situation.

I have chosen this method, for coming into your home, to defend the great moral and spiritual principles upon which our founding fathers built the Republic, as against the encroachments of ideas which are being transplanted to American soil from the Old World.

I have chosen this method for making vocal the deep feeling of resentment, entertained by the American people, against any foreign policy which might cause the United States to become a part of Europe's impending conflagration.

We have witnessed, during the last few weeks, a growing state of alarm as our country has come to realize that it is being pulled unmistakably toward the vortex of war.

The thought of marching feet, broken hearts, and bleeding bodies has settled like a pall upon the millions of anxious hearts.

If the present trends are not reversed, we will find ourselves overtaken by a holocaust that will make the horrors of the World War fade into insignificance.

And, mark you, the day we go to war, that day the Constitution will be abolished, and the United States will find itself in the coils of dictatorship.

Our social order is not prepared to stand the shock of another war at this time. Participation in any struggle means the end of representative government in this part of the world.

With our enormous public debt, with our crushing tax burden, with our unemployment problem, with the rapid growth of class hatreds, with the undermining influence of alien "isms," with the loss of moral and spiritual vitality, with the demoralization of patriotic sentiments, with the surrender of American nationalism to the pernicious philosophy of internationalism—our institutions, in which we enjoy our liberties, are simply not prepared to stand the strain of another war.

War means not only the spilling of blood for America—it means dictatorship. Neutrality is therefore a necessity.

A few days ago, Senator REYNOLDS, of North Carolina, made a speech on the floor of the United States Senate, in which he said that a referendum should be held before plunging our Nation into war. And he said further that only American mothers should be allowed to vote, when the referendum is taken.

In other words, leave it to the mothers, and you may be sure the United States will remain neutral!

The mothers suffer most in time of war. Therefore, they have a right to be heard, on the matter of starting wars.

When Senator REYNOLDS had finished speaking, another Senator rose to his feet and praised the speech. He denounced the present effort to thrust our country into war. He denounced those who have prostituted news-gathering agencies, to promote a campaign of hate, a campaign of hysteria, a campaign to stir war passions among the American people.

After commending Senator REYNOLDS for thus defending the mothers of the boys who are called to arms, this Senator from the State of Washington, said these words: "If this crazy business continues * * * if this crazy business continues, it may not be safe for a United States Senator to stand here and make statements like that."

That Senator knew what every man in public life knows—namely, that professional propagandists find it easy to ignite the passions of the American people when once they gain access to the channels of public information.

George Creel, whose duty it was to dish out the hell broth of war propaganda to be served to a gullible public during the World War, once boasted that he could change the "so-called mind" of the United States "on any given subject" in 3 weeks' time, if the "proper machinery" was in his hands.

By "proper machinery," he, of course, referred to the press and other agencies most frequently used for planting ideas in the public mind.

For the last several months, every conceivable scheme has been employed, every trick has been used * * * all the way from fantastic attacks by celestial beings transported by radio from the planet Mars, down to bedtime stories told to babies in their mother's arms * * * every conceivable art, scheme, trick, has been used to produce a consciousness of war in our country.

Inflammatory speeches, loose talk on the part of both private citizens and public officials, references to the probability of war before fall, falsehoods circulated as news, twisted press dispatches, syndicated magazine articles, and a hundred other types of hate propaganda have been released—all blended together into a gigantic, Satanic symphony, for the sole purpose of preparing the American people for war.

Many instances of false reporting through otherwise reputable channels of public information could also be cited.

But suffice to say, that much of the material which comes into our homes from day to day as news, dealing with the international situation, is cursed with the taint of propaganda. It will pay you to try to read between the lines.

United States Senator WHEELER, of Montana, said last week: "There is a hysteria sweeping over this country at the present time which, if not checked, is very apt to lead us into war with Germany or some other dictatorial power."

Ask yourself, Who would stand to profit most?—who, which group would benefit greatest if Senator WHEELER's prophecy were to come true?

Under dictatorship there can be no freedom of the press. But in a democracy, where a free press is supposed to be maintained, propagandists find it necessary to set up an intricate mechanism, a system tuned down to absolute exactness, leaving nothing to luck or chance, if public reactions are to be controlled.

Yet, in spite of the engines of propaganda which have been turned loose, in spite of the program of hate with which the public mind has been bombarded; in spite of all this, the vast majority of people don't want war. They favor peace. They want neutrality.

They favor allowing the nations of Europe the privilege of settling their differences in their own way, with no interference on our part.

They are against the treacherous policy of the United States taking sides, lining up with this nation or that nation, meddling in the affairs of Europe.

When this is done, naturally we sting the pride of other countries. This in turn causes them to retaliate. It prompts them to pay us back in our own coin. It places them in the position of exchanging blow for blow, insult for insult.

Another thing that we need to learn is the fact that our country is not called to be an umpire in the line-up—in the new alinement of the nations.

Let other countries settle their squabbles according to their own ideas. But let us mind our own business.

Let us resolve firmly that not one drop of American blood shall ever again be spilt beyond the frontiers of the United States.

Let us, in the language of the Declaration of Independence, let us, "We the people," decide once and for all that foreign soil shall never again be baptized with the blood of the sons of American mothers.

Remember, we made the "world safe for democracy"—once.

Europe has made practically no changes for the better during the last 150 years. And nothing that we can do at this late date will improve the situation.

Let the nations overseas be told plainly: "You have our sympathy, but do not expect military assistance from us. We tried conscientiously to help you during the tragic years of 1917 and 1918. We mixed our blood with your blood on the battlefields of France. We thought we were fighting for high ideals. We tried to convince ourselves that it was a holy war. But today, after 20 years have come and gone, we stand disillusioned. We are not in position to finance another war for the very good reason that the last one has not been paid for."

It was 22 years ago this month that Woodrow Wilson made his dramatic appearance before the Congress to announce our entrance into the World War.

He assured the nations at that time that our motives were altruistic. He told them that we wanted nothing from the struggle in the way of material rewards.

We were only asking for the privilege of making the world "safe for democracy." We only wanted to fight for the "freedom of the seas." We only wished to have a part in a "war to end wars." And the Allies took us at our word!

We won that war! But is democracy safe? Are the seas free? Did the World War end war?

When our boys began landing in France, the French Government made us pay duty on every can of beans, every pound of food, and all the war supplies which we shipped to France to help save the hides of 50,000,000 Frenchmen, concerning whom it has been said, they "can't be wrong."

When the war came to an end the same Government tried to impose another duty on the same food and supplies which were left over before allowing us to bring them back home. Finally, to settle the dispute, we sold the remaining stocks to France, at a loss of a billion and a half dollars.

When it came time to send American soldiers to Europe, the Allies furnished some of the boats. They charged us from $140 to $180 for every man thus landed on French soil.

The United States even paid damages to France for the ground on which the American armies fought. We paid the French Government for property destroyed by the exploding of American shells as the war progressed.

While in France, our soldiers dredged harbors, built docks, and erected thousands of miles of telephone and telegraph lines. All of which remained as permanent improvements to the country.

We built hundreds of miles of railroads on French soil, which roads are still there, being used for transportation purposes. Thus our soldiers contributed to the industrial development of France.

And now, I would be lacking in candor if I did not remark, that our former Allies, notably France and England, refuse to even pay their war debts. And since they will not pay, the burden of redeeming the bonds issued to finance the World War must eventually fall back upon you—the taxpayers of the United States.

These are matters which you and I should bring to the attention of the internationalists who are insisting once more on beating the tom-toms of war.

By the time all of our obligations are met we will have a total investment of more than a billion dollars in the World War.

To that add thousands of lives sacrificed. To that add millions of broken hearts. To that add thousands of blasted homes. To that add the break-down of national morality which always accompanies war.

I tell you this page of history must not repeat itself. American soldiers must never again be compelled to fight on the soil of Europe. Christians and patriots simply must shoulder their responsibility in this solemn hour.

There is nothing new about all this propaganda for war. Every scheme now being used was used prior to our entrance into the World War.

Let us keep our defenses strong. Let us be prepared at all times to smash an invading foe into oblivion. But let it also become a permanent, fixed policy, a premise, embedded deep in the very soul of the Nation, that never again will we enter a war which might provise to take one American soldier beyond the frontiers of the United States. Stop this nonsense about our frontiers being somewhere in France.

I repeat, * * * the vast majority of our citizens don't want war. Regardless of what has transpired during the last few days and what will transpire in the days that are just ahead, the great body of American citizens feel, as Thomas Jefferson felt, when he said these words: "I have ever deemed it fundamental for the United States never to take an active part in the quarrels of Europe."

I submit that it is only a small minority of internationalists who actually want to see American soldiers landed once more in Europe. But I warn you that this minority possesses great power in molding public opinion. The secret of its strength is the fact that it is so well organized and so well financed.

Permit me to say, parenthetically, that no sensible reason exists for the United States being drawn into war with any foreign power.

Our geographical position is the envy of the world. There are 4,500 miles of water on the east. There are 10,000 miles of water on the west. We have no boundary disputes on either the north or the south.

The Canadians are good neighbors to the north. The Mexicans are good neighbors to the south.

Our natural resources are such that we could live for a hundred years if we didn't receive a loaf of bread from the outside. On the other hand, every country is glad to buy our products.

We have no enemies who wish to attack us. Even now, in spite of the fact that our foreign policy of recent months has served to produce animosity in some quarters—even now, there isn't a nation in the world but what would be willing to make any sacrifice, within reason, to cultivate our friendship.

We are the one county, out of the great family of nations, so favored by the all-wise Providence that we can enjoy a feeling of peace and security, while other peoples are exhausting themselves in the white fires of war.

Our country is waiting for a spontaneous expression on the part of "We the people"—the great rank and file of citizens who suffer most in times of war.

You have in your hand a powerful weapon for peace, if you will only use it. This weapon is described in the first amendment to the Constitution—that portion of the great document called the Bill of Rights.

There we read that the individual citizen of the United States shall, at all times, enjoy the right of petition. As an American, you have the privilege, the responsibility, of making your wishes, your demands known to your duly-elected representatives at the Nation's Capital.

Under the Constitution, the President has no authority to make foreign policy or to conclude treaties with other nations. That function belongs solely to the Congress.

This is what United States Senator GEORGE had in mind the other day, when he said: "The issue of peace and war lies right here in this Chamber and the Chamber at the other end of the Capitol. It ought to be made abundantly clear that we will not carry the country into war."

It is imperative that you and I, together with millions of other Christians and patriots, shall make our views known to Senators and Representatives with all possible haste.

Christians hate war. They believe in the sanctity of human life. They love the song which the world heard nineteen centuries ago on the plains of Bethlehem: "On earth peace, good will toward men." They follow the adorable One, whom we affectionately call the Prince of Peace.

Through the use of petitions, we may impress our will for peace upon those in authority, by dispatching five simple words to Senators and Representatives: "Keep America out of war."

Now is the time to act. Once war is declared, it will be too late. When war is declared, it becomes treason to speak in defense of peace. If you wait until then to protest you will be sent to prison or shot as a traitor.

Now is the time to register your opposition to participation in Europe's coming war. Now is the time to send letters, telegrams, or petitions to the Senators and Representatives of your States.

If you wish to use the little white form of petition, which thousands of people have used during the last week, drop me a line, indicating the number of blanks needed, and I will see that they are supplied.

Talk against the United States' becoming involved in Europe's coming war. Work against it. Agitate against it. Pray against it.

In olden times, Daniel, the prophet, told the king of Babylon that there was an infinite mind, an infinite hand who presided over the destinies of nations. He urged the monarch to seek the favor of Almighty God in a spirit of reverence and humility, but Nebuchadnezzar insisted upon going his own way. Disaster overtook his empire as a result.

History is replete with records of supernatural intervention in times of stress, when people have taken their problems to God through prayer.

Abraham Lincoln called a day of prayer to bring the Civil War to a close. We should rest upon the power of prayer to keep us out of war.

Lincoln once said it was not a matter of God being on his side, but it was rather a matter of him being on God's side. In other words, he was concerned to know the will and the purpose of the Infinite, so that he might adjust his plans accordingly.

I say history is replete with acts of supernatural intervention.

The Spanish armada and the British fleet met in the English Channel for a great naval battle in the year 1588. Spain had three ships to England's one. The British vessels were equipped with larger guns, but they were hopelessly outnumbered.

While the fighting was in progress a hurricane unexpectedly swept the channel, blowing the Spanish fleet into confusion. The British seized upon the advantage thus gained and won a smashing victory. Queen Elizabeth was so certain that she had witnessed an act of supernatural intervention that she had a medal struck on which were engraved the words, "God blew and they were scattered."

Napoleon dreamed of bringing all Europe under a system of one-man government. The time came when he reckoned himself strong enough to attack Russia. He mobilized 400,000 men and launched an invasion.

The lumbering Russian bear enticed him farther and farther from home, by conducting carefully planned retreats. When he finally reached Moscow he found the city in ashes. There was neither food nor shelter for his armies.

And a few days later found his fighting forces buried beneath a shroud of snow. The elements, not the Russians, defeated Napoleon and sent him back to Paris—to disgrace, exile, and finally Waterloo.

The first gas used by the Central Powers during the World War was released the afternoon of April 22, 1915. The soldiers on the other side were to be taken by complete surprise. The scientist in charge of the attack satisfied himself that the wind would continue to blow in the direction that it was going for at least 36 hours.

Then the gas was turned loose.

But no sooner was this done than the wind suddenly changed and whirled the billows of poison back in the direction from whence it came. This mysterious turn of the wind had much to do with deciding the final outcome of the war.

The scientist who directed the attack was greatly puzzled, and stated in his report that, in 40 years of keeping records, the wind had never been known to do such a thing before.

One of the strangest experiences of the World War occurred on the banks of Italy's lazy river, the Piave. Troops had poured for days over the Alps and were ready for a vigorous offensive. Venice was almost in sight.

This particular river is noted as being a slow, sluggish stream. But suddenly the skies blackened, the rain began to fall. There was a terrific cloudburst. The little stream overflowed and in a few minutes had become a raging torrent. Men, horses, ammunition, and supplies were swept on its crest. The lines broke and over 40,000 prisoners were taken.

When the Italian general was congratulated upon his victory he replied with deep emotion, "No; God did it. God did it."

Tonight, as Americans we face an uncertain future. The world is in turmoil. The weeks and months ahead are fraught with tragic possibilities. Let us face the future with a firm reliance upon the faith of the fathers.

Our national life must be purged of every "ism" except Christian Americanism.

International atheistic communism, the parent of every other alien "ism," must be wiped out.

We are faced tonight with the absolute necessity of a spiritual rebirth, a moral renaissance, a sweeping revival, a vitalizing of Christian and patriotic sentiments.

Said the Psalmist of old: "Righteousness exalteth a nation but sin is a reproach to any people."

God of our fathers be with us yet,
Lest we forget, lest we forget.

Lending Our Way to Prosperity

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

ARTICLE FROM THE AMERICAN BANKER

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the American Banker of Friday, June 30, 1939:

[From the American Banker, New York, June 30, 1939]

LENDING OUR WAY TO PROSPERITY

(By Leonard P. Ayres, vice president, Cleveland Trust Co.)

When governments initiate new programs of action designed to bring about business recovery, the businessmen whose interests are most fundamentally at issue are the bankers. The reason why that is so is that the efforts of the Government must always deal with the things that constitute the normal business of the banker, such as money, loans, expenditures, bond issues, and interest rates. Bankers are always much concerned when governments introduce innovations in these matters in order to stimulate business activity, for banking knows from long experience that such measures adopted to meet temporary emergencies always remain as lasting changes.

During nearly 7 years our national administration at Washington has been struggling with the three R's of the New Deal—reform, relief, and recovery. It is not possible to disentangle the multitude of new measures enacted by the Congress during the past 7 years and to state precisely which ones among them were relief measures, which were directed at instituting reforms, and which were intended to stimulate recovery.

ATTEMPTS TO LIFT PRICE LEVELS

Nevertheless we can with reasonable accuracy classify the recovery measures in two great groups, and we can state with some confidence that a third group is now being planned. The first of these three groups of efforts for business recovery was made up of measures designed to lift the burdens of debt. It undertook to do this in part by lifting the levels of prices, for the collapse of prices early in the depression had made people everywhere feel hopeless about the problems of ever paying their debts.

When the great depression descended upon us one of its first and most terrifying developments was the collapse of prices. Market quotations for stocks dropped fast and far, and later on those of bonds followed them downward. Real-estate values seemed to evaporate, and there were serious shrinkages in the prices of farm products, raw materials, and most wholesale commodities.

One of the inexorable laws of economics is that when prices fall the burdens of debt increase. The working out of that law on the farm is simple and direct. The farmer who had a mortgage of $2,500 on his farm when wheat sold locally for $2.50 a bushel could pay off his debt with 1,000 bushels of wheat. When the price at the farm fell to 25 cents, he could have paid off the debt, not with 1,000 bushels, but with 10,000 bushels. The law applies everywhere. In proportion as the levels of prices decline, the burdens of debt increase. The law operates against debtors whether they be individuals, families, corporations, municipalities, or nations.

Our first great recovery effort was an attempt to raise prices in order to lift the burdens of debt that were oppressing our people. As a part of that effort we outlawed the clauses in bond indentures that provided for payments in gold. In the effort to lift price levels we decreased the gold content of the dollar. Another part of that same program provided for the huge purchases of silver. Most of the changes that we made in our monetary system proved to be either outright failures or only partially effective. We did not succeed in bringing about any such lifting of price levels as had been planned, and we did not produce recovery.

Another important part of our effort to lift the burdens of debt consisted of the taking over by the Government of the mortgages on millions of homes of people living in towns and cities and the refinancing with public funds of the mortgages on millions of farms. In addition, the Government lent many millions of dollars to banks, railroads, insurance companies, and other corporations. These new lending activities of the Government did lessen the difficult problems of multitudes of individuals and corporations by reducing the burdens of their debts, but they did not produce recovery.

ATTEMPTS TO SPEND OUR WAY TO PROSPERITY

The second group of efforts designed to produce recovery includes the varied spending activities which we know by the name of pump priming. The purpose of these efforts is to increase consumer purchasing power. The economic argument behind them is that if great numbers of people can be given increased incomes, they will at once try to purchase larger amounts of all sorts of goods. Increased demands will call for increased supplies, and as producers strive to provide for those increases they will enlarge their plants, install improved machinery, build new factories, and in general do the things that will restore full activity to America's great productive industries.

It has been realized throughout the depression that the most serious unemployment was concentrated in the heavy industries that make durable goods rather than in the light industries which produce consumers' goods. The idle factories have been those that are engaged in normal times in making things for other industries to use. Such goods include machinery, and power plants, and railroad equipment, and building materials, and things of similar sorts. The theory of pump priming has been that, if consumer purchasing power could be increased, the producers of consumers' goods would so enlarge their facilities as to force into activity the producers of durable goods.

The pump-priming policies based on the theories of consumer purchasing power have been used to justify vast expenditures of the most varied sorts. Included among them have been the great programs of public works, the bonus payments to veterans and to farmers, slum-clearance projects, and the subsidies to home builders and to shipbuilders. Some part of the increased expenditures for military and naval equipment belongs in that category, as well as the T. V. A.; the irrigation, reclamation, and flood-control projects; and some of the activities for soil conservation.

THE GOVERNMENT AS BANKER

All this spending has been accompanied by lending, and as the Government has pushed forward its pump-priming efforts with increasing vigor it has at the same time been going more and more deeply into the banking business. It is now proposed as a part of the reorganization plans of the administration to bring together its new banking functions into one consolidated Federal lending agency. The new organization will come into existence in July, and it will probably have Jesse Jones as its head.

Some idea of the progress that the Government has already made in the banking business may be gained from the fact that the new agency will include the Reconstruction Finance Corporation, the Electric Home and Farm Authority, the RFC Mortgage Co., the Disaster Loan Corporation, the Federal National Mortgage Association, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, the Home Owners' Loan Corporation, the Federal Housing Administration, and the Export-Import Bank.

The banking business of the United States Government is already the greatest banking business in the world. The loans and investments of its lending agencies now amount to more than $12,000,000,000. Most of this great total has come into existence in these recent depression years. It is worth noting that while the Federal lending agencies have been accumulating loans and investments of $12,000,000,000 the banks of the United States have lost loans and investments and the total that they have lost also amounts to $12,000,000,000.

WHY PUMP PRIMING HAS FAILED TO PRODUCE RECOVERY

The pump-priming activities of the Government have not succeeded in producing the recovery that was their aim. There are two principal reasons why they have failed. The first is that they have led the Government to intervene so deeply and in so many ways into the affairs of corporate business that men have become too doubtful about the prospects for future profits to be willing to take many risks in seeking them. Venturesome enterprise has come to believe that the risks involved in entering new undertakings outweighed the probable gains, and so money has been seeking security instead of assuming new risks.

The other reason is more concrete. It is that pump priming does not have the effects on industry that its advocates said it would. They assumed that when the demands of consumers were increased

by the lavish distribution of public funds the producers of consumers' goods would build new factories and order new equipment in order to meet the enlarged demands. Experience shows that the results do not work out that way. The annual volume of output of consumers' goods has never yet increased to levels as high as those of the prosperity period before the depression, and so there has been no need for many new factories or much new equipment in order to meet all demands.

It has become apparent that what happens during a period of pump priming is that the money spent by the Government is quickly used by its recipients for the purchase of consumers goods, and that as soon as it is spent it passes into business channels and most of it shortly comes to rest in the banks in the form of demand deposits. These deposits are largely those of businessmen and corporations. They have grown enormously during the years that pump priming has been under way. It is true that some part of them is the result of gold imports, but in large measure those demand deposits were originated by Government borrowing.

Demand deposits are now about 50 percent greater than they were in 1929 at the peak of prosperity. They are largely idle funds, and their rate of turn-over is lower than ever before in our history.

Pump priming does not operate successfully unless the pump itself is in good working order. In this case the pump is the great productive machine of American enterprise, and it is operating slowly despite the abundant funds that are available to speed it up. The reason why it works so slowly is that the only incentive which can accelerate it is the prospect for profits, and businessmen do not think those prospects are now attractive.

LENDING OUR WAY OUT OF DEPRESSION

A year from now the nominating conventions will be in session, and the political campaigns will be getting under way. Meanwhile, measures must be taken not merely to increase business activity, but to convince the people that the Administration has at last found a way to bring about recovery. There is increasing evidence that the new attempt will be to seek recovery through lending rather than through spending. The current hearings before the Temporary National Economic Committee, which is also known as the Monopoly Committee, indicate that the new plans for recovery by lending are now being formulated.

A month ago the case in defense of the new policy was brilliantly presented by an eminent economist, Prof. Alvin H. Hansen, of Harvard, and by the Assistant Secretary of State, Adolf A. Berle, Jr. Professor Hansen began his argument with the valid proposition that prosperity depends on a constant flow of investment into productive industry in order to supply it with improved equipment for taking care of its present output, in order to give it new facilities for making new products, and to provide greater capacity as population grows and demands increase.

This year, and during all the depression years, the flow of new investment capital into our productive industries has been abnormally small. Most economists believe that the reasons for that diminished flow are to be found in the barriers which the Government itself has erected against business enterprise, but Professor Hansen says that the reason is that this country has now reached such a stage of economic maturity that business no longer offers adequate opportunities for the profitable investment of our national savings. This creates unemployment in the capital-goods industries, and slows down the entire economic machine.

His remedy for this is that the Government should take our savings by taxation and spend them itself for the development of new products and industries, and for huge programs of public works. He blames our alarm about our continued unbalanced Budget on an obsolete system of public accounting, and says our accounting should list operating expenses separately from investments in public works, new industries, and the like. Then the Budget should not be considered to be out of balance as long as the income from taxes is sufficient to pay the operating expenses and the carrying charges on the public debt.

THE BERLE TESTIMONY

Mr. Berle agreed with Professor Hansen that private enterprise has failed. He advocated as a solution of the problem the creation of a public works finance corporation. Such an organization would get its funds by issuing its own guaranteed bonds, or by rediscounting its notes at the Federal Reserve bank, and by those means public works could be paid for without having to get the Congress to appropriate money for them. He also advocated the organization of a Federal system of capital credit banks to provide money for new investments, and as a temporary measure Federal insurance of loans to small businesses.

Mr. Berle is perfectly well aware of what is inevitably going to happen if the Government continues to extend its activities in the field of banking. He said in his testimony: "Briefly, the Government will have to enter into the direct financing of activities now supposed to be private; and a continuance of that direct financing must mean inevitably that the Government will control and own those activities. * * * Over a period of years the Government gradually will come to own most of the productive plants of the United States."

The Assistant Secretary of State appeared as the witness for the Securities and Exchange Commission, and he made it clear that he does not have a high opinion of our existing banking system. He said: "The theory that a bank must make a profit today has ceased to be valid, except in an extremely limited sense. The profit of the bank is interesting as showing that by financial standards its work has been well done. In the sense, however, that the bank is entitled to a profit, as a reward for something or other, there seems to be no reason for its existence."

Attention is now being concentrated at Washington on the part of this program for lending our way to prosperity which proposes a system of Government insurance of bank loans for business purposes. The proposal now under active discussion is the Mead bill, which is modeled after the F. H. A. program for insuring loans for home modernization. The bill would insure a bank against losses in excess of 10 percent on business loans up to $1,000,000 to any single borrower. The loans could run up to 10 years, and bear interest of not over 4 percent, and there is no provision that they should appear to be sound loans or that they should be amortized.

This proposed legislation is regarded with much favor at Washington where Senators and Representatives are saying that the Government must find some way to use the idle money in the banks if private industry will not. Governor Eccles, of the Federal Reserve System, is advocating an alternative proposal for the establishment of an industrial loan corporation to insure bank loans to small business and to provide long-term capital for business firms. Careful observers in Washington are freely predicting that some form of Government insurance of business loans will be enacted.

THREE FALLACIES IN THE LENDING THEORIES

There are at least three major economic fallacies embodied in these proposals for lending our way to prosperity.

The first and greatest is Professor Hansen's proposition that our national economy has now reached such an advanced stage of maturity that business can no longer offer profitable opportunities for the investment of the national savings, and so the Government must take those savings away from us by taxation and spend them itself.

The best evidence that nations are not condemned to depression by the maturity of their economies is available in the data published by the League of Nations comparing the volumes of industrial production of leading countries in 1938 with those of the prosperity year of 1929. If we consider production as being 100 in 1929, the figures show that in 1938 it was only 72 in the United States, but it was 116 in England, 146 in Sweden, 124 in Mexico, 137 in Chile, 165 in Greece, 157 in Finland, and so on through a list of 20 countries, with the United States at the foot of the list.

Production in Canada in 1937 was as large as it was in 1929. Some of the countries are more mature than we are in an economic sense, and others are less mature. In some of them there is more governmental participation in business than we have here, and in others there is less. Clearly economic maturity is not the explanation of depression.

The second economic fallacy embodied in these plans for lending our way to prosperity is the idea that capital can be created by a banking mechanism. That theory is inherent in the Berle proposals, and it is present, although less obviously, in the projects of Governor Eccles and of Senator MEAD.

The fact is that capital consists of savings, and it cannot be created by banks. If we are to insure loans and then rediscount them at the Federal Reserve bank, why should we not cut out all the intervening red tape of banking? Why not simply print the money and hand it out to the applicants who can persuade the spenders and experimenters at Washington that it is to be used for what Mr. Berle calls the plain needs of society, or still, in his words, the obvious need, or the needs which everyone recognizes?

The third great fallacy in the lending proposals is the idea that prosperity is created by bank loans. Our business history does not indicate that mere credit expansion is nearly as good an indicator of business prosperity as is commonly assumed. We have the records of the loans and investments of our national banks at 4 or 5 call dates each year for the past 75 years. Those records show that the loans and investments have always increased during every period of prosperity for three-quarters of a century, but they also show that they have increased during a majority of the periods of depression. The increase in the 16 periods of prosperity has averaged about six-tenths of 1 percent per month, while that in the periods of depression has averaged about five-tenths of 1 percent per month.

If one measures the changes in the loans and investments in each period of business expansion from the bottom of depression to the peak of prosperity, there was always credit expansion during recovery, but there was also credit expansion in a majority of the periods of business contraction from the peak of prosperity down to the bottom of depression. Periods of recovery are not notably periods of great credit expansion. They are periods during which money is more actively used, checking transactions become much more numerous, and as the economists would say, the velocity of circulation is greatly increased.

Rapid increases in borrowing have not often characterized periods of prosperity in this country. Bank loans have not, as a rule, increased much more rapidly during prosperities than during depressions, and long-term borrowing through bonds and notes has not usually grown much more rapidly in prosperity years than it has in depression years. A healthy economy is one in which business can raise new money by floating issues of common stock, and that is what we have always done in this country in periods of business recovery.

BUSINESS LOANS MORE HAZARDOUS THAN BUILDING LOANS

There are two principal purposes behind the projects for changing our banking legislation so as to provide insured bank loans for small business. The first purpose is to help stimulate business

recovery by making it possible for large numbers of small business undertakings to expand their operations, buy more materials, employ more people, and to increase their efficiency by making alterations and enlargements, and purchasing improved equipment.

We have successfully tried the experiment of providing insured loans for the construction of new homes and the improvement of existing ones, and now it is proposed to apply similar methods of lending to help businessmen finance the activities by which they earn their living and meet their pay rolls. The analogy between the existing insured loans for building and the proposed insured loans for business is an interesting and attractive one, but there is danger that it may be misleading.

The chief difference between the two classes of loans is that the safety of the building loan is secured by the value of the building itself so that the remaining part of the risk that is covered by the insurance does not create a dangerous credit hazard. There is no similar tangible security supporting the typical business loan. The prospects for the repayment of that sort of loan depend mainly on the quality of the management and its ability to earn continuing profits in the face of keen competition. Usually success depends on the continuing efficiency of a single individual, and it may be impaired by sickness, accident, or by any of a great variety of other unforeseen developments.

INSURED LOANS WOULD SUBSIDIZE FAILING FIRMS

The second principal purpose behind the projects for insured loans is that of aiding small-business men. At first thought it would seem clear that businessmen as a class would be benefited if they could secure credit more easily, more plentifully, and at reduced expense, but that conclusion may be unwarranted. Projects for insuring business loans contemplate that great numbers of loans will be made to people who are not able to borrow from banks under present conditions, and that the loans will be made for projects which bankers do not now consider safe risks.

Bankers are now seeking loans with a degree of eagerness and energy without precedent in the history of banking, and these projects for insured loans propose to grant credit for projects which bankers do not consider safe risks even under the present pressure to find employment for idle funds. Unless the credit judgment of thousands of bankers has been wrong about these projects, it must be expected that a large proportion of the proposed insured loans will later on become part of the liabilities of insolvent business.

Here is one of the real dangers connected with insurance for business loans. If the granting of such loans on a large scale should in practice result in an important increase in the number of failures among small businesses, the results would prove harmful not only to the businesses that secured the insured loans and then failed, but also to all their competitors. There is no competition that is as hard to meet as that of the business that is on the way to insolvency, and which is turning to desperate measures of price-cutting and wage reductions in the hope of avoiding failure.

There appear to be three chief unfavorable economic implications that are inherent in the projects for insuring loans made to small businesses. The first is that these loans are far more hazardous than insured loans secured by new building construction. The second consideration is that insured loans will not be very helpful as a recovery measure because they will not bring much aid to the heavy industries where unemployment is most serious. The third unfavorable economic consideration is that insured loans for business ventures that cannot now secure bank credit really constitute a form of Government subsidy which will create serious new competition for small businesses that are now in successful operation.

PUBLIC INTEREST UNAROUSED

This new movement for lending our way out of depression has gained great momentum without attracting much public attention. The newspapers have given it little space. The reports of the first hearings dropped into obscurity because they were eclipsed by the sinking of the first submarine. The subsequent hearings went almost unnoticed because our attention was completely distracted by the visit of royalty. Probably we have seldom had in our history so dangerous an instance of the failure of our people to pay attention to a development that gravely threatens our whole national future.

This project is sponsored by leading Senators; it is heartily endorsed by the Assistant Secretary of State; it is actively promoted by the Governor of the Federal Reserve System. Its major premise is that the American business system has failed, and that since it has failed the Government must progressively take over many of its functions and activities. The purpose is a vast increase in public spending, but it is to be spending disguised so that it will not appear to increase our national debt, and will not be represented by figures in our unbalanced budgets.

It is proposed to put huge additional sums of money into circulation by having private banks and public banks make great numbers of loans which are to be guaranteed by the Government. It is planned to make loans for public projects as well as for private ones, and by doing the spending that way the need for having the money appropriated by the Congress can be avoided. The voting public is becoming increasingly aware that public spending has got entirely out of control, and this new set of plans for guaranteed lending is a most ingenuous political device designed to circumvent public opposition to spending.

The productive industry of America is like a great powerful truck that has won all the international competitions for carrying capacity, speed, economy, and endurance. Recently the truck was put in the charge of a new operating crew who changed all the adjustments and added a great number of new accessories. Among other changes they set the emergency brakes. The truck will still run, but it performs very badly.

It keeps stalling, and it uses an appalling amount of fuel, and now it is to have ether mixed with the gasoline to make it run at all. The new crew is now making a report on its performance, and their recommendation is that it should be abandoned and that they should be commissioned to invent a different and superior type of vehicle. Our recommendation is that they should try the experiment of releasing the brakes.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

STATEMENT BY THE SECRETARY OF STATE

Mr. LUTHER A. JOHNSON. Mr. Speaker, under leave granted, I submit herewith statement made to the press today by Secretary Hull expressing his views concerning the neutrality bill, upon which the House voted last night:

I am still thoroughly convinced that the six-point peace and neutrality program set forth in my letters to Senator PITTMAN and Representative Bloom on May 27, 1939, would be far more effective in the interests of peace and in keeping the country out of war than the present embargo law or any equivalent.

This legislative proposal was submitted to the appropriate committees of the two Houses of Congress after lengthy conferences with members of these committees and with other leading Members of Congress of all political persuasions. It was my hope and belief that, while this proposal might not contain all that every individual Member of Congress or every official of the executive branch of the Government wished, it would in the present international exigencies be regarded as desirable by a majority of Congress. Its failure to pass the House by a narrow margin is a matter of regret and disappointment from the standpoint of peace and the best interests of this country in its international relations.

This six-point peace and neutrality proposal is not only best calculated to keep this Nation out of war in the event war comes, but also—what is all important at this time—best calculated to make a far greater contribution than could the present law or its equivalent toward the discouragement of the outbreak of war. At the same time, while doing this, it would likewise keep this Government and Nation 100 percent within the limits of universally recognized international law.

In these circumstances, I must continue to urge the adoption of this proposal.

Statement by President Galloway Before Labor Committee

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

STATEMENT BY FRED S. GALLOWAY

Mr. LUDLOW. Mr. Speaker, by unanimous consent of the House I present for printing in the RECORD a statement made before the House Committee on Labor on June 29 by Mr. Fred S. Galloway, of Indianapolis, Ind., president of the National Federated Independent Union. The committee had under consideration labor legislation in its broad aspects and particularly the proposed amendments to the National Labor Relations Act. Mr. Galloway's statement was as follows:

Recently there appeared in the CONGRESSIONAL RECORD, volume 84, No. 90, the radio address by Frank T. Bow, May 5, 1939. The address being made over the Mutual Broadcasting System, the CONGRESSIONAL RECORD stated that this was the true story of bona fide

independent unions. While it is not my purpose to criticize any statement by Mr. Bow, neither shall I attempt to contradict Mr. Bow's address. However, I do want to emphasize that the true story of independent unions has never been told, and that is what I will attempt to do today.

Prior to the enactment of National Labor Relations Act, there existed in industry the old type of what was commonly referred to as the company union, some used the term of employer and employee relationship. Many of those organizations were strictly dominated and some continue to be dominated by management, the employee had absolutely no voice or recourse in matters having to do with collective bargaining, all decisions were made by management and in many industries the decisions by management were final. During my many years of affiliation with the American Federation of Labor I caused many such organizations to be disestablished. However, I found in some instances that such organizations operated both successfully and harmoniously where collective bargaining was conducted on a basis of fairness to all parties concerned.

I am a Democrat and had charge of labor's campaign for President Roosevelt in Indiana during his first administration, but little did I dream that with the advent of the Roosevelt administration we would soon be confronted with the biggest legalized racket in the history of American labor and politics which started under the N. R. A.

I did not believe that the N. R. A. would ever function successfully, and so informed many of my congressional friends, insofar as carrying out the intent of the act was concerned—for the reason that history has proven that legislation does not, will not, and cannot prevent labor disturbances. Under the N. R. A. the minimum wage became the maximum wage. The wage and hour law has proven unpopular among millions of wage earners in this country. Time may not permit me to elaborate on the reasons for the failure of labor legislation that has been enacted under this and previous administrations. The intent and purpose of the Wagner Act has proven to be an absolute failure, and I lay the blame for the breakdown of the act directly at the door of its administration and the so-called recognized labor organizations.

I believe that President Roosevelt once stated in substance that if legislation were enacted that would prove detrimental to the general well-being of the people, that he would be the first one to ask for the repeal of such legislation. Had the intent and the phraseology of the act been placed into actual practice, this act would have proven to be the finest piece of labor legislation ever enacted by the Congress of these United States, although it was nothing new, for the reason that it merely legalized organizations of labor and collective bargaining, but to the disappointment of millions of wage earners and management.

Several persons have appeared before your committee, none of whom have a solution for a peaceful and harmonious relationship between management and employee. Neither do I profess to have the solution, but I state without fear of successful contradiction that the organization that I have the honor to represent, namely, the National Federated Independent Union, has proven and demonstrated that a peaceful and harmonious relationship can prevail between management and employee so long as the labor racketeer remains out of the picture. I do not attempt to place the labor racketeer and the agitator in the same category. I do not mean to infer that all labor men are racketeers. Some of the finest characters that I have known are members of the American Federation of Labor and the Congress of Industrial Organizations.

With reference to the National Labor Relations Act, I maintain that there is nothing wrong with the act itself, except that provision of the act which permits the National Labor Relations Board to establish its own rules and regulations—section 6A—and that is exactly where the trouble started.

But insofar as the National Labor Relations Board is concerned, majority rule usually applies as a result of intimidation practiced by the Board itself and assisted by the labor racketeer.

In my opinion and with due respect to the gentleman from Missouri who compared the National Labor Relations Board to a kangaroo court, he surely had never appeared before the National Labor Relations Board or a kangaroo court. I have personally been a victim of both; the difference between the two is that a kangaroo court in most cases is composed of a judge, jury, defense witness, and a prosecutor, and the prisoner in most cases is allowed to tell his story. Of course, the victim is always found guilty. The National Labor Relations Board hearing is composed of the trial examiner, the prosecuting attorney, and the company attorney. Those three men act as detective in the case who gathers the evidence, the judge who passes the sentence, the prosecutor and the jury, and the victim before this great bar of injustice is likewise found guilty, and oftentimes the prisoner is not allowed to plead his own defense. Following are a few of the facts and experiences that I have come in contact with. For instance, in Arkansas, after being on the witness stand over 2 hours in the Ward Furniture Co. case I was requested to answer a question in the negative or the affirmative, which was impossible for me to do. I asked the trial examiner if I did not have any constitutional rights in the matter, and he informed me that I had no constitutional rights. From that time on my memory was a blank. I could remember nothing. In the case the Board held that the company should reinstate three employees who were dismissed prior to the enactment of the National Industrial Recovery Act, while at the same time the president of the local union of the A. F. of L. testified that no organization of any character had existed prior to April 27, 1937. The Wagner Act was not even in effect at the time of the discharges.

In another Midwestern State charges were filed against our organization in the Karges Furniture Co. case by the Communist Industrial Furniture Workers of the World. When I protested the presence of the Communist Party and their participation in the hearings I was informed by the regional director that the Communist Party would be extended the same courtesy and consideration that was extended to our organization, and they were; yet I understand that the Congress of the United States appropriates millions of dollars for the investigation of communism and subversive activities. In the Nekoosa (Wis.) Paper Co. case, one employee, through the decision of the National Labor Relations Board, upset 1,200 employees. I ask this committee, Is this collective bargaining by majority rule? In the Girard Toy Works case 3 employees attempted to upset an organization of 750 employees. The case is now before the Board, or will be decided in the near future. The Board's attorney from its Pittsburgh office called on me personally in Indianapolis and requested me to turn over to him all correspondence that I had received from the independent unions of the State of Pennsylvania, in which there are many independent unions. I asked the attorney that if he made the same demand on John L. Lewis and William Green what their answer would probably be.

In the G. Sommers Co. case our organization defeated the American Federation of Labor to a standstill; only five employees were eligible for membership in the international union involved. We petitioned the Board for a hearing which was never granted because of the collusion between the Board, the American Federation of Labor, and the management, which was admitted to me by the management.

Our organization petitioned the regional office of the Board in St. Louis on March 29 of this year for an election in the International Shoe Co. case. The election was finally held June 15, 1939. We are informed that the Board's attorney, Mr. Sperry, advised the C. I. O. to build up their fences or they would be defeated by our organization. The intestinal fortitude and the desire on the part of the workers to maintain that which our forefathers fought and died for, namely, their independence, in my opinion, is the only thing that keeps the bona fide independent movement alive.

The Board is guilty of the same charge in dealing with our organization that they accuse management of being guilty of.

Now let us see how the whole situation works out.

Ninety percent of all labor disturbances are created by less than 10 percent of the employees. A very small minority of the employees become dissatisfied with the working conditions. Being afraid to approach the management, they send for an organizer. From that very moment (under the rulings of the present Board), the management, and likewise the majority of the employees are absolutely helpless. Is this industrial peace? The management is told by the organizer that if they fail to sign up they will blow up his joint and in some cases proceeded to do so. The employees are told that if they don't line up they may wake up and find their front porch missing, and the interesting thing is that this has happened. The employee is also told that his family will be taken for "a ride," and this has happened. Through the activities of the present Board and its employees, aided by the racketeers, the employee, as a result of intimidation and coercion, is forced to affiliate with an organization not of his or her own choosing, which is contrary to the terms and purpose of the National Labor Relations Act. Much has been said about collusion between the A. F. of L. and management; of the A. F. of L. being used against the C. I. O. I know of specific instances.

This condition has resulted in sabotage and violence, and is forcing our bona fide independent to violent action in self-defense, not because we desire to but we are forced to self-preservation. Recently our members were removed from a P. W. A. school building, Federal project, in Buffalo, N. Y., because they were not members of the A. F. of L. union.

No other law will do more to bring about the defeat of the Democratic Party than the National Labor Relations Act as now being administered. This was demonstrated in the last election, especially in Michigan, Ohio, Pennsylvania, New York, and Indiana, which were supposed to be C. I. O. strongholds. The workers in those States became fed up with intimidation and coercion by the labor racketeers and the Labor Board's administration, with the result that they revolted against the Democratic Party.

Again I repeat that the Labor Board and the labor organizations have created one of the greatest legalized rackets in America. There will be no upturn in business until this act is amended. Our 14,000,000 unemployed will remain unemployed and the number grow This condition will play a major part in the defeat of the Democratic Party in the coming election.

Our organization is composed of 450,000 wage earners in 23 States, of which 75 percent were formerly affiliated with the C. I. O. or A. F. of L. It is reported by the United States Department of Labor and several universities that there are 14,000,000 men and women organized in bona fide independent unions in this country. Approximately 7 percent of the estimated 45,000,000 wage earners belong to the C. I. O. or A. F. of L. In other words, the bona fide independent unionists represent approximately three times the combined strength of the paid-up membership in the C. I. O. and A. F. of L.

I ask this committee—do not these figures prove that the great mass of American wage earners are fed up with the racketeering

in the American labor movement and under the present National Labor Relations Board?

They are tired of the high-salaried officials, who in many instances have sold the workers down the river, tired of paying excessive dues and assessments and receiving but relatively little in return, and oftentimes nothing.

I am convinced, after 35 years of activity in the American labor movement, that the great majority of wage earners are interested in the number of hours that they may work and the amount of wages they are to receive for their labor. While I am opposed to long hours and low wages, which will not make for prosperity, and which will not provide the social and economic conditions which the American wage earner is entitled to, after all, it isn't so much what I desire.

We recommend to this committee that the National Labor Relations Act be amended so as to enable the employer to petition the Board for elections among the employees; we urge that the present personnel of the Board be removed and a new Board created, with the attorneys, economists, and investigators to be placed under the Department of Labor like the Wage and Hour Division. We are opposed to the craft or unit rule in collective bargaining or in the elections.

The following represent the fundamental principles and policies of our organization. We are organized to work and not to strike, but we shall never sacrifice the right to strike.

Coercion has no place in the picture of the National Federated Independent Union. We believe that nobody wins in a war or a strike—the wives and the kiddies pay for all the strikes.

Labor has injured itself, its whole cause, by strikes called too quickly and without provision being made for the families of the workers ordered to strike.

Labor cannot win with racketeers and highjackers infesting its ranks.

We strive to improve the working conditions of our membership.

We believe that honorable industrial relations call for clean hands on both sides.

Management and labor must learn to adjust their differences, if employers employ and workers work.

All labor disputes can be negotiated when both sides have an honest desire to be fair. If not, one side has no foundation for its position.

Gentlemen of the committee, we submit the foregoing for your consideration and respectfully thank you for your attention.

Will Rogers

EXTENSION OF REMARKS

OF

HON. WILL ROGERS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

POEM BY FRED B. WOODARD

Mr. ROGERS of Oklahoma. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following poem, written by one of my constituents in honor of the late Will Rogers:

WILL ROGERS

St. Peter swung open the Pearly Gates,
And held out his hand with a smile,
Saying "Will, your engagement is over on earth,
You'll "show" up here for a while.
I examined the books, when I saw you arrive,
Your record I know is good,
From the time you started at Oolaga,
Till you finished at Hollywood.
You'll like this place, when you've looked around,
A lot of your friends are here,
And loved ones to take the place in your heart,
Until those you have left appear.
Here are kings and rulers you used to know,
Indians and Congressmen, too;
(If you miss someone take a look at the list
Of those who didn't get through.)
You need a vacation, so be at ease;
Just make yourself right at home.
I have you booked for a trip of the skies,
As soon as you're ready to roam.
The first stop will be on the planet Mars,
Then a season or so on the Moon;
Jupiter wants to sign you up,
And I've promised you to Neptune.
You have done so well down there on the Earth,
Which was going from bad to worse,
That I want you to make a celestial tour,
And visit the Universe.
Some of the saints said "Let the man rest!
He's suffered enough for his sins."
But God, in His wisdom, who knows the best,
Said "That will be Heaven for him."

FRED B. WOODARD, *Dewey, Okla.*

Growing Use of Alcohol in Motor Fuels in Foreign Countries

EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

EXCERPTS FROM AN ARTICLE PREPARED UNDER DIRECTION OF RICHARD A. STADERMAN

Mr. MARTIN of Iowa. Under leave to extend my remarks, I insert in the RECORD herewith excerpts from a study entitled, Growing Use of Alcohol in Motor Fuels in Foreign Countries, which considers precedents for us to think about and act upon in solving our own farm problems. This study was read into the record of the hearings of the Senate Finance Committee on Use of Alcohol From Farm Products in Motor Fuel, on May 29, 1939, by our distinguished colleague, the Senator from South Dakota [Mr. GURNEY], who has advocated exemption of alcohol-blended gasoline from Federal gasoline tax. The authors of the study, the American Good Government Society, inform me that it was prepared under the joint direction of the society's president, Richard A. Staderman, and of its vice president, H. W. Lincoln.

The matter referred to is as follows:

GROWING USE OF ALCOHOL IN MOTOR FUELS IN FOREIGN COUNTRIES

(Prepared under the direction of Richard A. Staderman, president, American Good Government Society, Tilden Hall, Washington, D. C.)

American agriculture has not been really prosperous since 1919. At that time farmers received dollars per bushel for wheat, corn, and other products.

Since that time there have been surpluses of crops of such size as to keep the price level down, and sometimes below actual cost of production.

Many remedies have been proposed, and among them the conversion of surplus crops into alcohol to be used as fuel in automobiles. Persons have wondered whether we might be able to take a sufficient amount of crops off the market this way to give a decent profit to the grower.

In addition there is the question of petroleum reserves. The best available estimates give us only a few years before we shall be able to get less oil than we need from our own wells, with a further steady decline after that until our production of petroleum products drops to the vanishing point. What shall we do then for gasoline and oil for our autos, our trucks, and our tractors?

An important background for consideration of our own problem can be found in the experience of foreign countries, where alcohol blends with gasoline have been in use for many years. A number of factors have brought about this blending, of which one of the most important is the nationalistic arguments of military chieftains who wish to be independent of foreign sources of petroleum which might be cut off any time in case a war occurred.

Another objective has been to provide a market for surplus crops, consisting of either potatoes, molasses, beet roots, or fruits—all surplus farm products abroad though different than our own surpluses of wheat, corn, sweetpotatoes, and such. * * * The American Good Government Society * * * national nonpartisan organization, with headquarters at Tilden Hall, Washington, D. C., is composed of leading citizens in various parts of the United States who are striving for a happier America. In addition to publishing a magazine, the American Good Government Review, this society strives for better legislation of broad national benefit and * * * of the use of alcohol in motor fuels as an important aid in solving our surplus-crops problem.

The appeal for the home product of alcohol is of a patriotic sort in nations having to import petroleum or gasoline, and is accentuated by the lack of sufficient foreign exchange to pay for all the products that would be imported by a country having no import restrictions.

In considering the foreign experience we must remember that in practically all instances the selling prices of gasoline and other petroleum products is much higher than here in the United States,

and the greater prices tend to encourage substitution or mixture of alcohol with gasoline in blends. For instance, in Sweden, alcohol can be produced at low cost as a result of being made from the waste or byproducts of the wood-pulp industry. Except in the case of Sweden, however, aid to agriculture has been a factor in fostering the use of alcohol for motor-fuel purposes.

The growing number of countries using alcohol-blended automobile fuels comprises Australia, Brazil, China, Czechoslovakia, France, Germany, Great Britain, Hungary, Italy, Japan, Peru, the Philippines, Poland, South Africa, and Sweden, as well as our neighbor Cuba and our island possession, Puerto Rico.

GERMANY

Of these Germany is by far the largest user of alcohol in motor fuel, having compelled importers and producers, by the Government decree of 1930, to take from the Government alcohol monopoly a quantity of alcohol amounting to a certain percentage of the amount of motor fuel handled, to be blended with gasoline as the dealers saw fit.

The required percentage of the decree was first 2½ percent, being increased by degrees to 10 percent by 1932, although lately having been lowered to 8½ and then to 6½ percent as explained below.

Under this stimulus German consumption of fuel alcohol expanded tremendously, growing to 17,000,000 gallons in 1930, to 55,000,000 gallons in 1934 and to an estimated 75,000,000 gallons in 1937—a growth of about 340 percent in the 7 years, according to data compiled by the American Good Government Society.

The primary purpose of German fostering of alcohol began as an effort to make a better market for potatoes, although since then the foreign-exchange situation has given another incentive for import restriction in addition to self-sufficiency for military reasons. This very foreign-exchange factor has in turn modified the alcohol policy. Due to the German Government's decision to encourage the people to eat more potatoes and less grains which have to be imported, the decreed alcohol proportion was reduced to 6½ percent as previously mentioned so as to release more potatoes for food instead of alcohol production. Whether this decree which was promulgated this year will affect alcohol production remains to be seen.

Technically the use of alcohol blends has been satisfactory in Germany. Some loss of power is complained of in small low-compression motors, but high-compression motors find it better than straight gasoline, due to its high octane rating, which means its antiknock characteristics.

About half of the motor fuel sold is ordinary gasoline. About one-tenth is a blend of 25 percent alcohol and 75 percent gasoline, and is sold under the trade names of "monopolin" and "bevaulin." The other four-tenths of motor fuel sold is a blend of 20 percent alcohol, 20 percent benzol, and 60 percent gasoline, this being sold as a quality product at a 4-cent premium over the ordinary gasoline or the alcohol blend, which both sell at the same price of some thirty-odd cents a gallon in our money.

German experiments are going even a step further and redesigning motors for using substitute fuels. Two steam-power trucks have been developed which use an oil burner in front to make the steam and have the pistons built into the axle housing at the rear wheels, there being only a pipe to carry the steam back.

For some years now wood-gas generators have been made to be attached to ordinary trucks. A 40-passenger bus can get 60 miles on a single tankful of wood, although charcoal or peat are preferred for these gas generators.

Other fuel-economy trucks include those which carry a cylinder of compressed gas from city mains in place of a gasoline tank. All of these are encouraged by the Government, as every gallon of motor fuel Germany doesn't have to import leaves just that much more foreign exchange at the command of Reichsbank President Hjalmar Schacht.

Then there is the Diesel type of motor. This special design to use low-grade fuels is an old story.

A German was the inventor of this type, and for many years Germany and other nations have taken advantage of the economy and efficiency of the Diesel motor, and in recent years thousands of trucks and busses have proven the economy of hauling by Diesel power.

Diesels have now been introduced in Germany on passenger chassis. One is mounted on a six-passenger Mercedes-Benz landaulet, designed for hire-car and taxicab service.

Thanks to the great economy of the Diesel, using oil instead of gasoline for fuel, this car is said to save the buyer at least half the purchase price within the first 60,000 miles.

The Diesel has been used for American airplane motors by the Packard Motor Car Co., and with apparent success.

FRANCE

Another important country where alcohol is mixed with gasoline is France, where beet roots, fruits, and molasses are the raw materials from which the alcohol is made. The French Government pays about 38 cents a gallon for alcohol and sells it for around 17 cents a gallon to oil companies, which is the approximate cost of gasoline. This loss is made up by a Government tax on all gasoline and kerosene, while the blended fuel is exempt from the tax.

Sold under the name of "Carburant Nationale," the product is a 50–50 blend of half alcohol and half gasoline. In 1930 about 7,000,000 gallons of alcohol were blended with an equal amount of gasoline to make a total of 14,000,000 gallons of blend sold, out of a total of about 700,000,000 gallons of total motor fuel consumed.

French statistics are notoriously incomplete and misleading, so that no precise later data than 1930 are available other than the total production of alcohol of all kinds, which from 57,000,000 gallons in 1930 had risen to 130,000,000 by 1935. A substantial part of this increase was presumably for motor fuel, but how much so it is hard to say exactly, according to the American Good Government Society.

SWEDEN

"Lattbentyl" is the name of a blend of 25 percent alcohol with 75 percent gasoline which is used in Sweden. Largely a byproduct of wood-pulp manufacture, half the industrial alcohol produced there is used for motor fuel. In 1930 Sweden consumed about 110,000,000 gallons of straight gasoline plus about 8,000,000 gallons of the blended type which contained 2,000,000 gallons of pure alcohol. By 1936 this amount of fuel alcohol had risen to 4,200,000 gallons, or a 110-percent increase in the 6 years.

One of the interesting facts about Sweden is its use of an alcohol blend without compulsion. The first trials of the alcohol obtained from fermentation and distillation of the cellulose residue of pulp factories was begun in 1911 and greatly stimulated by the World War. It is stated that the mixture or blend involved no change in the operation of the engine except for the better by increasing its power and smoothness. Fuel consumption is not increased, and in spite of the low temperatures in many parts of Sweden the blend, which includes some ether, remains homogeneous and no starting difficulty is experienced. Ether, incidentally, can also be produced from farm crops.

CZECHOSLOVAKIA

Blending of alcohol was not compulsory in the former Czechoslovakia, according to latest information available, although there has been a great increase in its use in motor fuel. The chief blend used is called Dynalkol and is composed of 30 percent gasoline, 20 percent benzol, and 50 percent alcohol.

In 1930 there were over 60,000,000 gallons of straight gasoline used plus blends containing alcohol totaling 2,800,000 gallons of blend, of which half, or 1,400,000 gallons, of actual alcohol were used. By 1932 there were 2,400,000 gallons of alcohol so used. In 1933 this jumped up to 15,000,000 gallons, and by 1935 to 20,000,000 gallons of alcohol used in motor fuels. This has been accomplished in spite of the fact that the alcohol blend sells for about 12 percent more than straight gasoline.

JAPAN

According to a recent press release of the Department of Finance of the Japanese Government dated last February, a million yen have been appropriated to begin construction of five new alcohol factories.

In the Japanese-owned island of Formosa the owners of sugar plantations are being encouraged to expand crop production and capacity of alcohol-manufacturing equipment. It is estimated that when present expansion is completed there will be 14,000,000 gallons of alcohol produced in Formosa alone.

In 1932 there were 200,000 gallons of alcohol used in fuels, as compared with a thousand times that much, or 200,000,000 gallons, of gasoline consumed. Since then the ratio of alcohol used has been increasing, total gasoline being 220,000,000 gallons in 1933 and alcohol 300,000. In 1934, 400,000 gallons of alcohol were used in fuel, as compared with 265,000,000 of gasoline, and by 1935 alcohol used was double the previous year at 800,000 gallons, whereas total gasoline had risen a much lower percentage to 290,000,000 gallons.

It is true that as yet the amount of alcohol used is only a fraction of total gasoline consumption, but at the rate alcohol blending is expanding and alcohol capacity is increasing, especially under the pressure of providing fuel for military purposes, it will not be long before alcohol forms an important part of the fuels used. Additional emphasis is given the matter from the striving for self-sufficiency, as well as by foreign-exchange considerations arising from the present need for Japan to raise over $50,000,000 a year to pay for the petroleum products now imported into Japanese frontiers.

BRAZIL

A number of interesting blends have been tried out by our South American neighbor Brazil. In Pernambuco one blend used contains 70 percent alcohol to 30 percent ether, another 90 percent alcohol and 10 percent ether, and the "Gasalco" brand 88 percent alcohol to 12 percent gasoline.

The total amount of gasoline consumed in Brazil in 1930 amounted to about 75,000,000 gallons. The amount of alcohol-blended fuel used is not available, though we are informed that blends were sold in only three cities, the ether blends in Pernambuco, and the "Gasalco" type in Rio de Janeiro and Nictheroy.

For 1936 we are informed that total gasoline consumed was about 150,000,000 gallons of which approximately 25,000,000 was of blends containing some 3,000,000 gallons of alcohol. This confirms the additional information that at present the blending is on the basis of about 10 to 15 percent alcohol to the remaining parts of gasoline.

Foreign-exchange difficulties have prodded Brazil into trying to do something about automobile fuels, especially where petroleum products form about one-tenth of total imports into that country. The amount of petroleum imported amounts to over $20,000,000 and so is a focal point for consideration of the Brazilian Government.

ITALY

There would be some very interesting information available about Italy, if it were not for the fact that the Government there keeps a great number of statistics confidential. We do know that the Government has decreed a 25-percent part of all alcohol produced

to be marked for motor-fuel use. This is verified by 1937 estimates of about 7,500,000 gallons of alcohol having been used for fuel purposes when compared with total production of alcohol for all purposes of around 29,000,000 gallons in 1936. This figure represents more than double the corresponding production of 13,000,000 gallons of all-purpose alcohol in 1935. With total consumption of gasoline by Italy estimated at 142,000,000 gallons for 1937, the 7,500,000 of fuel alcohol represents 5 percent as much as gasoline—a very substantial quantity.

The sources of Italian alcohol supplies vary from year to year. It is reported that the 1936 production was to the extent of 35 percent from sugar beets, with an unspecified amount from wines and other sources. The methods of obtaining alcohol vary widely from year to year, depending upon the quality of the wineries. If there are very low grade and unpalatable wines produced, these are almost unmarketable for beverage purposes, and thus are available for conversion into alcohol. With a varying quantity of poor wines depending on more or less natural causes, governmental policies must be flexible and adjustable to be successful.

PERU

A beginning has been made in Peru in using alcohol in fuels. In 1932 the total gasoline consumed amounted to 139,000,000 gallons; by 1936 this had grown to 160,000,000 gallons. In 1932 there were 420,000 gallons of alcohol used in fuels, and in 1936 this had risen to 546,000 gallons.

Although the total quantity of alcohol used remains small—less than 1 percent of gasoline consumption—we find that the increase in alcohol used amounted to about 30 percent, as compared to only about 8 percent in total gasoline consumption.

POLAND

The Polish Government since January 1933 has decreed that the producers of petroleum buy an amount of alcohol equal to 9 percent of the amount of gas sold. The actual figures on gasoline are somewhat complicated due to the fact that Poland is an exporter of petroleum products. The increase of alcohol used in fuel has been tremendous in Poland, rising from 270,000 gallons in 1931 to 2,400,000 in 1936—a growth of almost 800 percent in 5 years.

After deducting the amounts of petroleum products exported from Poland, we can get the approximate amount consumed in that country. For 1936 the actual consumption of gasoline was about 25,000,000 gallons, and comparing our previous figure of 2,400,000 of alcohol with this, we have approximately the 9-percent proportion of alcohol legally required to be used as motor fuel.

THE PHILIPPINES

It may come as a surprise to many Americans to learn that our semi-independent Territory, the Philippines, is one of the leading producers and users of alcohol in fuels. In 1930 the Philippines used about 4,200,000 gallons of alcohol, as compared to 27,100,000 gallons of gasoline, being a ratio of 15 units of alcohol to every 100 units of gasoline, as the American Good Government Society has pointed out.

By 1936 the consumption of fuel alcohol had doubled to 8,600,000 gallons and gasoline had increased to 41,000,000. This showed a substantial increase in the alcohol proportion to 21 units of alcohol to every 100 units of gasoline.

THE BRITISH EMPIRE

British interest in substitutes for gasoline, largely for defense reasons, is well manifested in the Government-subsidized plant at Billingham, England, of the Imperial Chemical Industries, Ltd., now under construction. The works will cost $55,000,000 and will have a capacity of 45,000,000 gallons of petrol a year from the process of hydrogenation of soft coal. The chief object seems to be that of getting some self-sufficiency in the sense that British coal deposits could thereby be turned into liquid fuel. Otherwise it would have been far cheaper to have built an alcohol plant of similar capacity which could have been done for only $7,000,000 or less.

A blend of alcohol and gasoline is being marketed today in England without Government compulsion but with encouragement by tax exemptions. Except for certain special cases, alcohol blends of gasoline are tax-free. In the case of the new Billingham plant, the Crown will pay the firm a subsidy of 8 pence (16 cents) a gallon of gasoline petrol for 9 years to encourage the enterprise.

In the British Dominion of Australia the sellers of gasoline are required to purchase 1½ gallons of alcohol for every 100 gallons of gasoline, this law applying only to the Province of Queensland. The product sold to the consumer is called Shellpol and has from 15 to 35 parts alcohol added to enough gasoline to make 100 parts of fuel.

The amount of alcohol reported used in 1930 was 240,000 gallons out of a total gasoline consumption of 268,000,000. In 1936 it is stated that 720,000 gallons of alcohol were so used with a total consumption of gasoline of 370,000,000. Although there is some question as to the accuracy of these figures, it would seem that the use of alcohol, while still small, is growing faster than the percentage gain in the amount of gasoline used.

British South Africa uses a blend of 60 percent alcohol and 40 percent ether under the name of Natalite, the sales being confined mostly to one city.

HUNGARY

Hungary is a substantial consumer of alcohol fuel. According to 1930 figures, the latest available, over 3,000,000 gallons of alcohol were used in blends, as compared with about 21,000,000 of gasoline, giving a ratio of about 14 gallons of alcohol for each 100 gasoline sold. The blend is called Motalco and consists of 20 percent alcohol to 80 percent gasoline.

FUEL ALCOHOL FROM WASTE SULPHITE OF PAPER PULP MILLS

The waste-product liquor from the pulping of wood by the sulphite process contains from 2 to 3.5 percent sugars, of which about 65 percent are fermentable to alcohol. Before this liquor can be fermented, the sulfur dioxide, as well as the acetic and formic acids in it, must be neutralized, either with lime or carbonate of lime.

As the fermenting agent, there is generally used a special type of yeast which has been adapted to sulphite liquors. The fermentation requires from 2½ to 4 days and produces an amount of alcohol equal to about 1 percent of the volume of the liquor fermented.

This process and material has not as yet been used to any great extent in the United States but is an important source of industrial and fuel alcohol in Germany and the Scandinavian countries.

ALCOHOL FROM MILL AND FOREST WASTE AND TREES

There are two important steps for the production of ethyl alcohol from wood. First, the hydrolysis of the cellulose of the woods to simple sugars. Second, the fermentation of these sugars to alcohol by yeast in the usual way.

Experiments of this sort have been widely tried in the United States and at one time ethyl alcohol was produced commercially from sawdust. Yields of 20 to 24 gallons of pure alcohol per ton of dry wood were obtained. In Germany a new process now yields 50 to 60 gallons per ton.

BLENDING AGENTS FROM FARM CROPS

Gasoline and ordinary alcohol form an unstable mixture, so that "blending agents" are needed to hold them together. These blending agents have a high fuel value and many of them, such as butyl, isopropyl, amyl alcohols, acetone, and ether, can be produced from agricultural crops.

Veteran Legislation

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

Mr. GEYER of California. Mr. Speaker, as the oppressive summer heat becomes more intense, we are hearing more and more rumors of early adjournment. Some think that we will be home in 3 weeks' time, others that it will be a month at the outside, while still others believe it will be longer. We all have our own pet measures that we would like to see passed, as well as those of greater importance. No matter how long we remain in Washington, there are sure to be some worthy measures that fail to pass, merely because time will not permit their consideration.

SERVICE MAN THEN AND NOW

There is one class of bills that I desire to call to the attention of all Members of Congress. These bills have to do with the welfare of those and the families of those who offered to make the supreme sacrifice for the protection of their country. Each time there was a crisis before the Nation, the service man was the hero. He was praised by the press, from the pulpit and everywhere that man communicated with his fellows. But when peace returned and the excitement subsided those who answered their country's call were soon forgotten in the mad rush to return to normalcy. Each year many bills that are worthy and just fall by the wayside.

BUT ONE LAW TO OUR CREDIT

Let us not have this happen again this year. The only bill that has become law this session in which veterans are particularly interested is H. R. 2320, restoring certain hospital, medical, and burial rights to all Spanish-American War veterans and making uniform treatment of all men who enlisted between April 21, 1898, and July 4, 1902. If we allow this to be the only bill among the many introduced, to be passed, it will be a very poor batting average.

SOME NEEDED LEGISLATION

We have bills at some stage on the road to passage covering all the various phases of veteran service. While time does not permit me to mention them all, I wish to call to the minds of my colleagues a few important measures: The Philippine travel pay bill, liberalizing the marriage clause for Spanish-American War veterans, measures of benefit to Civil War

widows, legislation to give peacetime veterans 75 percent of the rate of wartime veterans, as well as aid to widows and orphans of peacetime service men, pensions to all widows of World War veterans and aid to their orphans, unraveling the non-service-connected disability knot, polishing up of the veteran insurance, and the lessening the amount of red tape in general, as well as legislation improving the job situation for all veterans.

NEEDED LEGISLATION SHOULD BE PASSED

I am not saying that all of these measures introduced are drawn just as they should be, but I am saying all classes touched by these bills are in need of legislation. If the bills introduced are not what they should be, they should be amended and passed in the corrected form.

TIME IS SLIPPING AWAY

My colleagues, the time is slipping away. Let us not neglect the most worthy of all our citizens, those who through the years have made it possible for us to be citizens of the greatest democracy in the world.

The Dominated and Controlled Motion Picture Industry

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

Mr. BOREN. Mr. Speaker, in the motion-picture industry, consumer rights are left to shift for themselves and the profit motive alone prevails. Unlike other business agencies, the motion-picture industry never consults the people as a whole or even have avenues for expression of consumer rights. The theater-going public has neither choice of pictures nor theaters and no practical right of selection in spending their entertainment dollar. Opportunity within the industry is stifled by the complete absence of competition.

The consumer as a patron of the movies should be given an active and significant role in the selection of pictures and theaters. Today he is told rather than asked what he would see for his motion-picture dollar.

In the production of commodities the consumer wants facts about price, quality, comparative values, and usefulness of goods offered for sale. The motion-picture industry exemplifies to a large extent the distance we have traveled from a competitive to a dominated and controlled economy. Under the present system the motion-picture patron is powerless to demand a good picture at a reasonable price. During these years, when $5 shirts have been reduced to $2, $2 shirts have been reduced to 90 cents, and in a similar fashion throughout the business world where consumer interests had opportunity through business competition to assert itself, the quality of goods have come up and the prices have come down. Exactly contrary, the quality of pictures and theaters have remained static or in some sections degenerated, while the price to the patrons has gone from 10 cents to 25 cents, from 25 cents to 66 cents, and from 50 cents to $1.10.

There have been a considerable number of Congressmen who have diligently studied the motion-picture industry during the past 2 years. We are united in our wish to give each community an opportunity to have the kind of pictures it wishes to see, and to give to the patron a price in comparison to the quality of the product offered.

The propaganda powers of the screen, including its influence on the thought and morals of people, especially children, is of great consequence and of serious public interest, but, more than that, the consumer lacks the force of competition. He must pay whatever freight the traffic will bear, admission prices being limited only by the factor of diminishing terms.

Among those of us who have devoted particular attention to this problem there is united purpose and a united program. The Congress will undoubtedly deal with the motion-picture problem in a comprehensive way in the not too distant future.

At the suggestion of interested colleagues I am presenting here a few preliminary facts for your analysis and consideration. I would like also at this point to call your attention to the Securities and Exchange Commission study on motion-picture producers and distributors, published June 30, 1938. If you care to pursue further the background of the present problem, it might be helpful to examine the Motion Picture Industry Study, No. 34, published by the N. R. A. in February 1936, and the N. R. A. report on code No. 124 in pursuance of the Executive order of November 27, 1933. I might add that if you are interested in the legal aspects of the problem, among us, we have prepared a memorandum and voluminous citations on cases in point, constitutionality of legislative approaches, and so forth, which we will present in the course of time.

I would like at this point to present a few basic facts pertaining to the motion-picture industry. We urge your thoughtful consideration of this great public problem and invite your particular attention to the study of this problem with a view to cooperative action in its solution.

A FEW BASIC FACTS PERTAINING TO THE MOTION-PICTURE INDUSTRY—PRODUCTION

Number of films: During the past 5 years, the eight major companies have released yearly an average of about 360 features, or about 70 percent of the yearly total of 500 pictures. Seven companies produce in the neighborhood of 50 pictures per year; the eighth, United Artists, produces from 12 to 25.

Numerous independent producers release about 150 features per year. Some 200 to 300 foreign features are also released annually in the United States. Few of the independent and foreign releases are of first-run caliber.

Value of films: Domestic feature releases by the eight major companies account for 80 to 85 percent of the total value of all films, based either on cost of production or film rentals. The major companies usually produce each year about 10 so-called class-A pictures, costing upward of $500,000, also 10 class-B pictures, costing from $250,000 to $500,000. The remaining 30 feature releases include program pictures, westerns, and serials, usually costing much less than $250,000. Most independent productions are shot in 6 to 10 days, at a cost averaging $5,000 per day. The majors also produce some of these "quickies" or "cheaters," as the independent exhibitors call them.

DISTRIBUTION

Key cities: The eight major producers have national distribution systems located in 31 key cities. (See map in Film Facts, and Equity No. 87–273 for details.) These affiliated distribution systems provide an outlet not only for all the product of the major companies, but also, under special circumstances, for that of a few independent producers. Gaumont-British has recently established its own American distribution system. Several independent or "States' rights" distributors provide distribution for independent productions. A few independent producers have distribution facilities of their own in a dozen or more key cities.

Major distribution control: The majors control distribution to an amount exceeding the value of their own films, by reason of the fact that important independents find it necessary to use the major distributive outlets in order to effect national coverage. For instance, Disney's Snow White was released through RKO.

EXHIBITION

Theater control: Five major companies are vertically integrated, owning production, distribution, and exhibition facilities. They operate about 2,400, or 13 percent of a total of some 17,500 theaters. Paramount operates 1,133 theaters; Warners, 527; Loew's, 119; RKO, 124; and 20th Century Fox, 518. These include the finest theaters in the choicest localities. They charge the highest admission prices, and they

represent about 3,000,000 seats, or roughly 30 percent of the country's total of 10,000,000 seats. The average seating capacity of the theaters owned by the major companies is about 1,250.

Lack of competition: Competition between the affiliated exhibitors has been largely avoided by dividing the country into noncompeting areas, by joint operation, and by splitting product. The majors then act in concert to protect each others' interests from outside competition.

Unaffiliated circuits: In 1937 unaffiliated circuits (comprising four or more theaters) operated over 20 percent of the total number of theaters and over 25 percent of the total seating capacity of the United States. Most of these chains are small but in regions not dominated by the major companies a few large chains exist which because of their superior bargaining power exercise a degree of control over competing independent exhibitors comparable to that achieved by the affiliated group in other areas. However, these chains, unlike the affiliated companies, never have to look on competing exhibitors as potential customers.

Independent exhibitors: Independent exhibitors operate about two-thirds of the number of theaters, comprising about half the total seating capacity. Their theaters average about 450 seats.

Pricing of films: Pricing of films is based upon the size and condition of the theater, the admission price charged, the protection period granted, and the bargaining position of the exhibitor. There are other factors in this intricate system of bargaining between the exhibitor and the distributor. Some contracts call for a flat sum, others for a percentage of the receipts, or a combination of both.

Runs: First runs of major productions are the lifeblood of the exhibition industry. First runs are protected by allowing a specified period of time to elapse before subsequent showings in a defined area. The prior-run exhibitor pays a premium for this protection. The second-run exhibitor attempts to get as much protection as possible against the third-run exhibitor. The value of a film usually decreases with each run, so that a film which brings a rental of $15,000 for first run downtown will often sell for as low as $15 in a subsequent run theater a year or so later.

Another Step Toward Totalitarianism

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Saturday, July 1, 1939

Mr. THILL. Mr. Speaker, the American people are discouraged with unemployment, tired of economic warfare, sick of relief, disgusted with the administration, and soured on life. Hope, courage, ambition—the key principles of the American way of living, have all been stifled by the New Dealers.

A. A. Berle, one of the ardent brain trusters of this admintration, proposes that Government credit be used to finance both private and public activities. Of course, any Government guaranties of loans would not be shown to the taxpayers as a public debt. But it is a Federal obligation resting finally upon the taxpayer.

In this two-way system of financing, the borrower, if he could not persuade private bankers that his enterprise is sound, could go to the Government, where he might have better luck. Political pressure and wire pulling might be used to put through the loan. Sound private judgment would find itself in competition with a tax-free, unsound political agency.

The Government could very easily make its loans at a lower rate of interest, because the overhead charged to the operation of the Government agency would most likely be set lower than that of the private organization.

We would again see the spectacle of the stifling of private enterprise which has been shown us to our sorrow so often during this administration. It would be just another step toward economic totalitarianism.

Celebration of the One Hundred and Sixty-third Anniversary of Declaration of Independence

EXTENSION OF REMARKS

OF

HON. GEORGE L. RADCLIFFE

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ADDRESS BY HON. ALBEN W. BARKLEY, OF KENTUCKY, JULY 4, 1939

Mr. RADCLIFFE. Mr. President, I ask unanimous consent to have printed in the Appendix an address delivered yesterday by the senior Senator from Kentucky [Mr. BARKLEY] at Washington Monument, Washington, D. C. The address was a very interesting and a timely one.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Americans, we are celebrating today the one hundred and sixty-third anniversary of the adoption by the Continental Congress of the American Declaration of Independence.

This Declaration was a revolutionary document. If promulgated today for the first time in America, it would frighten a lot of people into calling other people horrible names. But though it was a revolutionary doucument, it did not inspire the beginning of the American Revolution.

The Revolution had been in progress for nearly 2 years, and the Battles of Lexington and Concord had been fought more than a year before the Declaration was adopted.

But while its adoption did not inaugurate the Revolution, it undoubtedly inspired its continuance, because it marked the official separation of the Colonies from the mother country, and afforded them a definite goal of nationhood toward which to press.

It dealt principally with the unalienable rights of man—those rights which cannot be alienated, bartered, or bargained away—the right to life, liberty, and the pursuit of happiness.

Those who wrote those words realized that life without liberty is empty and barren, no less so today than when the words were written; and that the pursuit, attainment, and enjoyment of happiness through the fulfillment of these rights are the legitimate objectives of organized society.

Jefferson is credited with chief authorship of the Declaration of Independence. In his epitaph at Monticello, written by himself, he claims authorship, and to this claim he is entitled.

He was largely the author of the Bill of Rights, constituting the first 10 amendments to the Constitution, guaranteeing freedom of speech, of the press, of assembly, and of worship.

He wrote voluminously upon all subjects, with emphasis on government. He has been the victim of as much misquotation and misinterpretation as any man in American history.

While he is frequently quoted as saying "That government is best which governs least," his statement that all constitutions should be revised about every 20 years; that no dead generation has the right to bind a living generation in the form of its laws or its constitutions, is rarely referred to by those who would chain each new generation to the hitching posts of another century.

The two creative men whom we associate in our minds when we think of the American Revolution and its consequences are Jefferson and Washington. Jefferson, the sage, scholar, and political philosopher; Washington, the solid, determined, and inspired leader of military and civil authority which lifted him to a moral grandeur not approached by any other man.

Both were equally indispensable in the fields which they occupied.

Yet Washington, exact and meticulous in all that he said, is misquoted and misinterpreted no less than was Jefferson himself.

Washington did not believe that this Nation, even in its infancy, should or could encase itself within an impenetrable shell of isolation and take no part in the affairs of mankind.

In his Farewell Address he contemplated a broad range of human events on a world-wide front of international relations, as well as the foreseeable course of our domestic history, and cautioned us against permanent alliances with other nations, emphasizing the fact that temporary alliances entered into as exigencies might arise would more certainly promote the safety and welfare of our new Nation.

Let me quote his exact words: "It is our true policy to steer clear of permanent alliance with any portion of the foreign world; so far, I mean, as we are now at liberty to do it. * * *

"Taking care always to keep ourselves by suitable establishments on a respectable defensive posture, we may safely trust to temporary alliances for extraordinary emergencies."

There has never been a permanent alliance between this and any other nation, unless the Monroe Doctrine may be so described.

There has never been even a temporary alliance in the sense in which Washington foresaw and sanctioned them as possible and desirable.

We have been associated from time to time with other nations in the effort to foster peace and international law and regard for the rights of other nations, large and small. But even during the World War we had neither a permanent nor a temporary alliance with any European nation that bound us to do or refrain from doing anything in the future, as proof of which we declined to ratify the terms of peace when that conflict had ended.

Yet, in spite of Washington's Farewell Address, and in spite of our history to the contrary for 150 years, whenever the President of the United States, or the Secretary of State under any administration, seeks to cooperate with other nations to preserve peace and make wars less probable, or to insist upon the observance of the decent rules of international law which until recently have been recognized for more than a century, we are told that we are flouting the advice of the Father of his Country by conniving at some mysterious species of permanent alliance which will involve us in all the quarrels of other nations and destroy the fabric of our own independence.

I honor the advice of Washington, in the spirit as well as the letter. I rejoice that in all our history there has never been a permanent alliance which he condemned, nor even a temporary alliance which he sanctioned.

But this does not mean that America is a sand lot or that the United States constitutes a huge ostrich whose anatomy can be concealed by a buried head. It does not mean that we are afraid to recognize the world-wide struggle to preserve what democracy we have been able thus far to obtain. If we have not the courage to preserve it now, we are not worthy of those who gained it for us.

This democracy of which we speak, and to which we render genuine or lip service, as the case may be, is not merely a form or a system of government. It is a way of life. It may be consistent with various systems of government. It may rest upon a written constitution, as in the United States, or it may be governed by traditions, precedents, habits, as in Great Britain.

But it must be defended always and everywhere if it is not to be lost.

In an arresting and thoughtful article written last February the new Librarian of Congress, Mr. Archibald MacLeish, said this about democracy:

"The will to defend democracy demands a belief in democracy. And belief in democracy demands that democracy should be a way of life with future and unachieved objectives such as men can continue to desire.

"If the democracy to be defended is merely the status quo which the great corporations and the reactionary newspapers call democracy when they shout for its defense, then the belief will be cool and the will feeble.

"If, however, the democracy to be defended is a future democracy, a true democracy which will admit the failures of this democracy and set them right; if the democracy to be defended is a free man's way of dealing with a free man's evils in order to create a free man's world, then the will to defend and protect that democracy will be strong enough to sweep over any challenge. But that kind of will and that kind of belief are not achieved by refusing to permit democracy to be attacked. To refuse to permit democracy to face attack is to turn democracy into the status quo and freeze it in a form in which only a small minority can believe.

"Democratic belief in democracy and the popular will to defend it are achieved only by permitting democracy to face any attack, however slanderous, however murderous, answering the proposals of the attackers with such proposals as a democracy can make. Those who believe in democracy because they believe in the people will have no fear of the outcome. Those who believe in another democracy may very well fear, but their fears will be irrelevant."

It was this sort of democracy that the Declaration of Independence and the Constitution of the United States gave us. It is this sort of democracy which is under attack in America and throughout the world. It is this sort of democracy that we will defend against all enemies foreign and domestic. If this sort of democracy is not worth preserving, it was never worth achieving. Let us who believe in it rededicate ourselves to it and justify the faith and the sacrifice of those who, under God, achieved it and bequeathed it to us.

Neutrality

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, JULY 4, 1939

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix an able and interesting speech delivered by the Senator from Massachusetts [Mr. WALSH] at Fitchburg, Mass., on July 4, 1939, on the subject of neutrality.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

The most important question pending before the Congress of the United States vitally and affecting the life and future of our Republic is that of definitely determining our policy of neutrality. What should we do, and what should we refrain from doing, in our commercial and diplomatic relations with countries at war, in order to preserve peace for ourselves?

That it is impossible to stress too strongly the importance of our policy of neutrality may be realized vividly by calling attention to world conditions at the present time. It seems to be inevitable that war will come to Europe in the near future. It may not come immediately, but I do not see how it can be long postponed unless there is a radical change in the present belligerent attitude in Europe. To my mind there is only one thing that can possibly prevent another European war; namely, a genuine international conference for peace.

The difficulties in holding a peace conference that gives promise of success, however, are almost insurmountable. A genuine peace conference presumes that participants are ready to give as well as to take.

Let us consider briefly the conflicting claims and thereby realize the many difficulties.

Hitler demands the righting of the alleged German "wrong" incorporated in the Versailles Treaty. He asserts Germany has been "robbed" of her foreign colonies, and this is his defense for attempting to expand to the east on the European Continent in order that Germany may have more room. He asserts Germany's rivals, England and France, and even Belgium, have extensive and lucrative foreign colonies that are disproportionately and inequitably distributed.

On the other hand, England and France insist that the territorial status quo must be maintained and are unwilling to relinquish any of their holdings on the various continents.

A peace conference dealing with the redistribution of the surface of the globe would necessitate those countries which are alleged to have too much of the earth's surface to relinquish some of it to those who claim to have too little. The difficulties of bargaining for a redistribution are obvious. It is possible, of course, that England and France may come to realize their foreign possessions are a liability and that subject peoples are a source of trouble to the mother country because of the sense of injustice they invariably entertain. But this state of mind is clearly not now in sight.

Apparently the present attitude of the nations of the world is not much different from that of the masses. The masses everywhere today claim they are receiving too little benefits under present economic systems while a few receive too much. Likewise, certain ambitious nations are restless and discontented because they think they have too little while their neighbors and rivals have too much.

There being no hope of a repartition of influence and power among the strong nations, the alternative is war.

All these facts emphasize the supreme importance of a neutrality law which will assure our avoidance of involvement in any European war. These old and present European rivalries, ambitions, and hatreds are of no concern to us. We naturally have our sympathies and conception of the justice or injustice of the contending interests—but there is and should be no obligation upon our part to do other than use our good offices for peace and to make every effort to bring about arbitrations for we Americans are imbued with the principle that international quarrels should be settled by peaceful negotiations, rather than by resorting to arms.

The United States, more than any other country in the world, is free from the possibilities of starvation, invasion, and economic domination. There may be some justification for countries taking sides in a war between two rival groups of foreign powers, who fear these perils, but we have no such excuse. Furthermore,

it seems to me, it is ridiculous to say that anything like a real invasion of this country can be made unless all other nations of the world should combine against us.

It is certain, if anything is certain, that a world bristling with national enmities, a world divided into two war-like groups, can be no menace to us while we remain definitely neutral. We ought to do this for no other reason than that, if all the rest of the world crumbles, we shall preserve for humanity a haven of safety, containing all the elements on which we may continue to build a prosperous democracy.

A strictly neutral attitude does not imply a selfish concern with our own affairs or refusal to assume our part in the common burdens of humanity. That is always the argument advanced by those who wish us to share in their burdens. A strong neutral position will enable America to do more for humanity in general than an America growing rich through selling arms and munitions to belligerents, thereby arousing the hatred of those to whom we are unable to make sales of arms and munitions, and, after the war, with almost certainty, being plunged into another and greater depression.

Another important consideration which should prompt us to strict neutrality is the possibility that, should the United States join in another war, it would probably result in the end of American democracy and the rise of a totalitarian state.

In the light of these facts I am opposed to repeal of the existing ban on exports of munitions of war in time of war to nations at war. The provisions of the present Neutrality Act in this respect, in my judgment, are an essential element of any policy of real neutrality, and that is the kind of neutrality that the American people desire and ought to have.

The present proposal for the immediate repeal of the embargo provisions, however plausibly it may be presented, is, in fact, motivated by a desire to put the United States in a positon to supply munitions of war to England and France in the event of a general European war, and, in effect, to serve advance notice to the world that the material resources of the United States will be available to these particular nations in case of need. This is not disinterested neutrality, either in fact or in spirit. However well intended and expressive of our sympathies, it is, in effect, dangerous partisanship. It is not a policy adopted to keeping the United States out of war. It is just the reverse. It leads directly to our own involvement in foreign wars.

Congress, 4 years ago, enacted legislation embargoing in time of war the export of arms, ammunition, and implements of war to any foreign nation at war. This statute empowered the President to enumerate the prohibited items, that is, to specify exactly what was embraced within the general terms "arms, ammunition, and implements of war." It empowered the President to proclaim the existence of war, whereupon the statutory embargo automatically became effective.

I supported this legislation because I believed then, as I believe now, that it was embodying sound public policy and would help toward keeping the United States out of war if wars came elsewhere in the world.

In enacting this legislation, the so-called Neutrality Act of 1935, Congress specified that it should expire on March 1, 1936, with the idea that prior to this expiration date, broader and permanent legislation on this subject would be framed and passed.

The time proved too short, and by joint resolution, which received the President's signature on February 29, 1936, Congress extended the expiration date to May 1, 1937, and at the same time by substitution of the word "shall" for the word "may", made the issuance by the President of a proclamation as to the existence of a state of war (if such were the fact) mandatory rather then permissive.

When it is remembered that the taking effect of the embargo on munitions of war was automatic upon the issuance of a Presidential proclamation, this change in language from "may" to "shall" bespoke the renewed intent and desire of the Congress for embargo on munitions.

Congress, in 1937, enacted further amendments which amounted to a virtual rewriting of the entire Neutrality Act. This legislation received the approval of the President on May 1, 1937, the very day upon which the statutory permission for embargo upon munitions was due to expire. On the same date the President issued a proclamation enumerating the "arms, ammunition, and implements of war."

In 1937 neutrality legislation reenacted without time limit the embargo provisions on munitions of war and mandatory discretion to the President to proclaim existence of a state of war whenever he found such to be the fact. It is the repeal of this permanent provision of the 1937 act which is now proposed and which is now before the Congress.

The present neutrality bill, in effect, revives the cash-and-carry provisions and makes the same applicable to all materials and supplies, including arms, ammunition, and implements of war.

The present neutrality bill expressly repeals all of the prior neutrality acts of 1935, 1936, and 1937 previously referred to.

The new bill, insofar as it aims to lift the mandatory embargo on munitions of war and permit their shipment on a cash-and-carry basis, amounts to a complete reversal of the position taken by Congress 4 years ago, 3 years ago, and even 2 years ago.

I cannot accept the view that this complete reversal of our position is justified by any of the developments in the international situation in recent years and recent months. I cannot accept the view that we ought to let down the bars and give notice to the world that foreign nations with money to buy and ships to transport may procure their munitions of war from us in time of war. We know, and the world knows, that such an invitation means that Britain and France may count on our assistance because they have the money and Britain has the ships, whereas Germany and Italy, in actuality, will be precluded. This may be a course that appeals to the sympathies of the American people, but it is not neutrality and it is not conducive to keeping the United States out of war.

It also means that Japan can count on our assistance in the Far East as she has the ships. This may not appeal to our sympathies but if we are to be honestly neutral we cannot have one policy for Europe and another policy for the Orient.

I am not unmindful of the argument, not publicly asserted, of course, but secretly advanced, that the repeal of the arms embargo may be used in the nature of a threat to belligerents in Europe, as indicating the possibility of our alining ourselves with France and England, and possibly Russia, against the totalitarian states in the event of war. In my opinion, repeal of the arms embargo for the purpose of using it for this objective is playing with fire; is clearly a nonneutral attitude on the part of our country, and however much we may desire to use our good offices to bring about peace, is more likely to result in our involvement in any European war.

In a word, neutrality presupposes the elimination of prejudices and personal desires. Actions that prompt a course of conduct such as the furnishing of arms and munitions to one belligerent against another, is one of the surest ways I know of to become involved in a war.

The American people want peace and are determined to have it at any cost. Let us resolve, on this glorious birthday of this Nation, to turn all our attention to the solution of our own domestic problems and avoid alliances and policies that are certain to lead us into war.

Dust Bowls

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ARTICLE BY CHAUNCEY THOMAS

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an intensely interesting article from the pen of Chauncey Thomas, published in Colorado Magazine (May issue), upon the natural causes of the so-called dust bowls. Congress is spending billions trying to cope with this problem and might be very well interested in Mr. Thomas' able treatment of the subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BETWEEN ICE AGES

(By Chauncey Thomas)

The Northern Hemisphere is between ice ages and has not yet reached the middle period of warmth and dryness. Geology is a part of history; archeology is a part of geology, ancient concerning man but recent in the rocks. History from a scientist's view is "geography in motion," although there are many other equally unsatisfactory definitions. Let us here confine ourselves to ice—Arctic ice today, but not long since, even in human affairs, European-American ice—and it will be again unless the rocks deceive us.

Man must fit his environment; the most blatant cannot make environment fit man, nor successfully deny a fact, and environment is ever changing—sometimes for man's benefit, sometimes against him. No land, no climate, stays the same. It never has; it never can.

In the Northern Hemisphere records indicate that environment, due to the shrinkage of the Arctic ice cap, is at the bottom of all the unrest of the white race, both in Europe and in America, due to shrinkage of local food supply and balance of subsistence. No law of man can change a law of Nature. If the above is true, what follows must be true.

The so-called cycles of drought are somewhat like the ocean surface—tides, rollers on those tides, waves on those rollers, ripples on those waves. But when the tide is ebbing, the average level sinks, though lesser water movements do now and then splash higher for a moment. The graph traced by the scant weather

figures we have, including tree rings, is not circular, not a cycle at all, but a descending spiral. Take Colorado: Within my lifetime there was in San Luis Valley a shallow lake 50 miles across, now barely a few puddles. The valley as a whole was too swampy to cross; today it is necessary to irrigate there. Within the last 10 years even the Fraser and the Muddy Rivers in Middle Park have, for the first time in white memory, or in Indian legend, gone stone dry. When I first saw them 50 years ago a horse could not wade them. The Arapahoe glaciers, small but old, the United States engineers report will probably vanish within about 10 years. They are melting and drying back about 30 feet a year and are shrinking rapidly. The same is true of all the glaciers in the Alps and has been for over a century; also true for the glaciers of Alaska. The proof of the shrinkage of the Arctic ice cap is beyond dispute. When history keeps silent it becomes false and treacherous, and here are the facts. To hide them is impossible, useless, and needless. Man must adapt himself to them if he is to continue to exist in Europe, middle Asia, and in America.

Gibbon, who wrote a history, in chapter IX and elsewhere, says that since Caesar Scandinavia was one or more islands, that the Baltic has been falling about one-half an inch a year for centuries, that the Rhine and the Danube used to freeze over every winter so that Tatar and Germanic cavalry and heavy wagons could cross without fear, that there was frigid cold in northern Greece (Thrace), that Germany was a land of trees and swamps, that there were reindeer in Germany, and all along south of the Baltic. Today this is not so. Things in those places now are far warmer and drier. Great Salt Lake has fallen over 20 feet within the past 20 or less years, the Great Lakes over 18 inches, and they need fall only the depth of Niagara River to become salt. Where in Europe or in the United States is a case of an increase of water on a scale like these? Salt Lake used to be the size of Erie or Michigan, and seems shrinking to become another Humboldt Sink. See Asia Minor. Babylon, where millions once teemed, cannot now feed a goat. If it could be farmed, it would be. Palestine, once the "Land of Canaan, flowing with milk and honey," is today like parched Nevada.

Nothing has changed history more in the past 1,000 years than the drying of the Gobi. Gibbon, again, speaks of a Chinese minister, or some such official, in Rome, and several times of Chinese soldiers on the shores of the Caspian Sea. For half a century part of Germany and Austria paid taxes to Pekin, China, the then Tatar capital. Tatar Zingis—spell and speak it as you wish—led several hundred thousand cavalry about 5,000 miles (equal to from New York to Hawaii or Panama to Alaska) from Lake Baikal to the middle of white Europe, where that blood still is. Today this is a military impossibility. No grass on the Gobi now, and half a million horses must have grass. The discovery of America did not affect the Old World more than did the drying of the Gobi. And it is still drying—also, apparently is northern Europe and the United States. This ebb and flow of the ice, due to the procession of the equinox every 26,000-odd years, is what makes history—what humans do is the result of what the Arctic ice does.

We have not yet reached the middle of these ice invasions and retreats, that is why the belt around the Northern Hemisphere is drying and heating and widening to the northward steadily and relentlessly. Once the famous "Northeast Passage" was a sailor's dream; today Russia runs a line of steamers from Archangel to Vladivostok. Less ice there.

What is the answer? Each one may suit himself—mine I have given in my story in the January issue, 1938, of this magazine—Some Basics of History—that the white race cannot last more than 200 years longer in America—if that long. Since I published that the Norwegian Government, and also the United States Government, have in part confirmed it regarding the probably permanent change in wind and ocean currents—and these make climate, and climate makes history. I would ask that this story and that one be read together now as one.

It is also noticeable that the whites have been going to other continents out of Europe for several thousand years, but have never thrived, nor lasted anywhere outside the homeland of the white race. America is no more a second Europe than is Africa or Asia. Can the white race stay here? I think not. Man can do nothing about it till he changes the rotation of the earth, and that he will never do. Meanwhile the forces that are causing the shrinkage of the Arctic ice cap are drying the Northern Hemisphere, as it has done before.

As centripetal action and gravity are two terms for the same thing, and centrifugal action is the reaction of gravity, so constant change of climate, or climates locally, over the globe, and the procession of the equinox are but two terms for the same thing. Both are eternal and infinitely beyond man's puny powers to affect, though they affect man and all life more than does anything else, except the sun alone, known to man on this earth. All history is but a brief sketch, full of gaps, of the inevitable results of the swings of the ice caps. As the Arctic retreats, the Antarctic advances and the reverse is true. Because the Northern Hemisphere has been inhabited for ages it is there observable. Not so in the Antarctic, because there are no men there to see, and the ice edge enters the ocean, while in the north it is on the land, where man can see and feel its effects.

Land in northern Siberia that has been frozen to unknown depths for ages is now thawed. It used to melt down a few feet in summer on the surface, but the eon-old ice was far, far down. Today it merely freezes in winter down a few feet, while below is no longer the prehistoric ice. This portends well for the northern countries like Canada, Siberia, and Manchuria, but not so well for the Temperate Belt of the United States, Europe, and China. The result has been recorded at intervals for some centuries, and we see it today in action, but give it other names, such as drought, dust bowl, change of wind and water currents, fall of water levels, change of climate; yet all is but the swing of mother earth's ice caps, termed in astronomy the procession of the equinox. Which all life must obey or go.

Maeterlinck in his masterpiece points out that the beekeeper is so huge and deliberate that the bee probably cannot see him, though the bee vitally feels the effect of the master of the hive. And the same is true of the polar ice cap on this man-hive of the earth. As all American, and some world history rests on these basic facts, they rest well in this magazine of American history.

The Far East and America

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH, JUNE 29, 1939

Mr. BARKLEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah [Mr. THOMAS] before the Institute of Far Eastern Studies at the University of Michigan, Ann Arbor, Mich., June 29, 1939, on the subject The Far East and America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In keeping with my talk on the first night I am, this evening, going to emphasize similar movements in various parts of the world.

While the American continent was being bridged by colonists, adventurers, fur traders, pioneers, and armies, the movement across eastern Europe and Asia was going on. No sooner had the Pacific been reached than within a few years Perry was in Japan. At about the same time, Russian missionaries reached that land over the Siberian route.

Japan was the last of the great hermit nations. When I say that, it should be remembered that Japan closed her doors deliberately against the foreigners who had obtained access to her land during the great burst of European people over the world in the century after the discovery of America. Japan's first contact, then, with the West was one which resulted in retreat. She saw the foreigner and wanted none of him. Unconsciously, though, she absorbed a lot.

When the foreigner came again and insisted upon staying, Japan succumbed wholeheartedly, and instead of attempting to fight off foreign things, the nation attempted to become completely foreign. Japan created armies on the western plan taught by westerners, built a navy under western direction, organized her government on a western scale. It was thought essential at one time that Japan should even become Christian in order the more to be western, and the story was told of how it was decided that the son and crown prince of the great Meiji Tenno should become Christian, then nationalism on the western plane would be assured. It was assumed by many that since intense patriotism had developed only in Christian lands, it was essential that Japan should be Christian to develop the theory of devotion to the fatherland rather than devotion to a king or a cause. It was pointed out that overemphasis of certain aspects of Shintoism would produce all of the essentials necessary for a nationalistic state. Young Japanese leaders were sent out to learn and to study, and Japan even adopted a constitutional form of government, taking her legal system from one land, her legal practices from another, a parliamentary system from a third, and the notion of a written constitution from a fourth.

Those persons who want to study modern tendencies in national planning should recognize Japan as being the first great modern planner, and while she imitated much that she saw elsewhere, Japan learned by doing. Probably in the history of nations, there has never been such a student nation before. In a sense, therefore, all that we do not like in Japan we ourselves are probably responsible for. The student is apt to learn both the good precepts and the bad habits of his teacher. When I say that, I can never forget that the "pidgin English" for an American is "goddam."

Now I am going to say something that may be deemed unkind by lovers of Japan. Great and fine and wonderful and splendid as Japan's ability to learn, to develop, and to achieve became,

she failed to get from her teachers that which comes only from maturity. Had Japan remained Japanese this criticism would indeed be unmerited, but she became western. As long as she stayed close to her teacher—let us, therefore, say as long as the Anglo-Japanese alliance lasted, that is, until our Washington conference—Japan made few mistakes. The World War gave her an opportunity to stand on her own a little too soon. She was made one of the great nations of the world; given a permanent seat in the Council of the League. That, she had hardly earned. She attempted and failed, due to the great statesmanship of Woodrow Wilson, to carry one of our international law concepts of the equality of nations, which was incorporated in the League Covenant, into the field of the equality of races. Wilson settled that question in a statesmanlike way by showing that no legal concept that was built upon an actual untruth could survive. Of course, there was no equality in nations, but in international councils nations vote as units and each unit has equal weight, just as under the American system equality of persons is reflected in the ballot box and before courts.

Japan's contribution toward the bringing about of world peace and a successful treaty after the World War must be put down as both an asset and a liability. Japan insisted upon the promises made in some of the secret understandings. Japan had in the past been deprived of some of her rewards gained by conquest, especially after the Chinese war; this time the nations of the world were in no position to deprive her.

I must not forget the great common sense and the tremendously great contribution of Nitobe, the Under Secretary of the League of Nations, in the Corfu affair, when Mussolini was hailed before the nations of the world for the first time. Mussolini refused to allow his difference with Greece to be handled by the League of Nations, but he announced that he did not object to the Council of Ambassadors considering these differences. The leaders in the League, especially the younger element, wanted the League to be strong and to insist upon having its way. Nitobe it was who pointed out that the purpose of the League was to attain peace in the world and that the method or the agency used was not therefore of primary importance; thus Mussolini's case was handled by the Council of Ambassadors.

Japan might have been saved from herself if it had not been for the action of the Washington Conference in breaking up the Anglo-Japanese alliance. Of course the idea was that alliances had become obsolete, and that idea was a good one; but it would have been well for Japan had some relationship like the old Chinese big brother-little brother national relationship persisted. Japan, acting entirely by herself or allied with those whose national objectives may bring self-destruction, may be her own undoing. Let me explain that statement. A nation that makes an alliance on any but a mutual basis may think so much of self advancement that when mutuality means giving a little more than receiving, the alliance seems to be unattractive and the overly selfish nation follows its own course regardless of promises and covenants.

The Washington Conference brought the end of the Anglo-Japanese alliance. Japan entered the Conference treaties as one of the great guaranteeing powers. Japan's position in the League was a dominant one. The peace of Versailles, the institution of the mandate system, the covenant of the League of Nations, the Washington Conference—all four world-wide attempts laid down at least one single rule for all nations to observe. That rule was thoroughly consistent with the rule the Monroe Doctrine of the United States had evolved. It was thoroughly consistent, too, with the suggestion of our President, Woodrow Wilson, that the theory of the Monroe Doctrine should be extended to the whole world. That theory, also, was accepted, with limitations to be sure, in a sense by the Japanese when they advocated a Monroe Doctrine for the Far East. It is a simple theory of genuine respect on the part of this Nation for the national boundaries and territorial integrity of all nations within the circle of the understanding.

When the nations of the world failed to stop the Chaco dispute in South America and then, in turn, failed in keeping Japan a respector of the restraint implied in League organization, Manchuria was lost to China. It will remain for history to decide the real loser in this complicated affair. But this much is certain: Had Japan had a "Sensei" nation to turn to, many things might have been different.

Now, I am not going to hold Japan alone responsible for this great slip from the peaceful attitude to the warlike one. I have pictured Japan as a great student. She was the first of the Far Eastern states to be accepted into the sisterhood of nations under the theory of international law. And the international law of war reached the highest pinnacle in history under Japanese auspices. When the Japanese were battling for the capture of Port Arthur, it was deemed necessary to take 203-Meter Hill before the Russian fleet bottled up in the Port Arthur Harbor could be destroyed and the city's fortifications brought within range of the Japanese guns. If the battles for Port Arthur had taken place in 1939, the capture of 203-Meter Hill would not have been necessary. It was actually not necessary then, excepting that the Japanese observed a standard in fighting based upon a theory of international law, that women, children, and noncombatants were entitled to an immunity from gun fire. That, I repeat, was the very acme of respect for the international law of war and to Japan must be given this high award.

To Japan also must be given condemnation for falling the farthest or the lowest, not in a return to barbarism, for no barbarian ever killed promiscuously and without object, but in causing a complete loss of any responsibility at all for an observance of any rule of law which had respect for women, children, and noncombatants; for when Japan sent her airplanes over Chapei in 1932 bombs were dropped on anything. It was not only Japan that had slipped so low but the whole of civilization suffered, for all civilization refused to be shocked. Something had happened. A new order had come, and what an order! An American naval captain was asked, "What about the women and children under such an arrangement?" His reply was, "It is just too bad." European residents of Shanghai rushed to the roofs of their hotels in that city with field glasses to watch the bombardment. Horror actually turned into a spectacle!

Now, I have already said that I am not going to hold Japan responsible, although it is chargeable to her history that this drop in respect for law and life came so spectacularly. The World War is responsible for this, as it is responsible for most of the ills that have come in its wake. Nations no longer use mere armies, they use every organized resource, economic as well as military. They use potentialities, and the baby is in reality a potential soldier or munitions worker and therefore must be reckoned a legitimate military victim. In the history of civilization it took until the time of Jesus to evolve a theory about the individual which was tangible enough even to develop the concept of an individual's right to life. In one generation civilization's struggle upward during those thousands of years was wiped out. Where can we turn today and find a nation, caught in war as the Japanese and Russians were in 1904–5, which will show concern over a rule of law instituted for the purpose of protecting the weak? A generation ago thoughtful man, conscious of the struggle up which civilization had made, would have deemed it inconceivable to have gone back so far in so short a time.

Every person here will have a different reason for justifying or condemning this new order. It means, though, that nations must build from the ground up; and where are we going to turn now for the teacher nation, and where are we going to find one willing to be a student nation again and admit that relationship? The Far East may bring it, but we have a new thing taking place in the Far East. Note the change that I have recited in regard to Japan. Now get this picture: Assume that China starts her new birth of nationalism as a result of a war which is causing her to shrink into her strongest physical places, build both men and factories, and put the whole Chinese nation on a unitary basis economically and militarily. Assume that the Generalissimo realizes his dream of unifying, centralizing, and building a national Chinese army which does drive Japan into the sea. For in Japan now is centered every grievance which China has felt toward every nation which has done her hurt since the Opium War. We must remember that for the first time in the whole history of China a nation is now being built upon a hate for a neighbor. The old China was built on pride of self and a belittling of the rest of the barbarian world. But with hate as the motive the result may be terrific. If, on the other hand, some teacher nation may be found to reintroduce into those two unhappy lands the gospel of the mean, the logic of self-restraint and cooperation, what cannot we dream as being the greatest promise for a future of world order?

How can this be brought about? Where can we turn to get the teacher nation, the nation which may have the respect of both, the nation sufficiently disinterested to act as a model and an advisor to thoroughly ill neighbors? There is in reality not a single conflicting aim of any consequence between the United States and China and the United States and Japan, excepting our almost universal condemnation of Japan's actions since 1931. We have settled the immigration questions, we have come out of the Far East, we are offering the Philippines their independence. Our fortifications and our Navy, to be sure, are both built to withstand possible attack from the west, but they are of primarily a defensive and not an offensive nature. If an enforced peace were our objective, we could bring it to the Far East without much difficulty—a mere taking of sides on our part openly would decide the issue of war there, and it could be done without European or other complications, whereas if England or Russia or Germany attempted the same thing a world war would be inevitable. Can we not see that that respect which both China and Japan have had for us, the faith which they have in the American people, might be turned to good effect if we were but willing to do our part? We cannot very well offer to mediate in a war which we do not even recognize; good offices proffered would be shunned by both China and Japan. We attempted a nine-power consultation in Brussels. It failed. We have refused to invoke our Neutrality Act primarily because such an invocation would have turned this terrible undeclared warfare into a situation wherein we would have declared actual war for both China and Japan and brought great complications and greater justifications for wrongdoing. Can we not, though, in our daily actions prove ourselves to be that friend who is worthy of being trusted to heal these wounds? Perhaps the time is not ripe, because, as I have told you, for the first time probably in the whole of China's history, China's great 400,000,000 human beings are united in a program based on hate.

Can proud Japan acknowledge an error and act without some face saving? She could if it had not been for the fact that Japan has not been Japan since 1931. She has been an imitator of the worst that the west has produced. When Matsuoka walked out of the League of Nations with a swagger, it was a swagger in imitation of the nations of the west who developed the theory of national pride. The Japanese way was nicer than that. The Japanese way was politer than that. The Japanese way had until

lately never been a rude way. Can Japan return to herself, the willing student, grown greater than any of her teachers perhaps because she never lost sight of the student attitude? The way of the good teacher is to bring about events so that the student acts of his own volition. We cannot take one side against the other. Peace must be brought about by both China and Japan.

I am firmly convinced myself, as I pointed out in the first night's address, that if we could restore peace to the Far East and peaceful cooperation between the two great peoples of the Far East, the world's ills would soon begin to be solved and the standard of life everywhere would be raised. China, the old teacher of all of the civilizations, ceased to be a teacher because she became self-interested. She assumed perfection in her attitude toward herself and the greatest of all world teachers, Confucius, committed the unpardonable pedagogical error of assuming, too a perfection. He put into his scheme of history teaching the "Hounds of Leu." You know the story!

A barbarian prince sent some dogs as a present to an early Chinese king or duke. The advisers of the Chinese king said he must return the present because if he were to accept something from the outside world his own people might think that there was something worth while in the outside world and they would cease to appreciate their own. The dogs were sent back.

The Chinese wall is the greatest monument on earth to a foreign policy, and it is the result of the teachings laid down in the Hounds of Leu. Confucius taught so well that his students were satisfied and they accepted in their learning a boundary for knowledge quite as high and insurmountable as the Chinese wall, and as a result Chinese scholars and Chinese experiences do not smack of having been touched by the great universals of the wide world.

America and the Far East! Is there statesmanship, is there wisdom, is there faith in the theories that are fundamental to our great democracy for us to assume the position of teacher for these two now teacherless civilizations? Some men have dreamed that there are elements in our pan-American treaties which could be extended to the Pacific area, and that all the nations, all the peoples that border on that great ocean shall be made friends under the theory of the good neighbor.

If we are to teach by example as well as by precept, America's mission in the world is seen. With the bulk of wealth, the mass of production, and the ability to produce on our side of the Pacific, and the world's greatest well of consumers on the other side, should not American statesmen lend every effort to bring about this happy condition? We can sell, they can buy, we can lend, they can borrow, we can raise our standard of life greatly and their standard manyfold. What a task for statesmen.

We do some things so well—entertaining a king and queen for example. That took energy, that took planning, that took forethought. Why do not nations use energy, planning, and forethought in bigger things as well?

Laying of Cornerstone of National Cancer Institute

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ADDRESS BY SURG. GEN. THOMAS PARRAN

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the introductory remarks made by Surg. Gen. Thomas Parran on the occasion of the laying of the cornerstone of the New National Cancer Institute near Bethesda, Md., on Saturday, June 24, 1939.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

We have come here to lay the cornerstone of the National Cancer Institute, a new division of the National Institute of Health. Because of the vision and foresight of our national Congress, and the generosity of a private citizen, Mrs. Luke Wilson, this beautiful building now stands before you on an imposing site.

It is a matter of national pride and gratification that we can say today: Nowhere in the world will you find in a single structure, the equivalent of what is here provided, in physical equipment and facilities, solely for scientific research in a specialized field of medicine.

Because of the excellence of the job done here, I should abuse my privilege of welcoming you if I did not first voice the appreciation of the United States Public Health Service to the many individuals whose imagination, technical knowledge, and labor have gone into the planning, construction, and equipment of the National Cancer Institute.

This institution will ever remain a symbol of the faith imposed by the American people in their Federal health agency—the United States Public Health Service. That faith is not founded upon the impressive aspect of splendid buildings, but rather upon an unbroken line of achievement stretching back 141 years to the establishment of the Marine Hospital Service in 1798. Indeed, we of the Public Health Service can say with pride and reverence that this institution—this National Cancer Institute—has been made possible by the splendid work of our pioneer investigators, living and dead.

Forty years ago, one of our young scientists grappled with a problem then as mysterious as cancer is today. Henry Rose Carter plodded through fever-ridden counties of Mississippi and emerged to establish the extrinsic period of incubation of yellow fever. Carter's demonstration led Walter Reed to his discovery of the mosquito as the vector of yellow fever and made possible our control of the disease.

Hunting for plague infection in California rodents, George McCoy discovered and described Bacterium tularense. Later, Edward Francis found this organism to be the cause of tularemia, or rabbit fever. Thus "a new disease of man" was discovered and the key to its control put into our hands.

Joseph Goldberger unraveled the problem of pellagra—one which had baffled scientists for many years. With his devoted co-workers, he proved conclusively that the disease is the result of dietary deficiency. Before his untimely death, Goldberger showed that pellagra is closely associated with a new vitamin which he discovered. He laid the foundations for continued research and recent achievement in this field. Moreover, from the epidemiological studies on pellagra, conducted by one of Goldberger's collaborators, Edgar Sydenstricker, have descended a long line of significant investigations of the mass problems of disease which form a necessary basis for effective control steps. In fact, one can say that the science of epidemiology has had its origin and greatest development in this country due to the pioneer efforts of Lumsden, Frost, Sydenstricker, and their colleagues.

What these men accomplished continues to activate further achievement. Their work may be likened to a pebble thrown into a pool. From it ever-widening rings radiate to send a wave crashing on the shore. This is true of all scientific achievement. It symbolizes the tradition of the National Institute of Health. These few attainments must serve briefly to mark the character of the manifold research activities of the Public Health Service. Much more has been and is being done. Even within the past decade studies on choriomeningitis, typhus, on Rocky Mountain spotted fever, on undulant fever, relapsing fever, meningitis, and the deficiency diseases have won world-wide recognition.

Aside from the public trust invested in us, the National Institute of Health has won and cherishes the respect of scientists in this country and the world over. In its report to President Roosevelt, the Science Advisory Board of the National Research Council stated: "The scientific achievements of the Public Health Service, both in the laboratory and the field, are unexcelled."

Only a few weeks ago a prominent physician made a statement which I believe is particularly significant in relation to this occasion. Speaking at the Senate subcommittee hearings on the Wagner health bill, Dr. David Seegal, director of the research division for chronic disease, department of hospitals, New York City, said: "It is the consensus of opinion of a group of disinterested individuals coming from countries other than our own that * * * an institution supported in the main by tax funds can add to the sum total of knowledge in the war on chronic disease. We have ample evidence that tax funds may be used for such a purpose in this country. I know of no finer place than the National Institute of Health."

This reputation is deserved, and it is my deepest concern that we continue to live up to it. As in any living organization, that responsibility falls heavily upon you, young men and women, of our staff, whose careers are before you. Back of you there is a rich heritage of hard work and achievement. The future of this new institution lies largely in your hands. It will be just what you make it.

I know that many of you have come into the Public Health Service at a financial sacrifice. That you are here signifies your personal awareness of and desire for greater satisfactions in life than the acquisition of money. You have been eager to seize the opportunities for professional achievement that a generous and wise Government has provided. You have enlisted for front-line duty in the conquest of truth, and I know that you will continue faithfully at your posts.

It is not likely that any one of you will conquer single-handledly this age-old enemy, cancer. Scientific knowledge has increased and has become so complex that no one individual can possibly become skilled in all fields of investigation. Research in the biological sciences continually becomes more closely interrelated with other branches of study. The Public Health Service, of which you are a part, has made its honorable contribution to this evolutionary advance. The complexity of medical research may best be appreciated when we realize that the staff of the National Cancer Institute will include pathologists, geneticists, cytologists, radiologists, biochemists, physicists, epidemiologists, statisticians, and, of course, physicians.

This is a cooperative venture—a group effort. Only the larger group can accomplish the larger task. Hence, I repeat, victory may not come to you as individuals. But if I read aright your spirit and enthusiasm, the aggregate accomplishment of this

group, wielded in the fraternity of the scientific discipline, will in the end impressively advance man's conquest of disease.

This assurance is strengthened by the willingness of the outstanding experts of the country to guide our policies as members of the National Advisory Cancer Council. We are honored to have their presence here today.

It seems particularly fitting that to lay this cornerstone, we have the one man whose vision and persistence is primarily responsible for this event. Unique in the legislative history of the country, the National Cancer Institute bill was introduced into the Senate by Senator BONE on his own behalf and on behalf of 95 other Senators. Similarly when the measure reached the House, no voice was raised in opposition. Such unanimity illustrates the fact that the health of the people is not controversial. It is my great pleasure and honor to present Senator HOMER T. BONE.

Progress of the Farm Security Administration Borrowers

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 5, 1939

LETTER FROM THE ACTING ADMINISTRATOR OF THE FARM SECURITY ADMINISTRATION

Mr. PEPPER. Mr. President, I do not know of any organization which has a better record for getting value received for the money it has spent than the Farm Security Administration. I have in my hand a compilation of something that has been done in my State in the recent past by the Farm Security Administration, and I ask unanimous consent to have that splendid statement incorporated in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
Washington, May 1, 1939.

Hon. CLAUDE PEPPER,
United States Senate.

MY DEAR SENATOR PEPPER: We have just received a report on the progress of the Farm Security Administration borrowers throughout the country, and we felt that the figures for Florida might be of particular interest to you.

As you no doubt know, our major activity is the rehabilitation of needy and low-income farm families through small loans, accompanied by guidance in sound farming methods to insure the best possible use of the money.

Most of these families are extremely poor credit risks, judged by normal standards. None of them can obtain adequate credit on reasonable terms elsewhere. Many have been on relief. Our program is designed to make them independent of further assistance, by providing them with the equipment and the training necessary for successful farming.

From the beginning of the program in 1935 until January 1, 1939, a total of $232,410,369 had been loaned to approximately 650,000 farm families in the United States. These borrowers already have repaid approximately $72,000,000 into the Federal Treasury.

The Farm Security Administration has made such loans to 12,930 farmers in Florida since the inception of the program in July 1935. The loans from emergency relief funds have totaled $4,333,335.07, an average of $349.66 per family.

These farmers had repaid $1,288,666.09 up to January 1, 1939, although much of the money will not be due for 4 or 5 years.

We have just completed a survey of the progress made by a group of typical rehabilitation borrowers as of January 1. This survey, covering 3,650 families in Florida, showed they had increased their total net worth since coming onto the program from $2,882,173 to $5,073,100 at the end of the 1938 crop year—over and above all debts.

These families, therefore, had added a total of $2,190,927 to the wealth of their communities, or an average of $600.25 per family. We consider these net-worth figures, which reflect the difference between total assets and total liabilities of each family, an even better indication of progress than repayment figures, because they show the actual progress made by the family.

During the past crop year alone these families increased their total net worth by $338,300, or an average of $92.69 for each family.

One of the primary aims of the rehabilitation program is to enable borrowers to raise their own food supplies and livestock feed so they will be less dependent upon cash crops. Their progress is indicated by the fact that the 3,650 typical F. S. A. families who reported in Florida had stored away 677,800 quarts of fruits and vegetables last year to tide them through the winter.

The average family has increased its annual production of home-canned food by 147 quarts since it first received an F. S. A. loan.

Moreover, the production of meat for home use has risen a total of 1,221,276 pounds annually, or 334 pounds per family; and the average increase in egg production for home consumption was 57 dozen per family.

Relatively few families owned milk cows when they first sought F. S. A. aid, and this lack often was reflected in the health of their children. By the end of the 1938 crop year, however, the borrowers in Florida reported that they had increased their milk production by an average of 283 gallons annually, or a total of 1,031,535 gallons.

This increase in the production of foodstuffs does not mean additional competition with farmers in other areas, since virtually the entire output was consumed at home. It represents improved diet, based on foodstuffs which previously were not available, usually accompanied by a marked improvement in health.

One of the most frequent causes of distress among farmers is the fact that they are overburdened with debts. Consequently the Farm Security Administration has set up local farm debt adjustment committees to bring the debtor and his creditors together for a friendly discussion of their mutual problems. These committees have no legal authority to compel adjustments, but usually they find it possible to reach agreements for extending the time of payment, reducing interest rates, or scaling down the obligations. As a result, the farmer is saved from foreclosure and his creditors obtain substantial payments on what might otherwise have been uncollectible debts.

In Florida 1,893 farm families had been helped through such debt adjustments up to January 1939. Their obligations were scaled down from $4,504,101 to $3,759,239, a total reduction of $744,862, or 16.5 percent. As a direct result of these adjustments a total of $117,910 in back taxes was paid to local governmental agencies. In addition, a group case was adjusted which benefited 527 farmers. In this instance uncollectible debts amounting to $4,075,500 were scaled down to $427,500.

Another main object of the rehabilitation program is to get better land tenure for borrowers who are tenants or sharecroppers. While many of the borrowing families are owners, the report showed that among the tenants, 1,612 had obtained written instead of oral leases. Moreover, 495 had advanced from a sharecropper to a tenant status during the year.

There are three other measures of the progress made by these rehabilitation borrowers. The report showed that 140 families were getting medical attention, through participation in group medical care programs; 796 were practicing definite erosion control measures; and 3,960 children of school age were enabled to attend school as a direct result of the rehabilitation program.

Our field workers reported that they knew personally of 4,844 families in Florida who were eligible and in need of rehabilitation loans, but were unable to obtain them because of lack of funds.

Next to the rehabilitation program, the Farm Security Administration's chief function is to make loans to tenants, sharecroppers and farm laborers for the purchase of family-size farms under the terms of the Bankhead-Jones Farm Tenant Act.

While loans have been confined to certain counties in each State, we will have made approximately 56 such loans in Florida, aggregating $214,702 by the end of this fiscal year.

Last year, the first in which the tenant-purchase program was in operation, 16 loans totalling $60,645 were made in Florida. This year we estimate we will be able to make 40 loans aggregating about $154,057.

If you would like any further information on the Farm Security Administration program, please let us know.

Sincerely yours.

C. B. BALDWIN, *Acting Administrator.*

Third Presidential Term

EXTENSION OF REMARKS
OF
HON. EDWARD R. BURKE
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 5, 1939

RADIO ADDRESS BY HON. JOSEPH F. GUFFEY, OF PENNSYLVANIA

Mr. BURKE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very effective speech delivered last Monday night over the air in opposition to a third term for President Roosevelt. The speech was delivered by the junior Senator from Pennsylvania [Mr.

GUFFEY], ostensibly furthering a third term, but I believe when the Members of the Senate who did not hear the speech read it, they will agree with me that it was a most effective argument against the third term.

I offer it for the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Americans, my name is JOSEPH F. GUFFEY. I'm a lifelong Democrat and I come from Pittsburgh. I've been United States Senator from Pennsylvania since 1934—the first Democratic Senator to be elected from the Keystone State in more than 60 years—and next year I'm going to run for reelection on my record as a 100-percent pro-Roosevelt New Deal Democrat.

Tonight I'm speaking in answer to Senator BURKE, of Nebraska, who was also elected to the Senate as a New Deal Democrat in 1934. He recently attacked the rising popular demand that Franklin Delano Roosevelt shall run for a third term in 1940.

Now, I am for Roosevelt and I want him to have a third term. As a matter of cold political fact, if Franklin Delano Roosevelt is elected to the Presidency again, it will be his first real term of office. When you elected Roosevelt in 1932, his first term was canceled, vetoed, by the Supreme Court. When you reelected Roosevelt in 1936, his second term was stolen by Tories and political ingrates.

I'm for a third term for Roosevelt for four reasons—because I am a Democrat, because I am a practical politician, because I am a liberal, and because I am an American.

I'm for Roosevelt as a Democrat because it's the way to win the next election hands-down; no "ifs," "ands," or "buts," no alibis, and no double-crossing. As a life-long member of the Democratic Party, I want my party to win.

I'm for Roosevelt as a practical politician because anti-third-term talk is bad politics. A quarter of the Senate has served more than two terms, and another quarter of the Senators are serving their second term and hoping for a third. Three-fourths of the Members of the House of Representatives are in the same position; and, of course, we appoint our judges to serve all their lives. That's all right. I believe in experience. How stupid it is for men to say that a third term is wrong, that there must be rotation in office.

Who are the men who are talking against a third term for Roosevelt? Senator BURKE says he's in favor of one term of 6 years. Then there are other members of the Democratic Party who say that they have such high regard for President Roosevelt that they just feel sure he won't challenge the third-term myth. Some of these men have had such high regard for Mr. Roosevelt that they have balked, filibustered, or mutilated some of the President's measures during the last 2 years and have recently condemned a million American families on W. P. A. to beg or starve. If I were President Roosevelt, I'd rather not have the high regard of men like these. We love him for the enemies he has made.

I'm for a third term for Roosevelt because I am a liberal and I believe in democracy. The judges and the lawyers cheated the people out of President Roosevelt's first term. The ingrates and the "middle of the roaders" robbed the people of President Roosevelt's second term. If the Tory politicians and the big-business magnates succeed in bamboozling the American people for a third time in 1940, then there's going to be an upheaval which will sweep away all politicians and all big business. I don't kid myself that the American people love their politicians. As I study the election returns, I see the American people getting sick and tired of political machines and political wire pulling. It's time for all politicians to take notice when a serious historian like Herbert Agar, of the Louisville Courier-Journal, tells an audience in Massachusetts that, as now run, our political conventions are large-scale vaudeville shows which breed cynicism and contempt for the democratic system of government. If the people are short-changed again by the politicians in 1940, then there won't be any 1944, politically speaking. There will be dictatorship or civil war to take the place of shell-game elections between a Republican tweedledum and a Democratic tweedledee, or perhaps I should say between a Republican tweedledum and a Democratic tweedle-dumber.

I'm for Roosevelt for a third term in 1940, as an American, because I know what he has done to save America, our people, our peace, our free institutions, and our faith in God and man. When the worst that can be said of Roosevelt's W. P. A. is that perhaps the New Deal relief system gave hard-working decent Americans jobs which could have been done cheaper by machinery or by sweated labor, then I know that Roosevelt has been everlastingly right and that the opposition has been and is everlastingly cheap, timid, mean-spirited, and small of soul. And I know that the love and the trust of millions of loyal Americans for that stout-hearted, loyal man in the White House is a national asset worth countless billions of dollars. For, if we do not despair of the Republic, we can free any calamity which may befall us. But if we lose our trust in each other, our faith in democracy, we have nothing left but brute force and brute necessity to hold our society together. That's a job for a butcher, not one for a free man. And if the Tories and the ingrates succeed in breaking the people's faith in Roosevelt, I tell you that America, as we know and love it, will be done for.

Our people recognize this issue. They want our liberal democracy to continue. They know that Roosevelt alone can ensure its safety.

Throughout the country the tide for the third term has set in. Now it is running strongly. It is irresistible and will calmly push back all the King Canutes of big business and fat banking who try to order it not to obey the laws which govern the political universe. Only in the last few days, two of the greatest liberals of our time, Senator NORRIS and Secretary Ickes have declared in favor of the third term for Roosevelt.

These and similar forward-looking progressives have long been contemptuous of party lines in their long devotion to the liberal cause. They represent the millions of Americans who owe no party allegiance and who decide the outcome of national elections. Americans who are neither Republican nor Democrat, but who have the welfare of this country at heart, and who want the best and most effective Government they can get. Because millions of Americans think as he does, we must pay great attention to Secretary Ickes when he says:

"Liberals who left the Republican Party and who have followed Franklin D. Roosevelt from 1932 to 1939 will not stultify themselves by voting for a reactionary Democrat. They will not take any too kindly to a Republican reactionary, but if they have no other choice they will prefer a Republican to a Democratic reactionary."

Every member of the Democratic Party ought to remember these words, for they express the attitude of millions of American voters whose support we may lose more easily than we think. The New Deal Solicitor General, Robert Jackson, reminded us bluntly of this in his speech in Kansas last February:

"The plain lesson of history," Bob Jackson said, "is that when the country wants reaction it will take it from Republicans, who are experts in reactionism, and when it wants liberalism, and only then, will it turn to the Democrats. The Democratic Party will either be a liberal party or a minority party. If Democrats join Republicans in helping turn the people against the New Deal, they will find that they have also turned them against the Democratic Party and are authors of a ruin in which they will have to share."

As I said, I am a lifelong Democrat, and I want the Democratic Party to win the next election. It is the liberal group, the nonparty group, the group represented by men like Harold Ickes and Senator GEORGE NORRIS, which will hold the balance of power in 1940. So as Democrats we must pay attention when they say that Roosevelt is the only man who commands their enthusiasm and enlists their support.

The American people don't like turncoats or quitters. They admire men who go down fighting for their principles, even when they don't agree with those principles. Back in 1934, when Senator BURKE was running for election on Franklin D. Roosevelt's ticket, he praised the New Deal to the skies. He said: "It voices the deathless cry of good men and good women for the opportunity to live and work in freedom, the right to be secure in their homes and in the fruits of their labor, the power to protect themselves against the ruthless and the cunning." He said that the New Deal "seeks to cement our society—rich and poor, manual workers and brain workers—into a voluntary brotherhood of free men, standing together, striving together for the common good of all." As Mr. Dooley might have said, "Ye can waltz to it!" And Senator BURKE waltzed into office as a result of this lip service to the New Deal. And now it is Senator BURKE who rises to tell the radio audience what's what in the third-term tradition.

A few minutes ago I spoke of the practical politics of the third-term fight. Will Senators who have served 10, 20, and over 30 years in the Senate argue that it is morally wrong for a President to serve more than 8 elected years? Can Senators who have been in the Senate since the World War convince us that we must get rid of Roosevelt because he has been in the White House since 1933?

As a practical politician I tell you, and particularly those persons who quote Thomas Jefferson to you the way the devil quotes Scripture, that this anti-third-term talk is political dynamite.

Jefferson, we must remember, supported the principle of rotation in office, not for the Presidency alone but for the Congress as well. He believed that Members of Congress should not be reelected after 2 years in office. When Members of the Senate quote Jefferson, they had better remember that some young man may rise in their own bailiwick, when they are running for a third, a fifth, or a seventh term, and quote their own words out of their own mouths as a reason why the young man should unhorse them.

No one who believed in a third term for Theodore Roosevelt, or Coolidge—yes, even Coolidge and the powerful Wall Street interests behind him, who maneuvered him for a third term—none of these, nor any Senator who has served two terms or more and wants to run again, can safely oppose the third term for the President. For example, Senator VANDENBERG, in the hope of setting himself up in the role of Harding—as an imaginary point in the center of the Republican Party—assures us that if he is elected he will not encumber this country for more than one term. What a revelation in self-appraisal by a candidate for the Presidency. The best argument that he can give to our people to elect him is his personal guaranty that they will have him around their necks for the shortest time possible. But the desire of Senator VANDENBERG to relinquish power is somewhat clouded over by the announcement that he is hedging his candidacy for a first and only term in the White House by a simultaneous candidacy for a third term in the Senate.

No. These are dangerous times. We can afford nothing less than our very best man in the White House. What other man than Roosevelt could match the dignity of a king and queen, and handle them in a way that made this whole country proud of him, and at the same time know and feel the problems of the

unemployed miners of Pennsylvania, and the struggling farmers of the Middle West? In these times of real danger to America—danger from within and from without—we need a real leader, someone who can really represent our democratic will to survive. And we know that we have such a leader in the White House now—Franklin Delano Roosevelt.

Just suppose a few fixers conspire to thwart our democratic will. Suppose they force upon this country a figure head, a stuffed shirt, an incompetent middle of the roader, or a young and inexperienced man, when everyone knows that we need a man with knowledge of the world, knowledge of America, determination, and courage. Can these political fixers seriously believe that they will not be instantly branded throughout this country as the professional embezzlers of the rights of a free democratic people?

Can they seriously believe that the anger of the American people at this betrayal in their hour of need would stop at them?

I tell you that the disgust of the American people would reach not only to the dummy given the leadership of our country, but to the whole system of democratic institutions which can be captured and misused by selfish and scheming men. And who could blame our people for such a revolt in their hour of anger? Not they, but the schemers, the fixers, the old political hands, would be responsible for the death of one of the last, great free democracies in the world.

We Americans know that to our people Roosevelt is not just a name in the papers, as are the other candidates. Almost every American old enough to walk, has by this time actually seen President Roosevelt. He has seen and been seen by more of our people than has any other man in the United States. They don't want shadow candidates now. They want Roosevelt, because they trust him, as they trust nothing else in our political and economic life. They know that for the last 7 years, Roosevelt has been in there fighting for them, as no other President has fought for them. In 1932, Roosevelt began his fight to transform this country from disorganized, uncontrolled anarchy, to a Nation in which, by Government cooperation, our resources could be conserved, our level of production maintained, our people made secure. In 1936, the people of this country gave an overwhelming mandate to see the fight that Roosevelt had begun carried on. In 1939, that fight is not yet over. Our people demand that, under Roosevelt's leadership, it shall be carried through.

As Jay Franklin said in a recent broadcast discussion of the third-term issue, Roosevelt is more than a man, more than a politician—he is the people's President, their representative. Mr. Franklin said, "Who, then, is this Roosevelt that you are considering for a third term? You—millions upon millions of you—you are that Roosevelt, and he is everywhere throughout America."

He is the farmer whose land was saved by the New Deal. He is the factory worker who got decent hours and working conditions and who won the right to stand up like a man and bargain with the corporation. He is the voiceless and voteless sharecropper of the South. He is the homeless migratory worker in the West. He is the honest businessman who has been saved from bankruptcy. He is the man out of a job who got work relief on self-respecting terms, the youngster who got a chance to complete his education. He is the old people who got pensions, the sick who got medical care, the hungry who got food, the men and women everywhere who received justice and hope and who gained fresh courage and new faith in their own country and in themselves.

That is your Roosevelt. I have seen it on the picket lines and in the mines, on the production belt and behind the shop counter. I have seen it in the great dams and the terraced fields, in the C. C. C. camps and the W. P. A. projects. I have seen that Roosevelt when he faced a hostile crowd of men, men who were timidly thinking of their own bank accounts instead of thinking of your welfare, when Roosevelt broke through their fear and enmity, as a swimmer breaks through a toppling wave and emerges laughing, and made them stand up and cheer him. I have seen that Roosevelt in Congress, where even his political foes combined to pass the New Deal program against their own desires because it is what you want.

There is your President. It is not the smiling pictures in the newspapers and news reels; it is not the friendly voice of the fireside talks; it is not even the gallant fighter who has refused to let you down. You have made Roosevelt in your own image. It is you who must have a third term.

That is the story. You probably have heard of me as a practical politician. I am proud to be one. I tell you that this third-term demand for Roosevelt is the most remarkable development I have experienced in my 43 years of practical politics. It is not a led or manufactured movement. No group of politicians has met in a back room to discuss putting Roosevelt over in 1940. Most of the papers are not only against it but have refused even to print news about it. When Secretary Ickes first came out at a press conference with a demand that Roosevelt run again, the papers did not print it. Instead they published a story about his private life and killed his most important public utterance. And when he wrote a magazine article to express the same idea, the magazine edited his remarks so that they sounded like an attack on other Democratic leaders. No; this third-term-for-Roosevelt movement is of the people, by the people, for the people. All that liberals, New Dealers, Democrats, and practical politicians can do about it is to jump aboard and go where the instinct of America tells us we will find peace, dignity, and security—in the victorious completion of the New Deal under Franklin Delano Roosevelt.

All they can say against it is that it has never been done before.

Well, we never had all the banks closed before. We never had the Hoover bread lines before. We never had the Hoover apple sellers before. We never had mass foreclosures before. We never had such great floods or such dangerous dust storms before. We never faced such a challenge to democracy before. We never had to move the Government in to save business and labor and farmers and miners before. And we never had a Franklin Delano Roosevelt as President of the United States before. So what?

I, JOSEPH F. GUFFEY, am for Franklin Delano Roosevelt for a third term.

The President's Neutrality Bill

EXTENSION OF REMARKS
OF
HON. JOSH LEE
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 5, 1939

EDITORIAL FROM WASHINGTON DAILY NEWS

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the RECORD an excellent editorial on the President's neutrality bill, published in the Washington Daily News of today.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of July 5, 1939]

TODAY IN CONGRESS

In Congress today the President's leadership is being put to the test in two fields—his neutrality and monetary policies.

In our opinion the best interest of the country would be served in both instances if Mr. Roosevelt's views prevailed.

The President wants to keep America out of war. He is afraid, with good reason, that if a European war starts we will eventually be drawn into it. So he holds that we should at the very least do nothing to encourage European war.

The House, by writing into the administration neutrality bill last week a flat embargo on exports of arms and ammunition to belligerents, has won the cheers of the Axis press. For Germany and Italy would be blockaded by the Anglo-French Navy if war came and couldn't buy from us anyway; accordingly the House action is damaging only to the democracies. That is why the President says we are in the position of encouraging new aggression in Europe.

The Gallup poll has indicated that most Americans favor amending the law to permit the sale of war materials to England and France. But the House has read the country's pulse differently. It remains to be seen what will be done by the Senate Foreign Relations Committee, meeting today, and later on by the Senate.

For ourselves, we recoil from the prospect of having to reflect, if war does come to Europe, that the Congress of the United States helped to precipitate it.

Citizenship Day

EXTENSION OF REMARKS
OF
HON. RUSH D. HOLT
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 5, 1939

ADDRESS BY HON. RUSH D. HOLT, OF WEST VIRGINIA, JUNE 25, 1939

Mr. HOLT. Mr. President, it was my pleasure to participate in a great patriotic meeting in the city of New York. This gathering is best described in the words of Sanford E. Stanton, of the Journal and American. He said:

MORE THAN 20,000 HONOR NEW CITIZENS

In the greatest peace-time demonstration of patriotism ever witnessed in New York, Citizenship Day was celebrated on the Mall, Central Park, yesterday afternoon by a wildly cheering, enthusiastic throng of more than 20,000 citizens.

Facing the massed colors of 110 veterans' groups while an impressive silence hung over the vast throng, 2,000 young citizens took a solemn oath of good citizenship.

Deputy Chief Inspector John J. DiMartino, who headed a police detail of 75 uniformed men, estimated the Citizenship Day crowd at 20,000. Frank Sorace, of the park department, put the figure higher, and said:

"This is the largest and most orderly gathering ever held on the Mall."

Forerunner of a national holiday, dedicated to American citizenship, the ceremonies on the Mall took on historic importance.

Leaders of the city, State, and Nation rededicated themselves to the perpetuation of the principles and ideals of American democracy.

From the lips of one speaker after another came words of generous praise for the New York Journal and American and all Hearst newspapers in leading the movement for national observance of Citizenship Day.

I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD a copy of the speech I delivered on that occasion.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As a young man, I welcome you young men and women as citizens of our country. It was only 13 years ago I was your age.

I am here this afternoon to participate in a great program, one that should be duplicated in every city in our country. What would be better than national citizenship day?

You are now a full-fledged voting stockholder in a great Government. You will find it is the best in the entire world. No, it is not perfect. But that should not discourage us. That should mean to you and to me an opportunity, a great opportunity, to serve our fellow men in making it more perfect. It is not an easy task. But the more you live the more you will realize that the greater the task, the greater the victory, when won. Many of you have been athletes. You know that the victory that meant the most was not a victory over a weak opponent, but a victory over a strong one. We can win a victory in making our Government better.

You are entering a competitive world. You have two large problems facing you—the problem of unemployment and the problem of war. We can and we must eliminate one and prevent the other in America.

The youth want to solve the unemployment problem, not through relief but through private jobs. That is our way out.

Because of widespread unemployment, many persons in this country are spreading discontent. They offer bright hopes that cannot be fulfilled. Their offer is to change our Government. We Americans can meet that challenge. The foundation of this country is strong. Keep it. Mistakes have been made. Eliminate them, but keep the foundation.

Those advocating many "isms," like the will-o'-the-wisp, never reach their goal.

They say, "Look at that country. There is no unemployment there." How was unemployment solved? Partially by putting the young men in soldiers' uniform, not in overalls; by putting men on possible battlefields, not by placing them in cultivation of fields. More than that, they paid a high price. They paid a price far too high—the price of their liberty.

No country in the world has more liberties than ours. The great Constitution gave them. Our forefathers protected them and handed them down to us. We must hand them down to our children. These rights and liberties must be zealously guarded by every good American citizen. "Eternal vigilance is the price of liberty." When our rights are challenged, we must meet that challenge, not by pussyfooting, not by evasion, but meet it directly as a menace that would take from us a precious heritage.

Too many persons believe in free speech for those who advocate their cause but not for those who oppose it. Free speech means either free speech to all or free speech to none. The right of free press, the right of peaceful assemblage, the right to worship God as one's own conscience dictates, the right of trial by jury, and those other guaranties must be protected.

We must say: I shall protect the rights of others as though they were my own. I shall not take privileges I refuse my fellow man. To the Communists, to the Fascists, I say, we have free speech, something you use here, but something you deprive your opponent in the country of your ideal. We have the right of free press, something you have here but something deprived your opponent in the country of your ideal.

We have the right of worship. Can you say as much for the land of the dictatorships, either the right or the left?

To those who advocate the overthrow of our Government I say, if you are arrested here you have a right of trial by jury. Can you say as much for your ideal country?

We have many rights here. Things we have every day do not seem so valuable. We realize their value when we lose them. Liberty can be lost gradually. Many have sacrificed their liberty in order to provide temporary security. Those who would sacrifice their liberty to acquire temporary security deserve neither.

I do not fear any "isms" as long as we have pure, healthy Americanism.

We see developing the advocacy of a religion of worship of the state. In many countries the citizen is a servant of the state. The state should be the servant of the citizen. We have in America those who would take away from the citizen rights and transfer those rights to a government. We must be awake to such a dangerous transfer.

You realize that both the forces of communism and the forces of fascism want to win their battle here through you, the youth of the country. They feel that it has been done elsewhere and that it can be done here.

Hitler says much of his rise came through youth. An order in Germany said: "All German youth within the borders of the Reich are united in the Hitler youth. All German youth outside parents' home and schools are to be trained bodily, mentally, spiritually, and morally in the spirit of national socialism for service to the nation and to the unified people."

Josef Stalin, the dictator of Russia, believes that the youth of that country should be trained for their service to communism.

But the challenge is here. Earl Browder, leader of the Communists, in his book says: "The winning of the working-class youth is the problem not of our youth organizations alone, but the problem of the entire party. * * * Every party unit and every party committee must take as a part of their daily concrete tasks the work among the youth." And he also says that the Young Communist League should "broaden out the scope of its activities to include everything that interests, attracts, and holds the masses of young workers."

I do not challenge his right to say those things. I believe in free speech. We who believe in Americanism should meet his challenge. We have a better product to sell than he has. We can meet him point by point and have many to spare to win. Let each of them bring their ism to light and light will destroy it. The way to destroy communism and fascism in America is to meet it through reason.

Some are now shouting, "Save the democracies." If we love democracy, let us save it here. There is our field. Democracy has worked here. No; not perfectly, but no government in the entire history of mankind has been perfect. Let's keep democracy working. Let's make our democracy better. You and I and the millions of other young men and women can help. Are you interested? I know you are. You wouldn't be here this afternoon if you weren't. I have been asked hundreds of times in many States of this Union, Will the young men and women of this country go Communistic or Fascist? My answer is "No. They are too wise to accept the false promises."

They know that thousands of young men, just their age, are carrying rifles in many countries, not because they have enemies. What sane young man wants to shoot another young man just because the other fellow is of another nationality?

Instead of preparing to die American youth must prepare to live—live for a better country.

The youth of America will die to protect America from invasion, but they do not want to be sent across the seas to die as a stake in an international game of power politics. The voice of the youth of this country says, "I will die here to protect America. Let those who want to protect other countries go there and die in such protection. Why should we die in a war where we have no business? Let those who declare war be the first who fight it."

Again I welcome you as citizens. The enthusiasm and vigor of youth are important. We have much to learn. Once Mark Twain said that when he was 14 he wondered why his father was such an old fool, but when he got to be 21 he wondered how his parent gained so much information in 7 years. We need the advice and counsel of age.

We have more opportunities in America than in any other place because of the sacrifices of our parents and their parents. They gave to their children more than they had received. We must not fail to carry on.

Success in the field of government is not different than success elsewhere. It is not acquired in that gotten but in that given. If you enter the field of Government service, you will have many reverses. Many times those who fight for the right are the victims of the most bitter abuse from those who would profit by the fight. If you are interested in popularity and you will sacrifice principle to acquire that popularity, do not enter the field of government. Stay out, not for your own sake but for the sake of your fellow men. No man can be a success if in his own heart he knows he has not been honest and has deserted his true principles. A man may have the plaudits of thousands yet fail.

The young men and women of the country have an opportunity. You have an opportunity to be a success. You have the greatest country in the world. Participate in its counsels. Make it better. We need you. America needs men—

"Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who posses opinions and a will;
Men who have honor; men who will not lie."

America needs you. Be American.

The Farm, The Press, America's Future

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, June 29, 1939

ADDRESS BY FRANK GANNETT

Mr. NYE. Mr. President, on June 9, Mr. Frank Gannett, in speaking before the State Editorial Association of Kansas in Coffeyville, Kans., addressed himself to the subject of The Farm, The Press, America's Future. The address is so fraught with worth while information that I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Some who live in cities come to believe that our national economic life centers in the offices and factories which surround us. They overlook the fact that the economic life of all cities is rooted in a background of generations during which farmers represented three-quarters of the population, and the further fact that, even today, nearly one-half of our population live on farms or in small rural communities, supported directly by the handling of products from farms, forests, and mines.

Farmers have played a major part in the building of this Nation. In 1790 four-fifths of the people of the United States lived on farms. The population, then but 3,930,000, was settled in a narrow band along the eastern seaboard. Thirteen Colonies, composed of farmers, fought the Revolution, set up our Constitution, and established a new form of government.

Then started the greatest pioneering trek that the white race ever engaged in. Courageous farmers settled the Eastern States, took possession of the Mississippi Valley, moved into the South and West; then the Southwest and Northwest were reduced to possession, and finally the Pacific coast. In four generations farmers of the United States cleared the forests, built roads and schools, and opened to cultivation as much land as the white race had gained in a thousand years of previous struggle.

For more than a century agricultural products, such as wheat, cotton, lard, were exported in exchange for the things America needed. Our agricultural exports paid the interest and repaid the foreign capital borrowed to build our railroads and industries. In cotton alone since 1800 the United States has exported 500,000,000 bales, worth $30,000,000,000, and since 1852 exports of 10,250,000,000 bushels of wheat have represented $12,000,000,000. No branch of industry has figures to compare with these returns for single commodities.

The freight paid on farm products moving to our cities and to export markets made it possible to build in the United States the world's most efficient transportation system, with 40 percent of the world's railway mileage.

American industry was built up on the shoulders of the American farmer. Mass production, which makes American industry the most efficient in the world, depends to a large extent and in many lines on the breadth of our farm markets. Nevertheless, through most of the Nation's history the farmer has had to sell his products in world markets without tariff protection, while the tariff wall shut off the inflow of cheap manufactured goods from abroad. The farmer, compelled to pay higher prices for machinery and goods, thus subsidized the development of United States industry.

The first great industrial development in the United States was the manufacture of agricultural implements. More new inventions and improvements in agricultural implements were made in 100 years in the United States than in 5,000 years—yes, since the dawn of the first day—in Europe. Selling to a vast domestic farm market, the United States implement industry expanded into every market of the world. But it was the broad domestic markets supplied by American farmers that supported this world-wide development until our vast diversity of manufactures spread into all the markets of the world.

It would promote sounder thinking by those who attempt to discuss the Nation's economic problems if they would first try to see the country as a whole by an airplane tour. Looking from an airplane traveling across the country, as I frequently do, cities disappear into insignificant spots. One gains the deep impression that this is a vast land of farms from sea to sea. One flies over the great cities in a few minutes, but it takes many hours to cover the country in between.

Born, myself, on a farm in central New York, I know childhood and youth in a farm home and what work on a farm means. Today as I drive through the country I am often appalled by the change that seems to be taking place. The farmer is not as prosperous as he formerly was. One does not see new fences, newly painted buildings, newly erected silos, and other marks of prosperity and high activity as formerly.

What has raised this havoc with the farmer's income? Not laziness, not thriftlessness. Reviewing the history of the successive waves of bankruptcy which have engulfed the American agriculture, we see that each has been caused by a collapse of commodity prices. Ruin has swept the countryside and driven our farm boys and girls to seek a less attractive livelihood in the city.

A crisis has developed here in America that threatens the future of our country and of our system of free enterprise. I am speaking of issues, not of men. I have no hatred for the President. If he would abandon his absurd economic ideas, would dismiss the group of theorists that surround him, and return to sound principles that would promote recovery, I would support him as I did when he first took office.

After 6 years of the Roosevelt program we find ourselves in a worse position than when the President was inaugurated. Today in this country we have some 11,000,000 or 12,000,000 unemployed, 7,000,000 on relief, 3,000,000 on W. P. A.—altogether about 26,000,000 persons living by some form of public assistance. Our employment problem is still most serious, our farm problem unsolved. In addition, we have increased our public debt by $20,000,000,000, until today it stands above $40,000,000,000.

The carrying charge of our national debt now is approximately $1,000,000,000 a year. Think of it. I remember how the country was aroused when the total appropriations of Congress first exceeded a billion dollars. Yet, today, on top of $40,000,000,000 of debt, we're going to add, under the New Deal program, still more deficits and still greater carrying charges.

This dire distress, this great poverty, this whole tragic situation is not due to any drought, flood, famine, or act of God. It is the result of our bungling ignorance, and our stupid failure to make our economic machine function as it should.

The program we've followed has frightened capital and slowed down business. The millions of consumers who earn money and have unsatisfied wants have also become frightened and doubtful of the future. They are afraid to buy because experience has taught them to be cautious so long as we are living under such a program of government. As a result, our banks are bulging with idle money. The total amount of money in the banks, only a few days ago, reached an all-time high. Interest rates have fallen so low as to bring dire disturbances and distress. Schools, hospitals, and charitable institutions find the return on their endowments no longer adequate. Still more distressing, millions of citizens, who by thrift and hard work have saved their money for the twilight days of life, find that the income from these investments will not support them. The value of insurance policies, equities in farms, homes, and other real estate, have fallen to a new low.

Heavier taxation is inevitable because of the Government spending program. Taxes will be increased until they become unbearable. Already nearly one-fourth of the national income—25 cents out of every dollar—goes for taxes. This, of course, is a positive check on all business, a burden on everyone, rich and poor.

What's the cause of this frightening situation? What's at the root of all our troubles?

This is the same country that only a few years ago was enjoying prosperity that amazed the world. What has stalled our economic machine and brought great distress to so many millions of our people?

I'll tell you the answer: Our plight is due to the collapse of prices of commodities, to the great loss in the income of the farmer. Let me repeat: Our troubles are due to a collapse in commodity prices, to the great decrease in the income of our farmers.

Furthermore, I need not tell you, who are so close to agriculture, that the Government's farm program has been a tragic failure.

Out here in Kansas, where you produce so much of the world's supply of wheat, you may be particularly interested in what I believe is the explanation of our distress. It is connected with agricultural pick-up.

The annual income of our farmers is some $5,000,000,000 a year short of predepression totals. Since 1929 there has been an accumulative deficit in the income of our farmers and producers of other raw materials of more than $50,000,000,000.

This great loss in income, a loss greater than our total national debt, is, of course, one of the most important factors in our depression which has now lasted 10 long, tragic years.

Let me say here that our economic troubles are not due to the development of machines. Research proves that machines result in giving more employment to workers. The development of the automobile threw many hack drivers out of jobs, but it gave new work of a new kind to hundreds of thousands—yes, millions—of workers. So it is in all other fields. Our troubles are not due to development of machines.

Nor is our trouble due to overproduction of farm crops. Figures are often dry, but let me quote a few reliable statistics. Take wheat. Between 1921 and 1929 the average crop was 820,000,000 bushels. Between 1933 and 1937 this average production dropped to 625,900,000 bushels. While this decrease was taking place the price of wheat, which averaged $1.41 a bushel between 1921 and 1929, dropped to 85.6 cents a bushel between 1933 and 1937.

The average value of the wheat crop between 1921 and 1929 was $1,156,000,000. The average between 1933 and 1937 dropped to $535,000,000.

Thus, from 1933 to 1937, we produced 200,000,000 fewer bushels of wheat. But the average price was 56 cents lower and the total value of the wheat crop was $621,000,000 less.

The average corn crop between 1921 and 1929 was 2,657,000,000 bushels. Between 1933 and 1937 the average crop had dropped to 2,016,000,000 bushels. The average price had dropped from 84 cents to 69 cents and the value of the corn crop had dropped nearly $900,000,000.

The average crop of oats between 1921 and 1929 was 1,286,000,000 bushels. From 1933 to 1937 this crop had been cut down to 876,000,000 bushels. The average price had dropped from 47 cents to 36 cents.

The average crop of cotton between 1921 and 1929 was 13,000,000 bales, but between 1933 and 1937 the average crop had dropped to 12,589,000 bales. The price had dropped from 21 cents to 10.9 cents. The value of the cotton crop had dropped from $1,374,000,000 to $687,000,000, or just about one-half.

The average production of copper between 1921 and 1929 was 1,618,000,000 pounds, but between 1933 and 1937 had dropped to 918,000,000 pounds. The price had dropped from 15 cents a pound to 9.3 cents; the value of copper produced was $157,000,000 less.

We might consider similar statistics for other farm products and minerals. In every case, they show less production in the years between 1933 and 1937, on the average, than in the years of 1921–29 when we enjoyed general prosperity. And in every case the return to the farmer is only about half as much as it was in those prosperous years.

So we see that all our efforts to decrease farm production and thus make prices artificially higher have failed. In spite of the government's efforts to regulate every farm, the farmer's income, to repeat, is $5,000,000,000 short of pre-war averages.

All Government aid amounts to only a fraction of what the farmer has lost in his earned income.

The farmer's loss of income is not due to overproduction. Reliable research, such as the Brookings Institution, proves conclusively that our farmers have never satisfied the real needs of the American people for food and clothing. Indeed, the United States Department of Agriculture officially shows that more beef, milk, eggs, vegetables, and fruit were required than were produced in 1929 or in any other year.

When we attempt to raise the farmer's income by reducing his production, we work in the wrong direction. Let me emphasize, at the time of our highest farm production we did not satisfy the actual needs of the population.

The whole problem comes down to buying power. At present, production is curtailed to meet a buying power which is grossly inadequate. When the farmers, the miners, and the lumbermen receive good prices, they are able to buy. Industry then booms and gives full employment. When industry booms, its buying power increases, and consumption of the farmer's products follows. But when farmers' prices fail, industry lags, and depression, like a great blight, comes over the land.

Since 1929 farmers have been in their worst depression in history. More than a million and a half farmers have lost their homes, representing savings of a lifetime. Prices were so low that they could not buy what they needed for farm or home.

What was the cause of this great drop in the income of farmers?

The answer is the increase in the value (not price) of gold.

We all know and understand the law of supply and demand and its effect upon prices. But we sometimes forget gold is a commodity just as is silver, copper, lead, wheat, cotton, corn, or timber. The value of any of these products, including gold, is affected by the law of supply and demand. When gold is plentiful, like any other commodity, its value is less and it will exchange for less, or, as we say, will buy less of any other commodity. When gold is in high demand, it becomes more valuable and will buy more of any other commodity.

In 1929, world-wide panicky hoarding of gold began. Between 1929 and 1932, the desirability of gold, its real value, increased two and one-half times because everyone wanted gold. I might say here that all the gold in the world, available, would occupy a cube not much over 37 feet in dimensions. So you see how little there is of it, how comparatively small is the supply.

When gold increased in value, because of the increased demand for it, the farmer whose prices are set by the gold value of his product in world markets—in reality, though he did not think of the transaction in those terms—had given 20 bushels of wheat during the twenties for an ounce of gold, now had to give 50 bushels for the same ounce of gold. In other words, wheat fell from $1 a bushel to 40 cents a bushel.

Instead of 200 pounds of lard the farmer had to give 500 pounds for an ounce of gold, or, stated otherwise, his lard brought 4 cents, not 10 cents a pound. Cotton, instead of 23 cents, brought him only 8 cents a pound. Butter brought 14 cents a pound instead of 35 cents.

Let us keep constantly in mind it wasn't overproduction that did this, for we were producing even less than we had produced and consumed in the previous 10 years. The change was in the commodity value of gold and the world used gold to measure other commodity values.

Years of painstaking research at Cornell University, Ithaca, N. Y., has produced abundant proof that the average price of farmers' products fluctuates as the value of gold fluctuates, and that when we use a certain number of grains of gold as a measure of value there must follow years of booms and depressions in the farmers' income to the extent that this little lump of the commodity gold fluctuates in value.

The gold standard has been used for relatively a short time. Many other commodities besides gold have been used as money and none has been found satisfactory. Whenever the commodity that happens to be used as money increases or decreases in supply, or when the demand for it increases or decreases, its value changes and prices of other commodities measured in that money commodity go up or down.

The monetary history of nations is the story of chaotic change from one money commodity to another in a blind fumbling for something that has stable value. This search has always failed. It is doomed forever to fail because no single commodity—gold, copper, wheat, or anything else—can be stable in its purchasing power over other commodities for the law of supply and demand acts relentlessly upon whatever commodity we choose to use as money.

A careful study of commodity prices in this country for the past hundred years shows that the average price rises or falls as gold rises or falls in value. This fluctuation in the value of gold as a measure of all other commodity values has caused our booms and depressions.

Between 1914 and 1937, gold varied more than 400 percent in its exchange value for other commodities. In 4 years between 1929 and 1933 gold increased in value 150 percent. This brought on the worst depression modern society has ever known. The depression was worse in the United States than in any other nation. Why? Because the United States was one of the last nations to leave the gold standard. Thirty-three other nations had taken action before we did anything to correct our unfortunate situation.

From 1923 to 1929 the gross farm national income had averaged $12,000,000,000 a year. In 1930 it had dropped to nine and a half billions; in 1931 to seven billions; in 1932 to five and a third billions. From 1929 to 1938, inclusive, the farmers of the United States because of depressed prices, received $35,500,000,000 less than their average predepression income. Producers of other basic commodities lost $15,000,000,000 more, making a total destruction of income and buying power of $50,000,000,000.

Just think what a terrific blow this was to America's prosperity! All of this happened simply because the United States refused to heed the fact that gold had become an unstable measure of value, sensitive to panic and war hoarding in Europe.

I doubt if the general public realizes what this great loss in farmers' income means to the farmer and to all of us. In 1932, when the gross income had dropped to five and a third billion dollars, we find after deducting taxes, interest, and other charges, the farmer's average income in cash and in goods produced and consumed on the farm amounted to only $204 a year for each worker gainfully employed in agriculture in the United States, or 65 cents per day. This allowed nothing for the return on the 50 billions of capital invested in farms.

How can the farmer, on such an income, buy from city industries?

Research shows that among our farmers there is an unlimited market for bath rooms, radios, washing machines, vacuum cleaners, sewing machines, automobiles, trucks and tractors, and farm machinery. If the American farmer had an income of five or six billions of dollars more a year than he now has what a market there would be for the products of our cities. There would be such a demand for these things the farmers need that there would be work for all willing workers.

Let me repeat, give the farmer the income that he should have and prosperity will return immediately to our cities and to the country as a whole.

What makes me burn with indignation is the fact that other countries have solved this monetary problem and are enjoying great prosperity while we ignore their experience and remain in deflation and depression.

A few years ago I flew to Buenos Aires, stopping in Brazil. While our farmers were plowing under wheat and cotton and killing pigs, these nations in South America were enjoying great prosperity. Farmers down there were receiving in Argentine currency, with which they paid their taxes, interest, and debt and bought their supplies, prices practically as high as during the predepression period. In Buenos Aires new buildings were being erected at an unprecedented rate. There was confidence in the future and there was no unemployment. These prosperous conditions still prevail there.

You will remember that the depression of 1929 hit the Argentine so hard that the Government was overthrown. Government bonds fell to almost nothing. This was all because the prices of commodities produced in the Argentine had collapsed, as they had throughout the world when measured by a single commodity, gold.

The farmers of the world, whether in Australia, America, or Argentina in reality exchange their staple products in the world markets for the same number of grains of gold. The Argentine financial leaders, recognizing the cause of collapse in prices, advised their Government to increase the number of Argentine pesos into which that gold could be converted. That is, the Argentine price of gold was raised, or in other words, the gold content of the Argentine peso was reduced. Thus, the farmer in the Argentine continued to receive high prices in pesos for his products while the farmers in America received lower prices than the Argentine farmer because the amount of gold in the dollar had not been changed after the price was fixed at $35 an ounce. The Argentine farmer

was able to pay his debts and taxes and have high purchasing power for the things he needed while low prices bankrupted American farmers.

Every nation with prosperous agriculture, and there are many of them today, has solved its price-level problem by correcting the maladjustments in its monetary system.

Forty of the world's most important commodities, weighted according to their importance and average for seven countries, which exchanged for 100 ounces of gold in 1926 now exchange for only 43 ounces. In other words, the average value of commodities has not fallen except when measured in terms of gold.

Of course you all remember how Mrs. Kelly thought all the boys in the regiment were out of step except her son, Pat. So it was with these commodity prices—gold was out of step, not all the other commodities.

You recall how our ancestors thought the sun rose in the East, crossed the heavens and set in the West, while the earth stood still. We know now that the reverse is true, that the earth moves from west to east and makes it appear that the sun traverses the heaven.

So it is with prices. It is not the value of all commodities that rises and falls, but the rising or falling of the value of gold that creates a price illusion.

Other nations, wiser in finance than we, correctly diagnosed the situation and have lessened the amount of gold in their currencies. As a result, their depression has been cut short and agricultural prosperity has been restored almost overnight.

Don't let anyone tell you that we're paying a high price for gold in the United States. Gold flows to this country as the only commodity that foreign countries can use to buy from us those things needed in preparation for war. Gold flows to us, too, because its owners believe that here in the United States they have a safe hoarding place. Our great supply of gold in this country does not result from our high price, and much of it is not ours at all. As a matter of fact, the price of gold in May of this year was in the United States $35 an ounce, an increase of 69 percent; in Denmark it had been increased by 117 percent, or equivalent to $44.85; in New Zealand, by 118 percent, equivalent to $45.06; in Australia, 120 percent, equivalent to $45.17; in Argentina it has been increased by 209 percent, equivalent to $63.87; while in Brazil it has been increased by 275 percent, equivalent to $77.51.

The average price of gold in these countries is $55.35 against the United States' price of $35. Let me say again that the farmers of these nations, selling cotton, wheat, wool in Liverpool, get exactly the same amount of gold for their products as our farmers receive for the same products. But when they take their ounce of gold home, it is converted to 40-percent more money in their domestic currencies in which they pay taxes, debts, wages, etc.; 40 percent more in their currencies than our farmers receive in dollars.

Thus they can undersell our farmers all the time and still enjoy great prosperity.

When our farmers were plowing under cotton and wheat, the farmers in the Argentine read placards on their highways saying, "Farmers, plant more wheat. Your day of opportunity is here."

And here is another important point in this monetary question not generally understood. We have two kinds of prices, flexible and inflexible. Commodity prices—that is, the prices of products of the farm, forest, and mine—are flexible, but most prices are definitely fixed, such as interest rates, taxes, freight rates, railroad fares, telephone and telegraph, insurance premiums, gas and electric rates, most labor, and service charges. The initial cost of raw materials is generally only a small part of the price to consumers of finished goods.

Take wheat for instance. A change in the price paid the farmer does not affect the price of bread as much as one would think. The cost of taking the wheat to the railroad, to the elevator, remains the same. Insurance and storage prices remain the same. When the wheat goes to the miller, his costs for labor, for depreciation, for taxes, for interest, and insurance remain the same. The flour goes to the baker and all his costs remain the same. Then on to the store and to the distributor. Nearly all the many factors in the price of bread are fixed prices, and the raising or lowering of the price of wheat is only a very small fraction of the final cost of bread to the consumer.

So it is that when the prices of commodities are raised, there need be only a slight increase in the cost of living.

When President Roosevelt assumed office, he took one step which has been outstanding in his administration. He took us off the old gold standard, and the price of gold was raised from $20.67 an ounce to some $30 in midsummer of 1933. Later the price of gold was raised to $35, but since January 1934, for 5½ years, our price of gold has remained at that fixed figure, although the value of gold has fluctuated and other nations have raised their price of gold to match that fluctuation.

When we raised the price of gold 69 percent, the price of basic commodities, farmers' products rose 67 percent, but the cost of living at the same time rose only 3 percent.

During the first 100 days of the Roosevelt administration, we followed the program that England, the wisest monetary nation in the world, had initiated 2 years before, and which Australia and the Argentine had begun several years before and which was bringing recovery to these various countries. We had during that period a greater increase in employment, and in recovery of farm prices, than at any period in the Nation's history. In July 1933, after a short trial this policy was abandoned in favor of regimenting and similar policies. Instead of reliance on this monetary program that brought recovery to the 21 sterling bloc nations, we began to place reliance on N. R. A. and on restriction and curbing of production.

And this program has failed.

After 6 years of failure, is it not time for us to discard this ruinous policy? Is it not time for us to adopt the policies followed by other nations that are prospering? Is it not time that we got at the root of our troubles and made it possible for men to exchange goods for services and services for goods? There's nothing the matter with our system of government. We are only suffering a defect in distribution caused by a dishonest, fluctuating dollar. That is the cause of our ills.

The price level of farmers' products must be restored. If we take 1926 prices as normal at 100, the average price of 35 basic commodities today is below 70—a loss of one-third. Think of it.

What can be done about it?

Here is a great opportunity for the newspapers of Kansas to start something that may save America. We need a great educational campaign. I plead with you to begin at once the fight to restore to our farmers a normal income for their crops by the successful methods used in other countries. This monetary problem must be understood and must be solved. I find that the farmers as a rule understand it better than our bankers and businessmen. In the Northeast, especially, farmers are well posted on this question. They understand that their income depends on the value of gold, and so long as the value of gold fluctuates as it does, their income will fluctuate. How unfair it is. How unjust to our farmers and those dependent upon them is this present dishonest monetary situation.

The first move to right matters is to demand that Congress take from the President that power, as great as any Caesar ever held, to change the value of our dollar, and give that power to a monetary authority, set up under a mandate of Congress. Such an authority should be composed of men of standing and integrity, comparable to the members of the Supreme Court. They should be free from financial or political pressure and hold office for life. It should be the duty of this monetary authority to regulate from time to time the gold content of our dollar.

Since gold fluctuates violently in value, as a yardstick to measure values, it is as variable in length as an accordion. The only fair way and safe way to measure values is to take as our base the average of 35 or 40 of our basic commodities—what is known as a price index. When the value of gold gets out of line with this average, the content of the dollar could be raised or lowered by this monetary authority, and the price level of the farmer's products maintained in a stable manner. This would give us an honest dollar, honest to creditor and to debtor alike, would make it possible to control our booms and depressions, restore prosperity to the farmer and to the producer of all basic commodities. Immediately it would bring this country out of its depression.

The farmers of America compose the most powerful group in our country. If they and those who depend upon their prosperity would only organize they could compel our Government to abandon the present monetary system that has brought such great distress to the farmers and such a terrible depression on our Nation.

Why should we be following a policy different from other nations that are enjoying more prosperity? While we have been going into debt at a fantastic, alarming rate, while we have been following a policy of restriction and regulation of production on field and in factory, what have other countries done? While we have been on a spending spree since 1933, others have been following business-like programs for recovery. Consequently many of them have balanced their budgets.

The net deficit for the sterling-area group of 21 nations, with 600,000,000 of population from 1935 to 1938, was $305,000,000. Contrast this with the accumulative United States deficit of $12,292,000,000 for the same period. Our deficit is almost $12,000,000,000 greater than the combined deficit of these 21 nations with a population 5 times greater than ours.

If other countries can balance their budgets, enjoy more prosperity than we, why should America stand alone as a spendthrift nation, following a system of regulation and regimentation with an accumulated debt that can never be paid?

Everyone in this room knows as well as I that you cannot produce less and less on field and in factory and have more wealth to divide. It can't be done. You can't tax yourself into affluence, nor can you spend yourself into prosperity.

How preposterous is this present situation. Not all of you perhaps have been so close to this tragedy caused by 6 years of depression and deflation as have I.

Through my work as chairman of the National Committee to Uphold Constitutional Government, scores of letters every day—some days hundreds—come to me from all parts of the country. From these wide contacts I get appeals for aid that touch my heart. When I see fine, outstanding, capable men, eager to work, unable to find jobs; when I see how families have lost their homes and their farms; when I see the great destruction that has been caused by this depression, I am deeply moved.

In conclusion, I must say that I am gravely concerned over the present conditions, because I know if they are continued much longer our form of government and our system of free enterprise will perish.

The dictators in Europe rose to power because of intolerable economic conditions. When people are hungry and unable to take care of those dear to them; when there is no hope for the future, they will listen to any demagogue who seems to have anything to

offer. So it was that the people of Germany, Italy, and Russia sold their liberties for a loaf of bread, their birthright for a mess of pottage.

If conditions such as we are now experiencing are continued, we shall have more regulation and regimentation, more restriction in every field of activity, on our farms and in our factories, until our central Federal Government has all the powers that are now used by the dictators in Europe. Give us prosperity, restore to the farmer, the miner, the lumberman normal prices and there will be no danger in this country of nazi-ism, fascism, or communism. Give us prosperity and all these other "isms" will be displaced by Americanism.

America today stands at the crossroads. What happens in the next few months or few years, will determine what the future of this country shall be. We can't go on the way we're going, spending and spending more than our income, regulating and controlling everything and everybody from Washington. That policy has failed and will always fail. It is sure to bring disaster.

The system of constitutional government and free enterprise set up in this country by our forefathers has given this Nation greater blessings, greater development, greater prosperity than any Nation in all the world's history ever enjoyed. Our system of government which made amazing progress possible in every field of activity, must be protected and preserved.

We must soon meet the challenge of the dictator-ridden countries. Unless we can do a better job here under our form of government than is done in Italy, Russia, or Germany, then we can expect our form of government to perish. And then will disappear all those precious rights that we now enjoy—freedom of press, freedom of speech, freedom of religious worship, freedom of assembly, protection for the home—all those liberties will be lost if in desperation and ignorance and because of the slowing down of our economic system, through a faulty money system we abandon our form of government and adopt some form of dictatorship.

That must not happen here.

In America we have the richest country in all the world, a people highly educated, inventive, resourceful, vast expanse of fertile lands, production capacity to meet our needs. Here we have everything. All we need to do is to correct some of the fundamental troubles—restore normal prices—and this country will march on to new frontiers in science, in industry, and in invention, making progress such as no dreamer ever dreamed, with an abundance of everything, prosperity and happiness for all.

1921–29 a period of relatively high prices and stability; 1933–37 a period of relatively low prices and instability, despite heavily curtailed production

Wheat:
1921–29:
Average price, $1.41 per bushel.
Average crop, 820,030,000 bushels.
Average value of crop, $1,156,242,300.
1933–37:
Average price, 85.6 cents per bushel.
Average crop, 625,904,000 bushels.
Average value of crop, $535,773,824.

Corn:
1921–29:
Average price, 84 cents per bushel.
Average crop, 2,657,574,000 bushels.
Average value of crop, $2,232,462,160.
1933–37:
Average price, 69 cents per bushel.
Average crop, 2,016,744,000 bushels.
Average value of crop, $1,391,553,360.

Oats:
1921–29:
Average price, 47 cents per bushel.
Average crop, 1,286,374,000 bushels.
Average value of crop, $604,595,780.
1933–37:
Average price, 36 cents per bushel.
Average crop, 876,918,000 bushels.
Average value of crop, $315,690,480.

Cotton:
1921–29:
Average price, 21 cents per pound.
Average crop, 13,090,000 bales.
Average value of crop, $1,374,450,000.
1933–37:
Average price, 10.9 cents per pound.
Average crop, 12,589,342 bales.
Average value of crop, $687,119,139.

Copper:
1921–29:
Average price, 15 cents per pound.
Average production, 1,618,000,000 pounds.
Average value production, $242,700,000.
1933–37:
Average price, 9.3 cents per pound.
Average production, 918,000,000 pounds.
Average value production, $85,392,000.

Lead:
1921–29:
Average price, 7.1 cents per pound.
Average production, 1,612,638,720 pounds.
Average value production, $114,497,348.

1921–29 a period of relatively high prices and stability; 1933–37 a period of relatively low prices and instability, despite heavily curtailed production—Continued

Lead—Continued.
1933–37:
Average price, 4.5 cents per pound.
Average production, 795,578,560 pounds.
Average value production, $35,801,035.

Zinc:
1921–29:
Average price, 6.7 cents per pound.
Average production, 1,211,188,160 pounds.
Average value production, $82,149,606.
1933–37:
Average price, 5.8 cents per pound.
Average production, 948,205,440 pounds.
Average value production, $54,995,916.

Beef (fresh carcass):
1921–29:
Average price, 18 cents per pound.
Average production, 6,402,000,000 pounds.
Average value production, $1,152,360,000.
1933–37:
Average price, 13.4 cents per pound.
Average production, 6,708,000,000 pounds.
Average value production, $898,872,000.

Lard:
1921–29:
Average price, 13 cents per pound.
Average production, 2,332,000,000 pounds.
Average value production, $303,160,000.
1933–37:
Average price, 10 cents per pound.
Average production, 1,854,000,000 pounds.
Average value production, $185,400,000.

	Price of gold		Increase since January 1934
	January 1934	May 25, 1939	
			Percent
South Africa	$32.04	$36.38	14
Canada	33.07	35.14	7
Sweden	33.90	38.86	15
Finland	36.79	42.58	15
Denmark	39.07	44.85	14
New Zealand	39.69	45.06	14
Australia	39.69	45.47	15
Argentina	41.55	63.87	54
Brazil	45.89	77.51	69
Average	37.96	47.75	24
Percent above United States price	8	34	

Percentage above par on May 25, 1939, or total percentage increase in the price of gold since suspension of the gold standard

	Percent
Canada	70
South Africa	76
Sweden	88
Finland	106
Denmark	117
New Zealand	118
Australia	120
Argentina	209
Brazil	275
United States	69

United States farm income

(Data for calendar year 1938)

Gross farm income, 1938 (This includes cash income from the sale of products, Government payments, and cash value of products produced and consumed on the farm.)	$8,750,000,000
Deducting cash operating expenses, taxes, interest, and rent	$3,250,000,000
Estimated net income for farmers, 1938	$5,500,000,000
Number of persons gainfully employed in agriculture	10,472,000

If no allowance is made for the return on capital invested, and no deduction made for the labor of women and children on farms, the entire net income divided among those gainfully employed, gives $525.21 per person per year.

On a 313-working-day-per-week basis, this gives an estimated daily income per person gainfully employed, including cash value of products produced and consumed on the farm, of $1.68.

At this daily income per person gainfully employed, nothing can be set aside for depreciation on land, buildings, and equipment, nor can any deduction be made for capital return on the $50,000,000,000 of farm investment, representing one-sixth of the national wealth.

In other words, of the thirty-nine and one-half millions of gainfully employed, the 25 percent of these engaged in agriculture receive only 8.6 percent of the Nation's income.

Taking the normal annual income of farmers and producers of other basic commodities during the period from 1921 to 1929 as approximately $17,000,000,000 per year as a standard, there has been during the 9-year period from 1930 to 1938, inclusive, a deficit of $50,965,000,000 in total basic producers' income due to the drop in prices of farm and other basic commodities.

Calculated for farmers alone the deficit from standard, based on the 1921–29 average, for the period from 1930 to 1938, inclusive, is $35,500,000,000.

In other words, in this 9-year period the decrease in prices, and therefore, in the income and buying power of the farmer and basic-producer section of our population, has been greater than the United States governmental debt. Had this section of the population received average prices of the 1921–29 period, and had a tax been levied on them as great as the amount of the drop in prices, the tax on this section of the population alone would have wiped out the entire governmental debt as it stands today and would have left a surplus of about $10,000,000,000.

Comparative budget positions of the sterling-area nations and the United States

FISCAL YEAR 1934–35

Surpluses (10): Australia, Bolivia, Denmark, Finland, Great Britain, India, New Zealand, Paraguay, Portugal, South Africa.
Deficits (6): Argentina, Brazil, Colombia, Irish Free State, Siam, Straits Settlements.
Balanced (5): Egypt, Estonia, Japan, Norway, Sweden.

Combined deficit	$118,590,000
Combined surplus	76,759,000
Net deficit	41,831,000
United States net deficit	3,210,000,000

FISCAL YEAR 1935–36

Surpluses (11): Argentina, Australia, Bolivia, Finland, Great Britain, India, Irish Free State, New Zealand, Paraguay, South Africa, Straits Settlements.
Deficits (2): Brazil, Portugal.
Balanced (8): Colombia, Denmark, Egypt, Estonia, Japan, Norway, Siam, Sweden.

Combined surplus	$80,524,000
Combined deficit	43,309,346
Net surplus	37,215,654
United States net deficit	4,550,000,000

FISCAL YEAR 1936–37

Surpluses (11): Australia, Brazil, Egypt, Finland, India, New Zealand, Paraguay, Portugal, Siam, South Africa, Straits Settlements.
Deficits (2): Great Britain, Irish Free State.
Balanced (8): Argentina, Bolivia, Colombia, Denmark, Estonia, Japan, Norway, Sweden.

Combined surplus	$101,955,000
Combined deficit	36,497,000
Net surplus	65,458,000
United States net deficit	3,148,000,000

FISCAL YEAR 1937–38 [1]

Surpluses (7): Bolivia, Denmark, Finland, New Zealand, Portugal, Siam, South Africa.
Deficits (5): Australia, Brazil, Great Britain, India, Irish Free State.
Balanced (8): Argentina, Colombia, Egypt, Estonia, Japan, Norway, Paraguay, Sweden.

Combined deficit	$393,002,408
Combined surplus	26,972,113
Net deficit	366,030,295
United States net deficit	$1,384,000,000
Net deficit for sterling-area group of 21 nations with 600 millions of population from 1934–35 to 1937–38	305,187,641
Cumulative United States deficit, 1934–35 to 1937–38	12,292,000,000

[1] Data for Straits Settlements not available for this year.

American Civil Liberties

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ADDRESS BY HON. ELBERT D. THOMAS OF UTAH, JULY 4, 1939

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the junior Senator from Utah, ELBERT D. THOMAS, before the National Education Association, in San Francisco, Calif., July 4, 1939, on the subject of a Teacher's Interest in the Preservation of American Civil Liberties.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is not a mere coincidence that brings me, one of the committee that for the past 3 years has carried on the civil-liberties investigations, to talk for the first time on this subject to the teachers of our country.

In my history of political philosophy I like to hold that the American Government was established primarily for the purpose of giving liberty to the world and perpetuating on earth a system of government which will allow a development of the individual citizen in the fullest in those characteristics that will make of him in every sense a free man. In spite of the fact that this is the Fourth of July, I shall attempt to be philosophical and analytical in my deductions; not emotional, as probably a speaker should be on the birthday of our Nation.

Do not think from that statement I am going to remain in the realm of cold logic. Logic is an artificiality set up to defend a given proposition. While the American Government accepts certain premises in regard to man and his nature, never once has the defense of those premises been left to the realm of logic. They are now incorporated in a scheme of government deliberately and definitely planned to accomplish certain objectives. The success and the perpetuation of these objectives as they are guaranteed in the plan rest upon a faith in the patriotism, the loyalty, the training, the ability of the American teacher, for the American Republic puts its faith in its continuation in the good judgment of a trained citizenry.

The educational development of that citizenry is left to the school, the church, and the home. The church furnishes the bond which links the citizen to things that were and things that will be, thus putting purpose into life by making it part of a greater scheme. The home deals with "oughts" and "shoulds," aiding to make each person's life not only in accord with our Nation's mores but also in accord with the morals and character of our Nation's paragons. The school teaches the "ises" and the "ares," that our citizen's life may be based upon truth, fact, and science. The citizen's training thus in a way comes from three coordinate institutions, as our Government's authority is vested in three coordinate branches. The citizen's training, like his Government's activities, functions best when the three are complementary and contribute to a unity rather than functioning in three separate grooves or in antagonistic conflict.

Since upon the teacher rests the responsibility of teaching the facts of government and the rights and obligations of a citizen, it is proper that I should come before you and talk about what those of us who have had to do with attempting to overcome certain ills within our country have in mind and the reasons why we take our tasks so seriously.

What is a civil liberty? It is a right which the state guarantees an individual. The civil liberties which are ordinarily thought of are listed in our Bill of Rights. You study them and you teach them when you study and teach our Constitution. But as a mere legal concept or an actual legal right they do not seem to amount to very much to the average American citizen, because the average American citizen has enjoyed these rights and liberties to the extent that he is unconscious of them.

The American citizen generally, as a result of these rights, is free to come and go; he is free to buy and sell; he is free to own and to dispose; he is free to think, to worship, to write as he sees fit; he is free to join or not join; to identify himself with a given organization or not, as he wishes; his loyalties are multiple, and they reflect the complex nature of his life and his being. Man, and therefore the citizen, is not just a single thing; he is many things. He is a citizen of his nation; he is a citizen of his state; he is a member of his church; he is a member of his lodge; he belongs to a political party, to half a dozen fraternities; he is an officer in a corporation or he is an owner of a business. He is a father, a son, and a brother all at the same time. If he is hampered in any one of these activities or relationships, he is not a full man in the sense that the American Government expects its citizens to be.

Can you blame the fathers, restricted as they were by economic and social bonds, by such concepts as the divine right of kings and the privileges of an aristocratic class, for having little faith in the perpetuation of a political and social system which would allow such diversities of activities and which would scarcely provide for any limitations of grade? We find no eloquent defense put forth by any of the thinkers of the time for democracy as such. Jefferson comes closer than anyone else. He had faith that his four great freedoms—the freedom of property, the freedom of mind, the freedom of soul, and the freedom of body—would not produce complete anarchy because of individual restraint, and because he accepted the fundamental thesis that the nature of man was good.

The marvel of history is that our experiment has worked as well as it has. So well has it worked that we can say tonight that the theories on which our American system rests have contributed to the welfare of human beings the world over and have resulted in an enlargement of the standard of life for millions, and the enlargement of life itself to millions more. Can so much rest upon so little? I repeat the thought that it is so remarkable that it must be viewed as the outstanding miracle of social evolution. I say, take away from the American Government the civil liberties guaranteed its citizens and we destroy the greatest

blessings ever given to men in the history of all time. Can any task be more important to a congressional committee than that of preserving the essence of American liberty?

What is American liberty? In the Old Testament we find the word "liberty." It was known to the ancient Hebrews; in fact, the quotation engraved upon our Liberty Bell was taken from the Bible: "* * * and proclaim liberty throughout all the land unto all the inhabitants thereof" (Leviticus 25: 10). But liberty never was created under any system of government built upon theories of the Old Testament. I may go further and say that liberty never could be understood until the value of the individual had been made plain. Jesus' outstanding contribution to man and to man's welfare was that He not only discovered the individual but He taught the worth of a consideration of his welfare. Throughout the civilizations of eastern peoples who had had the thinking and the philosophy which underlie the scheme of the great oriental social democracies, liberty was sought, to an extent it was enjoyed, but it was never understood or made a political concept. Dr. Williams, in his Middle Kingdom, makes the statement that there is no such word in the whole Chinese language as "liberty." I disagree with Dr. Williams on that point, yet I emphasize it to stress the fact that liberty under our Constitution has a definite American meaning.

In the old oriental philosophies the value of the individual in the sense that he had rights was never conceived. He had a hankering for a life without restraint, and one of the poets gave us this great gem of freedom hundreds and hundreds of years ago:

"Work, work, from the rising sun
Till sunset comes and the day is done.
Oh, plough the sod,
And harrow the clod,
And meat and drink both come to me.
Ah! what care I for the powers that be."

But no one saw the point that the poet made, a free soul, but always interpreted the poem to reflect the husbandman's position as a slave to his work.

Of course, actually, regardless of any philosophy or of any theory, man, being a human individual, can have no liberty if his actions are prescribed by ill health, a broken body, by poverty, or by any other physical or economic hindrance. The right to buy and sell is worth nothing if there is nothing to sell and nothing to buy with. Freedom to go and come means nothing if you have no place to go; and as this is an educational meeting I cannot refrain at this point from getting in a little moral: "He that would bring home the wealth of the Indies must carry the wealth of the Indies with him." Why, of course, liberty is a matter of degree, and will ever be. Government must, therefore, see that there are physical, cultural, educational, and economic opportunities for its citizens if they are to have joy in their freedom.

But let us consider the concept of liberty as we use it under our Constitution. What is it? In a sense it is all those rights, all those privileges, all those advantages, all those hopes, all those freedoms, all those aspirations, longings, and relationships that government has determined by law to preserve to the individual. If government denies the individual the right to assemble with his fellows, if government fails in protecting his property, if government insists that he subscribe to a certain political or religious tenet, that individual is curbed in his life. He is not the well-rounded out, complex, social animal that Aristotle thought him to be, to say nothing of what I have called the Jeffersonian concept of man whose nature is good.

Here we may ask, Dare we accept the consequences of the theory of liberty as it exists in the American democracy? Once money is invented and used with liberty, as the ancients did in Lydia where money was first used generally (now children, slaves, and even our women can buy), we have the troubles that follow in the wake of the use of money. Sad as that fact is, we must be reconciled to the fact that we can have no political democracy without economic democracy and we can have no economic democracy without money. If we are going to accept the theory of the freedom of the individual we must accept the consequences of that freedom. If man is to be free to own, he must be free to own even an automobile. Grant him an auto and the freedom to go and come, and there, of course, may be dire consequences. But with a little knowledge of the physical fact that two bodies cannot occupy the same space at the same time, much of the danger is gone.

There are three great consequences of democracy: (1) Democracy is weak; it hangs on the thin thread of common consent; (2) the government in a democracy will always be against itself; (3) in a democracy where liberty is its aim the individual citizen will seldom have his own way; and (4) putting our finger on the ultimate authority in the American democracy is indeed a hard task. Our preamble to our Constitution starts with the words: "We, the people," and our textbooks tell us we have popular sovereignty in America, and our great Chief Justice at the one hundred and fiftieth birthday of our Congress said: "And what the people really want, they generally get." But 130,000,000 people getting what each wants is an absurdity.

I repeat, dare we risk the consequences of our four freedoms? Will not some man teach a doctrine that may actually destroy this liberty if we allow freedom of teaching? He may.

One day while Jefferson was playing with his grandchildren in the White House a visitor called on him, found him on the floor, his grandchildren riding on his back. That did not astonish the visitor, for all great men enjoy playing with their grandchildren. But on the table were pamphlets bearing untruths, pamphlets which attacked Jefferson unmercifully. Then was the visitor surprised, and he asked Jefferson, "Do you allow these terrible things to come into your house?" Jefferson said, "Yes! I not only allow them to come, but I read them when they do come."

He stood with Voltaire when that great philosopher said: "I wholly disapprove of what you say, but I will defend to the death your right to say it." He stood, too, with the Father of his Country, George Washington, who declared that "in proportion as a structure of a government gives force to public opinion it is essential that public opinion should be enlightened." And he trusted, as we do, that enlightenment will prevail. He was not afraid of the consequences of freedom of speech and freedom of the press among a people that had been properly taught. The American system of trial and error and freedom of expression will prove itself to make a very much more stable society in the long run than a system where only those things are taught which the teachers have assumed are for the good of those taught. You cannot preserve a democracy, you cannot preserve freedom of speech, freedom of worship, freedom of the press, freedom of the person by force because the instrument of preservation there actually becomes the instrument of destruction. While the consequences of political liberty and freedom carry with them the elements of their own destruction they cannot be preserved by being denied. Freedom and liberty constantly face the moral of Aesop's greatest teaching: An eagle in flight was shot down. Gasping, he turned to see what was the cause of his destruction, and lo, the arrow which had pierced him had been guided in its flight by eagle feathers. As the eagle breathed his last he moaned, "Alas, there is in each of us the element which will bring our own destruction."

But if there are in freedom and liberty the elements which will destroy both freedom and liberty, there are also in them the elements of their own perpetuation. That man can commit suicide does not mean that all men do commit suicide. Here again we must respect degree or I shall find myself a victim of my own deductions.

I know that some of you are asking, But why should the Civil Liberties Committee spend so much time on a study of industrial and labor abuses? It is, of course, true that a study of society anywhere results in the study of all sorts of abuses; but something was occurring in our American industrial life which had all of the seeds of the destruction of American fundamental rights.

In the first place, the Federal Government passed a given law. That law was challenged as being unconstitutional by great lawyers. That is one of the people's rights, to challenge an act of government. We had no criticism of the fact that men wanted to test this law in the courts, but certain of these lawyers actually advised their clients that the clients need not obey the law, because the lawyers deemed the law unconstitutional. The lawyers thereby in a sense took over a prerogative which we have recognized as belonging to the Supreme Court of the United States. Even that would not have been particularly bad under the American legal process, but some industrialists attempted to overcome what they considered was a natural resultant of the law by attempting to destroy certain rights in individuals that were part of their rights as citizens. The industrial spy was employed; was used to such an extent that men lost faith in one another. If I hire a spy to spy on you, pretty soon there comes to me the thought that I need another spy to spy on the spy; and trust leaves us, and we have no faith in one another. Society itself cannot exist without trust. No social or economic activity is possible. Fear takes the place of faith in the ordinary activities of men. Do we not see that such an order of things persisting in our industrial life has in it the elements of the destruction of the very best features in our industrial life? The spy was employed to cure what was thought to be an evil, but we cannot introduce into society an evil to destroy an evil without risking the consequence of having that evil turn on us and bring our own destruction.

When public police officers were hired, as they were, to do a given job for one part of the public against another part they ceased to be public officers and became representatives not of the public, which is the arbiter for the disputing parts in the body politic, but actually partisans of one side. When arms and gas were used, as they were, for industrial purposes, we had the elements of a civil war. When spy hookers and missionaries were used to create disturbances, their employers turned loose upon society the seeds of riot and civil disturbance. Thus it was not in any vindictive spirit to punish or to crush that these investigations were carried on. In spite of the criticism we have received, our purposes were not to punish, but to correct. And as time goes on corrected industry will be just as happy over the reforms as society itself will be.

I am happy to be able to report that the result of our investigations into wrongdoing is constructive legislation. I firmly believe that civil rights cannot be maintained in our Nation unless those who have the power to destroy one of those rights in a citizen shall desist and restrain themselves from destroying it. While I know that we have created a feeling on the part of thousands and thousands of American citizens that our Congress is interested in preserving the rights of the weak, the downtrodden, and the oppressed, the satisfaction which I as a legislator received from these years of hard work is the satisfaction of knowing that as a result of that work there is presented to the Congress of the United States, and therefore for the benefit of the people of the United States, constructive legislation which will, I firmly believe, prevent a repetition of some of the abuses, some of the killings, and some of the sufferings, but mainly the stifling of the personal liberties of many of our people in the past.

If on the shoulders of the teachers of our land rests the responsibility of preserving our Republic, as teachers, will you not grant to Senator LA FOLLETTE and our associates and myself after you have examined our 34 volumes of research and investigation, the compliment which all students like to receive. "That which you have done you have done after painstaking research of the highest order." I will say of the work of my associates what many a scholar who has studied this work has already said the reports preserve the best characteristics of American scholarship.

Can I not say, as one teacher to another at least here in the bosom of the family, that this investigation, its reports, and the projected legislation reflect the methods which scholars call good? The scientific method calls for action and deduction only after investigation. This method we have followed. May good result from our studies.

The President's Monetary Bill

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

EDITORIAL FROM WASHINGTON DAILY NEWS

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very good editorial on the monetary bill published in today's Washington Daily News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News]

The other issue is the President's monetary bill. The House has already approved it. The Senate will vote on it at 5 o'clock this afternoon.

Strangely enough, the self-proclaimed conservatives are the ones who are leading the fight to defeat this bill. They are loud in their denunciations of "money tinkering." But the defeat of this bill, which they so earnestly seek, in our opinion, would be money tinkering of the most radical nature, and at a most inopportune time.

It would wipe out a mechanism which for more than 5 years has maintained the dollar at a fixed gold content, has put a stop to the competitive devaluation of rival currencies, and has helped to establish and to maintain a high degree of stability among the world's principal monetary units.

By possessing the power to take another 9-cent bite out of the gold content of the dollar, though not exercising it, and by possessing also control over a $2,000,000,000 stabilization fund, the President and the Secretary of the Treasury were able to bring the Governments of Great Britain and France into a monetary agreement which since has kept the value of the dollar, the pound, and the franc on a relatively even keel. This three-power stabilization also has provided an anchor for the currencies of Switzerland, Belgium, the Netherlands, and other smaller democracies.

Defeat of the President's monetary bill would greatly restrict our Government's power to enforce and uphold its share of the agreement. That, in our opinion, would not be conservatism, but monetary radicalism of the worst sort.

What the consequences would be we do not know. But we cannot forget the chaos which prevailed in the world's money markets before the stabilizing agreement was adopted.

Monetary Powers of the President

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, July 5, 1939

ARTICLE BY HERBERT M. BRATTER

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an article on the monetary powers of the President, written by Herbert M. Bratter and published in the Washington Sunday Star of July 2, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Sunday Star of July 2, 1939]

MONETARY POWERS OF THE PRESIDENT

(By Herbert M. Bratter)

The turmoil over the monetary bill, which came to a climax at midnight, Friday, was precipitated by the Senate's action 5 days earlier, although the makings of the filibuster had been brewing a long time. Today there is no powerful stabilization fund.

Its $2,000,000,000, plus profit, has been put back in the Treasury's general melting pot; also, the President does not have the power, given him in 1933, to change the amount of gold in the dollar. All this the Senate has done.

But the Senate's long night session has not changed two other important powers—the Treasury's broad authority to buy or sell gold at any price it chooses and the extensive power to buy domestic and foreign silver under the Purchase Act of 1934. Passage of that act, paradoxically, was resisted by the New Deal in 1934 when Congress wanted it, and yet its repeal the administration resists now when Congress favors it.

A further result of the silver stalemate is that, without new action by Congress, domestic-mined silver is legally at the mercy of a Treasury Secretary who is "opposed to all subsidies."

Meanwhile, officially, the Senate still stands on its action of June 26, when it performed plastic surgery on the House-approved administration bill.

LAWS CONFUSE PUBLIC

Whereas domestic silver has been acquired under the Thomas amendment since 1933, foreign silver has been bought under the separate 1934 law, a much broader and permanent statute. The existence of two silver laws has been enough to confuse the public. The vague terms of both laws have confounded it still more.

Consider the 1934 act. Under it the Treasury was told it must acquire one and one-third billion ounces of silver. To date it has actually acquired about 2,000,000,000 ounces. Yet, according to the same law there still remained to be bought over 1,000,000,000 ounces. "Mathematically impossible," you may say. Yet it is true.

We have bought silver hand over fist, at home and abroad, from friend and foe alike. We have scattered hundreds of millions of wealth to the four winds.

We have bought domestic silver at one price, foreign at another. We have bought from governments, from miners, from speculators. No one knows why. Even some Senators who voted for the law in 1934 now frankly ask, "Why did we do it?"

The secret is that we have seven States that produce almost all our silver. Seven States control one-seventh of the Senate.

So we started a silver policy. From one standpoint, the policy was really not so complicated. It may be restated as: "Buy silver. Buy, buy, buy; at home, abroad, everywhere. Boost the price, issue certificates; enrich the outside world. Proclaim the monetization of silver to cover up a shameless hold-up of the Nation for the benefit of a few western silver producers, of mining-share owners in the East as well as the West, and of the speculators who unloaded on Uncle Sam. And, incidentally, confer benefits on foreigners in China and Canada, Italy, Japan, and Mexico."

By official figures of the Bureau of Mines the silver program has already cost us over $90 for every $1 of subsidy received by American mining companies.

AIDS THE WARLIKE

Under the curious silver program, the United States actually helped Italy finance its conquest of Ethiopia. It has helped Japan invade China. It has helped Hitler. While Mexico has seized American-owned lands and oil properties, raised its import duties on American goods, and in other irritating ways has done anything but reciprocate this Nation's good-neighbor policy, the United States has steadily bought millions of ounces of Mexican silver monthly.

Under the 1934 silver law and present policy, should Herr Hitler nationalize and sell silver, our silver program is there to help him do it, the while our State Department seeks ways to stop him with economic pressure.

How neatly our silver program has dovetailed into Hitler's plans may be seen by the figures. During the 6 years prior to 1934, when our act was passed, Germany withdrew from monetary use less than 7,000,000 ounces of silver. During the 4 years 1934–37, while we supported the world price of silver, the German Government withdrew and demonetized 108,000,000,000 ounces.

Under the 1934 law there is simply no way of telling how much silver still must be purchased. In it the amount of silver required by its terms is linked to the gold stock, which has greatly increased, due in important measure to the devaluation of the gold dollar.

PROMISES ELUSIVE

The twofold domestic and foreign silver policy could never achieve a single promise of its advocates. Yet after 5 years of costly experiment the President publicly claimed it as one of the pillars of his recovery program. And in the Senate and the lobbies of Congress New Deal spokesmen still defend it. They want us to keep on buying Chinese silver from Japan to keep the Nazis out of Mexico.

Naturally Mexico seeks to put the worst possible face on the cessation of our silver purchases. We hear rumors of more confiscation of American properties. Mexico would like to stay on our silver dole forever. Mexico propagandized here to get us to establish that dole. The question is, Shall we let ourselves be blackmailed into continuing a foolish law which is a demonstrated failure?

More than four-fifths of the silver thus far acquired at a cost of over a billion dollars has come from foreigners, to their immense profit. Foreigners made additional profits on the silver accumulated in this country for speculative purposes during the silver campaign and nationalized in 1934. In the list of silver hoarders published by the Government in 1934 appear not only the names of domestic speculators but also those of beneficiaries in China, British India, Great Britain, Mexico, Egypt, France, and elsewhere abroad.

CHASING A RAINBOW

Our program, moreover, conferred a tremendous boon on the incredulous London silver market, while our Government took special measures to reduce trading in New York. Foreign brokers, trucking companies, steamship lines, and speculators have reaped rich returns. Thousands of tons of silver have been sold here since 1933. We have poured out our wealth, week after week, in exchange for the metal nobody wants. Yet the goal of the Silver Purchase Act has remained as remote as ever.

The Silver Purchase Act has completely failed in all its promised aims—except to line the pockets of a few. It was supposed to increase the monetary use of silver abroad. It did the opposite. It was intended to prevent silver's further demonetization. Instead, it encouraged it. It looked to the substitution of silver for small-denomination money. The reverse occurred.

Due to our program, the silver standard no longer exists, not even in China.

Before the inexcusable program was undertaken, the country was warned of its fallacies. This story of failure is nothing new.

In 1878 Congress passed a silver-purchase law, the Bland Act. Large deposits of silver had been discovered in the West. The Mountain States then sought restoration of bimetallism. They wanted the Treasury to buy all their silver at a high, fixed price. The Bland Act was a compromise. For a dozen years the Treasury bought silver. Yet, Historians Muzzey and Krout tell us, the act "accomplished none of the results that its supporters prophesied."

AGAIN IN 1890

Then came the Sherman silver law of 1890. More promises were made. Silver purchases were increased. The purchases were in vain. They weakened confidence in the dollar. By 1893 Cleveland had to call a special summer session of Congress to repeal the disastrous law.

There was a prolonged filibuster and no air conditioning. Senator John P. Jones made a 14-day speech, covering 100 pages in the CONGRESSIONAL RECORD. But the act was repealed.

The 1896 campaign centered on bimetallism. Silver was beaten. His "cross of gold" speech failed to elect Bryan President—but eventually it made him Secretary of State.

During the World War the India Government needed some silver. Britain came to us. Our Treasury held tons of Bland Act and Sherman Act coin. Only a very small fraction of it had gone into circulation.

We could easily spare what India needed. So we sold about 200,000,000 ounces under the especially passed Pittman Act. But there was a catch. The Treasury had to buy back that silver from American miners at a dollar an ounce. And nearly all the while it was done other silver was selling for less than 70 cents an ounce.

The silver bloc is always watchful of opportunities. No crisis is too severe to prevent it from eking out a subsidy in exchange for its patriotic votes. The depression of the 1930's was its next chance.

PROPAGANDA OF 1930

In 1930 the silver interests argued that there was a shortage of gold. They annexed the support of greenbackers, who wanted just more currency. They solicited export interests with the appeal that their foreign markets would expand if by buying foreign silver we would "build up the purchasing power" of half the world, three-quarters of the world, indeed, seven-eighths of the world, "whose only money is silver." No assertion was too fantastic.

Until the 1932 campaign the Hoover administration resisted the demands of the silver interests. But, as Raymond Moley has now revealed, the New Deal gave significant place to bimetallism on its campaign agenda.

In connection with preparations for the London Economic Conference of 1933, the Roosevelt administration gave the silver cause prestige and momentum. The conference refused to do anything for silver except pass a pious resolution. But, outside the conference, Senator PITTMAN committed the United States to the London silver agreement. Under it seven interested countries gave nominal support to PITTMAN'S effort to provide a Treasury market for silver.

Earlier in 1933 Congress had passed the Thomas amendment, giving the President broad powers over silver, including the temporary power to establish bimetallism. Citing this power, the President in December proclaimed the purchase of all silver to be mined here during 1934–37. This constituted our "ratification" of the agreement Senator PITTMAN had signed. The agreement was never submitted to the Senate for ratification.

The President's proclamation of December 21, 1933, went far beyond the obligations to which Senator PITTMAN had energetically committed the United States. The President took not merely the 23,000,000 ounces per annum promised, but all the silver our mines could turn out. This was a considerably larger quantity, because the President gave them a price of 64½ cents, or 50 percent above the then market price, and later increased it to 77½ cents an ounce, which stimulated production.

This "taste of blood" was too much. In 1934 a much larger silver program was enacted. Ever since Uncle Sam has been paying the piper.

The Neutrality Problem and Foreign Entanglements

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

Mr. PITTENGER. Mr. Speaker, for 3 days the House has debated one of the most important legislative matters that has come before it at this session. I refer to the so-called neutrality bill of the Congressman from New York, SOL BLOOM. Throughout this session the subject has been emphasized from time to time, and the committee hearings and the debates on the floor of the House indicate that you can find support for almost any position you wish to take on this subject.

PRESENT NEUTRALITY LAW

The existing Neutrality Act provides that when war exists among foreign nations the President shall so proclaim and an embargo shall be placed upon the exportation to such countries of arms, ammunition, or implements of war.

THE BLOOM BILL

The pending proposed Neutrality Act of 1939—the Bloom bill—has for its main purpose the repeal of the mandatory embargo provisions of the existing law. It permits the President to name aggressor nations and place an embargo against them. Such a policy, in my opinion, is not neutrality, but very definitely would put the United States in the position of "choosing sides" in a foreign war. Such an act would be unneutral and would involve this country in such a conflict.

LESSONS OF THE WORLD WAR

On June 28, 1919, the Treaty of Versailles was signed. That was 20 years ago. That war was fought to a successful ending, which would not have been possible without the men and resources furnished by the United States.

It was "a war to end wars," and we still remember that it was fought "to make the world safe for democracy." The Treaty of Versailles was hailed as a document that would make all good things come true. Now, after 20 years, there are more warlike preparations in the Old World than ever before. The war and the treaty settled nothing. Events since then have demonstrated that this country would do well to refrain from participation in a foreign conflict with American soldiers to fight the war in which the European viewpoint is one that has to do almost entirely with what the victor can acquire in the way of new territory taken from the conquered nation, or additional prestige and power that it can attain over the adversary.

THE PEOPLE OF AMERICA WANT PEACE

In the district which I am privileged to represent, the almost unanimous sentiment is for peace. One constituent in discussing neutrality legislation says that it appears to him that efforts are being made to draw this country into a war which would, in all probability, take our boys beyond American frontiers again. He protests such a policy unless and until American public opinion clearly sanctions the move or the electorate declares in its favor by popular vote. Another writes me that he feels that our Government should profit by our past experiences with foreign governments and stay out of foreign entanglements as much as possible.

WASHINGTON'S FAREWELL ADDRESS

There is no document that has more wisdom and guidance than this address of George Washington of September 17, 1796. It is interesting to note his attitude toward foreign entanglements.

I quote a few declarations by him on this subject to show how worth while it is to read and reread his immortal address.

He says:

Observe good faith and justice toward all nations; cultivate peace and harmony with all.

* * * * * * *

In the execution of such a plan, nothing is more essential than that permanent, inveterate antipathies against particular nations and passionate attachments for others should be excluded.

* * * * * * *

Against the insidious wiles of foreign influence (I conjure you to believe me, fellow citizens) the jealousy of a free people ought to be constantly awake.

After pointing out that the problems of the Old World and of the New World are different, and can never be the same, he says:

Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?

IN CONCLUSION

The judgment and advice of Washington to the people of his day is applicable to present-day problems. He discusses fundamentals which do not change. The United States should keep out of foreign controversies and foreign wars. It should attend to its own business. It will then be at peace with the rest of the world. This is the only safe highway. True neutrality requires that we travel it.

Under these circumstances, I am against the Sol Bloom bill.

Some suggest that at a future date foreign nations may engage in wars, and that such wars might endanger the safety of the United States or the safety of nations and governments with which we might have common cause or sameness of purpose. If such a situation develops, it can be met when it comes. That is the responsibility of Congress. The Constitution of the United States says,

The Congress shall have power * * * to declare war * * *.

That power will be exercised against any foreign government which seeks to carry out a policy that adversely affects our people or our country.

Fundamental Principles of Constitutional Money

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

RADIO COLLOQUY BETWEEN HON. CHARLES G. BINDERUP AND MRS. ETTA M. RUSSELL

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include herein an illuminating radio colloquy between Hon. Charles G. Binderup, former Member of Congress from the State of Nebraska, and Mrs. Etta M. Russell, author and instructor, of Decatur, Ill. Mr. Binderup is recognized as one of America's leading authorities on the subject of money and credit. He has taken a leading part in developing sentiment designed to support legislation for the purpose of bringing our money legislation and handling of finance up to date. Whatever Mr. Binderup has to say is always thought-provoking and challenging and worthy of careful attention. Mrs. Etta Russell has written a monumental work upon the basic functions of money and has distinguished herself in research and scholarship in this connection. The radio discussion is as follows:

ANNOUNCER. We now present a special program, Fundamental Principles of Constitutional Money. High-school and college students this year for the first time will have at their disposal a new textbook on the basic functions of money. This book, the first of its kind ever written, is the work of Mrs. Etta M. Russell, author and instructor, of Decatur, Ill., whose text is based on the true Jeffersonian principles of constitutional money. Mrs. Russell will be interviewed by Mr. Charles G. Binderup, former United States Congressman from the State of Nebraska. Mr. Binderup.

Mr. BINDERUP. In behalf of the Constitutional Money League of America we extend greetings to our vast radio audience scattered over the greatest Nation in the world. This morning it is my pleasure to introduce our distinguished guest speaker, Mrs. Etta M. Russell, of Decatur, Ill., who for more than a quarter of a century served as a teacher, principal, and superintendent of schools. She is typical of that great group of women who have given the best years of their lives to a great public service. It was in the course of her duties as an instructor that she learned of the false monetary teaching which in some manner had been injected into our textbooks in the public schools, which she says accounts for the lack of understanding of that most vital question, our monetary system. Mrs. Etta M. Russell is author of the first textbook for schools ever written teaching the true Jeffersonian principles of money. I know you will all be pleased to hear a brief discussion on this very new plan of a text for schools on monetary education. Mrs. Russell.

Mrs. RUSSELL. Since public education is the foundation of a democracy, the general public must understand the basic principles of all important factors in our economic life. Money and banking is by general admission the least understood of all such factors. A textbook should make clear the basic principles of money, how it operates, and its great importance in our daily lives.

Mr. BINDERUP. Mrs. Russell, how did you become so interested in the subject of constitutional money?

Mrs. RUSSELL. My study of history shows that when man progressed from the age of barter to a monetary age, money, the one means of exchanging goods, became our greatest public utility. Naturally I saw that in a democracy based upon an intelligent public, everyone should understand the nature and function of so essential a factor in every life.

Mr. BINDERUP. And how did you discover that among the members of your own profession so many did not understand this subject of money?

Mrs. RUSSELL. In a recent canvass I visited each of the 102 counties in my own State of Illinois, visiting schools and institutions of learning. I discussed the great need for a widespread program of education on this subject. In the great majority of cases school superintendents and educational leaders admitted that they did not understand the subject, and, Mr. Binderup, you know we had the same experience with Members of Congress, many of whom so frankly admitted their lack of knowledge on this subject during our recent interviews with them.

Mr. BINDERUP. Yes; that is true, and so, Mrs. Russell, all these contacts have convinced you that education on this most vital question should be taught in schools before the minds of youth have become warped by the poisonous propaganda of the international bankers.

Mrs. RUSSELL. Yes; I soon realized that obscure ideas and even false notions planted in the minds of our youth were the basic cause for the present lack of understanding of so simple and yet so important a factor in our economy.

Mr. BINDERUP. Hasn't this proved that the many conferences—State, National, and international—by groups of financial leaders have not been effective in providing an understanding of our economic problem? And haven't all the efforts of the past proved that it is time for the people to have a monetary conference in the little red schoolhouses, where the spirit of democracy and patriotism was originally born, and where it still abides?

Mrs. RUSSELL. It certainly has shown that money properly explained must be simply taught in every school in America. The simple elements of money must be clearly understood by the masses of our people.

Mr. BINDERUP. When wrong ideas are absorbed in our early years, isn't it more difficult to change them in later life?

Mrs. RUSSELL. Without doubt as we grow older personal and selfish interests are more likely to obscure our reasoning on many questions.

Mr. BINDERUP. Mrs. Russell, can you tell me the causes of business panics or depressions?

Mrs. RUSSELL. I have found that explanations of so-called business cycles in orthodox texts, still in use, did not satisfactorily explain them. The scientific method of ascertaining the cause of any malady is by a process of elimination until but one common factor is always present.

Mr. BINDERUP. And you found that in times of depression a scarcity of money was a factor common to all of them?

Mrs. RUSSELL. Without question, the element of money was the only factor of importance which had disappeared. After, in every panic, it was obvious that nothing of real value or wealth had disappeared. We were experiencing a period of unprecedented prosperity when, without any natural calamity to destroy our national resources or equipment, business stopped and the plague of unemployment was upon us.

Mr. BINDERUP. Isn't it strange that the factor of money was not long since suspected of being the chief cause of panics or depressions?

Mrs. RUSSELL. Not so strange when we realize that money and banking is the one important factor in our modern economy which is the least understood, not only by the general public but by students, teachers, and men of letters as well.

Mr. BINDERUP. But why is it that so many people know so little about so important a factor as money?

Mrs. RUSSELL. Such a condition proves that for succeeding generations we have been teaching theories for facts. Also that texts commonly used do not give a simple explanation of the true nature and function of money and how it operates in our modern economy.

Mr. BINDERUP. How do teachers account for the amazing inconsistencies, now so obvious, such as poverty in a land of great potential abundance?

Mrs. RUSSELL. They do not satisfactorily explain it, not even to themselves. How can they see that money, or lack of purchasing power, is the missing factor when most of them do not understand what we are using for money?

Mr. BINDERUP. When you say they do not understand what we are using for money, are you referring to the use of credit for the greater portion of our medium of exchange?

Mrs. RUSSELL. Exactly that. The average person still thinks of money in terms of paper notes and coins.

Mr. BINDERUP. And when were you convinced that money or lack of purchasing power was the root of our economic troubles?

Mrs. RUSSELL. When I saw want in the midst of plenty, people starving in a land of abundance, food destroyed. While bread lines and relief rolls increased, all this convinced me long since that ours was a problem of distribution; a lack of purchasing power. And my conviction was strengthened by the testimony of Governor Eccles, of the Federal Reserve System, and that of the Honorable Robert L. Owen before the Banking and Currency Committee of the House of Representatives on the 1935 Bank Act.

Mr. BINDERUP. To what testimony are you now referring, Mrs. Russell?

Mrs. RUSSELL. To their testimony concerning bank credit when Mr. Eccles said, "Bank credit is money and makes up the major portion of our money supply." Now it is estimated to be 95 to 98 percent of our total circulating medium.

Mr. BINDERUP. You also mentioned the testimony of Senator Owen, which is interesting to me, as I discovered on my recent European trip that in Europe Senator Owen is considered an international authority on the question of money.

Mrs. RUSSELL. Yes; the simple and forceful explanation by Senator Owen of how banks and their borrowers create bank-credit money by making loans, and destroy it when loans are called and credit is contracted.

Mr. BINDERUP. Do teachers generally understand this particular phase of our monetary system?

Mrs. RUSSELL. On the contrary, from their own admissions they do not. Like the average person they, too, think of paper and coins as comprising our supply of money. This is the reason that the general public cannot see how banks create and control our money supply.

Mr. BINDERUP. But just what convinced you that the disappearance of our money was that common element which caused depressions?

Mrs. RUSSELL. Bank-credit money was the only important element which disappeared according to our records. The lack of money or purchasing power was soon conceded by all our leaders to be the missing element. When the present administration created its lending agencies to emit more money into the money stream the one great objective of all of them was to increase purchasing power.

Mr. BINDERUP. Do you think these activities made the people money-conscious?

Mrs. RUSSELL. Without doubt, more people are now thinking about money and studying it than at any previous time.

Mr. BINDERUP. Isn't it a fact that teachers as well as others are asking for a textbook which will clarify their thinking on the subject?

Mrs. RUSSELL. Many superintendents of schools have told me that such a book is most essential. The fact that so many do not understand our monetary system proves that texts now in use have failed to give a clear picture of the nature and function of money and how it operates in our modern economy.

Mr. BINDERUP. Just what do you consider the basic elements of such a book?

Mrs. RUSSELL. We must first make it clear that money is not wealth, but merely a receipt for wealth. It represents goods or services surrendered and then becomes a demand claim check upon society for other goods to replace those given up.

Mr. BINDERUP. Do you mean people must be taught that fundamentally money is only a ticket or a claim check for goods?

Mrs. RUSSELL. Quite right. Money need not and should not have intrinsic value. The material of which money is made is not important. Its important characteristic is acceptability. Money is redeemed every time it is accepted in payment for goods or services. The widespread use of scrip proved this point.

Mr. BINDERUP. But isn't it strange that for so long a time the people have not seen that printing bonds creates no additional wealth to secure our money?

Mrs. RUSSELL. Yes; it is strange, for in practice we create a debt based on our wealth and then the bankers create our money based on this, our debt. Who can explain why we should not base money directly on our wealth and thereby eliminate the debt.

Mr. BINDERUP. Wasn't it Thomas A. Edison who said, "Any government that can issue a good, interest-bearing bond can issue an equally good non-interest-bearing note"? The same element that makes the bond good makes the note good.

Mrs. RUSSELL. Yes, indeed, and it is quite evident that Edison acquired his information about money from his association with the late Arthur Kitson, of England, the first great pioneer in monetary reform. As an inventor, Mr. Kitson worked with Edison on electric lighting.

Mr. BINDERUP. Then you believe that private control and regulation of money prevents full employment of equipment and labor?

Mrs. RUSSELL. Mr. Binderup, in your congressional breakfast talks over this station WOL you illustrate the results of private control. Your history of the crime of May 18, 1920, shows so plainly the far-reaching and disastrous results of the private control of credit as exercised at that time. Here it seems to me was laid the foundation for our present farm problem and the present need for subsidies to farmers.

Mr. BINDERUP. But you do believe these subsidies and other Government spending was a necessary expedient for temporary relief?

Mrs. RUSSELL. Certainly. After $20,000,000,000 of our bank credit money supply, as confirmed by Governor Eccles, was destroyed by banks calling loans and refusing new ones, this money had to be restored to circulation before recovery could be possible. But the issuance of this money followed the traditional method. The Government issued bonds or debts to the banks in return for the banks' credit on which the United States Government could check. This means that all the money so issued must be recalled, with interest, from circulation by taxation to pay these bonds.

Mr. BINDERUP. Didn't Governor Eccles say in some of his testimony that bonds were not necessary to back our money?

Mrs. RUSSELL. In his testimony on the 1935 Bank Act, he said, "We finally recognized that we did not have to have gold to back our money, and we didn't have to have bonds or eligible paper but could take any sound asset into the bank and issue Federal Reserve notes on it."

Mr. BINDERUP. But if Congress should advocate the issuance of United States notes instead of bonds it would be condemned as inflation.

Mrs. RUSSELL. That has been the method in the past for continuing bank control and discrediting Government control of our money. But now Governor Eccles has defined inflation so splendidly. Don't you think that should help overcome this bogey of inflation?

Mr. BINDERUP. Just what was his recent definition of inflation?

Mrs. RUSSELL. In his testimony on the silver question in April he said in substance that inflation would result only when the supply of money in the hands of those who spend exceeded our capacity to produce. Of course, no one believes we are producing at capacity with 11,000,000 people still unemployed.

Mr. BINDERUP. Do you think we as a nation could consume the products of industry with full employment?

Mrs. RUSSELL. With one-third of our population ill-fed, ill-clothed, and ill-housed, who can doubt that if they had the purchasing power, surpluses would vanish? Some even estimate that there would be a shortage of labor to supply the demand for goods, if all were living on a satisfactory American standard possible at this time.

Mr. BINDERUP. Then you think our program of cutting down production is basically wrong?

Mrs. RUSSELL. Thinking people can see no logic in an economy of scarcity when an economy of abundance is in sight for all. I believe with Senator Owen that when we release the forces of production by supplying an adequate purchasing power instead of cutting down production to fit our money supply, we shall have such an era of prosperity in this country as we could never envision under our debt-money system.

Mr. BINDERUP. Then, Mrs. Russell, you believe that in order to solve this economic problem we must educate our young people so that they understand the important function of money?

Mrs. RUSSELL. When we read the statements and wise counsel of such men as Franklin, Jefferson, Jackson, Lincoln, Garfield, and Bryan on the subject of money and credit, and then realize how little we have profited from their wise counsel, doesn't it prove that instead of writings which few ever read, we need a simple textbook which every citizen in his youth will study and understand? Jefferson warned us against private bank control of money in that immortal prophecy of his when he said, "If the American people ever allow private banks to control the issue of their money, first by inflation and then by deflation, the banks and the corporations that will grow up around them will deprive the people of their property until their children will wake up homeless on the continent their fathers conquered." And now as a member of the Advisory Business Council of the Constitutional Money League of America, let me thank this broadcasting station for this great privilege of bringing this message to our people and of presenting a textbook for schools as my contribution to this great cause of public education.

ANNOUNCER. You have been listening to a discussion of the fundamental principles of constitutional money. The speakers were Mr. Charles G. Binderup, former United States Congressman from the State of Nebraska, and Mrs. Etta M. Russell, author and instructor from Decatur, Ill. Mrs. Russell has just completed a textbook on the basic functions of money, the first book for schools of its kind ever written. This program was arranged for by the Educational Features Division and was a special presentation of the Mutual Broadcasting System.

The Senate and Hitler

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. IZAC. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Washington Daily News of July 3, 1939:

[From the Washington Daily News of July 3, 1939]

THE SENATE AND HITLER

If a general European war started tomorrow, under existing law the United States would find itself in this position:

1. The President (presuming that he would "find that there exists a state of war") would have to forbid the export of arms, ammunition, and implements of war to the belligerents.

2. But, since the cash-and-carry section of the Neutrality Act expired May 1, Americans could deliver to the warring powers as much cotton, petroleum, steel, hides, foodstuffs, and what not as they could sell.

Would that "keep us out of war?" Would German submarines, surface raiders, and aircraft lay off our merchantmen just because they were carrying wheat or gasoline instead of machine guns? It doesn't seem likely, or even possible.

There is talk in the Senate of doing nothing about neutrality legislation—of leaving us in the fix described above. We can't believe that the Senate will shirk its high responsibility. We think the Senate should take prompt and positive action not only to help preserve our neutrality in the event of war but also to help prevent war from starting at all.

The bill just passed by the House would restore the come-and-get-it principle to our commerce with belligerents. To that extent it is desirable and necessary. But the House insisted, in a close vote, on entirely forbidding the exportation of arms and ammunition to belligerents, as under the existing law (except that the House omitted "implements of war" from the ban).

Thus the House said, in effect, that Americans can sell everything that is needed to make guns and bullets, but not the finished product. It rejected the administration's plea that such a provision might encourage Hitler to stir up a war.

The situation in Europe is precarious, to say the least. The British and French are going to unprecedented lengths to convince Hitler of their solidarity and their determination to reject any more blackmail propositions of the Munich type. But Hitler, communing with the intuition which has served his ends so well to date, continues to tauten the frayed line that divides peace from war. He seems determined to put the London-Paris warnings to a test at Danzig.

Perhaps, as is reported, Hitler is convinced that at the eleventh hour the powers will decide "Danzig isn't worth a war." Perhaps he is convinced that, even if he is challenged, he will win a "lightning war." But perhaps, on the contrary, he is plagued by the thought that the great empire he has won with bloodless conquests might crumble in the muck of trench warfare and the misery of blockade.

How could any mortal man escape such fears?

And yet, with Hitler possibly teetering between a test of arms and the economic benefits he could certainly gain at a conference table, the House has formally refused to make the gesture that might crystallize his fears and turn Europe back from the brink of war.

The Senate still has the opportunity to make the gesture. If it were to pass the House bill with the arms embargo amended out, there is a good chance that the House would yield and concur.

That seems to us the least this country could do in defense of its own self-interest in world peace.

The Attainment of Peace

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

Mr. VOORHIS of California. Mr. Speaker, through all the ages man has struggled to overcome two terrible scourges—poverty and war. Both of them could be conquered today by an application of the true spirit of the Christian religion to the affairs of men. But neither of them has been conquered.

To anyone who has endeavored to the best of his ability to find the really right course of action the world of today presents a choice of alternatives so confusing as to make it most difficult to find a solution in which right and wrong are clearly separated and ranged opposite to one another.

In the course of the recent debate on the so-called neutrality bill there were many things I should like to have said. I did not say them. Instead I listened and tried to learn from those Members who seemed so positive of their position and so certain they were right. But not in all the course of the debate nor in all the conversations I had with other people in various posts of government nor in any communications that I received did I find the clear answer to this problem of international relationships for which I was looking.

THESE THINGS ARE CERTAIN

Of one or two relatively simple things I am myself certain. One of these is that mankind has come to the end of an epoch in human history and that much of our trouble lies in our unwillingness to face that fact with courage. The coming of the machine has required that the needs of the people be met; and, so far as the necessities of life are concerned, fully met. If we would have peace and an end to poverty, we must devise a way of distributing this abundance into every single home. It is no longer a question whether this can or should be done. It is an imperative that it must be done if mankind is not to perish of hunger in the very midst of what is falsely termed a surplus of production.

Another thing of which I am sure is that this distribution of abundance can only be accomplished when we have rendered a scarcity of money in the Nation impossible and have effected a system whereby our means of payment for goods is nationally created and nationally controlled and whereby that means of payment increases in volume as the Nation and its wealth grows, rather than as private or public agencies contract additional debt.

And I am sure, too, that we shall not be able to endure much longer a condition where some types of goods flow freely from producers into the markets of the world—there to seem a glut of superabundance without actually being so—while other needed goods which could be abundantly produced and freely delivered to market are neither so produced nor so delivered because a small group of people exercise effective control over their production. I think we shall have to assert a public interest in these monopoly industries and, in whatever way may be best, bring about a full production of these goods to match the full production of other goods which are produced under competitive conditions.

I am sure of this, too: That war has never yet settled any problem; that it has so far led only to more war, more suffering, more confusion, more enslavement of men. Nor can war over a very extended period of time be prevented by the apparent protection afforded by arms and evidences of superior force. I have voted for many of these things for the United States in the hope that they might implement so constructive a policy on the part of this Nation that the day might speedily come when a surer and saner protection could

be found. This is not to say that a constructive policy has not been followed, but only that its goal has not yet been attained.

MISUNDERSTANDING

Why is this true? When all the people of the world know nothing so certainly as they know that war can bring them no good thing but only evil ones, why cannot a great Nation effect progress toward the peace of the world?

Clearly the very existence of dictatorship is one reason, but I am convinced that a fundamental reason lies in lack of understanding. We are so close to our own struggle that we cannot understand the struggle of other peoples. We do not grant them either the same motives or the same objectives as we claim for ourselves. We are prone to conceive a great clash of forces in the world and we always picture our cause as the altogether righteous one and the opposite cause as altogether unworthy. How rude would our awakening be if we could understand that all these causes are the same and that reduced to their least common denominators the purposes of the peoples of the world, however they may seek to attain them, are simply three: To have bread to eat, and safety, and a measure of freedom for their souls and spirits.

For political purposes it is always safest to condemn and never to praise or defend. But I am certain that no nation or people in the world is half as bad as its enemies claim it is nor probably as good as its advocates would have us believe. Systems of government are not simply principles written in books and embodied in officials but efforts on the part of nations to gain the bread, the safety, and the freedom for which they long.

If the world is to have peace, then a basis for peace must be found and established. If that cannot be done, then the cause of humanity is lost. Often as it has been said—often, indeed, as I myself have said—that the first principle for Americans is to keep our Nation out of war; that is only a portion of the truth. The other portion of it is that we must seek also a basis for world peace.

The nations of the world are divided between great nations and small nations. They are located in certain places on the globe and surrounded by certain neighboring states. Each is different from the other. Some, indeed, are rich, and others very poor. The peace of the world will always depend, therefore, not on how small nations treat great ones or on how poor nations treat rich ones, but on how great nations treat small ones and how rich nations treat poor ones.

And the one great obstacle to just treatment of small nations by great ones is this: That the great states have not yet provided a means of distributing to their own people the plenty they themselves produce and therefore out of their poverty the common people, even of the great States, have little they can give away.

ULTIMATE BASIS FOR PEACE

And so, if we take a long-range view of the situation, we can clearly see that peace depends ultimately and primarily upon such reforms within the great nations as I have suggested above—reforms which will make of the machine a means of raising the standards of living of the people instead of causing unemployment. Not one nation which has done that will be a threat to the peace of the world, and no nation which has not done it can be effective in working toward that peace.

And from this it necessarily follows that the defense of freedom and democratic institutions—and they are a thousand times worth defending—is to be found ultimately in the perfection of the economic machinery within the great democratic nations themselves.

THE GREAT INJUSTICE

One more thing I know. It is that war as it is fought today requires horrible sacrifice for one portion of a nation and in many cases no sacrifice at all and even great gain for other groups. This, I believe, is one of the main reasons why war continues to be a scourge of mankind. It is the reason for the surprising opposition expressed by some people over the proposal recently advanced in the American Congress that wartime tax rates be so fixed as to make impossible the grossest inequalities of sacrifice in time of war. It is the reason why the greatest crime upon the whole record of mankind is the fact that always wars have been declared by people who—in most cases—have not been, and are not today, the people who must fight in them.

IS IT HOPELESS?

Must the world go to war this summer or next year or in the next decade? Must the American Congress consider only the questions of how to keep this Nation out of war or how to help friendly nations win a war? Is it beyond possibility that we could consider also attempting to find a basis for peace?

The answers to these questions it is, of course, not within the power of any living man or even any single nation to give. But this much is certain: Not until the problems of all the nations have been considered; not until the complaints of the dissatisfied peoples, both strong and weak, have been analyzed and understood; not until all questions of empire, "appeasement," and national glory have been, for a brief historical moment, laid aside and an earnest attempt made to meet the needs of all peoples equally; not until then can any man say that war needs to be inevitable.

The danger of the hour is—and perhaps they are right who say it is an overwhelming danger—that the people of the totalitarian nations cannot speak for themselves nor even question for a moment their spokesmen. This is the reason dictatorship must always threaten the world more than democracy can possibly do.

My hope has been that the United States, as the most powerful Nation in the world, might open the way to a peace along the lines of agreement. That is why I have wanted her to be strong. But I am told that because I have been one who has voted for legislation which I believed was calculated to keep this Nation from involvement in war I have contributed toward making such action by this country difficult. If that be true, then I have chosen a course of action that was second best, indeed. But the alternative to it has always been to take the position that only by being able to threaten war could we help to bring peace. I have been loath to take such a position, partly because I believed it dangerous to this Nation's peace, partly because I have feared it might interfere with the evident duty of the United States to give example to the world here in the Western Hemisphere of how a great nation could deal with smaller ones on a basis of equality and fairness to all. But I have not abandoned my hope, and I shall not be able to abandon it until such time as the last inevitable step toward war has been taken by the nations. To lay a basis for peace, to found it on agreement rather than on conflict and defeat is and must always be our greatest effort.

THE TWO DANGERS

I do not believe the economic problems of the world are insoluble. I do believe that a solution of those economic problems would open the way for the avoidance of war over an indefinite period of time.

No doubt it is true that threats of armed aggression are bound eventually to bring their disastrous penalties. However much it may appear that saber rattling has been successful, it is only a matter of time until the number of peoples offended becomes so great that the swaggering dictator will face hostility too general to defy. Just how far the dictator can go, just how long he can feed his people and the world on threats and sudden sorties, I do not know. I do know that there is an end to such things—a certain and unavoidable end. Peace cannot be got that way, and neither in the end can national greatness.

On the other hand, neither does peace lie along the path taken by the victors in the last war and still pursued substantially by them. Not one single instance can I find where a sincere effort was made to assist republican Germany in meeting her impossible economic situation. Today I agree that it cannot be a matter of "giving in to Hitler." But it is

still and will continue to be a matter of giving economic opportunity to the German as well as to all other peoples.

SOME DAY AN EFFECTIVE BLOW FOR PEACE WILL BE STRUCK

The peoples of every nation in this world fear and dread war. It is important to remember that gradually the realization is coming over them that war within the next few decades may well become exactly a matter of mass race suicide. Some day some nation or its government will make exactly the right move at exactly the right time for peace. It will be a move that will ring with sincerity and will catch the imagination of every people in the world. The President has already shown himself capable of such action.

And so I say today that America's first and principal task is to try to be the Nation that strikes that telling blow for peace. Perhaps this is not the hour when it can be struck. But certain it is that it must be found soon.

TAX PROFIT OUT OF WAR

I wish I knew for certain how to write a neutrality bill that would keep this Nation under every circumstance out of war. I doubt that that can be done. As many Members have said, the question of American neutrality will in the end be largely a question of the state of mind of the people. I do believe that a bill providing for taxing all profit out of war will help and will be a most important deterrent to our Nation being dragged into a foreign war. I think the opposition to such a measure proves that to be true.

Beyond these things the United States, protected by a strong and adequate national defense, can and, I believe, must do whatever she can to help bring peace to the world. The only method I know is the method of agreement. It has been tried and failed. But no one knows how many times prehistoric man tried and failed to form the first clan or tribe as the first peace group in the world. The important thing is that at last it was done. It was done because some of the primitive people refused to stop trying to accomplish it. This is why I hope sincerely that there is foundation for recent press reports concerning the possibility of another attempt being made by the United States to bring together the representatives of the nations in an attempt to achieve peace by means of agreement instead of by conflict and defeat.

WHAT THE UNITED STATES CAN DO

What should be the role of the United States? We are the greatest, most powerful Nation in the world, and we cannot escape that fact. Furthermore, we are a Nation which has engaged only to a very limited extent in imperialism—and is probably sorry even for that; and we are a Nation which is so fortunately situated that there is no need nor inclination for aggression on our part.

Therefore we can work for peace. We can continue a thoroughgoing good-neighbor policy toward the American republics, thus giving example to the world of how great nations and nations of smaller wealth and population can live together at peace. We can solve the problem of distribution to our own people in our own country, thus rendering it less necessary than it is today for us to seek foreign markets. We can, and I believe we should, take a more deliberate and a cooler view of the world situation than most other nations can do. I believe we could make plain at one and the same time that either continued unwillingness to adjust the world economic situation, or certainly continued armed aggression, will inevitably have their effect on American policy and action. I believe we could say that on mature judgment it appears wrong for this Nation to continue to supply to one nation the essential means of fighting a war of conquest on the soil of another nation in violation of a treaty which we ourselves have signed. And I think at the same time we should grant freely and frankly that the abandonment of that war will find us ready to admit that the interests of Japan in the Orient are as natural and understandable as are our own interests in the Western Hemisphere.

I think the job of the United States, even now, is to contribute a maximum of sanity to a distracted world.

PROVISIONS OF HOUSE BILL

The House has passed its neutrality bill. It says either the President or Congress can "find a state of war to be existing" and that thereafter (1) no arms or ammunition shall be shipped to belligerents, nor (2) shall loans or credits be extended to them; nor (3) shall goods be shipped to them unless, first, title has been transferred to the foreign purchasers; nor (4) shall funds be collected for any belligerent nation in the United States except under strict regulation. It continues the National Munitions Control Board, and its control over the munitions traffic. Under its terms American citizens would ride on belligerent ships only at their own risk.

Are these provisions so far reaching that they render effective action by our Nation in foreign affairs impossible? I cannot see why, nor can I see that they do more than provide (1) prudent caution against this Nation being led by events along a course of action which, in judgment, it should not take; and (2) safeguards against our domestic economy being made to depend to an overwhelming extent upon the munitions industry. That is why I voted for the arms embargo and then for the passage of the bill amended to contain the embargo.

NEUTRALITY LAWS NO GUARANTY OF PEACE

And I would point out that the provisions of this bill or of any other neutrality law cannot be mistaken either by our own people or the people of any other nation as any sure defense against this Nation taking the fatal step into war. The peace of America can only be maintained either by the absence of war in the world, or, if war is in progress elsewhere, by a resolute determination on the part of the people and Government to stay out of it. And, neutrality law or no neutrality law, the measure of that determination will be largely found in the extent to which other nations or the leaders of other nations may go in insisting upon either continued aggression or continuing imperialism.

I am quite ready to say that these considerations are not to me absolutely conclusive as to whether my vote to embargo arms and ammunition to belligerents was right or whether my vote for passage of the Neutrality Act of 1939, as amended by the House, was right. Were I to have to cast these votes again, I know I should have to go through the same inward struggles all over again. All I do know is that there is nothing I seek so much as a clear and certain answer to the question: What ought a Member of the House of Representatives to do to protect the peace of his own country and to promote the peace of the world? May a guidance wiser than any human mind give us courage, wisdom, and vision in these difficult days.

Who Owns the Money? Who Owns the Gold?

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

Mr. THORKELSON. Mr. Speaker, Congress has made so many mistakes during the past few years that I am sure the mentioning of one or two more will make very little difference. Members of Congress should not be alarmed because the President's devaluation power has expired, for it was a privilege that Congress had no constitutional right to grant to the President.

Practically all our trouble is due to the Gold Reserve Act and the monetary power given to the President and the money changers in his temple. He himself has talked about the money changers so often that I hope no offense will be taken if I use the same term.

Gold is the international standard for money. If any changes are to be made in the value of gold, it must be

agreed to by every nation in the world. It should be obvious to everybody that nothing but confusion will come from constant changes of grains of gold in the dollar. It is indeed unfortunate that we have tied our dollar to a fixed gold content, for had we simply abandoned the gold standard and continued international trade in grains of gold, as we are now doing and will always do, our industries and business would have been protected. Had we abandoned the gold standard entirely, all international transactions would have been conducted on the old gold standard of 25.8 grains of fine gold. This would mean that all commodities would be sold to foreign nations at the prevailing price in our market, and United States bonds would be sold at 100 cents gold to the dollar, or at 25.8 grains of gold to the dollar. As it is now, or will be when the dollar is again devaluated to 12.9, every nation in the world will buy United States commodities for half of their real value. A foreign nation with one million gold credit in the United States will be able to buy $2,000,000 of merchandise after devaluation of our dollar to 12.9.

Should all nations decide to go back on the gold standard, it is only reasonable to suppose that all United States bonds and securities that were bought with the dollar containing 15.521 grains of gold and 12.9 grains of gold cannot be negotiated with a dollar containing 25.8 grains of gold, without creating a loss in our Treasury from 40 percent to 50 percent in gold. In other words, a bond bought by the English Government for a dollar with a gold content of 12.9 cannot be redeemed by us with a dollar of 25.8, for in such transaction we lose 12.9 grains of gold. I hope this is clear to everyone, for I have certainly tried to cover it from different angles.

The Chairman of the Federal Reserve System and the Secretary of the Treasury are to a certain extent responsible for the muddle of our financial structure. Their advocacy of queer financial formulae has upset business, upset the Nation, and left us with a "phony" dollar which the gentlemen call "legal tender." These gentlemen and others are treating the American public with studied indifference and little consideration. They want us to believe that our hocus-pocus money is good enough for us and gold is not necessary. Yet the New Deal, in which these gentlemen may be found, has deprived the people of all gold and set it aside for the money kings.

I now ask, Why are they breaking their necks to corner the gold market if this metal is useless and superfluous? Why is gold an absolute necessity in international transactions and why is gold set aside for the use of those in the invisible government that are now bent on the destruction of the United States? To tell the American public that gold is not needed is perfectly stupid on the part of those who advance such information. Gold is a most tremendous power, and it is set aside at the present time for one purpose, and that is to place the invisible government and its disciples in complete control of the United States. These facts might as well be known, for no one is going to tolerate such imposition.

Further devaluation can only bring about greater disaster to the Nation, to add to the many planned disasters we have had for the past 10 years. It is now time for us to reverse this procedure so that the planners may have a taste of their own medicine. We can do that by returning to sound, constitutional government.

If the dollar is devalued to 12.9 grains of fine gold, what will happen? Nothing except greater confusion. The increment on gold is called profit by our new experts. One thousand gold dollars, or 25,800 grains of gold, in the United States Treasury before devaluation became $2,000 in gold after devaluation without increasing or decreasing the 25,800 grains of gold. In other words, the gold in the dollar was cut in half, and each half became $1. This is a delusional state in which the administration has been operating since it came into power.

The Federal propaganda machine in black headlines announces, United States buys gold. It looks fine on paper, but here is what happens: Before the 1934 devaluation we bought 25,800 grains of gold with a $1,000 automobile. After devaluation to 12.9, we will buy the same amount of gold, that is, 25,800 grains, with two $1,000 automobiles. The New Deal calls this good-neighbor policy, and it is, to foreign nations, but not to us. At this point it is well to bear in mind that our own citizens do not enjoy this privilege because we have no gold and our wages and expenses are approximately the same now as they were 10 years ago. We cannot make a comparison for we are not allowed either to own or use our own gold. That privilege is only given to those who live in foreign countries. It is the most damnable fraud perpetrated on the tolerant, unsuspecting American citizen.

Let us now go a little further in this comparison. If Mr. Citizen is fortunate enough to have 1,000 gold dollars representing 25,800 grains of gold, the Federal Government takes it from him and gives him in return $1,000 in our commodity or hocus-pocus money. For these thousand confiscated dollars the Government pays the owner $20.67 per ounce, but when it reaches the United States vaults it is set up at $35 per ounce, and after the next devaluation it will be $41.34 per ounce. The Federal Government calls this profit and that is the only kind of profit the Federal Houdinis have made.

Mr. Citizen, from whom the gold money was taken, may remain free, but there is a possibility that he may be jailed for illegal possession of gold; and, remember, it was his own property. This is happening here in the United States of America, and we, like fools, let the Government get away with it. I wonder what in hades is wrong with us for allowing these internationalists to rob us of our own property to fatten their own pockets. Mr. Citizen needs a new spine, so that he can stand up straight and kick this horde of pillagers into the ocean.

When I oppose this public fraud and speak in defense of my own and the people's rights I am called a Nazi or Fascist. I am headlined in the invisible government's owned and controlled press and, as would be expected in all radical and communistic papers. What is the relation between the subsidized press and communism itself? Both speak in the same voice. This is something to which the American people should give serious consideration, for there is a definite alinement between the invisible government's press and all communistic publications.

The morale of our people is gradually undermined by filthy, lurid, degrading propaganda. Pride and patriotism are ridiculed to such an extent that when a person speaks on ideals and sound government, he is treated with defamatory remarks and smeared in the daily press and in the communistic papers. Patriotic citizens are now publicized by this press as "Reactionaries," "Tories," "Nazi," or "Fascist," and we have reached such a low ebb in nationalism that patriotic publications can no longer be subscribed to or delivered free from Federal investigation. Patriotic citizens today must meet in dark back rooms, but the Communist and his radical tribe meet on the public squares in a blaze of lights. We have indeed reached the end of the road, and our only hope is the reassertion of the principles on which our Nation was founded, and faith rekindled in the heart of every stanch, patriotic citizen, so that the country may be saved from complete disintegration. I hope all patriotic citizens will arouse themselves and unfasten the bonds that bind them. Let us set America free out of respect to our forefathers, so that we may enjoy the rights and liberties for which they gave their lives. Let us swing on to the halyards and hoist the Stars and Stripes to the masthead as a warning to all who entertain our destruction.

Do you not think, Mr. Citizen, that this Government is just about owned and controlled by the administration's money changers? It certainly looks like it, does it not?

All of this has been brought about by your Congress—the one you elected in 1930, and that you have perpetuated because it supported the President. Your own Congressmen have sold you, as well as the Nation's industry and business, to the money power in the invisible government, the same gentlemen who bought out property in Germany during the inflation. It is a peculiar situation because this invisible

government is in reality a nation within a nation but never an assimilable part of any nation.

Mr. Congressman, do you believe that you have honored your oath of obligation and have you been fair with your own people? Have you been fair with the people that elected you to office, the same people who are now paying your salary and the total expense of the Nation; the people whose children are facing a future in which they may not have control even of their own destinies? Think it over, Mr. Congressman, because one of these days you will be one of those people.

I also understand that the $2,000,000,000 gold stabilization fund expired in company with the devaluation power. And what a blessing that would be to the people. We were informed that this fund was used to stabilize the dollar. What a joke that is. Nothing but a deliberate falsehood. The international dollar contained 15.521 grains of fine gold, which gives it value. No stabilization fund is required to stabilize the dollar any more than another stabilization fund would be necessary to stabilize the present fund. It certainly would be foolish to say that another $2,000,000,000 in gold would be necessary to stabilize the present $2,000,000,000 gold stabilization fund. Even a child knows that.

The $2,000,000,000 stabilization fund bestows extraordinary powers on the President and the Secretary of the Treasury. Two billion dollars in gold is more money in cash than all the business in the United States ever has had at its command at one time. This money may be employed in so-called squeeze transactions to destroy ownership, change ownership, or place those in power who have control of the money. Two hundred million dollars of this money is used by certain banks in New York City, and I am sure the taxpayers would be interested in knowing for what purpose. So would I. This stabilization fund is used for no other purpose than to play the stock market, to sustain the prices of bonds and other market transactions. A $2,000,000,000 toy for the President and the Secretary of the Treasury is rather expensive, and the fact that nothing is earned on this money is reprehensible indeed. If the $2,000,000,000 had been used to retire foreign obligations that are always payable in gold, the taxpayers would have been richer by $200,000,000 in gold, for that is just about the interest we have paid to foreign investors.

Let that be as it may, this fund is clearly unconstitutional and it is too much money for the President and the Secretary of the Treasury or anyone else to have at their own disposal, because no one yet has shown sufficient ability to be trusted with that much money. I do not make this statement in the sense of an accusation. My statement is made upon the evidence with which we are confronted today. Our monetary policy is rapidly destroying all private industry and the Nation as well.

The Gold Reserve Act is clearly unconstitutional in principle and in fact, and it should be repealed and all expenditures and receipts published, as is required in the Constitution. As evidence of unconstitutionality, I quote from article I, section 10:

> No State shall make anything but gold and silver coin a tender in payment of debts.

The States have been deprived of this right, for no one is now allowed to use gold, and very little silver. Article I, section 8, further provides:

> The Congress shall have the power to coin money and regulate the value thereof, and of foreign coin.

Congress here, as is clearly stated, has the power to regulate value, but it has no power either to steal or confiscate value. The Gold Reserve Act stole the gold from the people, confiscated gold money, and repudiated gold securities. The whole thing is obnoxious and so flagrantly unconstitutional that respect has been lost for the Federal Government. The Supreme Court, which upheld the constitutionality of this most abominable act, has lost much esteem by such an unconstitutional decision.

Gold is property, and, of course, our most valuable property, so recognized by us as well as other nations of the world. Gold was and is earned by the people in the United States; it belongs to them, and Congress has no right to confiscate this property. This gold is absolutely necessary as a standard security for money, for life insurance, and for all investments. The great unrest throughout the world today is caused by a concentration of gold in the hands of the invisible government. If we set this gold aside as security for our people and repudiate the gold certificates now held by the governors of the Federal Reserve banks, and interests outside of the Treasury, peace again will prevail. It is no greater crime to repudiate these gold certificates held by foreign interests than it was for Congress to repudiate the Government's obligation to its own people. One thing, however, is certain: When we have locked up the gold as security for currency and for other obligations, when it is back in the hands of the people where it rightfully belongs, we have then locked up the god of war.

The Cost of Taxation

EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

EDITORIAL FROM THE MILWAUKEE SENTINEL

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from the Milwaukee Sentinel of June 24:

[From the Milwaukee Sentinel of June 24, 1939]

HOW WASTEFUL TAXES LOOT AN INDUSTRY

Nothing better illustrates the frightful consequences of the waste-pipe and drain-hole methods of our tax policies than the figures printed by the Pure Oil News, of Chicago, under the signature of Henry M. Dawes.

All wage earners and businessmen should read this record.

The petroleum industry paid $1,200,000,000 in taxes last year.

That $1,200,000,000 in taxes from one industry is more than it takes to maintain the Army and Navy, which was $974,157,232 in 1938.

But are these taxes expended for that laudable defense purpose? The country is beginning to wonder.

What grudge have the tax-levying politicians against oil?

That $1,200,000,000 tax levied on oil is—imagine—12 times the net income from all corporations in 1934, which was $94,170,000.

The onslaught of taxes on oil is finally evidenced by the fact that this $1,200,000,000 is nearly four times the taxes paid by the railroads in 1937, which was $352,047,524.

If the railroads are bowed down to the ground under the weight of the tax moloch, what is going to happen to the petroleum industry, which carries nearly four times that weight?

Mr. Dawes inquires what becomes of the $1,200,000,000 collected from petroleum?

No one knows. Not even President Roosevelt knew in his purely defensive speech before the retailers of America.

Taxes there must be, of course. But the bulk of the taxes today go to finance vast political schemes and chimerical projects in the various States which carry the deceptive label of social welfare or public improvements.

The country is sinking under the tax load which is looting our industries, prolonging the depression and perpetuating unemployment.

Pickwick Dam and Shiloh Battlefield

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

Mr. RANKIN. Mr. Speaker, for the last few years I have exerted every effort to try to develop the hydroelectric power

of this Nation for the benefit of the American people, and to get it transmitted to every home at rates based upon the cost of generation, transmission, and distribution.

I believe in stimulating and developing the forces of construction instead of stimulating and encouraging the forces of destruction.

One of the dams that has been constructed partly as a result of my efforts in the House, is the Pickwick Landing Dam on the Tennessee River, which lies within the very shadow of the battlefield of Shiloh where a little more than three-quarters of a century ago the forces of destruction were gruesomely busy at their appointed work.

A splendid word picture contrasting the battle of Shiloh with the construction of Pickwick Dam, appeared recently in the Baldwyn Home Journal, a weekly paper published at Baldwyn, Miss., which reads, in part, as follows:

> Not long ago we viewed in a single day two widely contrasting scenes; one showing the wonderful progress of the human race when working, through Nature, with God; the other disclosing the horrors wrought by man when engaged in a devastating war.
>
> At Pickwick we scaled a mountain of masonry and stood in the midst of the beautiful Tennessee River listening to the thunder of its turbulent waters at our feet, dashing and splashing, frothing and foaming as if fretted by the audacity of man in curbing its course to the sea. Tall movable towers of steel on the dam raise and lower the ponderous sluice gates with the power generated at the plant.
>
> On entering the spacious reception hall we found this inscription on the wall: "1935—Built for the use of the people of the United States—1939." A uniformed guide met us and showed us through the plant, explaining its intricate mechanism.
>
> As we stood on a balcony in the observation room and leaned over the balustrade, listening to the murmur of the mammoth machines below, we thought of this mysterious power we call electricity, generated by man through the medium of impounded waters and flashed with lightning speed from lofty towers, over a tangled web of wires, to serve humanity myriads of miles away, we exclaimed, "What a wonderful piece of work is man."
>
> The scene shifted. We left Pickwick and motored to Shiloh, where 75 years ago, the death angel touched with deft fingers the swift keys of war, and the earth trembled from the awful symphonies; "the bursting shell, the rattling musketry, the clashing blade, and ever and anon, in tones of thunder, the diapason of the cannonade."
>
> We drove over winding roads, through the beautiful forest of oaks, where grim instruments of war still stand in battle array just as they stood on that fatal day when shot and shell were falling fast. We saw the spot where Albert Sidney Johnston fell. We viewed the frightful field round the Hornet's Nest, the Peach Orchard and the Bloody Pool, where death took its heaviest toll. Passing magnificent monuments of marble and granite, we visited the silent city of the dead on a high bluff of the Tennessee River, where long rows of ghastly stones mark the last resting place of thousands of unknown heroes.
>
> When we had viewed these scenes of carnage, we thought of the two forces in the breast of man forever contending for supremacy; the spirit of truth, leading him in paths of peace and happiness; and the spirit of war, driving him to destruction on the battlefield. We find a harvest from each of these powerful forces exemplified at Pickwick and Shiloh: "By their fruits ye shall know them."

Federal Grants-in-Aid for Probation and Parole

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

Mr. CELLER. Mr. Speaker, on June 12, 1939, I introduced a bill (H. R. 6793) providing for Federal aid to State probation and parole systems.

The proposed legislation calls for an initial appropriation of $2,500,000 to be allocated to those States which request grants on the basis of the number of individuals in prison and on probation or parole, the financial needs of the State, and any special problems which exist in the fields of probation and parole.

The primary purpose of the bill is to carry out the recommendations of the National Parole Conference which was called by Attorney General Murphy, at the request of the President, on April 17 and 18, 1939. The 800 delegates to that conference, who represented every branch of law enforcement, agreed that properly administered parole is the best method of releasing prisoners and emphasized the fact that only eight States now have adequate parole administration. To a great extent the failure of the remaining States to develop satisfactory parole systems was attributed to the lack of funds.

The language of the bill makes it clear that the Federal Government does not intend to take over local responsibility for the administration of probation and parole but only to give financial assistance to enable the States to meet proper standards of personnel and service. Justification for Federal aid is found in the growing recognition that the control of crime is a Nation-wide problem with definite interstate aspects. This was emphasized by President Roosevelt in his address to the National Parole Conference on April 17, when he said:

> All of us have come to realize that while the responsibility for the control of crime falls primarily in the States and their subdivisions, the activities of criminals are not limited by local and State boundaries. The consequences of lax law enforcement and crime-breeding conditions in one part of the country may be felt in cities and villages across the continent. For instance, I think of the operations of a criminal gang which had its origins in the slum section of a small southwestern city. Before the members of this gang were rounded up, successfully prosecuted, and put in prison by the Federal Government, they had left a trail of robbery and violence in seven Midwestern States. This illustrates the essentially Nation-wide character of the crime problem.

Speaking particularly of parole, the President said:

> How well or how poorly a parole system operates in one section of the country may affect the lives of citizens throughout the Nation.

This point of view was endorsed by the conference and Federal aid was suggested as a possible method of achieving high standards of probation and parole administration in every jurisdiction.

The greater proportion of the grants-in-aid provided for by the bill would be devoted to paying the salaries of probation and parole officers. All authorities are in agreement that close supervision by qualified and competent personnel is a fundamental requirement of both methods of dealing with offenders. Some idea of the urgent need for additional officers may be gained from the fact that while 46 States have parole laws, only 8 States and the Federal Government provide full-time, efficient supervision. Between 80 and 85 percent of all parole officers in the United States are employed by the Federal probation and parole system and those of the 8 States referred to. It is conservatively estimated that there are not less than 20,000 persons on parole without supervision in the United States.

It is believed that the expenditure of funds for improved probation and parole work will result in large savings to the Government and to the States by reducing the number of persons held in prison and decreasing the number of repeating offenders. One-seventh of the amount spent to keep a man in prison will provide adequate supervision on probation or parole, and when proper supervision is provided the courts and parole boards can safely make greater use of these devices.

The bill places the responsibility for administering the grants-in-aid upon the Director of the Bureau of Prisons in the Department of Justice, and it requires that States

applying for allotments must present approved plans for probation and parole administration which include the selection and tenure of personnel on the merit basis.

The Neutrality Issue

EXTENSION OF REMARKS

OF

HON. JOHN KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

EDITORIAL FROM THE BALTIMORE SUN OF JULY 3, 1939

Mr. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Baltimore Sun of July 3, 1939:

[From the Baltimore Sun of July 3, 1939]

THE NEUTRALITY ISSUE

Secretary Hull's statement on the neutrality law indicates that the administration intends to keep up the fight for the repeal of the embargo provisions of the present act. The House refused to go the whole distance in the matter of repeal. It was willing to eliminate the provision for a mandatory embargo on shipments of implements of war to belligerents. But after a bitter fight it voted, by a small majority, to retain the embargo requirements as to shipments of arms and munitions. Whether the chances of repeal will be better in the Senate than they were in the House remains in doubt, but it will be extremely unfortunate, as Mr. Hull insists, if this part of the administration's program is defeated.

The whole idea that we can escape involvement in war by devices such as an embargo on arms and munitions is founded on a misconception. It presupposes that the only trade which counts in war is trade in the articles which troops use against an enemy. From this supposition, the advocates of the embargo plan proceed to the conclusion that we avoid complications with belligerents by refusing to ship other belligerents arms and ammunition. But in modern warfare industrial capacity counts for as much as efforts of armies in the field. A belligerent nation needs cotton and oil and scrap iron to feed its factories quite as much as it needs arms and munitions for its troops. But we cannot hope to embargo cotton and oil and scrap iron and other products unless we are willing to live in economic isolation. And economic isolation for a Nation of 130,000,000 people drawing its supplies of rubber and tin and coffee and many other materials from abroad is unthinkable.

The sort of partial and limited isolation which is required under the existing embargo policy ought to be equally out of the question. For, while the embargo program is futile as a protection against involvements in war, it represents a serious obstacle to the conduct of our foreign policy. It interferes in a sweeping and even a dangerous manner with the steps it may be necessary to take in the presence of a European war to protect American interests. For it indicates in advance the course we intend to pursue in certain matters, and to this extent it reduces the power of the President and the Secretary of State to bargain with other nations. Moreover, since the embargo policy is in effect favorable to Germany and Italy and unfavorable to England and France, a vote committing this country to such a policy is in effect a go-ahead signal to the Nazis and Fascists.

This country ought not to be in the position of encouraging aggression abroad. It ought not to place itself in a strait jacket which would interfere with the protection of its own interests in case aggression occurs. If we wish to go further and adopt the cash-and-carry sections of the Bloom bill, that will not be open to serious objections. A cash-and-carry policy under which our interest in and title to exports to belligerent nations would cease at the water's edge would minimize the danger of involvement in war without tying the hands of the President and the State Department so tightly as to prevent them from adapting our policy to unforeseen situations in which our interests might be jeopardized by a European conflict.

But because such a policy might interfere with the protection of our interests in the event of a declared war in the Far East, its adoption is less desirable than the repeal of the embargo requirement. The elimination of that requirement is a task upon which Congress cannot afford to turn its back.

Democracy and National Defense

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

ADDRESS BY HON. LOUIS JOHNSON, THE ASSISTANT SECRETARY OF WAR

Mr. BUCK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Louis Johnson, The Assistant Secretary of War, before the Institute of Public Affairs, University of Virginia, Charlottesville, Va., July 4, 1939:

Ladies and gentlemen, it is indeed an inspiration to return to the lawn of my beloved alma mater on this day, so sacred in the annals of our university, in the history of our country, and in the destiny of all mankind. On this day in 1776, America gave to the world the immortal Declaration of Independence and, on this day, 50 years later, its illustrious creator died, asking posterity to remember him simply as "Thomas Jefferson, author of the Declaration of Independence, of the Statute of Virginia for religious freedom, and father of the University of Virginia."

To the hand of Thomas Jefferson there was a certain touch which indelibly impressed on every document that he penned, in whole or in part, the fundamental precepts of liberty and equality. In the heart of Thomas Jefferson there throbbed a sympathetic understanding of the aspirations of the average man for contentment and prosperity that prompted him to adopt "the pursuit of happiness" as a goal for organized society. In the head of Thomas Jefferson there ruled a strong and practical mind, familiar with the strength and the weaknesses of man that caused him to insist upon safeguards against aggression and chaos.

Our Republic was founded in the dark days of war; and when that war was over, a young and struggling nation anxiously faced an armed and predatory world. Adequate defense was essential, if the great experiment which Jefferson had dreamed was to be fulfilled. Though a peaceful Nation, the new Government had won its right to exist by force; only through force was it able to cling to its new-won independence; only by force could it keep the great powers of France and Spain at bay on the southern and western borders; only by force could attacks of savages be warded off from the frontiers. Our fathers addressed themselves to a problem as old as government itself, but amazingly modern in the light of today. How could a republic assure itself of that force necessary for its protection, without jeopardizing its free institutions? Even now the problem is frequently discussed in the light of present necessities. Is it possible to defend this country in time of war without engulfing our constitutional civil life in military dictatorship? Will not the outbreak of war be the death knell of democracy in this country?

Defense, in a democracy, means more than merely repelling an enemy attack. It means more even than preserving the security of the country. It means winning a war and at the same time preserving the fabric of democratic government set up by the Constitution. If in the process of defeating an enemy, our country loses its democratic liberties, the Nation will have lost the war. The task, therefore, is to plan a defense program based so firmly on our traditional institutions that their safety shall never be in doubt.

Happily, the able group of devoted men which framed our Constitution foresaw this problem. Realists as they were, they took steps to assure themselves that the new country should be adequately protected. Mr. Justice Story later summed up the doctrine:

"A country would be in danger of losing both its liberty and its sovereignty from its dread of investing the public councils with the power of defending it. It would be more willing to submit to foreign conquest than to domestic rule."

In consequence the framers of the Constitution, in their determination "to provide for the common defense," placed practically no limitations on the powers of the Federal Government, save two, but those two are essential.

First, the civil government was always to be supreme over the Military Establishment. Sweeping though the war power or the defensive power might be—and, indeed, must be—its use and guidance lay in the hands, not of generals, but of civilians; the paramount power resided in the elected President and Congress of the United States.

Second, they provided that military appropriations would be made only for a term of 2 years, and that expenditures could not be made without congressional authority. Thereby they protected the republican institutions of the country against the danger of large standing armies, and particularly against the possible corrosion of the State by mercenary troops. They held before themselves constantly the symbol of the hated Hessian mercenaries who had been hired by the British to fight in the war against independence; and, good classical scholars that they were, they never forgot the danger of an unwieldy standing army exemplified by the Roman legions, which had eventually made the Roman Empire a succession of military dictatorships.

Within these two guaranties, the framers of the Constitution gave the Federal Government practically a free hand. They were wise in doing so, realizing that no group of men can foresee the necessities which defense may involve. Thus, Congress may draft into military service every able-bodied man and woman in the ccuntry; and the Supreme Court has upheld its authority to do so. Thus, for military purposes, Congress can take the last dollar out of the pocket of every taxpayer. Thus, Congress can declare war, and the Constitution does not pretend to define the nature of the war upon which America may embark. Yet behind this apparently sweeping grant of power are the underlying controls: The civil authority is supreme, and the Government must come to the Congress once in every 2 years for its funds.

Throughout the intervening years, America has tried to adhere to the pattern thus outlined. Its armed forces are trained to carry on their duties along these traditional lines. The Army, consequently, is a small, professional force, ranking seventeenth among the nations of the world. It is made up, not of foreign mercenaries bent on spoil or conquest, but of American citizens with a love of their country and a devotion to its institutions. As a result, the American Army is a recruited cross-section of American life, representing farms and factories, schools and homes. They have joined the colors to improve their bodies and their minds; many leave that training for civilian advancement, others remain to serve in the honorable profession of arms in the service of the United States. It must never be forgotten that an army, like any other institution, expresses the ideas and the ideals of the men who make it up. So long as these are firmly based on American concepts, the design of our fathers is protected.

Our officers are not of a special class, separate from the rest of the body politic. They are your sons and your neighbors' sons who have won their spurs at West Point or who have risen from the ranks of the Regular Army and the National Guard to serve as commissioned officers. Considerably less than half the officers of the Regular Army are graduates of the United States Military Academy.

They came from all walks of life and richly represent all the democratic stocks that have gone into our successful "melting pot." I know of no better way to illustrate the all-American character of our all-American Army than to read the first 10 names, arranged according to rank, and the home addresses of the second lieutenants who graduated from the United States Military Academy less than a month ago. They are: Dziuban, of Yonkers, N. Y.; Goodpaster, of Monrovia, Ind.; Rogers, of Munger, Mich.; Kunzig, of Fort Benjamin Harrison, Ind.; Samuel, of Hinsdale, Ill.; Wolfe, of Opportunity, Wash.; McCutchen, of Columbia, S. C.; Kirby-Smith, of Sewanee, Tenn.; Coates, of Waban, Mass.; and Frazer, of Elizabeth, S. C.

From the moment these 10 young second lieutenants and their classmates report for duty in September until they reach the end of their military careers, perhaps 40 years hence, they will live in the democratic environment of our Army, close to the heart of the American people. They will no longer be called upon to serve on frontier posts remote from civilian influences. They will live at Army posts not far from civilian centers and will learn to work with and in civilian communities. In later years they will live in continuous contact with civilians, perhaps for years at a stretch.

During the course of their careers they will command not only Regulars but Reserves and National Guard men. They will instruct high-school boys in the C. M. T. C. and college students in the R. O. T. C. They will serve with white troops, colored troops, and perhaps with Philippine Scouts. They will learn to lead by example and not by fiat. They will learn to command and to obey, to exercise initiative, and to accept responsibility.

They will recognize the fundamental distinctions between officers and enlisted men deemed necessary for discipline, but they will allow no barriers of misundertanding to keep them apart. Our Army is free from caste. On the basis of brains, character, and application, men may raise themselves freely from enlisted ranks to commissioned roles. The low-ranking private may sometime rise to command a division, as did Maj. Gen. James G. Harbord in 1917–18, or he may win an appointment to the United States Military Academy to take the prescribed course leading to a commission, as 180 former enlisted men of the Regular Army and National Guard are doing today.

As our young officers prove their mettle they will be ordered to schools, colleges, factories, and laboratories for research and study. They will hire civilian labor and they will work with industry. They will build bridges and improve harbors. They will try to lead exemplary lives, always conscious of the honor and the traditions of the service. They will prove that they belong to the corps d'elite of Regular Army officers upon whom every President at various times has called for special duty requiring courage, intelligence, integrity, and leadership in civilian as well as military emergency. They will live among professional soldiers who have a passionate desire for peace but who in an emergency will stand ready to answer any call for the defense of their country.

The democratic ideal that permeates our Army in peacetime, in conformity with the patterns set by our forefathers, we expect to keep before us in an emergency. If war comes, we shall expect democracy in service. We shall require every man to respond to the call of his country. Deferments we may have to recognize, but only for cogent reasons bearing directly upon the successful conduct of the war. To no one will we grant complete immunity from the obligation to serve. We realize that certain limited numbers of keymen in industry, indispensable to the success of the mobilization of our resources for war, may serve their country best on their accustomed jobs rather than in the Army and the Navy. Their selection, we shall defer, but only in the interests of national defense.

Should war come, it will be essential that we wage it democratically. This means that the democratic ideal of universal service which we hope to achieve in manpower, should be equally applied to resources. Realism forces us to accept the fact that in a modern war, the winning of that war, with a minimum loss of life and treasure, must inevitably become the primary aim of the country for the time being. Every other force of private or public activity must become secondary to it. Not otherwise can the country be defended. To a degree as yet unknown in this country, there must be mobilization of men and resources.

This places a new burden on democratic government, and gives us a new lesson which we shall have to learn. Where government is autocratic, it is relatively simple to focus the whole life of a nation upon a war objective. In such countries, regimentation is normal; control is continuous; it is, in fact, only a short step from peace organization to war organization. In democratic countries the exact opposite is true. Here, bred in freedom and basically opposed to all forms of regimentation, the very idea of control is repugnant.

And yet we cannot permit it to be said that a democracy cannot wage war successfully, and that without surrendering its essential democracy or endangering its free institutions. We must not permit it to be said that a free people cannot make for itself a discipline which enables it to submit to needed controls willingly, even enthusiastically. When the World War broke out it was thought that America could not mobilize. No one familiar with the history of that war would aver today that a democracy cannot marshal its resources for victory against an autocratic power.

I believe that should war come we shall be able to meet the test on the traditional basis of American life. Certainly, the present Government is determined that we shall do so. We shall continue to subordinate the military to the civilian authority. We shall continue our faith in democratic institutions. We shall continue to trust to cooperation, rather than compulsion; to the spirit of true patriotism and self-imposed discipline rather than to coercion, to self-interest, or to terror. This does mean sacrifice; all of us know it. Yes; we may have to regulate our foreign trade, our finance, our price structure, our transportation system, our industrial output. Many normal activities will have to come under temporary control; perhaps every phase of civilian economic life will have to be brought into alinement. But the difference between the democratic and the autocratic method will be that here the work of control will be carried out, not by men in the Army and Navy but by patriotic civilians; by people who better understand the psychology of the American people; by mechanisms designed not only to win the war but also to maintain American democratic institutions. In the War Department plans as at present drawn it is contemplated that controls affecting civilians will be administered by civilians, in the true spirit of the Constitution of the United States.

If you search below the surface I think you will find that the peculiar contribution of the American theory of defense is its constant insistence that a war machine is a means to an end, and never an end in itself. It has indeed only one reason for existence. It exists to defend the American system, to maintain in time of war that which was achieved by severe, bitter, grueling years of war, and which we have built up by processes of peace. Loyal soldiers and patriotic civilians on this point are in complete accord. So long as our armed services are continued on a democratic basis, so long as our Army and our Navy are subordinate to civilian control, we shall remain loyal to the principles of our Constitution and to the traditions of our forefathers. History imposes on every nation the duty to remain strong; it imposes on America the equal duty to be strong in order to remain free.

Our duty to be strong must, in these troubled times, be kept steadily in mind. Rarely, indeed, has the logic of events made this so mercilessly clear. Europe and Asia hear today the clatter of armed forces which were dramatized not long ago as the Four Horsemen of the Apocalypse. Only America is free from their shadow; and it is strength, not weakness, which keeps this menace from our own shores.

To maintain our freedom, we must assume certain definite duties. We must be prepared to prevent the seizure and occupation of any additional territory on the Western Hemisphere by a European or Asiatic power. This means that we must be able to concentrate men, guns, and planes in adequate force at any vulnerable point in the three Americas, from Point Barrow to Tierra del Fuego. In order to do this, we must have an adequate force on land, at sea, and in the air. The basis for that defense is already laid; we confidently believe that the program of preparedness envisaged, and in considerable measure already executed, by the President, will create for us defense forces sufficient to repel

any threat to the peace of the Western Hemisphere. This is no light task; and none of our seeking. Yet it was foreseen when our Nation was born. Long ago, John Jay, one of the framers of the Constitution, wrote: "The safety of the people of America against dangers from a foreign force, depends not only on their forbearing to give just causes of war to other nations, but also on their placing and continuing themselves in such a situation as not to invite hostility or insult." One hundred and thirty years later, President Wilson restated, with even greater clearness, the basic principle:

"Great democracies are not belligerent. They do not seek or desire war. Their thought is of individual liberty and of the free labor that supports life and the uncensored thought that quickens it. Conquest and dominion are not in our reckoning, or agreeable to our principles. But just because we demand unmolested development and the undisturbed government of our own lives upon our own principles of right and liberty, we resent, from whatever quarter it may come, the aggression we ourselves will not practice. We insist upon security in prosecuting our self-chosen lines of national development."

Only by creating and maintaining a national defense capable of guaranteeing this security can we continue to keep our cherished democracy inviolate.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the New York Herald Tribune of July 4, 1939:

[From the New York Herald Tribune of July 4, 1939]

RECONSIDERING THE NEUTRALITY BILL

It would be unfortunate if the impression were to get abroad that the vote in the House of Representatives on the neutrality bill last week was intended in any sense as an indication of America's policy in the present European crisis. Every well informed European statesman knows that the American people are as anxious as ever—or even more so—to see the United States kept out of another world war. What the House vote, in the final analysis, represented was in part a partisan revolt and, in part, an honest difference of opinion as to how best to keep the country out of war. A large number of Members of Congress earnestly believe that this can be done by establishing hard and fast rules in advance, freezing American diplomatic action into a sort of impotent paralysis. An equally large number of persons inside Congress and out feel that even such a comparatively mild restriction on Executive action as the modified arms embargo handicaps the State Department in its efforts to discourage the nations of the world from going to war.

In this second group, besides its leader, Secretary of State Cordell Hull, are such prominent Republicans as former Secretary of State Henry L. Stimson and Representative JAMES W. WADSWORTH, Jr. To the credit of Republican Representatives BRUCE BARTON, ROBERT W. KEAN, THOMAS R. BALL, W. S. COLE, M. J. MAAS, and F. STEARNS be it said that, like Mr. WADSWORTH, they voted against the mandatory embargo. Such men realize that in a crisis like the present it is particularly undesirable to bind the freedom of action of the Executive.

The more farsighted among those who support the administration's plea for an unrestricted hand—and Colonel Stimson made this amply plain when he testified before the Foreign Relations Committee of the Senate last April—realize that the most effective way to keep the United States out of war may well involve going beyond mere dogmatic interpretations of neutrality. It may not be necessary to go as far as the President and Colonel Stimson went and envisage what Mr. Roosevelt referred to as "measures short of war which are more effective than words," and what Mr. Stimson enlarged upon as the use of economic pressure, to realize that mere diplomatic action can be much more effective if it is not restricted by such binding handicaps as Congress seeks to impose on the President.

In particular it is important that misinterpretations do not arise, such as that the real purpose of restricting the President is to help or injure one or other group of potential belligerents. Here, again, it is to the long-range interests of the United States to enable the President and his Secretary of State to act freely. As Colonel Stimson pointed out, a situation may well arise when it is "in our own peremptory interest to distinguish between an aggressor and its victim," or in which it might be to our interest to enable an ill-prepared nation to purchase arms from us in order to defend its liberties after it had been aggressively attacked. But such eventualities cannot be foreseen by congressional resolution. They must be left to diplomatic discretion. This is why it is to be hoped that the Senate, when it reconsiders the neutrality bill, will take the long view—not the merely political view. As a Republican newspaper, we regret that in the House so many Republicans seemed to vote on the neutrality problem primarily with a view to embarrassing the President. The crisis is far too serious for such petty spitefulness.

Opening of the Cicero-Ogden Grade Separation in the Town of Cicero, Ill.

EXTENSION OF REMARKS

OF

HON. A. F. MACIEJEWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

ADDRESS BY HON. A. F. MACIEJEWSKI, OF ILLINOIS, JUNE 30, 1939

Mr. MACIEJEWSKI. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I insert a speech made by me at the dedicatory ceremonies attendant upon the opening of the Cicero-Ogden grade separation in the town of Cicero, State of Illinois, on June 30, 1939:

As far back as 1788 the builders of this great country foresaw the absolute necessity of an adequate highway system to serve the Nation. Evidence of this is substantiated by the work of the framers of the Constitution of the United States. Article I, section 8, clause 7, of the United States Constitution states: "The Congress shall have power to establish post offices and post roads." Referring further to the Constitution, we find in it the broad power of Congress to legislate on questions affecting interstate commerce. In a general sense, the exercise of these two powers granted to Congress, together with the exercise of the powers granted by the people of the State of Illinois to the State legislature, has resulted in the building of this magnificent superhighway grade crossing at no cost to the taxpayers of the town of Cicero and Cook County.

The cost of the building of this structure was borne almost entirely by the United States Government. During the third session of the Seventy-fifth Congress, namely, on June 16, 1938, H. R. 10238, Public, No. 644, was passed. This act provided for making appropriations for the Department of Agriculture and for the Farm Credit Administration for the fiscal year ending June 30, 1939, and for other purposes. The act included an appropriation for the Bureau of Public Roads—elimination of grade crossings. "For the elimination of hazards to life at railroad grade crossings, including the separation or protection of grades at crossings, the reconstruction of existing railroad grade-crossing structures, and the relocation of highways to eliminate grade crossings, $40,000,000, to be immediately available and to remain available until expended, which sum is the remainder of the $50,000,000 authorized to be appropriated for the fiscal year 1938 by section 8 of the act approved June 16, 1936 (49 Stat. 1521)."

In other words, this grade-crossing separation was built from funds provided by the Federal Government to the States. In this case, the Federal Government expended close to $700,000. To give due justice it must be stated that the State of Illinois, department of public works and buildings, division of highways, provided the necessary engineering.

It should be borne in mind that this was not a W. P. A. nor was it a P. W. A. project. Contracts were let to individual contractors who hired their own individual union labor.

We can all see what the money expended by the Federal Government plus the engineering supplied by the State has purchased at no cost to the taxpayers of Cicero. The figure is close to $600,000. Perhaps we can have a clearer picture of the fundamentals underlying such a magnificent and highly purposeful structure if we are permitted to quote a few figures relative to the making of this great coordinated mass of steel and stone.

In all there were seven individual contracts. They included the fabrication of the structural steel, erection of the structural steel, building of the substructure, paving of the ramps, laying of the concrete on the deck, painting, and lighting.

There was utilized in this connection 146,694 man-hours of labor. This means the continuous and steady employment of 66 men during an 8-hour day and 5-day week for a period of 14 months, or 60 weeks.

As to the amount of material used, there was 8,022 cubic yards of concrete, 16,559 barrels of cement, 1,223,960 pounds of reinforced steel, and 4,406,867 pounds of structural steel.

Work on this grade separation began on March 22, 1938, and was continuous throughout the winter, with no let-down except during extreme bad weather. As we all know, this dedication marks the completion of this project.

And now that the building and financing of this huge overpass has been explained, due regard to the unceasing efforts of the board of trustees of the town of Cicero should be given respect. It was primarily because of their deep regard for the safety of those using Cicero's public thoroughfares, and especially the Cicero-Ogden intersection, that this project has had its inception and ultimate completion. Long and arduous were the efforts of the town board to find some solution to the hazards of this intersection. After numerous conferences with the State and Government officials, the town board, and notable local citizenry, this tremendous structure was finally planned and executed.

Through the aid of the United States Government and of the State of Illinois, and at no cost to the taxpayers of the town of Cicero or the county of Cook, the Cicero-Ogden grade separation is now without a doubt Cicero's most valuable permanent public improvement.

What H. R. 6466 Proposed, and What It Did Not

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

Mr. CASE of South Dakota. Mr. Speaker, recently I spent a few days in my State of South Dakota. I found considerable interest in all the legislation that is here being considered. Most of it is well understood, but there was considerable confusion over the terms of H. R. 6466, the so-called Townsend bill, which we voted on June 1.

SOUTH DAKOTA LEGISLATURE VOICES INTEREST

South Dakota's interest in an improved method of paying old-age pensions was manifest early this year when the State legislature adopted Senate Concurrent Resolution No. 7, calling for action on the General Welfare Act, H. R. 2. The resolution was introduced by the Honorable Marion Barrett, State senator for Meade and Perkins Counties. It was referred to the senate's committee on Federal relations, consisting of seven of the distinguished members of the State senate, most of them senators of long service. They were the Honorable Arthur S. Mitchell, of Brookings County; the Honorable C. A. Stensland, of Moody and Lake Counties; the Honorable L. M. Simons, of Butte and Harding Counties; the Honorable Carl H. Weir, of Beadle County; the Honorable Sioux K. Grigsby, of Minnehaha County; the Honorable E. E. Morford, who represents the large district of Jackson, Mellette, Washabaugh, Bennett, and Todd Counties; and the Honorable Kenneth Kellar, of Lawrence County.

The journal of the State senate reports that the resolution was introduced February 2, 1939, reported favorably by the committee February 10, adopted by the senate February 11 and by the house February 14. Copies were duly transmitted to you, Mr. Speaker, and to the Senators and Representatives in Congress.

ORIGINAL BILL WAS GREATLY MODIFIED

The confusion now over H. R. 6466, the bill we eventually voted on here, is not surprising. H. R. 2 was substantially identical with H. R. 4199 of the previous Congress, and thousands of copies of that bill were in circulation all over the country. H. R. 6466, a drastic revision, was introduced one day, reported the next, and voted on a week later under the most vicious form of gag rule that allowed only 4 hours of debate and no amendments. The country did not know and does not yet know what the actual terms of the bill were. Copies were not circulated and it is evident from the record that few Members of the House had actually read the bill.

It is to be regretted, Mr. Speaker, that the leadership of this House did not follow the request of my State legislature that opportunity be given for "full consideration and discussion."

NOT $200 A MONTH

H. R. 6466 does not provide for pensions of $200 a month. It did not propose a general transactions tax. It did not continue but repealed the old-age sections of the present Social Security Act.

The original Townsend bill was H. R. 2. It proposed a general 2-percent transactions tax. A modified bill was H. R. 11, that proposed a broad gross-income tax. Those and other bills were introduced early in the session. The Ways and Means Committee took over 3,000 pages of testimony on them, but decided only to report some amendments to the Social Security Act.

Those amendments proposed, in general, to increase benefits, extend them to more people, reduce tax schedules, and postpone payment of the bill. That was typical New Deal economics.

The Townsend people wanted a record vote on a pay-as-you-go bill. Word was circulated that the President would like to see a Townsend bill voted on to embarrass Republicans ahead of the vote on Social Security Act amendments. Thereupon the chairman of the Ways and Means Committee, Mr. DOUGHTON, agreed to report a modified Townsend bill without recommendation.

HISTORY OF THE GAG RULE

The gentleman from Florida [Mr. HENDRICKS], author of H. R. 2, and Dr. Townsend hurriedly drafted and introduced a bill, H. R. 6378. That was about May 20. Next day they asked the document room not to give out any more copies of H. R. 6378, redrafted it, and offered a new bill, H. R. 6466. That was May 23. Next morning the Ways and Means Committee, without hearings, reported H. R. 6466, as Members know, and the gentleman from North Carolina [Mr. DOUGHTON] went with the gentleman from Florida [Mr. HENDRICKS] to the Rules Committee to ask for a closed rule—4 hours of debate and no amendments.

Rules, after two sessions, postponed action indefinitely, and the chairman of the Committee on Rules [Mr. SABATH], Chicago Democrat, went home to take part in a city election. The gentleman from Illinois, LEO ALLEN, Republican, went home for the same purpose. Next morning under orders rumored from the White House the Rules Committee held a rump meeting, put the bill on the calendar for the day following Memorial Day under a gag rule.

Under the circumstances, many Members never read the bill. Many of them came from States without sales taxes and opposed it on that ground. Farm leaders who front for New Deal policies gave out an analysis that was partly an analysis of H. R. 11 or H. R. 6378 rather than H. R. 6466. Pro and con, the debate went far afield.

ONE-HALF-PERCENT TAX ON CASH SALES, NOT ACCOUNTS

H. R. 6466 did not propose a general transaction tax; it proposed a sales tax of one-half percent on producing, manufacturing, and selling, and a 2-percent tax on other income, chiefly employment. A great many people are under the mistaken impression that H. R. 6466 proposed to levy a 2-percent tax on retail sales. That is not correct. The tax for all forms of selling was one-half of 1 percent. Paragraph (d) of section 3 said a levy of "one-half of one per centum" of the gross revenue of persons "in the business of selling any tangible property whatsoever."

In addition, this tax would have been only on moneys actually received. Paragraph (1) of section 2 specifically provided for making returns on actual cash returns instead of book accounts.

H. R. 6466 did not provide pensions of $200 a month. It provided for annuities of whatever the tax would bring, less costs. Estimates ranged from $17 to $51. Most estimates were from $30 to $40. The gentleman from New York, JOHN TABER, ranking Republican in the Appropriations Committee, made the $17 estimate; Dr. Townsend the $51.

H. R. 6466 did not confine annuities to those who could prove poverty, but proposed to extend them to all who had paid taxes to create them. Neither did it keep out farmers and professional people that social-security's annuity plan does; H. R. 6466 recognized that they pay taxes, too.

REPEALED THREE TITLES SOCIAL SECURITY ACT

H. R. 6466 specifically repealed titles I, II, and VIII of the present Social Security Act.

Title I is old-age assistance with its companions of State taxes—in South Dakota the sales tax—to finance State matching and Federal taxes—which we pay, too—to provide funds for Federal matching.

Title II is the old-age annuity section of the present act, which excludes farmers, most professional people, and other classes, although all classes will pay taxes to pay 3 percent interest to make wage taxes grow into the annuity payments promised those included.

Title VIII is the present wage-tax section, under which employers now pay one-half percent and employees one-half percent on pay rolls, and which increases January 1 to 1 percent on each, and thereafter increases to a total of 6 percent unless existing schedules are revised.

Title VIII is also the part of the present act which requires these wage taxes to be "invested" in Government securities paying 3 percent interest, even though the Government can borrow money cheaper on the open market, and which eventually ties up $47,000,000,000 in 3 percent obligations.

These three titles, I, II, and VIII, of the present Social Security Act were specifically repealed in H. R. 6466, the so-called Townsend bill.

NO PROVING OF PROVERTY OR POLITICS

In place of this double system, old-age assistance to those who prove poverty and proper politics, old-age annuities some day to those favored classes who are required to loan a portion of their wages to finance today's spending, H. R. 6466 proceeded on an economic principle given some standing by the late Ogden L. Mills, a fairly brilliant and respectable one-time Republican Secretary of the Treasury.

H. R. 6466 proposed a pay-as-you-go plan of annuities by a direct and widely distributed tax on all classes of population. It proposed doing away with a fictitious reserve system. It recognized that by a general tax everyone would automatically purchase his annuity and make it unnecessary to continue the monstrous record system under which already 44,000,000 employee records have been established in Baltimore to keep track of every numbered employee from now on, every wage paid him, every pay day, every change in pay, every absence from work, every change in employment, all necessary to pay the correct annuity under the present system if future Congresses find the money.

H. R. 6466 was not perfectly drawn. The administration leaders never intended that it should be. They insisted on a gag rule that would not even permit obvious clerical errors in section reference numbers to be corrected.

A BETTER DEAL FOR SOUTH DAKOTA

So the bill had faults, major and minor, but it was distinctly a proposal to substitute a pay-as-you-go system for the unequal, complicated monstrosity with hidden taxes involved in the present system.

As nearly as could be told from the limited consideration that could be given, it would have cost South Dakota less than the present system and returned more to more people.

The Arms Embargo

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the New York Times of July 2, 1939:

[From the New York Times of July 2, 1939]

THE ARMS EMBARGO

Several considerations help to explain the defeat in the House of Representatives, by a narrow margin, of the proposal to repeal the present absolute and automatic embargo on the export of arms and munitions to belligerents in time of war. In the first place, Congress was in a mood of revolt against anything and everything that the administration wanted, and repeal of the embargo was part of the administration's program. In the second place, there was evidence of genuine concern in the House lest the export of American munitions, even on a cash-and-carry basis, involve this country in any European war that may now be in the making.

Opposition on this second ground was undoubtedly sincere, but, in our judgment, seriously mistaken. Experience has shown (on two great occasions in our history) the difficulty of keeping any important country out of a general war, once such a war has broken out. The best hope of keeping the United States at peace does not lie in attempting to isolate it from the consequences of a world catastrophe; it lies rather in a foreign policy which will make such a catastrophe less likely.

Notice to potential aggressors that American arms and munitions will be available to their opponents, fighting a war of self-defense, would throw the influence of the United States where it ought to be, for our own safety as well as for our self-respect—on the side of peace and of international law and order. It is to be hoped that despite its defeat in the House, the administration will continue to press for repeal of the arms embargo in the Senate, and that it will succeed, before the present session ends, in persuading the House itself to reconsider its decision.

At this critical moment in the world's affairs, American policy ought not to offer a tacit invitation to aggressors.

Woolens and Paper Makers' Felts

EXTENSION OF REMARKS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

LETTER FROM APPLETON WOOLEN MILLS

Mr. JOHNS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the Appleton Woolen Mills, of Appleton, Wis.:

APPLETON, WIS., *June 27, 1939.*

Hon. JOSHUA L. JOHNS,
House of Representatives, Washington, D. C.

DEAR SIR: We have received statistics to the effect that during January and February 1939, importation of wool piece goods had increased 83 percent.

We were not very much alarmed by these figures. We thought most likely goods had been piling up in the customhouse awaiting withdrawal when the reciprocal treaty with Britain should go into effect.

Further statistics, however, indicate that there is a real cause for apprehension. For example, the imports of such fabrics from the United Kingdom during May show an increase of 353 percent as compared with the same month a year ago. The increase in shipments of woolens in which we are interested as distinguished from worsteds was 407 percent. The increase of woolens and worsteds combined for the first 5 months of this year over last year is 121 percent.

Please remember that 4,368,000 square yards of woolen piece goods were shipped from the United Kingdom alone and does not include shipments from other countries which obtain the same reductions in duty. At the present moment Italy and Japan are busy with their own markets but because of the further reduced labor cost in these two countries the competition will be ruinous.

The State Department had expected that there would be some slight imports in the fine cloths, but actually imports indicate that goods are coming in all along the various-priced brackets and coming in in increasing quantities.

It is commendable that we increase our business of those industries which are slow, but it does not seem fair to increase such business at the terrific price which the woolen industry is paying.

In spite of the fact that experience indicates that the State Department was not justified in its action in the British Trade Treaty, as refers to wool textiles, it is reported that further assaults on our tariff rate are being made in reopening the agreement with France, Belgium, Netherlands, Switzerland, Sweden, and Finland in order to make further reductions.

Yours very truly,

APPLETON WOOLEN MILLS.
A. H. WICKESBERG.

P. S. Some of these 4,000,000 square yards of wool-piece goods would look very attractive in the form of orders to some of us who are either running very slow or closed down.

A. W. M.

How Long Can We Be Fooled and Misled?

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

ARTICLE FROM AMERASIA

Mr. ALEXANDER. Mr. Speaker, in the July issue of the magazine Amerasia is an illuminating article entitled "The United States Continues to Arm Japan." I hope everyone interested in the preservation of peace and of the principles of government laid down in the Constitution of this Republic will take time to study the amazing facts this article contains. I ask unanimous consent to insert same herewith.

Read especially the paragraphs entitled "Democracies Supply Shipping Facilities to Japan, Too." After reading the story of our aid to this international law-breaking aggressor nation, ask yourself the question: In view of all the facts and circumstances pointed out therein, in view of a similar situation now in Europe, and in view of the fact that the records and history of the World War indicate the same trafficking in war supplies and war materials on both sides of the line in aid of the enemy and in utter disregard of human life and the principles of justice and decency, in view of these facts. I say, is it not necessary for us to probe deeper for the answer to war than most of us have yet done? Is it not necessary to discount and to deny the efficacy and practical value of all the cures and panaceas we are now applying in the name of peace?

Unless we do this and grasp and apply the needed cure it will soon be too late and we will be involved in the international disaster which impends.

Our forefathers fortified their villages and armed themselves because of the ever-present menace of the savages. Their very existence, they knew, depended on their ability to withstand the enemy who would destroy them.

WAKE UP, AMERICA

We of today face no less a peril than that which confronted our forefathers; for regard for international law and morality, which has been our chief protection these many years, has vanished, and the law of the jungle, that only the fittest have the right to survive on this earth, has been proclaimed. Like our forebears, we of today must gird ourselves, mentally and physically, to resist the enemy that would destroy us, but we must broaden our horizons, because the attack today is no longer local. It is not from the surrounding forests and woods as in the days of our forebears. It is from the air, the sea, and from far-distant points. For that reason a new sort of cure must be applied. Wake up, Americans.

Although mistaken as they are in their lust for power, we should recognize Hitler and Mussolini for what they are—two of the greatest leaders the world has ever known, in the same sense that Napoleon, Caesar, Tamerlane, and Genghis Khan were great leaders. And also we should recognize the Japanese menace and leadership for what it is. Here is the article to which I refer:

[From Amerasia]

THE UNITED STATES CONTINUES TO ARM JAPAN

One of the deep mysteries of American foreign policy is the divergence between public opinion and congressional action. For the past several months both Houses of Congress have been deliberating on the revision of our existing neutrality legislation. Through all these deliberations it is very difficult to observe any vital relation between the desires of the American people and the speeches of many of the most vocal of our leading Senators and Congressmen. The Sino-Japanese war provides perhaps the best illustration of this contradiction within our democracy. During 2 full years of warfare waged by Japan upon Chinese soil, Japan's aims have become clear. Can there longer be doubt in anyone's mind that the Japanese military machine plans not only to conquer China and other sections of the Far East but also to make these areas the private and exclusive stamping ground of Japanese industry?

In response to what has become so clear a motive, our administration has repeatedly sent notes of protest to Tokyo. These notes in the main come to about the same conclusion; namely, that we do not intend to recognize acts by the Japanese which are carried out by military force against the will of the Chinese Government. And yet during these 2 full years of war we have continued to send strategic war materials to the very country to which we send so many notes. When, a year ago, it was definitely proved that the United States in 1937 supplied 54.54 percent of all strategic war materials imported by Japan, the American people were surprised and shocked. The White House and Congress took cognizance of these figures, and yet a year later we find that for 1938 this percentage increased to 56 percent. In fact, as Japan's economy is being strained more and more by the unexpected duration of the war, it is the United States which, in a very real sense, serves as her chief prop. It is therefore entirely pertinent to ask of Congress what it has in mind when it deliberates on legislation concerning foreign affairs.

The Gallup poll of June 16 last concludes that "American public sympathy for China in her war against Japan has increased sharply in the past year and a half. Today an overwhelming majority of the voters favor a boycott of Japanese goods and an embargo on the shipment of American war materials to Japan." Whereas in September 1937, 2 percent of the people interviewed favored Japan, 47 percent favored China, and 51 percent favored neither side, today 2 percent still favor Japan, 74 percent now definitely favor China, and only 24 percent are neutral. Today 66 percent favor joining a movement in this country to boycott Japanese goods, as compared with 37 percent in October 1937, and 72 percent are in favor of forbidding the shipment of arms and ammunition from this country to Japan. It is this positive reaction on the part of the American people which makes congressional neutrality deliberations today so inexplicable. But even more inexplicable is our continued and increased arming of Japan.

Japan's chief weakness in her present war of conquest is her lack of foreign assets, foreign exchange and extensive foreign credits. In an effort to continue to wage war successfully she has been forced to initiate a strict import control system so as to conserve her dwindling resources and thus be able to pay for war materials with the credits derived from her export trade. A very revealing table, prepared by Miriam Farley, appeared in the Far Eastern Survey (vol. VIII, No. 11, p. 124):

Japan—Imports of selected wartime and peacetime materials

[In million yen]

	1936	1937	1938
Wartime materials:			
Ores and metals [1]	375	901	662
Oils, other [2]	184	280	320
Machinery [3]	92	159	236
Automobiles, etc. [4]	44	58	62
Total	695	1,398	1,280
Percent of total imports	25	37	48
Peacetime materials:			
Raw cotton	850	850	436
Other vegetable fibers [5]	37	41	27
Wool	201	298	94
Rubber	73	99	51
Wood pulp	67	117	42
Wood	56	65	28
Total	1,284	1,470	678
Percent of total imports	46	39	25

[1] Ores and semimanufactures, including scrap iron.
[2] Including most petroleum products.
[3] Industrial machinery, not including radios, scientific instruments, etc.
[4] Category including several articles no longer separately listed, of which in 1936 the chief item was automobiles and parts; also firearms and steam vessels.
[5] Manila hemp, jute, ramie, etc.

As Japan becomes more deeply involved in her war of conquest, she is progressively increasing her purchases of wartime materials and reducing her purchases of peacetime goods. It is not unreasonable to expect that if the war continues for another 2 years, Japan's purchases from the United States will be almost exclusively war materials. An examination of the above table shows that only the purchase of raw cotton (which we arbitrarily continue to call a peacetime commodity despite its extensive use in the manufacture of explosives) prevents the realization of this result. A combination of continued import restrictions with the extensive development of cotton growing in the occupied areas of China may be expected to reduce our cotton exports to Japan to the vanishing point.

Of chief importance to the American people, however, is not so much that Japan is increasing her purchases of war materials at the sacrifice of peacetime goods, but that we as a Nation are selling her the major portion of the former. A study made by T. Y. Hu, entitled "Sale of War Materials by the United States to Japan, January–November 1938," special bulletin, the Chinese Council for Economic Research (Washington, D. C.), proves that

for the year 1937 the United States supplied Japan with 54.54 percent of her strategic war materials exclusive of cotton. A similar report by the same writer just issued under the same auspices reaches the astounding conclusion that in 1938 this percentage was increased to 56 percent.

United States share in world exports to Japan essential for war purposes, 1938

Commodity	World exports		United States share	
	Value	Percent	Value	Percent
Total	$306,393,950	100.00	$171,574,167	56.00
Petroleum and products	81,034,885	26.45	53,135,672	65.57
Metal-working machinery	36,448,527	11.90	24,454,707	67.09
Scrap or old iron and steel	24,407,089	7.97	22,061,212	90.39
Copper	24,385,546	7.96	22,163,779	90.89
Aircraft and parts	22,692,655	7.41	17,454,477	76.92
Other iron and steel semimanufactures	20,973,343	6.84	11,251,804	53.65
Automobiles, parts and accessories	18,635,299	6.08	12,050,536	64.67

In 1938 Japan imported $306,000,000 worth of materials essential for war purposes from 27 countries and colonial possessions. This represents a decrease of 3.4 percent from the $317,000,000 worth imported in 1937. World exports of all merchandise to Japan declined by 30.43 percent in 1938—27 percent more than the drop in the value of war-material sales. If we consider peacetime materials alone, the drop is even more striking. Cotton and wool perhaps illustrate this point best as these two commodities are largely used for nonmilitary purposes. Cotton imports declined by 49.28 percent and wool imports by 68.73 percent.

For purposes of simplification the above table is limited to the seven leading commodities out of a possible list of 25. These seven accounted for 74.61 percent of all Japan's war-material imports. Of the seven, oil and aircraft and parts showed increases over 1937, while the other five showed decreases. Oil sales were 18 percent greater while sales of aircraft and parts rose from $2,484,000 in 1937 to $17,454,000 in 1938—an increase of 603 percent. But for the purposes of this study it is not important whether a particular commodity increased or decreased in sales. Such changes may occur for a dozen different reasons. The important fact for the American people is the very large percentage of essential war materials which the United States is supplying to a nation which is openly intent upon destroying our interests in an important section of the world.

An interesting sidelight appears when we consider the question of rubber. In view of the fact that we have just concluded what might be termed "an emergency barter agreement" with England for the exchange of our cotton for her rubber, involving the sum of approximately $30,000,000, the following table showing sales of scrap rubber to Japan is very enlightening:

United States scrap-rubber shipments to Japan

	Pounds
1938:	
November	2,821,843
December	2,866,596
1939:	
January	3,126,381
February	4,313,893
March	4,753,823
April	5,076,412

NOTE.—United States Commerce Department officials, noting Japan was falling back on the use of scrap rubber, attributed the situation to increasing foreign-exchange stringency. Scrap rubber sells for about 1⅓ cents per pound, while crude rubber costs about 16 cents per pound.

It would almost seem that whenever Japan is embarrassed, she can turn successfully to the United States for help. Shipments of scrap rubber increased from 4,524 long tons in 1937 to 7,426 long tons in 1938. The above table indicates that a further substantial increase is likely in 1939.

The recent crisis in China centering around Japan's effort to capture control of all foreign concessions, with the excitement high lighted by the Tientsin incident, draws attention to the fact that, though the United States is the chief supplier of strategic war materials to Japan, the four democratic groups as a unit practically control the economic life of Japan. The United States and the British, French, and Dutch Empires, each with very vital interests in the Far East, provide Japan with more than 85 percent of her essential war supplies, while the axis group—comprising Germany and Italy as well as Austria and Czechoslovakia—supplied Japan with only 8.64 percent of such materials in 1938. It seems almost incredible that the democratic powers are consciously arming a nation which has made a pact with the Rome-Berlin axis for the destruction of their economic security.

In addition to T. Y. Hu's study, there appeared on June 15 a Foreign Policy Association report by T. A. Bisson, entitled "Japan's Economic Outlook," which contained the following table. This table differs from that compiled by Mr. Hu only in that it includes only American exports to Japan proper and excludes Manchuria and Shanghai:

Analysis of United States exports to Japan

[In thousands of dollars]

	1937	1938	Total
Petroleum, motor fuels, and oils	42,075	49,490	91,565
Iron, steel, and tinplate scrap	39,386	22,035	61,421
Copper	19,212	22,146	41,358
Metal-working machinery	11,904	23,614	35,518
Iron, steel, and tin semimanufactures	23,003	6,523	29,526
Automobiles and parts	13,581	10,142	23,723
Pig iron	9,672	4,886	14,558
Aircraft and parts	2,484	11,069	13,553
Hides and skins	2,691	2,652	5,343
Ferroalloys	1,366	2,332	3,698
Lead	754	2,100	2,854
Internal-combustion engines	434	413	847
Aluminum	280	476	756
Leather	703	45	748
Other metals and alloys	95	320	415
Nickel	219	157	376
Arms and ammunition	49	100	149
Zinc	54	27	81
Total	167,962	158,527	326,489
War materials	167,962	158,527	326,489
Raw cotton	61,724	52,644	114,368
Other exports	58,872	28,404	87,276
Total exports	288,558	239,575	528,133

Mr. Bisson's conclusion from the above table is as follows: "The statistics for American exports to Japan during 1937–38 are a commentary on the importance of the United States market to Japan's war machine. With a few exceptions, such as rubber, the table represents a comprehensive list of the strategic materials which Japan must obtain abroad. At least four of these commodities, high-test motor fuel, automobiles, machinery, and scrap metals, cannot be secured, either in similar type or quantity, outside of the American market. The total amount, as well as the percentage, taken by strategic materials is extraordinarily impressive. In 1937–38, out of $528,000,000 of American exports to Japan, $326,000,000, or 61.2 percent, were essential materials of war. The volume of these commodities, owing to certain price declines, probably increased in 1938; their value declined but little; and their percentage of the total markedly increased. In 1937, the percentage taken by war materials was 58.8; in 1938 it advanced to 66.3. Within the year Japan had reduced its 'nonessential' imports from the United States by more than half, and its imports of raw cotton by nearly 15 percent. In this table, moreover, raw cotton is not classified as a war import, although it is essential to Japan's textile industry and has a partial war usage. The value of American petroleum and petroleum products sold to Japan in 1937–38 nearly equaled that of raw cotton. Finished munitions are a negligible item on the list."

DEMOCRACIES SUPPLY SHIPPING FACILITIES TO JAPAN, TOO

An interesting addition to the study of how the democratic powers are helping to arm Japan has been made by Kurt Bloch in an article appearing in the July issue of Asia entitled "How Japan Feels the Strain." Dr. Bloch points out for the first time the fact that one of the chief obstacles in the way of Japan's military maneuvers in China is her lack of sufficient shipping tonnage; that all of the crucial battles of the past 2 years were forced to remain incomplete due to this shortage. For the offensive against Hankow and Canton in December 1938 no less than 1,750,000 tons of shipping facilities were employed. Of this, 900,000 tons had to be chartered from foreign countries, chiefly from the sea-faring nations of northern Europe. Of this 900,000 tons, the British supplied 466,000, the Norwegians 302,000, from which fact Dr. Bloch concludes "that more than half of the shipping space needed by Japan for her successful attacks on Hankow and Canton was supplied by Europe, no less than one-fourth by the British. (Incidentally it seems remarkable that neither German nor Italian shipowners participated in this business.) Thus the war supplies shipped by American businessmen to Japan are rivaled in importance by the tonnage put—indirectly—at Japan's disposal for the capture of Hankow and Canton by British shipowners."

In the light of all the above facts and figures, and in the light of the most recent Gallup poll, it seems incredible that Congress does not respond to the will of the American people by refusing to continue to be a partner in Japan's war of plunder. In all of the current discussions in Congress on the question of neutrality, there is not one word about a resolution introduced on April 27, whereby the President would have the power, with the consent of Congress, to place an embargo against Japan on the grounds that she had violated the nine-power treaty. Also, very little is heard of a bill introduced on March 29, which clearly and unmistakably calls for an embargo against Japan on such commodities as scrap iron, finished munitions, metals, oils, machinery, and any other commodity which might be converted for military purposes.

The most recent bill introduced on this subject would authorize the President to withhold from export all materials except agricultural products which there is reason to believe will be used to violate the sovereignty of any nation whose "sovereignty, independence, or territorial and administrative integrity," the United States is obligated by treaty to respect. It is high time that

Congress should take the interest of the American people as the only consideration and enact legislation which would once and for all put an end to our anomalous position as a partner in a war which seeks to destory our own interests.

There are some individuals in this country who believe that Japan is destroying herself and will ultimately be so weak that she will accept peace on any terms. Their argument, therefore, is "not to become excited or hasty, for after all, profits are profits. Let us wait another year or two until Japan is helpless." But this type of reasoning is very deceptive because totalitarian nations, by callous regimenting of their own people, have shown their ability to last a lot longer than was generally believed possible. It is by no means improbable that Japan may force her people to an increased tightening of their collective belt for a period of several years. In the meantime, China and other parts of the Far East may be so wantonly destroyed by American-made munitions that when the time comes for the so-called peace of exhaustion, the world will be faced with the problem of rehabilitating a devastated Far East at a cost thousands of times greater than the puny profits which a handful of people now make out of our war-materials trade with Japan.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

EDITORIAL FROM THE WASHINGTON SUNDAY STAR OF JULY 2, 1939

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Sunday Star, Washington, D. C., on July 2, 1939:

[From the Washington Sunday Star of July 2, 1939]

THE REAL LOSERS

The administration's neutrality bill, designed to discourage the outbreak of a major war and to keep this Nation at peace if, in spite of its provisions, other countries should take up arms, was shorn of its essential safeguards and all but hopelessly wrecked in the course of its passage through the House. Already, in some quarters, this action is being hailed as a defeat for the President, and so it is. But Mr. Roosevelt is not the only loser. If the bill be finally adopted in its present form it will serve at best as only a feeble deterrent to war in Europe—if it would not actually encourage war—and, if that conflict should come, there is very little in the measure to shield America from involvement. In those circumstances the President's defeat is the public's defeat, and in the long run it is the men and women of the United States, and not Mr. Roosevelt, who will suffer the greater loss.

As the bill came out of the House it carried a modified embargo, which forbids exportation of "arms and ammunition" to warring nations. The administration had sought the elimination of the even broader embargo in the existing law and the substitution of a cash-and-carry provision, under which foreign nations at war could acquire American supplies and munitions by paying cash for them and transporting them in their own vessels. That was frankly intended to discourage the already well-armed dictator nations from launching a war of conquest because of the knowledge that this country's material resources would be at the disposal of the French and the British, through their control of the seas, if they should be attacked. The President and his advisers believed—and there was sound basis for the belief—that such a statute might prevent war by persuading the German and Italian leaders that the democracies, fortified with American supplies, would emerge victorious in the end.

But if the House bill becomes law Hitler and Mussolini will know, if they contemplate further aggression, that their chances of success will be brighter, for they are abundantly supplied with arms and ammunition, while the potential victims of their attack are not. The British and French, it is true, might buy other supplies in this country, but on the basis of the experience of the last war they will sorely need cannon and shells as well.

With these facts in mind, it is difficult to understand how the House majority could have failed to recognize that it was making war more probable. Representative FISH, a leader of the coalition that opposed the President, told the House that "the world is on the verge of war." It can only be concluded that mankind is a little closer to the brink of that awful catastrophe as a result of Friday night's vote.

Nor does the House action in any way assure that America will not be drawn into the war, if and when it comes. In fact, the contrary is true. Under the administration bill American shipping would have been kept out of war zones and thereby protected from the danger of being sunk by belligerents. Under the bill as approved by the House our vessels, loaded with military supplies other than arms and ammunition, may enter European waters, and if they do it is certain that some of them will be sunk, and American lives will be lost. To understand what that means, it is only necessary to read the story of the months preceding our entry into the World War.

The House bill, with its effort to make a distinction between a machine gun, which may not be sold to a belligerent, and a bombing plane, which presumably might be sold, is ridiculous on its face. It is exceedingly doubtful whether it should be permitted to become law. And if it is rejected in the Senate or vetoed by the President, the alternatives are not encouraging. An effort might be made to induce the Senate to approve the administration's measure, but such a move would seem doomed to certain failure. The only other choice is to let the present law, with its comprehensive embargo, stand.

If that is the final result, those who have opposed the President's program will have achieved their victory. And if that victory should prove to be the deciding factor in favor of war as against peace, civilization as we know it will have sustained a defeat from which it may never recover.

Forward America!

EXTENSION OF REMARKS

OF

HON. DEWEY SHORT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS, BEFORE A REPUBLICAN RALLY IN SPRINGFIELD, MO., ON JULY 1, 1939

Mr. SHORT. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. JOSEPH W. MARTIN, Jr., of Massachusetts, before a Republican rally in Springfield, Mo., July 1, 1939:

It is a real pleasure to come to Missouri tonight to participate in this great gathering of patriotic men and women.

You are assembled for the purpose of honoring a group of legislators who have fought courageously for clean, honest, and efficient government. In honoring these faithful public servants you are at the same time dedicating your energies and best efforts to the greater tests of patriotism that are ahead.

NATION IN DANGER

The United States of America, which has given so much happiness and comfort to its people, is in grave danger.

The stability of its financial and economic structure is threatened, and the moral character of its people is under pressure.

The great need of the hour is for all patriotic Americans to forget old prejudices and join in the crusade of 1940 to battle for clean politics and to restore honesty and sanity in government.

TRIBUTE TO DEWEY SHORT

Missouri is justly proud of her many notable contributions to the building of America. And she can well be proud in these last few years—when representative government has been at a low ebb, when the American system of free enterprise and free institutions have been imperiled, when individual initiative and individual opportunity have almost banished—proud that during all these trying times one of the great Americans who materially aided in keeping alive our cherished American system was your own Congressman DEWEY SHORT.

DEWEY in the years he has been in Congress has won a high reputation among his associates and throughout the country. A brilliant, two-fisted debater, he has fearlessly and intelligently battled for the causes he knew would contribute to the prosperity and progress of the people. He had the courage to take this position when it was unpopular, and wait for time and experience to justify his good judgment. He is one of our really great Congressmen, and I am happy to have the privilege of so stating before his own neighbors and fellow countrymen.

We are confident 1940 will bring a Republican House to Washington, and in that House we must have DEWEY SHORT. We will need the benefit of his wide experience and sound judgment, so we can give to the American people a real constructive and progressive program.

MORE THAN 10,000,000 UNEMPLOYED

There is much work to be accomplished in Washington. Only sound policies and wise administration of the public business can put this mighty Nation back on the track to prosperity.

Despite billions and billions in public spending during the last 6 years, we still have more than 10,000,000 unemployed. That is the great challenge before this Nation today. No economic system can survive nor can any scheme of Government maintain itself

indefinitely with 10,000,000 men and women walking the streets seeking jobs in vain.

We have been told often during the last 7 years that huge Government deficits would bring recovery. We have been told that we might spend our way to prosperity. But the bitter fruits of this Brain Trust dream are now before us—a public debt exceeding $40,000,000,000; billions upon billions of idle capital piled up in our banks awaiting an opportunity of profitable investment; 10,000,000 unemployed; farm prices at ruinous levels; our export markets for farm products dwindled almost to the vanishing point; and our rich markets at home flooded with an ever-increasing tide of cheap imports from the low cost countries overseas.

NEW DEAL RETARDS BUSINESS

We are far from the accustomed level of real American prosperity, only because this New Deal crowd in Washington have refused to embrace common-sense American policies. As a result the entire Nation is drifting gradually to a constantly lower standard of living.

The time has come to reverse this tragic trend of events. We have the resources. We have the manpower. We have the technical skill. We have the plant and machinery. We have right in our hands every essential ingredient of solid and sustained prosperity. We have need today of only one missing link—we need a common-sense government in Washington which will encourage the initiative of our people, and give assurances that our American system of private enterprise and balanced constitutional government will not be undermined.

That is the great promise held out by the 1940 crusade for Americanism.

RECKLESS SPENDING FAILS

Certainly, these 6 years have demonstrated one thing clearly—that the essence of new dealism is extravagant spending of the people's wealth and substance.

We are told that such reckless spending contributes to economic recovery. But the facts now available explode that theory to smithereens.

Let us look at the figures for a minute. A recent official survey of business conditions by the economic section of the League of Nations, shows that the United States ranks seventeenth in the list of nations today, as measured by actual recovery toward the 1929 level of industrial production.

Think of it—seventeenth among all the nations of the world in point of recovery over the last 10 years!

Last year, 1938, our total industrial production was only 73 percent of the 1929 volume; but England, where there has been no crazy spending program, showed a recovery up to 115 percent of her 1929 industrial production; Poland, 117 percent; Norway, 127 percent; Denmark, 135 percent; Sweden, 146 percent.

How can all these less-powerful nations outstrip the manpower and resources of this mighty land in climbing back the steep trail to prosperity? The answer is easy to find in Washington; these other nations have not had their resources and manpower hobbled by hit-or-miss government experimentation and by a top-heavy snooping bureaucracy. They have not tried constantly to go both ways at the same time.

SPOILS AND CORRUPTION

Every bit of evidence before us today indicates that our people are eager for a real business boom. Once the shackles of new dealism are removed—once the spirit of enterprise and courage are restored, once the Government passes into an era of sound policies to revive popular confidence—then we shall begin a period of prosperity unmatched before in our long history.

Only the people themselves can demand and enforce an era of economy and tax reduction. Only the people can demand an end of the cruel political spoilsmanship which has dominated and corrupted both relief and civil administration throughout the entire Federal establishment during the last 6 years.

Several days ago in Washington I gave public endorsement to a bill introduced in the Senate by a Democrat—the Hatch bill. Why did I publicly endorse a Democratic measure? Simply because I regard it as a sound bill, which merits the support of every right-thinking individual.

The Hatch bill imposes mandatory criminal penalties upon all W. P. A. supervisors and foremen who try to coerce or intimidate relief workers. It also would impose criminal penalties upon political activities by civil-service employees, and by all Federal workers generally.

Today this bill is being opposed in committee by every power of the New Dealers. Why? Because it would drive the political racketeers out of the work-relief system, and because it would clean up the rotten scheme of political spoils which has turned our Federal Government into a gigantic machine for New Deal propaganda and electioneering.

That is not what the American people are paying taxes for. They do not want their Government to be concerned chiefly with purges and elections. They want their Government to confine itself to administering the public business—wisely, soundly, efficiently, and economically. Whenever government diverts a dollar of the taxpayers' money from the essential functions of administration to purely political purposes, it betrays the people, betrays the Constitution, betrays the honor and dignity of the whole theory of orderly representative government. Here is a type of moral corruption which the American people have instinctively resisted at every opportunity since enactment of the first civil-service law 55 years ago.

That is why I am pledged publicly to support the Hatch bill. It is an issue far above the narrow concerns of mere partisanship. It is an issue of patriotism, which touches the very heart of our fine American ideal of honest and faithful public service.

Every citizen, regardless of party, can rally behind such a crusade to clean house in Washington. Help us drive out the political racketeers.

INCREASING FARM IMPORTS

You folks in this part of the country raise a lot of cattle and ship a lot of pork. Perhaps you have been wondering why livestock brings an average of less than 7 cents a pound on the farm.

Well, I have been wondering the same thing—and I have got some figures from the Department of Agriculture which give me the answer.

The answer is simply this—the United States during recent years has been importing livestock and dressed meats at the rate of over 1,000,000 pounds a day.

That seems hard to belive, doesn't it? It was difficult for me to believe my own eyes when I read the official figures, as published this month by the Department of Agriculture.

But there are the facts—our imports of meats and livestock under the so-called reciprocal trade program of the new dealers have averaged a little more than 32,000,000 pounds per month during the last 4 years. This is at the rate of 12 pounds of meat a year for every family in the United States—more than a pound a month for each family.

If that makes sense, then I say that DEWEY SHORT is the King of Siam.

Seriously, why should these United States, the richest meat-producing country in the world, import more than 1,000,000 pounds of meat every day of the year? Since 1935, when the so-called reciprocal trade treaties became effective, we have imported an average of 387,500,000 pounds of beef and pork every year.

Such a policy places our American farmers in competition with the peasants of Europe and the peons of Mexico and South America. It means a constantly lower standard of living for every farm home in America, for it applies not only to meat but dairy products, potatoes, fruits, and vegetables, and many other farm products.

Worse, imagine how many acres of American land could have been employed profitably had these imported meats been produced at home. Does it make sense to spend billions of dollars to reduce American farm acreage while at the same time taking increased farm imports from all the low-cost nations of Europe, South America, and the Orient?

The prosperity of the American farmer is to be found in the rich American market. The first step to agricultural recovery is to protect that home market. We must get away from the wrecking free-trade theories of the reciprocal-trade program and give the American farmer an American price. We must stop this flood of cheap farm imports from abroad.

MORE SPENDING MAGIC

I have yet to find a man or woman in the United States—and I have traveled from coast to coast during the last 2 years—I have yet to find a man or woman who honestly believes the Nation can regain prosperity simply by deficits.

Since 1933 the New Deal has spent more than $47,000,000,000 and has loaned an additional $15,000,000,000. Yet these $62,000,000,000 have not absorbed our 10,000,000 unemployed. They have not produced prosperity. They have not brought any real American progress. All the essential problems of real recovery remain to be solved. And now we approach them with a national debt in excess of $40,000,000,000, instead of the $20,000,000,000 of national debt we carried when the New Deal began its fabulous magic in 1933.

But even in the face of this record they want to start playing that record all over again. Ten days ago the White House sent up to the Capitol another disguised spending scheme—this time for $3,860,000,000. It is another pump-priming scheme. It is supposed to do all the things that all the previous pump-priming schemes failed to accomplish. Well, the truth is, it is only a scheme to prime 1940 elections.

The new dealers are in a panic. They know they must have recovery and reemployment if they are to continue in power. In desperation, they have decided to try all their past mistakes over again.

They know very well they are running up a crushing burden of debt. They know they are playing with the fire of a cataclysmic inflation. But panic knows no obligation to mere taxpayers. The new dealers must have recovery at all costs. Spending other people's money is the only program they know. It has not succeeded in the last 7 years, and the country knows it will not succeed this time.

QUOTES ROOSEVELT ON DEFICITS

We all know that this program is very dangerous, for it bears directly upon the Government's credit. Hear what Mr. Roosevelt himself had to say on this subject in a campaign speech right here in Missouri in 1932. Speaking at St. Louis on October 21 he said, referring to Government bonds:

"They suffer only to the extent that government is permitted to be extravagant, wasteful, or ill-managed. They suffer if the Federal Budget is not balanced, and particularly where the deficit of one year is not cleared up in the succeeding year."

And at another point in that same campaign speech at St. Louis Mr. Roosevelt had this to say about economy. Again I quote the President:

"It is my pledge and promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unremitting administration policy of living within our income."

So now we see the promise and the performance all in one piece; and I think it a fair question to ask whether an administration which has shown such contempt for its solemn public pledges ever can be worthy of the confidence of the Nation?

KEEP OUT OF WAR

One other vital policy of this administration is retarding recovery—the foreign policy which threatens to involve the United States in the bitter diplomatic feuds of Europe and the Orient.

This country has had its lesson in fighting other people's wars.

Our people are determined to keep out of it.

The whole history of representative government is a story of progress under the ways of peace. Free governments, by their very nature, are geared to the constructive pursuits of peace. War demoralizes representative government and invites dictatorship.

America has no imperial designs. Our security is not based upon piratical dreams of territorial expansion. The free heart of America despises dictatorship.

War involving this country would mean dictatorship almost overnight.

We must avoid military alliances which might again take American soldiers to foreign battlefields.

The road to peace begins at the gateway of neutrality. The New Deal is preparing to take sides, but I do not believe the American people will sanction any policy of involvement overseas. We Republicans take our stand for real neutrality, and for peace.

Several months ago we published in Washington a 12-point recovery program. The first plank was—

"Keep the United States out of war!"

That 12-point program, and in particular this strong pledge against military alliances with foreign powers, has commanded almost unanimous support among our people.

The preservation of peace is the real social-security program of the hour.

SOUTH AMERICAN LOANS

Now, I want to tell you something more about this new Roosevelt plan for spending and lending another $4,000,000,000—the so-called self-liquidating scheme, which we are told will not cost the taxpayers a penny.

You have all noted that one provision in this program calls for new loans totaling $500,000,000 to foreign nations. It is intended that these loans shall be made principally to Latin-American countries.

Has Mr. Roosevelt forgotten that today no less than 14 nations of Latin America are in default on their loans from American investors?

Nothing has been done by this administration to collect even the interest on the $11,000,000,000 of war debts owing us from Europe. Happily the Johnson Act forbids new Government loans to these defaulting powers.

But the defaults in Latin America are on private bond issues. Now Mr. Roosevelt proposes to lend them more money; this time, Government money—$500,000,000 of it guaranteed by the taxpayers of the United States.

Brazil, for example, has $357,000,000 worth of bonds outstanding in this country—and every penny of them is in default as regards both principal and interest.

Mexico has $273,000,000 worth of dollar bonds outstanding, and every penny of them is in default as regards both principal and interest.

Chile has $216,000,000 worth of dollar bonds outstanding, and every penny of them is in default on both principal and interest.

So the story runs, through Bolivia, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Guatemala, Panama, Peru, Salvador, and Uruguay.

How many of you folks in this audience would like to chip in tonight for a jack pot to promote recovery in 14 Latin American countries before our own 10,000,000 unemployed get back to work?

That's the proposal Mr. Roosevelt has presented to Congress—to take funds raised through Government guaranteed bonds and loan them to 14 nations already in default on their previous American private loans.

How many American taxpayers want to underwrite such new loans by placing an unconditional first mortgage against all their property holdings, all their chattels, and all their future income—if any?

I measure my words when I say this is a preposterous proposal.

And yet, we are informed, that the White House is "turning on the heat" to lash this monstrosity through the House and Senate before adjournment.

I contend the American people will not tolerate such un-American policies.

And I contend that Congress, with 168 fighting Republicans in the House cooperating with the real Democrats, will never submit to such economic folly.

Let us remember the Republican pledge given last January, "the rubber stamp days are gone forever."

If the plan of the administration is simply to scatter public funds to the four winds, let us at least have the sense to scatter at home rather than in the jungles of the Amazon and the highlands of the Andes.

If this new program be charity, let it follow the Biblical injunction that charity should begin at home.

If it is intended to be business, let it follow the mandates of common sense, integrity, and a proper attitude of official responsibility in the management of public affairs.

SEVEN FRUITLESS YEARS

Here, in brief outline, are a few of the constructive and progressive principles which have been defended by the Republicans in Congress during this long interval of New Deal hysteria.

Seven years of political panaceas and economic nostrums have carried us to the brink of national bankruptcy. They have deprived our young men and young women of their richest birthright—an equal chance to get a job. They have strangled the spirit of business and enterprise almost to the point of despair.

And now, after 7 fruitless years, the New Deal comes forward to tell us there is no cure but more spending, more debts, and more deficits.

We Republicans emphatically reject this sterile defeatism. We do not believe that we must always have 8,000,000 or 10,000,000 unemployed in this country. We do not believe that America has reached the end of the road. We do not believe that American youth must forever take a job in the woods at a dollar a day. We do not believe that our unemployed face no better future than a subsistence job in the W. P. A.

Such beliefs do not reflect the sturdy spirit which steadily pushed back the wilderness from the Atlantic to the Pacific, until a whole mighty continent was occupied by industrious and happy people. Where is the spirit that made these United States of America the richest and mightiest empire the world has ever known?

NEW DEAL DEFEATISM

Fellow citizens, I plead with you to repudiate this demoralizing New Deal philisophy of futility. The ingenuity and skill of our people hardly have tapped the wealth and resources of this continent.

This Nation is in depression today, not because we lack the vision of progress, not because we lack the courage of enterprise, but only because the spirit of our people is hobbled and hog-tied by devitalizing bureaucratic restraints. Nothing can be more fatal to business than excessive meddling on the part of Government. Hordes of Federal bureaucrats swooping down on business like a swarm of locusts can quickly destroy incentive and be the means of depriving men and women of jobs. We are a Nation in the chains of uncertainty and confusion.

From this wilderness our vision is forward.

We look forward to the day when the eyes of youth shall glow once more with the light of hope, adventure, enterprise, and a fair chance.

We look forward to the time when American farmers and wage-earners may do more than work for the tax collector.

We look forward to the day when the job-maker and the job-giver rightfully will be regarded once more as honorable and respected citizens in a revived scheme of economic abundance.

We look forward to the day when our national income easily may reach $100,000,000,000 a year, as against the $64,000,000,000 distributed last year under New Dealism.

Our first task is to restore the vigorous, hopeful, and forward-looking spirit of our people—to help them from the dead-center of New Deal defeatism.

Recovery will begin as soon as all Americans may again face the future with full confidence in the security and stability of constitutional government, and in the safety of our bountiful American system of private enterprise. But confidence never can be restored to a harrassed and worried business by words alone. If we are to have that confidence essential to recovery, actions must square with appeasement promises.

THE ROAD TO RECOVERY

We can, if we will, realize the glorious destiny of this Nation.

But every patriot must join the crusade.

Let us banish selfishness, secure in the knowledge that all will share in the blessings of order and in the solid prosperity which must follow a revival of real Americanism.

This crusade to save America transcends mere partisanship. The sensible, sound-thinking, true-blue Americans are an overwhelming majority in this country. In the fight for peace, progress, and prosperity they must not allow themselves to be divided by an honored party name which recently has come to be a shield for hateful alien "isms" imported from abroad.

As you join this crusade, sound the battle cry of our revitalized and determined Americanism. Let these Ozarks ring with the glad tidings of hope—"Forward to Forty."

But our vision is never to be accomplished by brain-trust theories and administrative brainstorms. It may be accomplished only by practical measures, by wise policies, by firm loyalties to the fundamental traditions of this Republic, and by a decent respect for the lessons of history.

Thus guided, patriotism cannot fail.

Our motto must be, "Let's put America back to work."

Then our slogan will sweep America to a brighter day—"Out of the red to recovery."

Forward, America!

Neutrality

EXTENSION OF REMARKS
OF
HON. PETE JARMAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 5, 1939

EDITORIAL FROM THE WASHINGTON POST OF JULY 5, 1939

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Washington Post of July 5, 1939:

[From the Washington Post of July 5, 1939]

THE "GO" SIGN

The neutrality bill as passed by the House last week is some improvement over the existing measure. In particular, it modifies the present mandatory embargo on the shipment to belligerents of "arms, ammunition, and implements of war." The ban, in the event of outbreak of war, would be applicable only to what are vaguely described as "lethal weapons." Airplanes, for all their death-dealing qualities, could seemingly be exported.

Airplanes are an implement of war of which the British and French would stand in great need, should they let themselves be forced into hostilities by further aggression on the part of the Berlin-Rome axis. Assuming continued control of the seas by the democratic allies, they would, under the House bill, be able to supplement their own air resources. And removal of the ban on airplane shipments seems the more impressive because Great Britain and France are in a position to meet most of their needs for arms and ammunition.

Nevertheless the administration's failure to get the entire embargo removed has aroused enthusiasm in Italy and Germany; gloom in France and Great Britain. The dictatorships regard the House action as a friendly gesture from the United States. The democracies feel that it is directed against them. And regardless of how blameless and patriotic the motives in Congress, both camps in Europe are correct in these assumptions.

The failure to remove all trace of mandatory embargo from the neutrality legislation is clearly advantageous to the Berlin-Rome alliance. It continues the revision of international law in the interests of Hitler and Mussolini and, at a most critical period, it gives tacit encouragement to these dictators to proceed with their expansionist plan. The tragedy is that here in America there is so little realization of the unneutral nature of this so-called neutrality.

Soviet Russia, whether or not intentionally, has already given much aid and comfort to Hitler by its curious reluctance to join the antiaggression bloc which Great Britain and France have sponsored. But the Congress of the United States is dealing these two democracies a far more serious blow. For all that the Anglo-French alliance wants of this country is restoration of that right to purchase arms which has always automatically accompanied the possession of sea power. And it is that right which is now pointedly curtailed for Great Britain and France.

With Russian support withheld and the United States, in effect, favoring the axis, it seems dubious that the British and French will risk hostilities over a Nazi seizure of Danzig, or over whatever other coup may come next on Hitler's calendar.

The possibility that planes might be forthcoming from this country is not enough encouragement for London and Paris to take the awful risk of war. Of course, there will be no admission from London or Paris to that effect. But Hitler needs no formal admission. He is quite shrewd enough to judge for himself as to the combined effect of Russian and of American policy on Anglo-French morale.

Ironically enough, it may therefore happen that the House action, plus the strength of isolationist sentiment in the Senate, will help to avert immediate war. But the bitterness lies in the expectation that this would again be purchasing peace by surrender, at the cost of further acquisitions in aggression. Nor will any rational person suppose that the scheduled seizure of Danzig, whether unresisted or accompanied by the destruction of Poland, would be the end of the democratic retreat.

Both in Russia and in the United States there was much criticism of the Munich settlement, which paved the way for the destruction of Czechoslovakia. But Russia and the United States, in their separate ways, are now paving the way for another Munich. And for this forthcoming Munich which is threatened the responsibility would be readily defined.

If the United States actually decides to give aggression the all-clear signal, it will not be the fault of the administration. Both the President and Secretary Hull have done all they can to make clear that the future of civilization depends very largely on the direction in which the present Congress throws the tremendous weight of the United States.

In spite of these efforts, the great influence of America is, on the whole, still being directed to encourage the spread of aggression. That this should be the case is a major tragedy of history, and one with much ultimate bearing on our own security.

Mining Measures Passed or Proposed

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 5, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, legislative action at Washington during the last few weeks has been of great concern to metallic mining in this country. I am taking this means of pointing out my own connection with this legislation, or attempts at legislation, a little more fully perhaps than has been done otherwise. The particular bills referred to deal with dollar devaluation, the purchasing price of silver, strategic war minerals, moratorium on mining-claim assessment work, extension of time for assessment work, extending R. F. C. mining loans, and liberalizing S. E. C. regulations on mining investments.

On April 21 the House passed the dollar-devaluation bill, extending the President's power for 2 more years. Eastern opposition fought it fiercely but we got the bill through the House. In addition to the effects upon our monetary system and foreign trade policy, it assured a price of gold at $35 an ounce, and a price for silver of at least 64 cents an ounce. This measure was brought before the Senate late last month when a strange thing occurred. Republicans and certain western Democratic Senators voted down the President's power over the gold dollar, voted out the purchase of foreign silver, and fixed the price of American silver at 77 cents an ounce. This disagreement went to conference about June 29.

Naturally I urged the House conferees, before they went into conference, to save the President's power and to save silver, and I was highly pleased with the conference report brought back to the House the next day. The conferees agreed to continue the President's power over the dollar, to permit the Secretary of the Treasury to continue the purchase of foreign silver, and to fix the price of domestic silver at 71 cents. I should say that there had been no disagreement about the stabilization fund. The opposition Senators filibustered on this matter until after midnight June 30. On July 5 the Senate accepted the conference report, just as the House had accepted it on June 30.

BUY AMERICAN ACT APPLIED

For a long time western Congressmen have determined and worked for development of strategic war minerals in this country. We know that manganese and tungsten, in unlimited supplies, are to be found in several States. When the Faddis bill was passed some weeks ago, the gentleman from Nevada [Mr. SCRUGHAM], and I, aided by other westerners, wrote into the bill a "Buy American" provision which was as favorable to home production as we could possibly make it. Of course, in this matter we were up against an immediate emergency need for such material, also up against the Army officers' contention that it would take years to bring American mines into production, even if we did have the ore, and also up against the steel corporations' desire to get cheap manganese from abroad.

The provisions, looking toward American development of manganese and the other strategic minerals were fairly satisfactory in the face of all these circumstances. However, westerners must not get the idea that $100,000,000 is going to be spent at once by the Government in developing manganese and tungsten deposits, no matter how rich they

may be, in our Western States. The money has to be appropriated, as the bill was only an authorization.

MORATORIUM BILL HAD NO CHANCE

I worked with some other western Congressmen in May and June of 1937 to extend a moratorium on mining-claim-assessment work for the year ending July 1, 1937, and it was done. On June 16, 1938, I got through the House a bill, which had already passed the Senate, extending the moratorium for the year ending July 1, 1938. Many mining men told me that the granting of an annual moratorium should stop, as it was hurting mining development to continue it. I was also told a few weeks ago there was no chance of passing another such bill this session. For these reasons I did not introduce any moratorium bill this session, although after Congressman O'CONNOR's bill was definitely blocked, I was urged to introduce a compromise moratorium bill, the text of which was furnished me by small-mine operators in Arizona. Again I was told that that bill could not be passed this session and I did nothing further with it except to discuss it with my committee.

Failing to get this relief measure through, and feeling that an injustice would be done some bona fide claim holders, who had made their locations years before any moratorium was granted, and who had spent much time and money on such claims, and were unable, from lack of time or money to get work started—to say nothing about completing it by July 1—I introduced a bill to extend a short period of grace as the next best thing I could do for hard-pressed claim holders.

EXTENSION OF TIME CRITICIZED

Some criticism has come out of the West for this extension of time; therefore, it needs a little explanation of our purpose as well as what was done. Having been named chairman of a subcommittee of the House Committee on Mines and Mining to see what we might do for mining in general, I consulted with my committee members two easterners, the gentleman from Florida [Mr. PETERSON], and the gentleman from Ohio [Mr. LEWIS], and we three approved several things, one of which was a slight extension of time in which assessment work might either be started or completed. It seemed, too, that a moratorium which had been extended every year for 7 years—although it had to stop sometime—should not be stopped too suddenly, even though repeated warning and notice had been given holders of unpatented claims. Then, too, there was some uncertainty as to whether work had to be begun or completed by July 1.

On Friday, June 23, a meeting of western Congressmen directed me to introduce a bill extending the time for assessment work at least 60 days. In preparing the bill I made it 90 days, with the expectation that if it got through the Senate at all it would probably be cut down some. The gentleman from Utah, ABE MURDOCK, who was fully as much interested in this measure as I was myself, did quick work in getting it through the House. In the Senate the bill was amended and cut down to 60 days, and again the Murdock partnership rushed it through the House, accepting the Senate amendment, followed it all the way to the White House, and burned up telephone wires on June 30 urging the President to sign it. The president signed this bill a few minutes before midnight June 30.

So, for good or ill, claim holders may begin their assessment work for the year beginning July 1, 1938, at any time prior to September 1, 1939, provided they carry the work properly to completion. We Congressmen who favored this short extension of time have not worked for the interests of one group as against another group, but we have been actuated solely by a desire to help distressed claim holders preserve their property rights and interests as against claim jumpers and others who have less rights and interests in such mining claims.

Personally, I feel that the moratorium had to come to an end, because we want mineral lands opened up by those who will develop claims, and we want as much employment as possible furnished on assessment work and development. Claim holders know now that they cannot have another moratorium; therefore, the work must be done even though the time of beginning has been put off 60 days. Those who seek employment in doing assessment work should, therefore, get their employment exactly the same as if no moratorium and no extension of time had been granted.

OTHER EFFORTS FOR MINING

The Yavapai Council of Small Mine Operators at Prescott, Ariz., has been active in promoting legislation to aid the industry. I have introduced two bills along the line of their suggestions. One of these bills would extend the power of the Reconstruction Finance Corporation to make loans for mineral development, other than gold, silver, or tin, and especially of the strategic minerals. The R. F. C. has been asked to report on this bill but declined to do so on the ground that it was a matter of policy which was at the discretion of Congress. It seems that the R. F. C., however, although it may be lukewarm, is not really hostile to the proposal. If we could get this bill enacted, it would help some, without doubt, but, of course, very much would depend upon how such a bill would be administered.

Mining is a very speculative industry. Hard-headed businessmen and bankers hesitate to put money into mining. The Securities and Exchange Commission's regulations are very strict; therefore, the small-mine operators call for a Mines' Finance Commission charged with handling investments of that sort, and providing Government funds to aid mining. Since my bill, H. R. 6131, has been introduced the S. E. C. has taken a step, though only a step in this direction, by creating a division for mines within its own organization.

Bills almost identical to H. R. 6131 have been introduced by the gentleman from Nevada [Mr. SCRUGHAM] and the gentleman from California [Mr. THOMAS F. FORD]. These bills are now before the Banking and Currency Committee. The gentleman from California [Mr. THOMAS F. FORD], being a member of that committee, is likely to get a hearing on them in the near future. I have, of course, no pride of authorship in this case, since the proposed legislation was drafted at Prescott, but I am naturally very anxious for committee hearings on such an all-important matter, and hope for favorable action in the near future. However, I must warn the enthusiastic supporters of this legislative move that it takes time to get any action on so significant and far reaching a proposal, and much educational groundwork needs to be done.

Presidential Candidacy

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

LETTER OF HON. HAMILTON FISH, OF NEW YORK, IN REPLY TO HON. CARL G. BACHMANN, URGING HIM TO BECOME A CANDIDATE FOR PRESIDENT ON THE REPUBLICAN TICKET

Mr. SCHIFFLER. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include a letter from Hon. HAMILTON FISH, of New York, to Hon. Carl G. Bachmann, of Wheeling, W. Va., in reply to his letter urging Mr. FISH to become a candidate for President:

HOUSE OF REPRESENTATIVES,
Washington, D. C., July 1, 1939.

Hon. CARL G. BACHMANN,
Wheeling, W. Va.

DEAR CARL: Your letter, urging me to be a candidate for President on the Republican ticket, is deeply appreciated.

During the past 6 months I have received numerous letters from various sections of the country making the same suggestion and offering support from leading members of our party and from the rank and file who constitute the real voting power. In addition a number of Jeffersonian and constitutional Democrats, with whose views I am generally in accord, have written expressing similar sentiments.

While there is no objection to my friends expressing their views and presenting my qualifications, I determined at the beginning of this session of Congress to hold the matter in abeyance until after adjournment.

Furthermore, in view of the fact that I was elected president of the American group of the Interparliamentary Union, composed of Senators and Representatives, which holds its annual conference at Oslo, Norway, on August 15–19, I believe you will agree with my decision to wait until my return in September before making any definite commitment.

Your confidence and that of your friends in me is far above my deserts. I have been and am still anxious to support any sound, liberal Republican candidate who can unite the conservatives of the East and the liberals of the West against the radicalism, collectivism, and internationalism of the New Deal. There can be no compromise on these issues.

With kind regards and best wishes, I am,

Sincerely yours,

HAMILTON FISH.

Shall We Send Our Youth to War?

EXTENSION OF REMARKS

OF

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

ARTICLE BY HON. HERBERT HOOVER

Mr. CHIPERFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the August 1939 issue of the American Magazine by Hon. Herbert Hoover:

SHALL WE SEND OUR YOUTH TO WAR?

(By Herbert Hoover)

We have urgent need today to recall the realities of modern war. And we have desperate need to take into our national thinking the gigantic yet invisible forces behind war which are again moving in Europe.

I am perhaps one of the few living Americans who had full opportunity to see intimately the moving tragedy of the World War from its beginnings down through the long years which have not yet ended. I saw it not only in its visible ghastliness, but I lived with the invisible forces which moved in its causes and its consequences. I am perhaps justified in recalling that experience.

Before the war I knew Europe—Russia, Germany, France, Italy, and England—fairly intimately, not as a tourist but as a part of their workaday life.

I was drafted in 1914 to preserve the lives of 10,000,000 people in Belgium and northern France who had been overrun by the German armies.

When America joined in the war I was asked by President Wilson to return to America to become a member of our American War Council and to administer the food supplies of our country and for our allies.

At the armistice I was drafted back to Europe to direct activities of the Allied and Associated Governments to defeat unparalleled famine and pestilence, to restore economic life among both the victors and the vanquished.

I did not participate in making the peace. I was daily called upon for advice and information. And I observed its disastrous course. Subsequently, during a period of 8 years in Cabinet position, I dealt with the troubled seas of unceasing political and economic storms the world over.

As President I dealt unceasingly to bring about reduction of arms, economic readjustment, and peace.

A year ago I spent some months in Europe with unique opportunity to discuss its problems with leaders in 14 nations.

That is 20 years of opportunity to observe European peoples and their leaders, with all the forces of good and evil in which they live, and to relate them to our American scene.

Ten million men died or were maimed for life in that war. There were millions who died unknown and unmarked. Yet there are miles of unending crosses in a thousand cemeteries. The great monument to the dead at Ypres carries the names of 150,000 Englishmen who died on but a small segment of the front. Theirs was an inspiring heroism for all time. But how much greater a world it would be today if that heroism and that character could have lived.

In another even more dreadful sense I saw inhuman policies of war. That was the determination on both sides to bring subjection by starvation. The food blockade by the Allied Governments on the one side, and the ruthless submarine warfare by the Central Powers on the other, had this as its major purpose. Both sides professed that it was not their purpose to starve women and children. But it is an idiot who thinks soldiers ever starve. It was women and children who died of starvation. It was they who died of the disease which came from short food supplies, not in hundreds of thousands, but in millions.

And after the armistice came famine and pestilence, in which millions perished and other millions grew up stunted in mind and body. That is war. Let us not forget.

We were actually at the front in this war for only a few months, but it cost us the lives of 130,000 men. It has placed 470,000 persons on the national pension list already. It has cost us 40 billions of dollars. And that represents more than just dollars. Today we have a quarter to a third of the American people below a decent standard of living. If that 40 billions of wealth had remained in America, these people would not be in this plight. A large segment of our people have already been impoverished for a quarter of a century. And the end is not yet.

We may need to go to war again. But that war should be on this hemisphere alone and in the defense of our firesides or our honor. For that alone should we pay the price.

The endless books tell us how the Great War originated. They do not agree. But some salient facts do stand out that are pertinent today. It began by a quarrel between three dictators—the Czar of Russia and the Emperors of Germany and Austria. They were competing for "power." France, a democracy, was dragged in because, out of fear of the dictators of Germany and Austria, she, a democracy, had made a military alliance with the Czar. The British democracy was drawn in partly out of idealism to defend liberty, but also partly to save its trade and its possessions from too great a concentration of "power" on the Continent. We finally joined in the war wholly out of idealism.

What is happening today? Europe is suffering repeated earthquake shocks from the fault of the Treaty of Versailles.

But beyond all this, which is obvious, something else is moving. Europe is again engaged in a hideous conflict for power. Stripped to its bones, today the quarrel is much the same. Dictators of Germany and Italy rise to power on opposition to communism, launched into their peoples by the dictator of Russia. Again the dictators are in conflict for power. Again France, a democracy, ties herself to the dictatorship in Russia. England becomes endangered should the dictators of Germany and Italy overwhelm France. And thus again begins this dreadful treadmill.

What is proposed? That we join to stop inevitable movements and readjustments of peoples; that we engage in ideological wars. Who will pay for it in blood and treasure? Our children.

In Europe they constantly use the word "power" in a connotation that is strange to many Americans. That is the "power" of peoples and over peoples. This "power" may be a political authority held in a man. It may be the "power" of a nation, the "power" of alliances, or the balance of "power." And they speak daily of international "power" politics. They often speak of it in terms of a game. They play "power politics" as sheer necessity for national defense, and they play it for national aggression.

I do not believe we should sit in that game, either in their interest or ours. Our idealism and our uncertainties of policy only befuddle the movements of expediency and delicate adjustments in which they are compelled to live. And our stakes are the lives of millions of sons of America. The stakes are another 25 years of hideous national impoverishment. The stakes are the progress of all mankind for half a century. The stakes may be the sinking of intellectual and spiritual liberty for a century to come.

The time may come when we could arbitrate the quarrels which arise in that game at some point before shooting begins. But if we sit in the game we shall never be arbitrator, and we may be drawn into the shooting.

And let me inject that Europe plays power politics against us. There is the instance of the European war debts to us. Part of the debt was for supplies and cash to carry on the war. From one-third to one-half of that debt, however, was material and money we supplied after the armistice to aid in reconstruction. At that time the war was won. We had no need in our own interest to loan another dollar. We settled the debts for much less than the full sum. The whole, including the reconstruction advances, has been repudiated.

I have no desire to recall these incidents. My purpose is to stir up reason among the American people against doing it again.

The dangers of our being dragged into war lie in these directions:

(1) Foreign propaganda to inflame our emotions and to mold our minds to war.

(2) Preachments of our own mistaken officials and citizens which, in effect, support these propagandas.

(3) Steps taken by our own Government which, while denying that they are intended to take us into war, yet entangle us with these very controversies, the end of which may be war.

If deliberate attack were made upon women and children, which modern airplanes and modern food blockade make possible, our indignation might not be restrained from action. Remember the part indignation over Belgium played in our entry into the last war.

And here we can examine one of the methods of power politics. That is propaganda. During the World War, propaganda was first developed into a national weapon no less potent than killing men. When peoples and governments believe that independence or their national survival or their possessions are at stake, they instantly justify untruth and lies as a part of national policies. When they weigh the sacrifice of their sons, then truth, honesty, tolerance, and justice are thrown to the winds if a lie will serve better.

The Great War was the first time in history when all the powerful agencies of publicity and manipulation of news were organized

without moral restraint under the genius of skilled men. There were built up a skill and a technique in front of which every citizen was helpless to know the truth. And since that time the radio has become an additional weapon.

We, ourselves, when we entered the war imitated the others. We created great propaganda agencies. The managers of them have since confessed frankly that they distorted fact and created news without truth. They built hate as well as altruism as a necessary emotional foundation of modern war. And no man dared question or answer under this fierce, organized condemnation.

There are certain types of propaganda in motion today which fertilize our soil for our entry into war. For instance, one of these volleys of propaganda asserts that a great war in Europe is inevitable. That is a half-truth. The set-up in Europe has made a general war inevitable every hundred years since the Romans kept the peace. And until mankind makes much greater progress it will continue to be inevitable. But the pounding in of that phrase is either sensational journalistic speculation or European propaganda of the preparatory type.

We are told that we must join in war or democracy will disappear from the earth. From the alliance of the democracies with several totalitarian states that ideological issue seems somewhat confused.

My sympathies are with the democracies. But the democracies of western Europe have the resources to defend themselves. They comprise great empires of hundreds of millions of people with all the resources needed to secure their defense. Whether they preserve their democracies is a question of their own will.

We are told that if they fall we shall be the next victim. I do not agree that they will fall. But if they do fall the exhaustion of the dictators will be such that these countries will leave us alone for a quarter of a century at least.

It is dinned in our ears that we shall inevitably be drawn into this inevitable war whether we like it or not. That just simply depends upon our own will to keep out.

And another form of war conditioning of the public mind is the firing of words by our Government officials at the nations we don't like. So long as we confine it to words, the dictators will fire back an equally insulting lot of words, and we wind up even. Soapbox oratory is the necessary equipment of modern dictators, and they excel. Only the really neutral nations could judge as to who wins in these jousts of billingsgate. But they build up hateful emotions both ways.

And that does not imply that we should ever neglect to express indignation at great wrong. But the terms we use are important if it is results we seek and not propaganda.

The second danger of war comes from the policies of our own Government. President Roosevelt has taken a seat at the table where power politics is being played. He has joined in the chessboard of Europe. He lines us up in the balance of power. It is said we can do this without joining in war.

It is said we will do something more than words and less than war. When we open fire on the front we are in the fight. The enemy will fire back with more than words. If the more than words fail to overcome him we have to go further. For then we have to win or be overcome on our side. Let nobody say that you can do such things without danger of war itself.

If the dictators believe we will stop short of war they will credit us with having small chips in this game. Their chips are soldiers and guns. If our partners believe our chips of more than words and less than war are valuable, it is because they believe that when we have exhausted these chips we will put our soldiers and guns into the game and they will edge us in.

And right before our eyes the game shifts. We were originally going to quarantine dictators and again save domecracy. Today we have two or three dictators on our team. We have had to drop the "democracy front" and "dictators" and talk of "aggressors." That only indicates how rapidly we can move from sheer idealism into combat.

And what profit it if, by our joining in war to extinguish these systems, we also lose our own American life? It is not alone the price of war we lose. But we can never go through another great war without becoming a totalitarian state in order to effectively fight such a war. When we have finished we shall not have established peace in the world. We shall have sacrificed liberty for generations in the United States.

America can be of service to the world. We can hold up the standards of decency in the world.

We should hold that the basis of international relations should not be force, but should be law and free agreement.

The greatest immediate service that we can render is to join in economic cooperation with other nations to relieve the economic pressures which are driving the world constantly to instability. A great part of these pressures for war are economic. The greatest healing force that could come to the world is prosperity. There is a vast field for American action which is free from political entanglements. We should resume the conferences which were started under such good auspices by our country in 1932.

But, far beyond that, we can hold the light of liberty alight on this continent. That is the greatest service we can give to civilization.

We as a people can keep out of war in Europe if we have the resolute will to do so. Our will can be weakened by propaganda. It can be insidiously undermined by sitting in the game of European power politics.

We hear much of laws that will preserve our neutrality. But the question is not legalisms. It is our will to stay out. Staying out is a matter of tactics and strategy almost as difficult as the strategy and tactics of war. And if there is not the adamant will to stay out, no amount of law can keep us out. The first thing required is vigorous, definite statement from all who have responsibility, both publicly and privately, that we are not going to war with anybody in Europe unless they attack the Western Hemisphere. The second thing is not to sit in this game of power politics.

These are the American policies that will make sure that we do not send our youth to Europe for war.

Amendments to Social Security Law

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, July 6, 1939

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, JULY 1, 1939

Mr. WALSH. Mr. President, I ask to have inserted in the Appendix of the CONGRESSIONAL RECORD a radio speech which I delivered Saturday, July 1, 1939, on the subject of amendments to the social-security law, and especially with relation to the amendments to the old-age retirement plan and amendments relating to benefits of the old-age assistance plan.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Congress at the present session has been of virtually one mind on two important pieces of legislation of direct concern to almost every citizen. One was the bill containing certain important revisions of the Federal tax laws affecting business. This bill, whatever its shortcomings, was an important step in the right direction, and was passed by the House with but a single dissenting vote, and in the Senate, on final passage, no voice was raised in opposition.

The other is the bill containing certain important revisions of the Social Security Act. This has already passed the House with only two negative votes on the final roll call and is now pending in the Senate. I venture the prediction that when this bill amending the Social Security Act comes to final vote in the Senate it will be similarly unanimous.

The particular features of the pending amendments to the Social Security Act that I now desire to discuss are (1) amendments relating to old-age retirement plan which is in the nature of insurance, providing benefits derived from a tax imposed on the employer and employee; and (2) amendments relating to benefits called "old age assistance," which are paid from contributions made directly from the Federal and State treasuries, without any contributions by the individual recipients.

The amendments recently passed by the House and which the Senate is now considering are of twofold character and effect. One group of amendments is calculated to lighten the tax load with respect to the so-called pay-roll tax imposed to pay benefits under the old-age retirement plan, and the other group of amendments liberalize and broaden the benefit payments under the old-age retirement plan and bring forward their due date in certain categories. Another group of amendments increase the amount of authorized Federal contributions to the States for noncontributing old-age assistance, thereby making it possible for the States who administer this law to increase the present benefits.

Let me first discuss briefly the proposed changes respecting pay-roll taxes.

One pay-roll tax under the existing law is that paid one-half by the employer and one-half by the employee under the old-age retirement plan. It was designed to create a fund out of which the employee, upon his retirement at age 65, receives a monthly annuity for the remainder of his life. The present tax on this account is 2 percent, being 1 percent paid by the employer and 1 percent by the employee. But under existing law this tax is due to rise to 3 percent next year, equally divided between employer and employee, and increases to 4 percent in 1943, 5 percent in 1946, and 6 percent in 1949.

The House has voted to postpone for 3 years any increase in the present 2-percent rate. I have no doubt that the Senate will concur in this. These pay-roll taxes have been found already to be burdensome to both employer and employee, and the postponement proposed is most desirable. It is estimated that the result of this postponement will be to save employers and employees at least $275,000,000 next year, or a total of $825,000,000 in the 3-year period, which otherwise they would be required to pay into the Treasury in taxes for this fund.

I believe it is safe to anticipate that before 1943 arrives, Congress will take appropriate action to forestall the sharp jump in

this pay-roll tax from 2 to 4 percent which is now scheduled to take effect in 1943. However, we must always keep in mind that the benefits are measured by the tax levied and collected.

Let me now turn to the amendments in the other group—those which liberalize the benefits for both old-age retirement and old-age assistance.

One important and widely publicized amendment and one which meets with general approval, provides for commencing the payments under the old-age retirement plan next January instead of delaying the start until January 1, 1942, the date fixed in the existing social-security law. This means that persons now covered by the old-age retirement plan who have attained the age of 65 next January will commence to receive monthly benefit payments without further delay.

The amount of these payments is governed by the number of years which the individual, previous to the date of his retirement, had contributed to the fund through the pay-roll tax, and the amount of his wages against which this tax had been collected. But the minimum is $10 per month and the maximum $85 per month. The wife, under certain conditions, and the children under 18, are entitled to additional and supplementary benefit payments.

The liberalizing amendments which have been approved by the House and which I feel certain will be approved by the Senate, change the method of computation so as to increase the amount of the monthly payments which become payable to insured workers retiring in the early years of this new plan, also the amount payable to wives and dependent children. It also introduces a new feature labeled "survivor benefits" whereby, instead of the original lump sum payable in certain cases to the surviving widow or children at the date of the death of the insured husband, the widow, dependent children and dependent parents, will be entitled to a monthly payment.

This payment in the case of the widow will be three-fourths of the amount of her deceased husband's monthly benefit payment or prospective payment (in the cases where he died before reaching retirement age). The amount of the payment in the case of orphan children or dependent parents will be one-half.

It had been estimated that under the present law the average monthly benefit payment which would be payable in 1942 to those who had then reached retirement age but who obviously had been paying into the fund for only a few years would be about $17.50 per month. Under the proposed amendments, it is estimated, the single persons who retire next year will be entitled on the average to $25.85 per month and the married persons to $38.78 per month.

Viewed from the angle of the country as a whole, it is estimated that these old-age retirement monthly benefit payments during the next 5 years will aggregate $1,755,000,000 under the liberalized plan, whereas, without these amendments and under the present Social Security Act, these payments in the next 5 years would have been $1,200,000,000.

Time does not permit me to enumerate various other changes, including those relating to unemployment compensation, which are contained in the bill already passed by the House.

There is one other highly important and, I may say also, highly controversial aspect of this liberalization program which I wish to discuss briefly. It is the question of noncontributory old-age pensions.

It needs to be kept clearly in mind that the monthly benefit payments under the old-age retirement plan of which I have been speaking, and noncontributory old-age pensions, of which there is at present such widespread public discussion, are entirely different matters. The old-age retirement plan is in substance and effect an insurance plan operated by the Government. The benefits paid are the result of the premiums paid and the premiums are the pay-roll taxes.

Old-age pensions stand on an entirely different footing. Old-age pensions under the Social Security Act are described as "old-age assistance" and under the present law, the Federal Government reimburses the States for 50 percent of their assistance payments to the needy aged up to a maximum of $30 a month for each person aided. This means a Federal contribution of as much as $15 per month per person if the States match it dollar for dollar—less than that if the States pay less.

The House voted to raise the Federal contribution maximum to $20 per month, retaining the 50-50 requirement. That means a $40 per month maximum pension, but only if the States are willing and able to pay their one-half of this amount.

The fact is, however, that comparatively few States have matched the $15 per month per person which the Federal Government is willing to contribute. In California, for instance, the average payment per month per person is $32.47, which makes the State contribution more than the $15 the Federal Government contributes. In Massachusetts the average is $28.32 per month per person. The average throughout the Nation is $19.20. Some States, like Arkansas, have average payments of only $6.05 per month per person.

It is obvious, therefore, that there is great force in the contention that to raise the proffered contribution of the Federal Government from $15 to $20 per month on a 50-50 basis, results in no immediate increased benefit to those in need of old-age pensions, since the States not now able to match a $15-per-month offer cannot be expected to match a $20-per-month offer.

The House rejected proposals to enlarge the requirement for a 50-percent contribution by the States. One proposal was for the Federal Government to contribute outright the entire old-age assistance payments out of the Federal Treasury and to raise the necessary funds from a special consumption or gross income tax of 2 percent which embraces in part the principle of the Townsend plan.

What the Senate may do on this question of liberalizing the old-age pension provisions and increasing the amount of payments is difficult to prophesy. It will probably adopt the House provision for a Federal contribution of $20, instead of the present $15 contribution, and continue to require matching by the States.

The inadequacy of the present scale of old-age pensions is fully apparent. The impulse to generously meet this need is very strong. We must provide all that is reasonably necessary to at least afford the frugal comforts of life for the aged, many of whom are worn-out and infirmed by long years of ceaseless toil, and others suffering from a realization that they are a burden to their families and friends. Old-age assistance should prove a blessing and provide, hope, cheer, and comfort to the aged and transfer their status from dependency to one of dignity and independence.

The stumbling block is the equally apparent fact that the Federal Government is already paying out more money in almost every direction than it can afford—that the annual deficits have already reached staggering proportions and show no signs of diminishing—and that to increase the annual outgo without any offsetting increase in the Government's revenues is to further increase the peril of an ultimate financial collapse. As for myself, I believe that the curtailment of governmental expenses should be in the direction of not undertaking any new financial activities, desirable as they may be, and for reducing expenditures all along the line, other than the primary obligation of taking care of the unemployed, destitute, and aged.

The Right to Health—And How To Win It

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, July 6, 1939

ADDRESS BY SURG. GEN. THOMAS PARRAN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able address delivered by Surg. Gen. Thomas Parran on June 20, at the National Conference on Social Work in Buffalo, N. Y. The subject of the address is The Right to Health—And How To Win It.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In 1932, in presenting the report of the New York State Health Commission, Franklin D. Roosevelt, then Governor, commented upon the preoccupation of State and local authorities with urgent relief demands to the neglect of the public health. He said: "We have been so busy bailing out the boat that we have not begun to calk up the seams."

In 1939, it still is true that as a Nation we have barely begun to calk up the seams against illness; that we have not provided everywhere for all the people the basic community health protection which is our first line of national defense; that we have fallen behind in our deficit of hospital beds and equipment which are the workshops for modern medicine; that we have not even put "medical relief" on a parity with other necessities of life to the dependent groups of our population. Some small measure of security has been provided for the aged and for the worker who is out of a job because the factory shuts down; as yet there is none for the medical needs of these same people who are out of a job because of illness or permanent disability. In fact, we have the anomaly in some States that a worker's unemployment insurance payments are cut off if he gets sick and thereby is unemployable.

To attain national health we need to do more than "to calk up the seams" by protecting against the hazard of sickness and ameliorating its effects. Health security is not enough. We must have it, but we must have also a fuller measure of health opportunity. We need to build in America a race of people more physically fit, better nourished, possessing those dynamic physical qualities necessary to competence, to joy in life and living, and to the maximum attainment of mental and spiritual development.

The national health program represents the most comprehensive approach ever made toward solving the diverse and serious problems retarding our Nation's health. It is the logical outgrowth of the first steps toward national health made possible by the Social Security Act, the National Cancer Institute Act, and the Venereal Disease Control Act.

Its first objective is to reduce drastically the volume of sickness and ill health by making available to all areas and all groups of

the population needing service the proven methods of prevention—prevention of deaths of mothers and babies; a Nation-wide attack on tuberculosis and the venereal diseases; promotion of industrial hygiene, with greatly intensified efforts toward control of the occupational diseases; the use of proven methods to lessen the burden of mental illness; and the practical eradication of malaria which lays such a heavy burden upon large areas of the South. Pellagra and hookworm disease should go completely. Pneumonia should be cured with serum and simple chemicals.

The modern physician makes increasing use of facilities for the diagnosis and treatment of disease which are most effectively supplied by hospitals. As a second objective, the national health program therefore provides aid for the construction and maintenance of hospitals, though only where needed, and for the support of existing hospitals, public and private alike, especially in the distressed and rural areas. Aid also would be given to construct diagnostic and health centers in sparsely settled areas remote from any hospitals, to provide for rural doctors the resources of modern medicine, the workshops they need, which, in addition, would serve as centers for rural public-health work.

The third objective is to reduce disability and lengthen life by more prompt and adequate medical care of the sick. Adequate medical treatment of communicable diseases is essential both as a safeguard to the patient and as a means of preventing spread. But a large volume of disability results from diseases which are not specifically preventable; in illness due to these causes competent medical treatment constitutes our sole resource to ameliorate suffering, to reduce disability, and promote recovery.

Fourth, through the proposal of temporary disability insurance, indirect health protection would be extended to the worker and his family by compensation for wages lost through nonindustrial sickness and accident causing temporary incapacity.

Finally, and most important, greater Federal effort is proposed for research that we may learn how to prevent and cure diseases not now controllable.

It is not proposed that the health and medical services of the country be federalized. The widest latitude would be left to the States in developing procedures and policies best adapted to their own needs. It is proposed that the Federal Government give grants-in-aid for health and medical care, to vary with the needs; the poorer States and the most needy communities receiving a larger proportion. The principle of grants-in-aid is such a well-established part of our governmental structure that it seems unnecessary before this audience for me to defend the principle.

I should like to point out, however, that there are more determining reasons for Federal assistance to the States in public health than in any other field of social endeavor. Disease germs, like forest fires, know no State lines. The means of disease spread are intensified by modern methods of transportation. Persons exposed to smallpox in Syracuse, N. Y., 2 weeks ago are spreading it in a dozen States today. The mayor of New York City has pointed out in testimony before a committee of the Congress last year that thousands of sick people, too ill to labor in the cotton or wheat fields because of the ravages of tuberculosis, come to New York in the hope of getting jobs which a half-sick person can do, or good hospital care, which New York has and many cities and States do not have.

The widening concept of public health has not yet been felt uniformly throughout the country. It is true that the general death rate and the death rates from many preventable causes were lower last year than ever before. This means only that we continue to measure by the yardsticks of the past. Each year medical science gives us additional knowledge with which to combat more effectively one after another disease. Moreover, the general rates are necessarily averages for the country as a whole. In these averages are obscured rates which are disgracefully high.

For example, although the death rate from tuberculosis has declined to approximately 50 per 100,000 last year and to seventh place as a cause of death among unskilled and semiskilled male workers in 10 States, deaths from tuberculosis are exceeded only by those from diseases of the heart. Again, in a group of 14 southern States in 1931–33, respiratory tuberculosis ranked third in importance as a cause of death among Negroes, but occupied eighth place among the white population.

A striking reduction has occurred in the mortality of infancy and childhood. In 1915, 100 infants of every 1,000 born alive died in the first year of life. The provisional infant mortality rate for 1938 was 51, but infant mortality rates of the order of 100 or more are common in many areas today.

The average infant born in 1938 had an estimated life expectancy of 62 years—a gain of almost 13 years since 1900. In the older age periods, however, the expectation of life has undergone no significant change in the present century. In 1900 a man attaining the age of 50 had an average of 21 years of life remaining; the present decade has brought little change in this figure.

The death rates alone you must remember are not a measure of national fitness. They do not reveal the estimated 250,000 people who are suffering from silicosis, nor the ninety to one hundred thousand cases of pellagra which occurred last year in the South, nor the recent epidemic of scurvy in Maine.

Less than a third of the counties and even a smaller proportion of the cities employ full-time, professional health officers without which no basic preventive work can be done. In urban areas of the country, the present ratio of public health nurses to population is approximately 1 to 4,500. In all rural areas, it is 1 to 10,000, but in rural areas of the south-central States, the ratio is 1 to 22,000 population. Yet a conservative estimate of 20 years ago specified 1 public health nurse to 2,000 persons to provide even the minimum service needed to protect health.

We have in this country some 160,000 physicians in active practice—an average of 1 physician to 807 persons. But in certain of the predominantly rural States—the Dakotas, Mississippi, North and South Carolina—each physician serves an average of 1,300 persons or more. In the whole State of Kentucky, 1 physician serves an average of 1,106 persons; but in 9 counties of the State, the average population per physician is 3,000 or more. And Kentucky is not an isolated example. These figures illustrate a general trend of physicians to concentrate in the large urban centers, already overcrowded but which, through their hospitals and clinics, offer opportunity for the application of modern medical technique.

Although the facts are clear regarding the hospital situation in the country, there is a wide difference of opinion concerning their interpretation. The Interdepartmental Committee has estimated that we need an additional 350,000 hospital beds during the next decade. On the other hand, it has been stated that an average of 195,674 beds in existing institutions are empty. I would point out first, that 80 to 85 percent bed occupancy is considered full capacity for general hospitals because of the necessary division of wards and sections by sex, disease, etc. For example, a temporary surplus of beds in the obstetrical ward cannot be used for the care of measles or scarlet fever. Medical and surgical conditions cannot be mixed. In some areas, the color division further complicates the problem.

The most determining reason for empty beds, however, is the lack of ability of patients to pay for hospital care. The data show that the public hospitals, which by and large are free, are more than filled to capacity, while private rooms in voluntary and proprietary hospitals remain empty. There is an anomalous situation in the fact that in many areas which have the lowest number of hospital beds per capita there is the highest percentage of unused beds; lack of money, not lack of patients, keeps them empty.

The national health program proposes to use public moneys—Federal, State, and local—to pay for the care of needy patients in existing public and private hospitals. Every available bed in every hospital with decent standards would be utilized before more hospitals would be built. Even when this is done, however, there still remains a need in many areas. In 1,338 counties containing about 17,000,000 people there is no registered hospital. Obviously each of these counties does not need a hospital. It is estimated, however, that we do need about 500 rural hospitals. Many of these would replace present tumble-down shacks. A mere statement of the number of hospitals does not indicate the standard of their facilities.

May I point out the situation regarding tuberculosis hospitals? The best authorities agree that 2 beds per annual death from tuberculosis is a minimum need. Yet 26 States have less than 1 bed for each annual death. In New York State there are 3.25 tuberculosis beds in the up-State area, of which 2.5 are publicly owned and operated. In making estimates as to needed tuberculosis hospital construction, the committee has proposed only to bring them up to the minimum standard of 2 beds per annual death—a total of 45,000.

There is wide variation among the States in facilities for institutional care of the mentally diseased. The State with the highest ratio of beds in proportion to population has 6.88 beds in mental institutions per 1,000 persons; the lowest ranking State has 1.96 beds per 1,000 population. A very simple formula was used in estimating the additional beds needed in mental institutions. In one-fourth of the States the existing accommodations in these institutions average 4.8 beds per 1,000 population or more. The committee estimated that 130,000 new beds would be required to bring the remaining States up to the standard of 4.8, which one-fourth of the States now meet or exceed.

In the case of local general hospitals the number of available beds varies among the States from 1.3 to 5.5 per 1,000 population. Professional judgment estimates that 180,000 additional beds in general hospitals will be required for all States to meet their demonstrated need. It may be true that there is an excess of hospital beds in some States or some parts of States. The difficulty is, however, that we may not move the beds and it is impracticable to move the patients over long distances.

I see no fundamental objection to including in a program of Federal action in the health field a provision authorizing assistance to construct or modernize voluntary nonprofit hospitals. It should be made clear also that in the discretion of the responsible State authorities, public funds should be available to pay for the care of needy patients in voluntary as well as in public hospitals. There has been built up in this country a magnificent system of voluntary and church hospitals. Every bed in these approved hospitals is needed for the care of patients.

As social workers you know the interrelationship between poverty and disease. No statistical study is needed to convince you that the sick are poor and the poor are sick; that in good times and bad sickness is an important factor in bringing self-supporting families to the relief level; that among the various causes of poverty sickness is the most easily preventable. Enough is known of the medical and health needs of the Nation to begin constructively to do some-

thing about them. There is little disagreement also as to the objectives. There is, however, lack of agreement as to the extent of Federal control and of Federal participation. On each of these points I have a very definite personal opinion.

How far should the Federal Government go in exercising control over State and local health programs? There need to be established minimum safeguards for the expenditure of Federal funds which insure not only honesty but thrift of administration. This implies an honest merit system for persons paid with Federal moneys. It implies that the methods proposed shall be reasonably appropriate for the ends in view.

The proportion of Federal aid should not be uniform among all the States. The greatest help should be given where the greatest need exists. The rate of Federal appropriation should not be in excess of the ability of a State to provide competent personnel, sound methods of administration insuring effective service of a high quality. The whole problem cannot be met overnight. It should be developed on an evolutionary basis with increasing appropriations as determined by the needs which are shown to exist from year to year.

To the extent that industry and economics provide a higher level of employment, a higher wage for the underprivileged, the need for public subsidies to supplement individual resources for medical care will be reduced. Yet even under anything on the horizon of an industrial and economic Utopia, there still will remain a considerable group of the population unable individually to pay all medical costs. We have accepted the principle that the necessities of life must be provided at public expense for those groups of the population unable individually to provide them. We have not yet given more than lip service to the fact that medical care is a necessity of life which likewise needs to be provided for those unable to secure it by their own efforts. At this point a further complication arises, created by medical science itself. By its very growth and competence, the complexity and therefore the cost of good medical care has been increased putting it beyond the reach of persons otherwise self-sustaining. Inherent in the problem, too, is the fact that we cannot foretell for a family when or how the blunderbuss of illness will strike. Its costs are unpredictable. One must use, therefore, a different yardstick in measuring the needs of people for medical care than that used for measuring their needs for food and shelter. This obvious fact creates an administrative difficulty for the public-welfare official to apply one means test for the accepted necessities of life and another test for medical service. Even though we accept the premise that public funds should assist the self-supporting persons in the marginal economic group in meeting their medical costs, the stigma of charity still attaches to such a service. Self-sustaining people are reluctant to subject themselves to a means test and public-welfare administrators find it difficult to use different kinds of yardsticks in giving various so-called benefits.

The Interdepartmental Committee defined as medically needy those persons with a total annual family income of less than $800. There are 40,000,000 such persons in the United States. It is evident that this entire group will not require medical care during a year. Almost one-half of them will experience no sickness. But the committee has estimated that about 8,000,000 cases of illness disabling for a week or more will occur in these low-income families, "and under the conditions prevailing in 1935, about 2,000,000 of these cases will receive no medical care."

Under various present schemes of giving medical care to those on relief through overcrowded clinics and doctors of the poor, we are providing a very poor type of service. Much of the opposition on the part of many people, doctors and patients alike, to any great extension of public medical service, arises because the public medical service now provided in so many communities is of such inferior quality. A similar distrust arises from the untrained, political health officer who still is cherished in so many of our communities.

In some townships, it has been the traditional custom to elect the most hard-boiled candidate as overseer of the poor and particularly if he lived on an impassable road and had no telephone. In the same way, many medical clinics and dispensaries have limited their clientele by the kind of service they give—overcrowded clinics, hurried attention, served by unpaid doctors who are prone to keep the free customers waiting while they make private calls.

The greatest contribution that you social workers can make to future sound progress in national health is by doing a better job in the provision of medical service for which you now are legally responsible.

Very unfortunately, I think, the most frequent headlines about the national health program have dealt with its cost. This cost was an estimate of the amount needed at the end of 10 years from all sources together—Federal, State, and local sources. Assuming the current level and distribution of family incomes, this total cost was estimated to be $840,000,000 per year. It is a large sum. To me it is more intelligible if I say that it amounts to a per capita daily expenditure of 1⅞ cents on the average for each of us. This emphasis upon cost has led to the belief that the attainment of national health was a matter of dollars and cents. Nothing could be further from the truth. Money is needed, yes; but more than money, there is needed sound planning and the integration of service at each level of government.

Although a first step toward coordination of Federal health services under one agency has been taken by the establishment of the Federal Security Agency, there still remains a large amount of administrative dispersion of responsibility among several unrelated agencies.

The first objective of a national health program should be to coordinate the work of the Federal health agencies. We can never attain national health and fitness simply by making money grants out of several Federal pockets with no correlation between them, no joint planning, no uniform standards and with diverse budgetary requirements, systems of reporting, and multiple field staffs dealing with the States and auditing accounts. Public health measures for the prevention of disease merge naturally with medical services for the diagnosis and treatment of sickness. Together they represent a unit service to the individual and the family.

Medical science is not static. Each year better medical weapons are forged. This makes it inevitable that medical practice similarly must be adapted to change. We need to accelerate the progress of medical discovery, to supplement dwindling philanthropic and private support for medical research and education. A sound pattern is already established under the National Cancer Institute.

Medical practice in 1915 was vastly different from that in the preceding generation. Medical practice of today is vastly different from what it was when I was graduated 24 years ago. So far as one can foretell, the major change in the future of medical practice will be an increased necessity for group cooperative action in the rendering of medical service no less than in payment for it. Technological advances have occurred in medicine which are comparable with those in industry. Good medical care necessitates the collaboration of many specialists with adequate and expensive equipment. No one person now can practice all branches of medical science because of the multiple skills required and the cost of the auxiliary services. Specialization in the future, therefore, is inevitable. Up to now it has not led to that degree of cooperation between groups of doctors. Merely to expose a patient to a doctor does not invariably mean good care. I mention this consideration because it has an important bearing on the development of a national health program. Any governmental effort tends to become standardized. In providing governmental support for medical service we must insure that we do not standardize and do not create vested interests which will resist future change. For example, under earlier voluntary health-insurance schemes in Great Britain, duplicating, competing, and expensive insurance societies were set up which made it impossible later for efficient administration to be provided under a compulsory scheme. Also the Krankenkassen in Germany have changed very little since Bismarck's time.

The need for flexibility and for widely different types of experimentation, to meet the diversity of conditions in various parts of the country, all provide strong arguments for the greatest freedom in the several States to develop their own programs under minimum Federal safeguards in order that we may learn by actual experience.

Objection has been raised to the national health program because under it Federal funds would assist States in providing medical care under a system of health insurance. I object to Federal dictation to the States or Federal coercion of the States as to how they shall finance their medical services, how they shall define the groups who are to be eligible for one or another type of service.

The national health program does not recommend a national system of compulsory health insurance nor does it require nor coerce the States to do so. Very wisely, I think, it leaves a decision as to whether or not health insurance should be adopted in any State to the State itself. Among other advantages of our system of government is the fact that it permits experimentation on a State basis so that through actual experience a sound answer can be found to vexing social problems. We need such experimentation on a State basis with methods of financing and methods of administering medical service for the low-income group in our population.

The present small amounts of Federal aid to public health have given great impetus to organized methods of livesaving throughout the country. Yet the basic health organization necessary for any progress has been set up in less than half of our counties. They need to be extended on a county or district basis to cover the country; their personnel needs to be increased, their efforts against major preventable causes of death need to be intensified. Our first task is to minimize the risk of illness, to reduce the amount. This is more important than spreading the costs. Yet I believe that group payment of the cost of medical care through taxation or insurance, or both, is an important factor in any complete national health program.

Our next task is to increase physical fitness through positive measures of hygiene. Of these, improved national nutrition may be of more lasting importance than a wider distribution of medical care. Improved housing, opportunity for healthful recreation, physical and health education, all have an essential place if we are to give the people the best opportunity for health. It should be possible by applying present knowledge to bring this Nation to a level of healthfulness far beyond anything we have ever known.

Through this city of Buffalo, the gateway to the West, our forefathers migrated to new frontiers seeking opportunity as well as

security. They hewed out a great empire from the riches of soil, forests, and mines. That frontier is gone, but another equally vast, equally rich, and more challenging confronts us today. It is the frontier of science. Pioneers are needed to put its knowledge to work, to adapt its treasures to our use. It offers untold opportunity to industry, to the conservation and development of our natural resources, to the production of power and more efficient transportation. But, most important of all, in one sector of it, medical science offers us opportunities for life and health, for the conservation and development of our most precious asset—the human resources of the Nation—if we but put its knowledge (this science) to work, wisely for the use of all.

Has the Tennessee Valley Authority Injured the Coal Industry?

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. LEAVY. Mr. Speaker, the facts contradict the charges that the Tennessee Valley Authority power program has damaged the coal industry or that it will materially injure it in the future. On the contrary, utilities in the four States in which T. V. A. power is sold have doubled their use of coal for generating electricity largely because of the increased demand for power. Moreover, the T. V. A. program demonstrates the possibilities of expanding use of electricity through low rates, which in turn should promote a greater use of coal.

Through acquisition of privately owned utility systems by public agencies the Authority is now on the verge of obtaining a market for substantially all the power to be produced by its systems of navigation and flood-control dams on the Tennessee River system. Even with the additional generating capacity which T. V. A. has made available in the region, the increasing demand for power is pressing closely upon the supply. It appears that the electric utility market for coal which has been developed in the area will continue to increase, except as private companies may install more hydro capacity or turn to other forms of fuel for generation.

Of more importance to the coal-mining industry than the electric utility market, which has been small in this area, should be the industrial development of the Tennessee Valley to which the Authority is contributing.

UTILITIES DOUBLE USE OF COAL

The predepression peak for generation of electricity in the United States, according to statistics of the Federal Power Commission, was 95,925,000,000 kilowatt-hours in 1929. In 1938 this had increased about 22 percent to 116,681,000,000 kilowatt-hours.

However, the use of coal in generating plants has failed to show the same degree of recovery and, in fact, has never regained the 1929 peak of 44,934,000 tons. Utility consumption of coal in 1938 was almost 5,000,000 tons less than in 1929. Even in 1937, when a new peak for electric generation in the United States was established, coal consumption was less than in 1929.

This is in contrast to the experience in the Tennessee Valley, where low-rate policies initiated by the T. V. A. and followed by privately owned public utilities have stimulated the demand for electric power. Generation of electricity in the four States in which T. V. A. power is principally sold—Alabama, Tennessee, Mississippi, and Georgia—has increased from 4,044,000,000 kilowatt-hours in 1929 to 6,391,000,000 kilowatt-hours in 1938, or about 58 percent.

Over the same period the amount of coal used for generation of power in these States grew from 334,000 tons in 1929 to 677,000 tons in 1938, an increase of practically 100 percent.

Figures on the actual and relative consumption of coal in the United States and in the four valley States since 1929 are shown in table I.

TENNESSEE VALLEY A HYDRO AREA

Even with the recent increase in use of coal, the electric industry in the Tennessee Valley has not furnished an important market for coal for years. The chief reliance over a long period has been privately generated hydro power. A trend toward hydro power began in 1925, and even in that year more than half of the power generated in the four States came from hydroelectric stations.

The swing toward water power may be illustrated in Alabama, where the Alabama Power Co. between 1925 and 1929 completed four hydroelectric plants with a total installed capacity of 324,000 kilowatts. During the time it completed only one steam station, of 60,000-killowatt capacity, which the Federal Trade Commission reported "was built primarily to be the first standby steam plant to go into service if a period of excessive drought or extraordinary demand occurs."

By 1928 hydroplants were furnishing almost nine-tenths of the electric power generated in the four States, and continued to do so until 1934. On the other hand, coal-generated power dwindled to less than 4 percent of the total in 1932 and 1933 and only in the last 2 years climbed back to more than 10 percent of the total because of the increased demand for electricity. The relationship between the various types of generation in these States is shown in tables II and III.

In terms of proportion of the total coal production in the four States the market for coal in the utility industry has been of even less significance. In 1929 steam-generating plants used less than 1½ percent of the coal produced in the four-State area, and not until 1936 did the proportion rise above 2 percent. In 1938 almost 4½ percent of the coal produced was used in generating electricity, as shown by table IV.

Of much greater importance than increased use of coal in this area which has always been predominantly hydro is the demonstration of the relationship between reduced cost of power and growth in use of electric power. During the past few years coal has furnished approximately one-half of the total electric-power requirements of the Nation, and many areas are chiefly dependent on coal for electric power. The coal industry might well weigh the effects on the utility market for coal which could be expected to follow a widespread reduction of rates throughout the country, and especially in those areas in which the chief reliance has been and must continue to be on fuel generation. So far as electricity markets are concerned, the interests of the coal industry lie in expansion of the use of power.

EFFECT OF THE T. E. P. PURCHASE

During the 12 months ending April 30, 1939, the Tennessee Valley Authority generated approximately 1,590,000,000 kilowatt-hours. The total generation for the fiscal year ending June 30, 1939, will be somewhat higher and will be more than double the amount generated during the 1938 fiscal year.

The Authority estimates that during the first year following the transfer of the Tennessee Electric Power Co. system to public ownership approximately 3,500,000,000 kilowatt-hours will be required to supply the demand for T. V. A. power.

J. A. Krug, chief power engineer of the Authority, testifying before a subcommittee of the House Committee on Military Affairs recently, stated that in his opinion the production of this amount of power probably would require the operation of the T. E. P. steam-generating plants at about the same rate as at present.

It is evident that the acquisition of the T. E. P. system by public agencies will not injure to any appreciable extent the utility market for coal in this area. Perhaps of even greater significance to the coal industry, however, is the fact that with this acquisition, together with purchase of electric facilities by public agencies in northern Alabama and northern Mississippi, the Authority will have acquired a market for substantially all of its firm power.

This means that the increased demand for power outside the areas in which T. V. A. power is marketed will have to be met by private utility generating installations. Present operation of steam plants indicates that coal may be expected to share in supplying the growing power needs of the region.

T. V. A. AND EMPLOYMENT

While electric utilities in the United States have furnished a relatively stable market for coal, and while the consumption of coal in generating electricity has actually increased in the T. V. A. region, the coal industry has lost some of its markets, chiefly in industry and railroads, with resulting unemployment among coal miners. Alternative fields of employment are necessary to take up the slack.

T. V. A. has taken up part of this slack in employment through the construction and operation of its dams, power plants, and transmission lines, and in its other activities. But the effect of T. V. A. upon employment cannot be measured by the number of men it employs directly. Much greater than the labor furnished by the T. V. A. is that required to produce, fabricate, and transport the materials and equipment needed for the construction of dams, substations, transmission lines, and rural distribution lines.

A clear example is furnished by the electric-appliance business stimulated by the availability of low-cost energy. During the year 1938, the average domestic user of T. V. A. power purchased nearly $47 worth of electric appliances from private appliance dealers, far exceeding the usual average purchases per customer. Appliance dealers in 1938 sold more than $2,000,000 worth of appliances to customers using power supplied by the Authority, not to speak of the sales of customers of privately owned public utilities which have reduced their rate schedules in this area. Over the past 3 years, residential consumers of T. V. A. power have bought almost $5,000,000 worth of appliances.

Of even greater significance from the standpoint of employment, however, may be T. V. A.'s contribution to increased industrial activity through the combination of cheap and abundant power and low-cost transportation on the river in an area abounding in natural resources. Striking evidence of what this may mean is shown in the electrochemical and electro-metallurgical fields, with the expansion of the plant of the Aluminum Co. of America in east Tennessee, the establishment of phosphate processing plants in middle Tennessee by the Monsanto Chemical Co. and the Victor Chemical Works, and the construction of a new plant for the Electro Metallurgical Co. now in progress near Muscle Shoals. Of particular interest to the coal industry is the establishment of the National Carbon Co. plant in middle Tennessee to provide electrodes for the electric furnace operations of the chemical companies. This plant not only contributes to employment, but provides for quantities of coal.

TABLE I.—*Relation of coal consumed in generating electric energy in the United States and in 4 States, 1929–38 (Alabama, Georgia, Mississippi, and Tennessee)*

Year	Coal consumed in generating electric energy, in thousands of tons		Percent of 1929 consumption of coal used in generating electric energy	
	United States	4 States	United States	4 States
1929	44,934	334	100.0	100.0
1930	42,910	228	95.5	68.3
1931	38,714	269	86.2	80.5
1932	30,296	134	67.4	40.1
1933	30,575	128	68.0	38.3
1934	33,561	159	74.7	47.6
1935	34,164	213	76.0	63.8
1936	42,025	357	93.5	106.9
1937	41,766	695	99.6	207.8
1938	40,212	677	89.5	202.7

Source: United States data, Federal Power Commission "Electric Power Statistics, 1938," table 12, p. 24.
Four States data, United States Geological Survey Monthly and Annual Production of Electricity for Public Use in the United States, 1929–35, and Federal Power Commission releases, 1936–38.

TABLE II.—*Electric energy generated from coal, natural gas, fuel oil, and water power in 4 States, 1920–38 (Alabama, Georgia, Mississippi, and Tennessee)*

[Kilowatt-hours in millions]

Year	Electric energy generated from—						Total electric energy generated
	Coal	Natural gas	Fuel oil	Water power excluding Federal plants	Water power from Federal plants	Total water power	
1920	392	0	59	1,332	0	1,332	1,783
1921	379	0	62	1,136	0	1,136	1,577
1922	573	0	66	1,208	0	1,208	1,847
1923	576	0	70	1,547	0	1,547	2,193
1924	652	0	79	1,676	0	1,676	2,407
1925	1,198	0	92	1,461	45	1,506	2,796
1926	707	0	65	2,036	439	2,475	3,247
1927	802	0	32	2,152	566	2,718	3,552
1928	394	0	26	3,039	223	3,262	3,682
1929	297	125	57	3,393	172	3,565	4,044
1930	218	162	74	3,116	306	3,422	3,876
1931	306	231	81	2,709	346	3,055	3,673
1932	132	163	73	2,820	287	3,107	3,475
1933	139	183	67	3,054	288	3,342	3,731
1934	168	192	72	3,370	207	3,577	4,009
1935	236	267	80	3,478	395	3,873	4,456
1936	424	390	91	3,664	778	4,442	5,347
1937	804	473	96	4,116	502	4,618	5,991
1938	816	607	102	3,577	1,289	4,866	6,391

Source: 1920–26, U. S. Geological Survey, Developed and Potential Water Supply in the United States and Monthly Production of Electricity by Public Utility Power Plants, 1919–26, by A. H. Horton. 1927–35, U. S. Geological Survey annual releases on monthly and annual production of electricity for public use in the United States. (1927–36 figures adjusted so as to compare with changed method of reporting adopted by the Federal Power Commission in 1937.) 1936–38, Federal Power Commission releases.

TABLE III.—*Percent of electric energy generated from coal, natural gas, fuel oil, and water power in 4 States, 1920–38 (Alabama, Georgia, Mississippi, and Tennessee)*

Year	Percent of electric energy generated from—						Total electric energy generated
	Coal	Natural gas	Fuel oil	Water power, excluding Federal plants	Water power from Federal plants	Total water power	
1920	22.0	0	3.3	74.7	0	74.7	100.0
1921	24.1	0	3.9	72.0	0	72.0	100.0
1922	31.0	0	3.6	65.4	0	65.4	100.0
1923	26.3	0	3.2	70.5	0	70.5	100.0
1924	27.1	0	3.3	69.6	0	69.6	100.0
1925	42.8	0	3.3	52.3	1.6	53.9	100.0
1926	21.8	0	2.0	62.7	13.5	76.2	100.0
1927	22.6	0	.9	60.6	15.9	76.5	100.0
1928	10.7	0	.7	82.5	6.1	88.6	100.0
1929	7.3	3.1	1.4	83.9	4.3	88.2	100.0
1930	5.6	4.2	1.9	80.4	7.9	88.3	100.0
1931	8.3	6.3	2.2	73.8	9.4	83.2	100.0
1932	3.8	4.7	2.1	81.1	8.3	89.4	100.0
1933	3.7	4.9	1.8	81.9	7.7	89.6	100.0
1934	4.2	4.8	1.8	84.0	5.2	89.2	100.0
1935	5.3	6.0	1.8	78.0	8.9	86.9	100.0
1936	7.9	7.3	1.7	68.5	14.6	83.1	100.0
1937	13.4	7.9	1.6	68.7	8.4	77.1	100.0
1938	12.8	9.5	1.6	55.9	20.2	76.1	100.0

Source: 1920–26, U. S. Geological Survey, Developed and Potential Water Supply in the United States and Monthly Production of Electricity by Public Utility Power Plants, 1919–26 by A. H. Horton. 1927–35, monthly and annual production of electricity for public use in the United States. 1936–38, Federal Power Commission releases. Tons of coal, barrels of fuel oil and thousands of cubic feet of natural gas are converted into their B. t. u. equivalents according to the unit heat values used by the Bureau of Mines (Minerals Yearbook, 1938, p. 703). Percentages represent the proportion of total electric energy generated from the various fuels computed from their B. t. u. equivalents.

TABLE IV.—*Tonnage and percent of total coal production consumed in generating electric energy in 4 States, 1920–38 (Alabama, Georgia, Mississippi, and Tennessee)*

	Coal consumed in generating electric energy in thousands of tons	Total coal production in thousands of tons	Percent of total coal production consumed in generating electric energy
Year:			
1920	805	23,006	3.5
1921	686	17,063	4.0
1922	870	23,263	3.7
1923	865	26,574	3.3
1924	876	23,762	3.7
1925	1,360	25,521	5.3

TABLE IV.—*Tonnage and percent of total coal production consumed in generating electric energy in 4 States, 1920–38 (Alabama, Georgia, Mississippi, and Tennessee)*—Continued

	Coal consumed in generating electric energy in thousands of tons	Total coal production in thousands of tons	Percent of total coal production consumed in generating electric energy
Year—Continued.			
1926	860	26,850	3.2
1927	897	25,626	3.5
1928	478	23,290	2.1
1929	334	23,394	1.4
1930	228	20,707	1.1
1931	269	16,742	1.6
1932	134	11,422	1.2
1933	128	12,576	1.0
1934	159	13,311	1.2
1935	213	12,666	1.7
1936	357	17,361	2.1
1937	695	17,707	3.9
1938	677	15,169	4.5

Source: Coal consumed in generating electric energy, 1920–26, U. S. Geological Survey. Developed and Potential Water Supply in the United States and Monthly Production of Electricity by Public Utility Power Plants, 1919–26, by A. H. Horton. 1927–35 U. S. Geological Survey Annual Releases on Monthly and Annual Production of Electricity for Public Use in the United States. 1936–38 Federal Power Commission releases. Total coal production, 1920–28 Mineral Resources 1928, pt. II, table 12, p. 454. 1928–36 Minerals Yearbook 1938, table 11, p. 708. 1937–38 National Bituminous Coal Commission, Production, Stocks, and Consumption of Coal, Weekly Coal Reports.

New Hampshire Electric Rates

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. RANKIN. Mr. Speaker, under the rules of the House, I cannot answer a United States Senator on this floor or refer to him by name, but I can answer the arguments and attacks made by a Member of another body on one of the greatest governmental agencies this Nation has ever created—the Tennessee Valley Authority.

The one State in this Union that pays the highest rates for electric light and power, with probably one exception, is the State of New Hampshire. If there are any people under the American flag who need protection from overcharges for electric energy, they are the people of New Hampshire.

Electric rates in that State, as I said, are among the highest in the Nation. The seven States with the highest electrical prices have substantially the same average residential rates, and New Hampshire is in this group. New Hampshire residential rates are 17 percent higher than those of Massachusetts and double those of the Pacific Northwest. This condition did not just happen. There is a cause. My purpose today is to point out the cause of this condition and to suggest remedies.

Nature is kind and compensating in the allocation of its resources. Sections of our country, rich in fuel supplies, generally are deficient in water power. Sections devoid of fuels generally have streams with abundant, well-sustained water power, though some times short on statesmanship.

New Hampshire, in common with the other upper New England States, is rich in water power and lacking in fuel. This water power is really the property of the people, but it has been appropriated by limited groups without the benefits of this resource being passed on to the people. This great natural resource can still be used for beneficial purposes without destruction of values if the proper approach is made toward a satisfactory solution of this problem.

DOMINANT COMPANIES

The State of New Hampshire, with a population of 465,300, has 135,500 electric consumers, or a healthy ratio of 3.4 to 1. Three private companies serve 75 percent of the State's population and dominate the electric-rate situation. Two of these companies were a part of the notorious Midwest empire of Samuel Insull, and the third is a part of the manipulated Associated Gas & Electric system. In all the territories where these systems operated, high rates were maintained by manipulation, misrepresentation, inflated valuations, and improper political influences. The methods of the manipulators of these systems were so general that informed people know that high rates connote malpractice. An analysis of these dominant systems furnishes an explanation of the high New Hampshire rate structures. Seventy-eight percent of the State consumers are home users; 12 percent intermediate and small-business customers; and 10 percent industries, large and small.

The two former Insull operating companies serving the State are the Public Service Co. of New Hampshire and the Twin State Gas & Electric. The debt of these two companies is, according to Moody, $46,839,671, or $409 per meter. On top of these two operating companies is the old National Light, Heat & Power Co., now in the process of liquidation. Another holding company on top of these operating companies is the New England Public Service Co., with defaulted dividends on a debt of $36,415,797, or $127 debt per meter.

Through this point of the chain the total debt per meter is the high figure of $536. Innocent investors hold $36,300,000 of defaulted paper of this New England holding company, which has paid no dividends since 1932. On top of this structure was the old Midwest Co. of Illinois, the Corporation Securities Co., and Insull Investors Trust. All of these top-heavy supercompanies had security issues running into billions of dollars. The Midwest security holders will lose 93 cents out of every dollar of investment. Corporation Securities, on top of all these holding companies, sold $115,000,000 of securities to innocent investors on a faked balance-sheet statement, when the major holding company was actually insolvent. The manipulators of this chain had to meet such high-fixed charges that high rates were necessary. These financial structures with their high rates were made possible by political intrigue. It is this mountain of debt, and dividend arrears, that is holding up progress.

During the Insull days the New Hampshire home owner paid 7.3 cents per kilowatt-hour and had a low monthly consumption of 36 kilowatt-hours per meter. At the end of 1937, the average rate was 5.61 cents and the consumption of 52 kilowatt-hours a month. This shows how little the rate-reduction progress has been since regulation was purchased. During the same period private plants, where public opinion took cognizance of actual costs, reduced rates to a point about 40 percent below New Hampshire levels. The Commonwealth & Southern, because of T. V. A. competition, made drastic rate cuts in Alabama, Tennessee, and Georgia, and in 4 years its gross revenues under the cuts jumped from $42,400,000 annually to $52,000,000.

After the Insull crash the control of the New England Public Service Co. passed to New York bankers to satisfy collateral bonds. Therefore, these properties were freed from the upper obligations and all the present debt is that which I have enumerated.

The third dominent company in the State is the New Hampshire Gas & Electric—an "Associated" company. The published balance sheets of this series of organizations are so manipulated that it is impossible to secure a fairly accurate determination on the New Hampshire debt per meter. However, it is certainly higher than $536. The combined debt ratio to earnings for the three dominant New Hampshire companies is from their published statements 7.2 to 1. This index under proper financing should be about 4 to 1, indicat-

ing a manipulated security value of about 80 percent higher than prudent values. No wonder New Hampshire's rates are high. The electric consumers of this State have been the victims of these manipulators.

OVERCHARGES

If the Tacoma rates were in effect in New Hampshire, the electric rate payers of that State would save annually in electric bills $5,270,300. The Tacoma rates have long been successfully maintained without one cent of subsidy. Under these low rates 82.3 percent of the cost of the entire plant has been paid for, leaving a present outstanding indebtedness of 17.7 percent of the plant's assets. Under T. V. A. rates the annual savings in New Hampshire would be $4,589,800.

The Power Trust and its political allies have spread so much misinformation throughout New England regarding T. V. A. yardstick rates, that in this discussion I will confine my remarks largely to other actual tested experience both under public and private management.

There are in the United States about 40 communities where the tested electric charges are favorably comparable to the T. V. A. yardstick rates. Outstanding examples are the private plants in Washington, D. C.; Cleveland and Cincinnati, Ohio. The private plant serving Montreal, Canada, has rates practically identical, in the usual consumption range, with the T. V. A. rates and the company's gross earnings have increased under such rates. The private company serving Ottawa, Canada, has for years had rates about 40 percent lower than the T. V. A. yardstick rates, and this company is in good financial condition. Buffalo and its surrounding territory, St. Louis, Mo.; Springfield, Ill.; Madison, Wis.; Covington, Ky.; Los Angeles; Seattle; and Akron, Ohio; and others have approached the yardstick rates under private management. All of these private situations resulted from an aroused public opinion. In each case the company found it good business to reduce rates, and to operate under a sound financial structure.

It is recognized that under New Hampshire conditions, increased consumption and rate reductions are closely interrelated—more so than the average. The plan of the private companies demands increased consumption before substantial rate reductions are given. Such a plan places the cart before the horse. Price determines volume. Cincinnati reached its present rate level under four substantial progressive residential reductions in 4 years' time. This 4-year reduction was almost equal to the present bill; or, in other words, the 1933 level was nearly cut in half. The promotional effect of a properly formed rate structure will restore earnings. This has been demonstrated time after time, both in this country and in Canada. The question is whether sufficient accurate information can be given to the people to arouse public opinion and force a planned rate reduction program. If it can, the State will be enriched, unemployment will be reduced, the old industrial activity restored, and the securities of the operating companies will be enhanced in value. It is easily possible under New Hampshire conditions to realize such an objective under a merchandising rate formula which will build business, be based on actual costs, and recognizes the social advantages of low-priced current.

NEW HAMPSHIRE'S ELECTRICAL STRUCTURE

New Hampshire has an installed generating capacity of 297,400 kilowatts, of which 79 percent is hydro, 20.6 percent steam, and 0.4 percent internal-combustion engines. Out of this total State capacity, 99.6 percent is owned by the private power companies, 0.1 percent is owned by manufacturing and mining enterprises, and 0.3 percent by municipalities.

In 1938 the hydro plants produced 696,298,000 kilowatt-hours, while the steam and internal-combustion plants produced only 38,229,000 kilowatt-hours. Hydro last year produced 95 percent of the electrical current manufactured in New Hampshire. The undeveloped water-power sites of New Hampshire are capable of producing 915,000,000 kilowatt-hours additional, or an amount one and a third greater than the present production. The net power exports of the State total 338,380,000 kilowatt-hours—after deducing interchange and imported power. This exported power represents 46 percent of the present production in the State.

The New Hampshire transmission systems are interconnected with the Maine systems, with relatively low capacity ties near Portsmouth and Conway, with the Vermont systems at 5 points, and with the Massachusetts systems at 13 points on the southern State line. This sizable volume of energy would not be exported with transmission costs added unless the delivered cost of this hydro energy was substantially below the production cost of the larger supersteam stations in the Boston area. This indicates a delivered cost for the Massachusetts exported current between 0.5 and 0.6 cents per kilowatt-hour.

The New Hampshire transmission system is not extensive. The average transmitted distances are short, the voltages low, and the existing lines are coincident with the comparatively high density population areas. One of these areas is south of an east and west line extending from Farmington to Bellows Falls. Another extends east from the Ayers Island plant to the Maine border. Another is in the north central portion of the State. This latter area is a narrow strip with fair population density extending from Littleton to Gorham. The other areas of the State with a thin population density, are not served from transmission. There is a 220-kilovolt double-circuit high-class line from Comerford station on the Connecticut River, extending north and south to the Boston area. This is solely an export line. The New York Journal of Commerce has published transmission maps of all the States, with the lines superimposed on population densities. A comparison of the New Hampshire map with other maps shows a very favorable and low-cost transmission lay-out. The three principal power companies had a transmission mileage of 1,223 miles—a low figure.

Last year's records of the Power Commission show that only 13,200 tons of coal and 65,700 barrels of oil were used in New Hampshire to produce electricity. This amount of fuel is so small that it would have no practical effect on the State's electric costs. New Hampshire is essentially a water-power State, and it seems a shame that this power cannot be wisely used to lower consumer costs. The outmoded rate schedules now in effect in New Hampshire cause short-hours use and attendant high rates. This results in the run of the river hydros wasting water and allowing it to flow to the sea unused. This wasted water could produce abundant electricity that could lower unit costs.

Existing rate schedules in the State are practically uniform. Manchester, with a population of 76,800, sells 100 kilowatt-hours for the same price as 24 communities with populations ranging from 1,000 to 2,500; 55 communities under 1,000 population are supplied with 100 kilowatt-hours for the Manchester price, a number of these having a population between 250 and 400. For the numerous small users—40 kilowatt-hours per month—the rates are the lowest in the small towns. This shows again that transmission costs in New Hampshire are relatively low. The size of the community has no effect on rates under the New Hampshire conditions. Existing rates is the best evidence obtainable on this point.

ELECTRIC COSTS

The over-all residential electric delivered cost depends on generating, transmission, distribution, and general over-all costs. I will cover each of these component cost items and present competent evidence to evaluate each, based on a 600-kilowatt-hour annual consumption. Generation, together with steam stand-by, represents about 20 percent of the delivered cost; transmission, 8 percent; and distribution and general, 72 percent. It is evident that the last item controls delivered cost.

GENERATION AND TRANSMISSION

An examination of the operating statements of some of the New Hampshire hydro plants points out that the bus bar generating cost in the newer large plants runs around 3 mills

per kilowatt-hour, and in the older and poorer plants about 6 mills per kilowatt-hour. Steam and engine installation in the State represents 21 percent of the total installed capacity. This is supplemental capacity, but by assuming that this is stand-by, I will resolve any doubt in favor of the operating companies. Adding together all the residential generating costs, both fixed and operating, for the hydro and steam plants, with losses, I arrive at an average annual customer cost of $4.08, or 6.8 mills per kilowatt-hour. This figure is in substantial agreement with the average reported costs of the companies operating in up-State New York and includes a 9-percent return on the hydros and a 11-percent return on the steam plants, and a 20-percent allowance for capacity reserve. The 1939 report of the New York Power Authority estimates this cost for upper New York State to be about 6.5 mills per kilowatt-hour. Here in Washington, D. C., the local company purchases Susquehanna hydro current delivered for 2 mills per kilowatt-hour. Steam production over-all costs here are 6.4 mills in the old Benning station and 4.48 mills in the New Buzzards Point station. Coal costs in Washington, delivered, $4.40 per ton and the coal cost of this Washington current at the Buzzards Point station is 1.95 mills per kilowatt-hour. On this basis with a mine-mouth plant and coal at $1.50 per ton the coal cost of the current would be 0.675 mill per kilowatt-hour. With $6 coal this current cost would be 2.7 mills per kilowatt-hour. The difference between $1.50 and $6 coal would amount to 12 cents per month or 4 percent on the average New Hampshire light bill. This shows that the production figure used is conservative and could be in error 30 percent and still affect the bill only 4 percent, if 100 percent of the generation were steam, but only a small portion is steam.

In New Hampshire the generating plants are not overbuilt and are advantageously located relative to the market. There are no conditions existing that would contribute to high-production costs.

The Power Authority of New York found transmission and subtransmission costs to be $1.92 per residential customer year. The New Hampshire transmission costs will approximate $1.80 per residential customer year. This cost, because of relative low importance, could be 100 percent in error without affecting the present residential bill 5 percent.

It is evident from the above that the over-all cost of residential current delivered to the distribution system is $5.88 per customer year for 600 kilowatt-hour annual consumption. This figure substantially checks the upper New York figure as found by the New York Power Authority. The similar reported figure for the Boston Edison Co. is $5.88, the same as I have estimated for the State of New Hampshire. The Boston Edison Co.'s production is predominantly steam.

DISTRIBUTION AND GENERAL COSTS

It has long been known that distribution costs were the controlling factor in electric-rate structures. However, the quantitative effect was concealed in reported statements of the private companies. To appraise this amount, Senate Resolution 80 of the first session of the Seventy-third Congress directed the Federal Power Commission to report on distribution costs. As a result the Power Commission made a detailed inventory and audit of such costs in 22 sections of the United States, which were published in 1936 as Power Series No. 3 of the National Power Survey. I have placed in table No. 1 the controlling costs per customer in three localities, taken from this detailed survey. The three points selected for this comparison were the public plant at Tacoma, Wash., and the private properties at Washington, D. C., and the Nashua, N. H. Inasmuch as the existing rates in Nashua are practically the same as the State average, I have taken these bona fide figures of the Power Commission to represent the sample of New Hampshire distribution and general costs. To these Power Commission figures I have added the costs of generation, transmission, and the Federal taxes. These comparisons have been reduced to a common standard.

TABLE I.—*Annual residential costs per customer, Federal Power Commission, 1936 power survey*

[These costs are historic; that is, based on actual costs]

	Washington, D. C.	Tacoma, Wash.	Nashua, N. H.
Distribution, losses percent	12.0	11.1	9.9
Capital cost per customer:			
Distribution property	$82.11	$63.97	$32.81
Land and structures	8.56	4.58	21.20
General equipment	3.23	3.60	4.24
Working capital	2.82	2.16	1.74
Total historic cost	96.72	74.31	59.99
Annual fixed charges at 9 percent	8.70	6.69	5.40
Annual operating cost:			
Operation and maintenance	3.57	1.67	1.34
Utilization	.25	.34	.12
Commercial	3.01	1.88	2.49
New business	.93	.04	1.09
General expense	1.54	.33	1.95
Total operation and maintenance cost	9.30	4.26	6.99
Taxes (all kinds except Federal)	1.36	1.94	2.77
Dollars per customer year, distribution cost	19.36	12.89	15.16
Transmission, fixed and operating, cost	[1] .03	[1] 1.22	[2] 1.80
Generating, fixed and operating, cost	[1] 4.09	[1] 5.58	[2] 4.08
Total cost per residential customer	23.48	19.69	21.04
Federal excise and income tax	.78	.65	.70
Total delivered cost per residential customer year	24.26	20.34	21.74

[1] Supplied from reports of utility commission and municipality for kilowatt-hours actually used.
[2] Calculated from reports of private companies for 600 kilowatt-hours annual consumption.

This table presents all the segregated elements of power costs expressed in terms of dollars per customer per year. The cost per customer is substantially fixed. When consumption is increased, the cost per kilowatt-hour is reduced. It should be noted in this connection that for the past 5 years the New York Power Authority has made exhaustive electric cost surveys in New York State and elsewhere. Their conclusion was that $15 per customer-year would cover all distribution costs under a 600 kilowatt-hour per year consumption. This is comparative with the $15.16 figure applying to Nashua. The total New York Authority cost of residential generation, transmission, and distribution for this consumption is $21 per customer-year. It will be noted that this practically checks with the Nashua actual costs.

The 1937 New Hampshire residential consumption was 618 kilowatt-hours a year per meter, and the average rate was 5.61 cents per kilowatt-hour. With such a consumption and the costs as set out in table No. 1, the average residential cost in New Hampshire is about 3.52 cents per kilowatt-hour, or 37½ percent below present levels. New York State costs, as given by the power authority for 600 kilowatt-hour consumption is 5.30 cents.

Washington, D. C., has average rates which are 48 percent lower than New Hampshire rates, with customer costs 15 percent higher, as is shown in table I. Under the Washington, D. C., rates the company is earning 75 percent annually on its common stock, with an allowed interest return of 6 percent in the rate structure, the same as is used in table No. 1.

Under the high rates formerly in effect, the common stock of the Washington company earned 10 percent anually. With reduced rates, the stock earnings of this company jumped to 75 percent. This is an exorbitant earning. If these earnings were passed on to the consumers as was contemplated under the 1913 statute, the Washington, D. C., and T. V. A. rates would be substantially identical. Any way you look at the matter the indications are that the people of New Hampshire are being grossly overcharged for electric service.

CINCINNATI, OHIO

In 1933 public opinion was aroused in Cincinnati because of dissatisfaction with the electric rates of the Cincinnati Gas & Electric Co. These rates were then 20 percent lower than the existing average rates in New Hampshire. The

City Council of Cincinnati in October 1933 voted an ordinance reducing such rates 37½ percent. This ordinance was adopted just before a referendum was taken on a proposal to establish municipal ownership of gas and electricity. Following this ordinance a compromise was effected and this compromise was incorporated in a new ordinance. Under this new ordinance it was specified that for 4 successive years progressive rate reductions would be made by the Cincinnati company.

Before this ordinance went into effect the Cincinnati company sold 100 kilowatt-hours for $4.10, and by 1938 under these four reductions, the bill for 100 kilowatt-hours was reduced to $2.50. This $2.50 bill is exactly the same as the T. V. A. yardstick rate for this quantity of electricity. A Cincinnati electric-stove user consuming 250 kilowatt-hours, now pays $4.75, which is 25 cents lower than the T. V. A. yardstick rate. The Cincinnati reductions were made applicable to the top and lower blocks of the existing rate, but the largest reduction in the total bill effected the larger consumption. The Cincinnati rate formula promoted increased consumption.

Under these progressive reductions the gross earnings of the Cincinnati private company were increased from $15,289,158 to $17,050,004 in 1937. This affords a practical example of the effect on earnings of reducing electric rates. The Cincinnati rates would not have reached the T. V. A. level if public opinion had not been aroused and the public officials forced into action.

The Cincinnati company has a splendid credit rating and earns its bond interest three and eight-tenths times. The property of the Cincinnati company is also in splendid condition. Its generation is by steam with a total installed capacity of 385,000 kilovolt-amperes, which exceeds the total hydro- and steam-installed capacity in the State of New Hampshire. The Columbia station of this company is one of the outstanding supersteam plants in the country. If Cincinnati can accomplish such rate reductions and increase gross earnings, there is no reason why the companies operating in New Hampshire cannot do likewise, as the preponderance of generating sources in New Hampshire are hydro—if New Hampshire's statesmen would just put in as much time trying to protect her people from these exorbitant overcharges as one of them does abusing the T. V. A.

MONTREAL

The Montreal Light, Heat & Power Co., which serves Montreal and its environs, is the largest privately owned electric system in Canada. This company furnishes another outstanding example of the economic soundness of yardstick rates.

Some 30 years ago the Montreal company was charging 12¾ cents per kilowatt-hour for residential current, or about the same as the then average residential rate in the United States. At that time a small, separately incorporated residential section of Montreal, known as Westmount, built a municipal plant and cut rates about 25 percent. Two years later the private company reduced its rates to the Westmount level.

In the succeeding years this small municipal plant successively reduced rates. The Montreal company then followed the Westmount levels. At the end of the World War the Montreal rates had been reduced 40 percent below the United States levels, and by 1930 the Montreal home owner was paying to the private company one-half of the United States average rate.

In the midst of the competitive fight between the small Westmount plant and the large Montreal company the company offered a bonus of more than the proportionate customer cost of the distribution system to the Westmount home owner if he would transfer his service from the municipal to the private plant. This proffer of outright purchase of service aroused public opinion, and the Montreal company was unable to secure Westmount business. After this failure the Montreal company then offered to the Westmount people rates lower than the municipal rates. This effort also failed. After the failure of the last offer, and knowing that public opinion in Montreal would force action, the company put into effect over the entire city a greatly reduced schedule. The new schedule given to Montreal is on the whole practically the same as the T. V. A. yardstick rates.

The Montreal company has publicly announced that the soundness of low promotional rates has been definitely established. During the depression the market value of Montreal shares was over $500 for each $100 of actual investment. The company under these low rates has been paying 27 percent on its common shares. There are few companies in North America that have a better credit rating than the Montreal company. This company was forced into large price reductions by a very small competitive yardstick plant and learned that it was good business to reduce rates.

OTTAWA, ONTARIO

Another example that can be cited is that of Ottawa, Ontario. The Ottawa situation was covered in an article appearing in the Public Utilities Fortnightly, a magazine devoted principally to the private companies. The author of the article was an actuarial expert for one of the large life-insurance companies. In this article it was pointed out that when the Ontario hydroelectric commission entered Ottawa the private company decided to hold on and reduce its rates. After 20 years' operation this company was in splendid condition under residential rates 40 percent lower than the T. V. A. yardstick rates.

The Ottawa company was able to earn in 1937, under perhaps the lowest rates in the world, 2.24 times the fixed charges on its funded debt. For over 25 years, under the most highly competitive conditions existing, the Ottawa company has paid 6 percent or over on its common stock and has built up a surplus of 7½ percent of its property account. The private Ottawa company, as this actuarial expert pointed out, produced earnings after depreciation charges, of over 9 percent on a depreciated book value of its property.

It was also pointed out that the compensating factor under such forced and drastic rate reductions is "the growth and vitality of the electric business." The conclusion was that it was unlikely that public competition would spell ruin to the investors in a private electric property if that property was conservatively capitalized. Competition through duplicating systems doubles the cost per customer. But under such competition there is no record of an operating company bond ever defaulting as a result of such competition. It is far better to have yardstick plants and let public opinion demonstrate to the operators of the private systems that it is good business to give low rates. A yardstick plant is the type of competition which will force private management to adopt sound operating practices. Economically it is more sound than the competition of duplication.

RESIDENTIAL BILLINGS

In table 2 is presented comparative residential billings. This table indicates how the electric charges in New Hampshire compare with charges in the communities covered.

TABLE 2.—*Comparative net residential bills, 1939*

Location	Kilowatt-hour consumption per month			
	25	40	100	250
New Hampshire State average	$2.08	$2.90	$5.15	$8.27
Manchester and Nashua, N. H.	2.00	2.80	5.00	8.00
Montreal, Canada	.85	1.22	2.59	4.85
Tacoma, Wash.	.95	1.10	1.70	3.20
Washington, D. C.	.98	1.56	2.85	5.10
Cincinnati, Ohio	1.00	1.45	2.50	4.75
Composite above 4 cities	.94	1.33	2.41	4.48
Average Ontario with taxes	.85	1.15	1.78	3.25
Tennessee Valley Authority rates (Tupelo, Miss.)	.75	1.20	2.50	5.00
New York Power Authority objective	.85	1.50	2.30	3.80

This table shows how much the 105,000 residential consumers in New Hampshire are individually overcharged.

ALLIANCE OF POWER AND POLITICS

One of the reasons for high rates is the alliance of power and politics. The companies which dominate the New Hampshire electric situation have been associated with interests notorious because of tainted political work. The control officers of the principal New Hampshire company occupy the same position with similar companies in Maine. The activity of these interests in tampering with the Maine Legislature during the time the power export law was under consideration is well known.

There is a recent instance known to Members of this House, indicative of an alliance between New Hampshire power and politics. During the latter days of the Seventy-fifth Congress, hearings were held before the Flood Control Committee on the Casey resolution and the New England flood-control compacts. The Flood Control Act of June 22, 1936, authorized interstate compacts in the interest of flood control. In March 1937 representatives of the four interested States met in Hartford and appointed a subcommittee of three from each of these States to draft the proposed compacts. In due time the compacts were drawn and submitted to Congress for ratification. The compacts, as submitted, contained a joker that allowed the States, in spite of the three-quarters' cost contribution by the Federal Government, to develop water power and sell it to the private companies without consent of the Federal Government. Who was responsible for the joker? Labor, the official publication of A. F. of L. railroad labor, charged that the Power Trust was behind the joker.

In the hearings before the Flood Control Committee, page 101, Mr. Paul A. Dever, the attorney general of Massachusetts, testified that the controversial clause was inserted in the compacts to satisfy Vermont and New Hampshire.

Who represented Vermont and New Hampshire on the four-State compact committee? The controlling Vermont member was Walter S. Fenton, the attorney for the Insull and Harriman water-power interests and the lobbyist for the Insull interests at Montpelier. The dominant member from New Hampshire was Robert W. Upton, an Insull and Hopson attorney and lobbyist for the New Hampshire power companies. Under the New Hampshire law lobbyists are required to register, and this member of the compact drafting team has registered as a utility lobbyist. He has done considerable work for the then State attorney general, Thomas P. Cheney, who is listed in Poor's Register of Directors as a director of the Public Service Co. of New Hampshire.

Under the Massachusetts law of May 1936 the State planning board was designated as the agency to cooperate with the other States in framing the compacts. The vice chairman of this board, Henry I. Harriman, was the founder of the New England Power Association, a $400,000,000 holding company, whose 43 subsidiaries serve 273 cities in Massachusetts, Vermont, New Hampshire, and Rhode Island. This is the same man who fought the Boulder Dam bill in the press of 1928. The interests of this same man would secure the power benefits from the Pittsburgh Reservoir. Do not these facts indicate that the power companies were looking after their own selfish interests? If the people's interest was to be protected, would not a neutral body of draftsmen have served the purpose better?

To cover up such tactics, false issues of "State rights" and "resources belonging to the people" are raised. If these water-power resources really belong to the people, why has 99.6 percent of the existing installed hydro capacity in New Hampshire been turned over to the private utilities without protective safeguards? Do the rates charged by the private utilities indicate that the people have secured any benefits from their own resources? The opposition will claim that these power plants pay taxes. The taxes, however, are paid by the man who pushes the home switch and pays a monthly energy bill. Taxes are included in the rates paid.

HIGH RATES

High electric rates in New Hampshire are the result of several controlling factors. These price-control elements are: Lack of amortization, lack of pace-making yardstick plants, lack of adequate depreciation reserves, manipulations, top-heavy financial structures, a noninducing rate form, low kilowatt-hour sales per meter, lack of accurate information in the hands of the public, and politics.

The essential and determining factor in securing low rates is an established amortization or debt-redemption plan. Tacoma started out with low rates and a definite repayment plan. The low rates induced heavy use. Electricity replaced imported fuels. The heavy use increased earnings and provided funds for debt redemption. The New Hampshire companies operate on the opposite principle—debt with a given cost was increased by pyramiding and manipulation. These properties were operated to give funds to the manipulators through the sale of bogus securities, rather than to produce revenues through sound operation.

Only 0.3 percent of the State's installed capacity is in municipal installations. There are no plants in the State to set the pace, so that the people would know electric costs. The Power Trust and their allies have prevented this. A small high-class residential section of Montreal, through the cooperative efforts of a group of hard-headed businessmen, set the pace for the low rates existing in the Province of Quebec.

The New Hampshire companies, during the full years, failed to provide adequate depreciation reserves. The average reserve for the State is about 11 percent of the plant and property account. The very least this should be, is double this book accrued amount, and preferably should be three or four times this stated amount. One of the State's dominant companies, in a balance-sheet statement, admits placing written up revaluations into this account. Adequate financial backing of the reserve accounts is doubtful. The reason inadequate reserves have not been set up is that the holding companies have siphoned out of the State the operating companies' earnings.

The financial structure of the operating companies is top-heavy with manipulated securities. Part of this has been repudiated by the top holding companies and thousands of innocent investors have been victimized by this process of legerdemain.

The New Hampshire rate form has created a pronounced barrier to increased consumption. Today in Manchester and throughout the State the top block of the residential rate is 8 cents a kilowatt-hour or higher. Such a high top block penalizes the large number of small users; in fact, the majority. It prevents such consumers from getting out of the unprofitable class. Such a top step was discarded in the District of Columbia 18 years ago. This is indicative of how far behind the times are the New Hampshire rate schedules. Under New Hampshire conditions, costs are substantially fixed and constant. If the unused waters which flow to the sea were put to work to produce kilowatt-hours, the cost per kilowatt-hour sold would be greatly reduced and the benefits could be passed on to the people in lower rates. The use of the political slogan in New Hampshire, "The resources of New Hampshire belong to the people," is a huge joke. Those who use this slogan should point out what benefits the people have secured from the use of these resources by limited self-seeking groups.

The true situation has been kept from the people. This appears to be part of a deliberate plan. This profiting group has no interest in the people or the social benefits to be derived from low-priced current. Paid propaganda of the private companies has been fed to the people instead of facts. The alliance with politics originated with the power companies. It is a hang-over practice from the preregulation days. Politics would have only an interest of fair play, if the use of the consumers' money for such purposes were stopped.

FAVORABLE CONDITIONS

The State possesses conditions very favorable to low electric rates. The predominant generation is hydro. This generation is spread over the State, enabling power sources to be located adjacent to the load. Precipitation in New England is better sustained than any other section of the country. The flow of its rivers are reasonably uniform. Transmission distances are short, enabling the use of inexpensive low voltages. Its systems have not been overbuilt,

and the design has been conservative and scientific. There is no physical competition of duplicated facilities such as exists in Washington, D. C., between direct and alternating current, and in other locations between independent systems. The State's distribution investment is amongst the lowest in the country. A good part of the distribution system was built in low-cost times. Distribution losses are low. The direct operating and maintenance expense is extremely low, being only 36 percent of the similar expense in, say, Washington, D. C., or 57 percent of the similar expense in Los Angeles. The same condition is found in utilization and billing expenses. The general expense, however, is some 25 percent higher than the average and six times as high as the similar expense in Tacoma. This is the account to which political and propaganda work is charged.

The load factor of the industrial load is high. This means that industry uses purchased power for long hours. The distribution systems have greater capacity per dollar of investment than the average. Joint use of poles with telephone and telegraph companies is a New Hampshire practice. The large industries own their own transformers. All of these conditions should result in low rates.

THE REMEDY

The water-power resources, belonging to the people, should not be turned over to any group or agency without protective provisions. Contracts with any agency should contain provisions insuring public benefits and the establishment of fair, reasonable, and nondiscriminatory yardstick rates, based on the bona fide cost of production. This policy should be applied to all water powers, where it is legally possible to do so, and particularly to new or expiring franchises.

The State regulatory commission or municipalities should set an objective promotional rate, and require the companies to submit a plan to reach such an objective, similar to what has been done at Cincinnati. The first stage in such a progressive program should approach the composite billings, shown in table 2, and the second step in the program should be the Tacoma or T. V. A. rates.

The operating companies should be required to start immediate amortization. This is necessary to protect innocent security holders, and secure the continuance of an established low-level rate. Rates are now based on a broad interpretation of the Smythe-Ames doctrine. The national trend is definitely toward liberalizing this doctrine, and when the Supreme Court liberalizes, or changes the Smythe-Ames decision, as it will, then existing utility balance-sheet values will drop to prudent values. The prudent-value base should be reached through early amortization. Amortization is also necessary to insure the continuance of low rate levels. Adequate depreciation reserves should also be required. Manipulation and top-heavy financing should be outlawed. Future financing must be on the basis of actual costs or prudent values. The companies should be required to lay all cards on the table, stop propaganda, and get out and stay out of politics.

It is too much to expect that all of this can be accomplished through regulation. To insure fair regulation at least one yardstick plant should be established in this section in order that public opinion can regulate the regulators.

Statement on the Neutrality Bill

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 30, 1939

Mr. LUDLOW. Mr. Speaker, the action taken by the House on neutrality legislation is the most heartening news that has come out of Washington in many a day.

Passage of this bill in the form it was presented to Congress would have put the country on the direct road to war by making America an ally and money and munitions provider of certain powers in any unforeseen wars of the future.

The amendments adopted by the House, including the arms embargo, have the effect to recast our foreign policy in harmony with the sound principles of Washington and Jefferson, who pleaded with posterity to keep America out of foreign entanglements.

I hope the Senate will not make the colossal mistake of resurrecting and passing the so-called Bloom bill in its original form. It is a bad bill, a dangerous bill that will come home to roost on the doorstep of every Member of Congress who votes for it. If it is enacted as originally drafted it will be a tremendous force to drag us into war, and I predict that if unfortunately it should pass every Member who votes for it will live to regret it until his dying day.

We loathe dictators and their unconscionable acts, but the best way to cope with dictators is to preserve America's freedom, its prestige, and its independence of action, and not to make it the ally of any foreign powers.

The Almighty intended that America should be a bright and shining light among the nations of the earth, but that glorious destiny can never be achieved if we make our country the tail of the British lion which the lion can wag whenever it chooses.

The passage of the Bloom bill would be hailed with tumultuous joy in Downing Street, London, but it would be received with disappointment, sorrow, and gloom throughout the United States of America.

I sometimes wonder whether our sword-rattling Cabinet ministers, near-Cabinet ministers, and truculent Senators in charge of foreign relations, who are trying so hard to plunge us into world power politics, will ever learn that America is determined to forever remain America.

The House in its action has truly interpreted the overwhelming sentiment of the people of America and their grim determination to remain faithful to the principles of Washington and Jefferson which, if adhered to, will keep our country out of the dangerous web of foreign intrigue.

California Committee to Support the Wagner Act

REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. GEYER of California. Mr. Speaker, there has been formed in the State of California an organization known as the California Committee to Support the Wagner Act. We have as officers of this committee such men as Gov. Culbert L. Olson and Hon. George Creel, as well as many labor leaders, public officials, motion picture, religious, and civic group leaders. They have sent me a letter as well as a list of the A. F. of L. organizations, unions, and central labor bodies that oppose any changes in the Wagner Act. I wish to read that letter to this body:

CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT,
June 27, 1939.

Hon. LEE GEYER,
House Office Building, Washington, D. C.

DEAR SIR: During the first week of June this committee informed you of its activity in behalf of the Wagner Act and its program of "no amendments."

We now wish to report to you of the further support of the Wagner Act which has been expressed by organizations throughout California. We believe it especially important to keep you informed of the A. F. of L. opposition to any changes whatsoever in the act, or in the Board personnel. We have enclosed our enlarged list of 119 A. F. of L. locals and central bodies which we know to be on record against amendments. These 119 organizations represent at least 210,000 A. F. of L. members. Additional organizations are reporting daily. Eighty-two of these 119 organizations have

adopted the enclosed resolution supporting the Wagner Act and the Labor Board as they stand. A further, partial list of miscellaneous organizations on record opposing amendments is attached.

We believe this list demonstrates conclusively powerful A. F. of L. opposition to amendments. Indeed, all progressives who believe that the Wagner Act is necessary in equalizing employer-employee relationships are heartily opposed to amendments which, they hold, would restore the old unfair employer dominance.

Respectfully,

KATHARINE HOGLE, *Acting Executive Secretary.*

Whereas the provisions of the Wagner Act have served to protect the entire working people of this country in their efforts to organize and bargain collectively; and

Whereas all organized labor has an equal and vital stake in the preservation of the act, its principles and its administrative body, the Labor Board, which latter, we believe, has been eminently just to all groups of workers organized in bona fide trade-unions; and

Whereas it is the intention of enemies of the Wagner Act, by means of amendments, to weaken or destroy the protection afforded by the act and to drastically curb the power and effectiveness of the National Labor Relations Board: Therefore be it

Resolved, That we, members of _____, local No. __, meeting in regular session, go on record unalterably opposed to any and all changes in or amendments to the Wagner Act and the Labor Board which administers it; and be it further

Resolved, That a copy of this resolution be forwarded to Senator ELBERT D. THOMAS, chairman of the Senate Committee on Education and Labor; Senator ROBERT F. WAGNER, and Congresswoman MARY T. NORTON, chairman of the House Labor Committee; and be it further

Resolved, That signed and sealed copies of this resolution be sent to the Committee to Support the Wagner Act, 83 McAllister Street, San Francisco, Calif.

CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT, 83 MCALLISTER STREET, SAN FRANCISCO, CALIF.

[Revised list, June 26, 1939]

One hundred and nineteen California American Federation of Labor and central bodies on record as opposing amendments to the National Labor Relations Act. (Asterisk indicates local or central body has adopted resolution of committee stating support of Wagner Act and Labor Board as they now stand.)

This list represents approximately 210,000 members of the American Federation of Labor locals and central bodies in California.

1. A. F. of L. representatives of five counties at meeting under chairmanship of E. J. Davis at San Mateo (secretary of Santa Clara Labor Council).
2. * Atolia Mine and Mill Workers (Trona).

Bakery and Confectionery International Union of America.

3. * Cracker Bakers, No. 125 (San Francisco).
4. * Borax Workers, No. 19820 (Trona).

Bricklayers, Masons, and Plasterers International Union.

5. * Bricklayers, No. 7 (San Francisco).

Bridge, Structural, and Ornamental Iron Workers (on record).

6. * Iron Workers, No. 491 (San Francisco).
7. * Structural Iron Workers, No. 377 (San Francisco).

Building Service Employees International Union.

8. Building Service Employees, No. 87 (San Francisco).
9. * Building Service Employees, No. 101 (Los Angeles).
10. * Elevator Operators, No. 82 (Los Angeles).
11. * Hospital and Institutional Workers, No. 250 (San Francisco).
12. * Janitors and Watchmen No. 72–B (Los Angeles).
13. * Theatrical Janitors No. 72 (Los Angeles).

Candy and Confectionery Workers International Union.

14. * Local No. 24 (San Francisco).
15. * Cannery Workers No. 20852 (San Jose).
16. * Cannery Workers No. 20147 (San Pedro).
17. * Credit and Collection Employees (Los Angeles).

United Brotherhood of Carpenters & Joiners of America.

18. Boat Builders (Los Angeles).
19. * Box Makers No. 1137 (San Francisco).
20. Cabinet Workers (Los Angeles).
21. * Carpenters No. 22 (San Francisco).
22. * Carpenters No. 35 (San Raphael).
23. * Carpenters No. 36 (San Francisco).
24. * Carpenters No. 563 (Glendale).
25. * Carpenters No. 769 (Pasadena).
26. Carpenters No. 1473 (San Francisco).
27. * Carpenters No. 1710 (San Francisco).
28. * Lumber Clerks & Lumber Handlers No. 2559 (San Francisco).
29. * Millmen No. 42 (San Francisco).
30. * Pile Drivers, Bridge, Wharf and Dock Builders No. 34 (San Francisco).
31. * Credit & Collection Employees No. 20369 (Los Angeles).
32. * Civil Service Per Diem Men's Association of San Francisco.

International Association of Cleaning and Dye House Workers.

33. * Cleaners and Dyers No. 7 (San Francisco).
34. * Retail Cleaners and Dyers, No. 93 (San Francisco).

International Brotherhood of Electrical Workers.

35. * Electrical Workers No. 6 (San Francisco).
36. Film Editors (Los Angeles).

United Brotherhood of Flour, Cereal, Brewery and Soft Drinks Workers of America (on record).

37. * Beer Wagon Drivers No. 227 (San Francisco).
38. Bottlers No. 293 (San Francisco).
39. * Brewers and Maltsters, No. 7 (San Francisco).

Fur Workers International Union.

40. * Local No. 79 (San Francisco).
41. * Granite Cutters (San Francisco).

United Hatter, Cap, and Millinery Workers International Union (on record).

42. * Local No. 40 (San Francisco).
43. * Local No. 41 (Los Angeles).
44. * Cap Makers No. 22 (Los Angeles).

International Hodcarriers and Building and Common Laborers Union of America (on record).

45. * Hodcarriers No. 36 (San Francisco).
46. * Laborers No. 261 (San Francisco).
47. * Laborers No. 264 (Fresno).
48. Northern District Council of Hodcarriers and General Construction Laborers.
49. * Waterworkers No. 401 (San Francisco).

Hotel and Restaurant Employees International Alliance and Bartenders International League of America (on record).

50. * Cooks, Pastry Cooks and Assistants No. 44 (San Francisco).
51. * Miscellaneous Employees No. 110 (San Francisco).
52. * Waitresses No. 48 (San Francisco).

International Jewelry Workers.

53. * Dental Technicians No. 23 (Los Angeles).
54. * Dental Technicians No. 99 (San Francisco).
55. * Dental Technicians No. 100 (Los Angeles).
56. * Diamond Setters No. 95 (Los Angeles).
57. * Jewelry Workers No. 36 (San Francisco).
58. Outside Diamond Setters (Los Angeles).
59. Watchmakers No. 101 (San Francisco).
60. Watchmakers No. 102 (San Francisco).
61. Watchmakers No. 115 (Los Angeles).

Journeymen Barbers International Union of America.

62. Barbers No. 148 (San Francisco).

Labor Councils.

63. Bakersfield.
64. * Glendale.
65. Marin County.
66. Kern County.
67. San Jose.

International Association of Machinists (on record).

68. * Auto Mechanics No. 1305 (San Francisco).
69. * Bayshore Machinists Lodge No. 732 (San Francisco).
70. California State Conference of Machinists (40,000 members).
71. * Local No. 68 (San Francisco).
72. Local No. 1117 (San Francisco).
73. * Local No. 732 (San Francisco).
74. Studio Machinists No. 1185 (Los Angeles).

Amalgamated Meat Cutters and Butcher Workmen of North America.

75. * Wool Workers No. 508 (San Francisco).
76. Monolith Cement Workers (Los Angeles).

International Musicians Union.

77. Local No. 47 (Los Angeles).
78. Newsvenders Union, No. 20769 (San Francisco).
79. Nurses, Hospital, and Institutional Employees (Los Angeles).

International Union of Operating Engineers.

80. * Hoisting Engineers No. 3 (San Francisco).
81. * Stationary Engineers No. 64 (San Francisco).

Operative Plasterers and Cement Finishers.

82. * Cement Mill Workers No. 20621 (Los Angeles).
83. * Plasterers No. 735 (Los Angeles).

National Council of Optical Technicians and Workers of America.

84. * Optical Workers, No. 18791 (San Francisco).

Brotherhood of Painters, Decorators, and Paperhangers.

85. * Automobile Painters (San Francisco).
86. * District Council of Painters (Los Angeles).
87. * Glass Workers, No. 718 (San Francisco).
88. * Motion Picture Painters, No. 644 (Los Angeles).
89. * Paint, Varnish, and Lacquer Makers, No. 1071 (San Francisco).
90. * Painters' District Council (including Marin County).
91. * Painters, No. 19.
92. * Painters, No. 364 (Santa Rosa).
93. * Painters, No. 713 (Glendale).
94. Painters, No. 1158 (San Francisco).
95. * Sign, Scene, and Pictorial Painters, No. 510 (San Francisco).
96. * Pharmacists' Union, No. 838 (San Francisco).

International Printing Pressmen and Assistants' Union (on record).

97. * Corrugated Fiber Products and Envelope Workers, No. 362 (San Francisco).
98. Web Pressmen, No. 4 (San Francisco).

Retail Clerks' International Protective Association.

99. Retail Clerks and Haberdashers (Los Angeles).

100. * Retail Department Store Employees, No. 1100 (San Francisco).
101. Retail Furniture and Appliance Salesmen, No. 1285 (San Francisco).
102. Rock Products Workers, No. 21643 (Long Beach).
103. Screen Cartoonists' Guild.
104. Screen Directors Guild (Los Angeles).
105. Screen Publicists Guild (Los Angeles).
106. Screen Readers Guild (Los Angeles).
107. Screen Writers Guild (Los Angeles).
108. Set Designers (Los Angeles).
International Brotherhood of Slate, Tile, Composition Roofers, Damp and Waterproof Workers.
109. * Roofers, No. 40 (San Francisco).
Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America.
110. * Local No. 1004 (San Francisco).
111. * Studio Workers Maintenance Union (Los Angeles).
American Federation of Teachers (on record).
112. * Local No. 31 (Sacramento).
113. * Local No. 61 (San Francisco).
114. * Local No. 430 (Los Angeles).
International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers (on record).
115. * Bakery Wagon Drivers, No. 484 (San Francisco).
116. * Newspaper and Periodical Drivers and Helpers, No. 921 (San Francisco).
International Alliance of Theatrical Stage Employees.
117. Laboratory Technicians, No. 683 (Los Angeles).
International Typographical Union (on record).
118. * Typographical Union, No. 21 (San Francisco).
119. * Terrazzo Mechanics (San Francisco).

MISCELLANEOUS ORGANIZATIONS ON RECORD WITH CALIFORNIA COMMITTEE TO SUPPORT THE WAGNER ACT

Brotherhood of Railroad Trainmen.
1. * Al Wilson Lodge, No. 323 (San Francisco).
International Ladies Garment Workers Union (independent) (on record).
2. * Cloak Makers No. 8 (San Francisco).
3. * Cutters No. 213 (San Francisco).
4. * Dressmakers No. 101 (San Francisco).
5. * Joint Board of Los Angeles.
6. * Joint Board of San Francisco.
7. * Democratic County Central Committee (Los Angeles).
8. * California Young Democratic Clubs (82 clubs).
Civic Clubs.
9. * Twenty-fourth Street Boosters (San Francisco).
10. * North Beach Promotion Club (San Francisco).

Toll-Free Bridge Needed Across St. Louis River Between Duluth, Minn., and Superior, Wis.

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. PITTENGER. Mr. Speaker, the House of Representatives has just passed by unanimous action H. R. 6475, a bill which I introduced on May 23 authorizing the city of Duluth, Minn., to construct a bridge across the St. Louis River between the States of Minnesota and Wisconsin from the city of Duluth to the city of Superior. The companion bill in the Senate, introduced by Senator HENRIK SHIPSTEAD at this session, is known as S. 2474, and this bill is identical with the House bill. The passage of this legislation at this session of Congress will be the first constructive step that has been taken to provide a bridge free of tolls between the cities of Duluth, Minn., and Superior, Wis. Briefly, this proposed legislation authorizes the city of Duluth to construct and operate a vehicular toll bridge across the St. Louis River. For the purpose of constructing this bridge the city of Duluth may issue bonds which are not an obligation against the taxpayers of said city, but which bonds are to be retired and amortized out of revenue resulting from the collection of tolls for the use of said bridge by passengers and vehicles.

The bill provides that after the bonds have been paid the city of Duluth shall transfer the bridge to the State highway departments of Wisconsin and Minnesota, who shall thereupon operate the bridge free of tolls. Under this bill there is no element of commercialism, no watered stock, and no one to make a profit. The city of Duluth cannot use the bridge revenue for any other purpose except as above noted. It is not authorized to issue stock. This bill is clearly in the interests of every person not only in Wisconsin and Minnesota but in every other part of the country who wishes to cross the St. Louis River where these two cities are located without paying tribute to Caesar. Up to date I have had no single objection from anyone against this bill. Certain amendments have been suggested, and they have been adopted. They do not change the purpose of the bill. With these amendments, I can say correctly that the bill meets with the approval of the Bureau of the Budget, the Bureau of Public Roads, and the War Department.

In 1938 certain legislation was passed by Congress authorizing the Port Authority of Duluth and the Harbor Authority of Superior to build and operate a bridge across the St. Louis River at this point. After this legislation was adopted it was discovered that neither of these organizations had authority under the power that created them to build or operate a bridge, and I have been told that one of them was expressly forbidden to do such a thing. It is evident to every attorney that the act of Congress could not confer upon such authorities powers which they were not authorized to exercise by their respective States. Consequently, any steps they might take toward building a bridge, even under attempted powers granted them by Congress, would have no effect.

At the present time there is a toll bridge across the St. Louis River, but this bridge is well along in years and there is need for a new structure. When this toll bridge was authorized in 1894 the people were promised that it would in time become a toll-free bridge, but that date appears now just as far off as it was in 1894. It is claimed that the owners of the present toll bridge have a lucrative source of revenue, and efforts to ascertain the cost of the bridge, its upkeep from time to time, its revenue, and other important matters, have been unsuccessful. There is no public record showing how much has been collected in the way of tolls since the bridge started to operate in 1896 or 1897.

It is my opinion that people who travel the highways of the United States are entitled to do so without paying tribute for the use of any highway or any bridge connected therewith. Toll bridges ought to be a relic of the past, and if present legislation is enacted into law, the city of Duluth will have the power and the authority to make this wish come true.

In my opinion, a toll-free bridge will be to the mutual advantage of Duluth and the State of Minnesota, and of Superior and the State of Wisconsin. The cities of Superior, Wis., and Duluth, Minn., have many things in common, and both will be benefited if their respective citizens can travel back and forth every day, as they can do when the bridge is paid for, without having the toll collector levy his tribute on each trip that they make. Under the present practice tolls are charged without any relation whatever to the expense of the operation of the bridge, and only the present owners know the amount of profit they make by this franchise, which was granted to their predecessors many years ago by the Congress of the United States.

The suggestion may be made that under existing law of 1894 there is a method provided for acquiring this bridge and operating it toll free. It is true that the existing law does set forth certain indefinite procedure whereby the bridge can be acquired by the cities of Duluth, Minn., and Superior, Wis., or by other municipal agencies. But note this practical difficulty and objection which will prevent any such procedure: The bill provides—and here is the joker—that at the very time that these municipalities acquire the present bridge they shall operate it at their own expense, free of tolls. In other words, there is no provision made whereby the municipalities can collect tolls for the purpose of paying for the bridge or for its maintenance. Anyone familiar with municipal finances and with the fact that the taxpayers in

these localities are already heavily bonded will readily understand that as a practical matter it is and will be impossible for either the city of Duluth, Minn., or the city of Superior, Wis., or both of them, to buy or take over the existing bridge and pay for it and then operate it toll free, as is required by the act of 1894.

The effect of this law of 1894 is to give a practical monopoly to the present owner of the bridge. The average American citizen does not believe in monopoly or special privilege; neither do I. Consequently the pending legislation, H. R. 6475 and S. 2474, has been introduced so as to enable necessary steps to be taken to eliminate the monopoly which now exists in authorizing a private corporation or individual to indefinitely collect tolls from every person who wishes to travel between Duluth, Minn., and Superior, Wis. I make this rather brief explanation so that the public may be advised as to the purpose of this legislation and the results which will be obtained if and when it is enacted into law.

The bill, as amended and passed, reads as follows:

H. R. 6475, Seventy-sixth Congress, first session

A bill to authorize the city of Duluth, in the State of Minnesota, to construct a toll bridge across the St. Louis River, between the States of Minnesota and Wisconsin, and for other purposes

Be it enacted, etc., That the consent of Congress is hereby granted to the city of Duluth, in the State of Minnesota, to acquire and thereafter operate and maintain either or both of the existing vehicular toll bridges across the St. Louis River, between St. Louis County, in the State of Minnesota, and Douglas County, in the State of Wisconsin, and should said city be unable, after negotiation, to agree with the owners of the respective bridges upon a mutually satisfactory purchase price, then said city is hereby authorized to require the transfer of such bridge or bridges to said city upon payment of the price or prices computed according to the provisions for public acquisition of the bridges by the respective acts of Congress which authorized the original construction of such bridges.

SEC. 2. In order to facilitate interstate commerce, improve the Postal Service, and provide for military and other purposes, said city of Duluth is authorized to construct, maintain, and operate an additional vehicular-toll bridge and approaches across the St. Louis River, at a point suitable to the interests of navigation from St. Louis County in the State of Minnesota to a point in Douglas County in the State of Wisconsin, as approved, within a reasonable time, by the city council of the city of Superior, Wis., and in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act. There is hereby conferred upon said city all rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use such real estate and other property as may be needed for the location, construction, operation, and maintenance of such bridge or bridges and approaches thereto as are possessed by railroad corporations for railroad purposes, or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor to be ascertained and paid according to the laws of the State in which such property may be located, and the proceedings therefor shall be the same as in condemnation or expropriation of property for public purposes in such State.

SEC. 3. Said city of Duluth is hereby authorized to fix and charge tolls for transit over any bridge or bridges acquired or constructed under the provisions of this act, and the rates of toll so fixed shall be such as will pay costs of operation and maintenance and amortize the cost, within the period provided herein, of such bridge or bridges as evidenced by an issue or issues of bonds to pay the cost of such bridge or bridges, which bonds may be so issued subject to and in accordance with the pertinent laws of the State of Minnesota. All such bonds shall be in a form not inconsistent with this act and shall mature at such time or times as the city may determine, not exceeding 20 years from the date of approval of this act. The city, when it deems it to be in the best interests of the city, may issue refunding bonds to repurchase and redeem any outstanding bonds before the maturity thereof: *Provided*, That the refunding bonds shall mature at such time or times not exceeding 30 years from the date of approval of this act, as the city may determine. An accurate record of the cost of any bridge or bridges and their approaches acquired or constructed, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 4. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the city shall deliver deeds or other suitable instruments of conveyance of the interest of the city in and to the bridge or bridges extending between the State of Minnesota and the State of Wisconsin that part of said bridge or bridges within Minnesota to the State of Minnesota or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Minnesota interests"), and that part of said bridge or bridges within Wisconsin to the State of Wisconsin, or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereafter referred to as the "Wisconsin interests"), under the condition that the bridge or bridges shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Minnesota interests and the Wisconsin interests as may be agreed upon; but if the Minnesota interests and the Wisconsin interests fail to accept or are not authorized to accept, their respective portion of said bridge or bridges, then the city may deliver deeds or other suitable instruments of conveyance of said portions to any other interest which may accept and may be authorized to accept the same under the conditions that the bridge or bridges shall thereafter be free of toll and be properly maintained, operated, and repaired by said interest to whom said conveyances are delivered; but if either the Minnesota interests, or the Wisconsin interests, or any other interest hereinabove mentioned shall not be authorized to accept or shall not accept the same under such conditions, then the bridge or bridges shall continue to be owned, maintained, operated, and repaired by the city of Duluth as a free bridge. The rate or rates of toll for any bridge now or hereafter constructed across the St. Louis River between St. Louis County in Minnesota and Douglas County in Wisconsin shall not be reduced below the rate or rates now in effect so long as any bonds of said city of Duluth issued for account of any bridge or bridges acquired or constructed under the provisions of this act may be outstanding, subject, however, to the provisions regulating toll contained in the act of March 23, 1906.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

Uncle Sam's "Trouble Shooters"

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

ARTICLE BY RUBEN LEVIN

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mr. Ruben Levin which has appeared in the June issue of the following magazines: The Railway Clerk, Journal of the Switchmen's Union, Railway Carmen's Journal, Train Dispatcher, the Boilermakers' Journal, and the Machinists Journal.

UNCLE SAM'S "TROUBLE SHOOTERS"—DEPARTMENT OF LABOR CONCILIATORS DON'T TALK MUCH BUT ARE DOING A MIGHTY EFFECTIVE JOB

(By Ruben Levin)

Under the command of the Department of Labor, a corps of 50 "trouble shooters"—officially, commissioners of conciliation—are quietly at work throughout the nation, averting a strike here, settling a strike there, solving a thousand and one deadlocks between labor and management.

They don't talk much about their work and they don't get much play in the headlines. They do their tasks behind the scenes and look for no glory other than the satisfaction of a job well done.

Just how do they operate? What have they accomplished? What are they up against?

Their story might best be told by turning back the pages of history a bit. It was something over 26 years ago when portly President William Howard Taft signed an act of Congress that marked a milestone in national recognition of the workingman.

The act set up the Department of Labor and Taft's signature to it was his last official gesture before he left the White House on March 4, 1913. A day later another President, Woodrow Wilson, chose as head of the new Department a man who had known the meaning of toil since the age of 8. He was Congressman William B. Wilson, namesake of the President, though unrelated. "Billy" Wilson had been a breaker boy in the mines of Pennsylvania before he had passed his eighth birthday. He became a leader in the Miners' Union, rising to international secretary, and finally going to the Halls of Congress.

The act creating the Department of Labor was "Billy" Wilson's brain child. As chairman of the House Labor Committee, he had helped guide it through the Nation's lawmaking body, and it was fitting that he be named to pilot the new department.

Conciliation of labor disputes was laid down as the principal aim of the Department. Wilson steered it that way and by its first birthday he was able to report he had helped settle "several" such disputes.

Year by year the conciliation end grew. By 1917 it emerged as a separate subdivision, known as the Conciliation Service, managed

by Hugh Kerwin, who had been "Billy" Wilson's efficient secretary in Congress.

For 20 years Kerwin remained at the helm. At his death, 2 years ago, his place was taken by one of his conciliators, Dr. John R. Steelman, soft-spoken southerner, who, after a background as harvest hand and lumberjack, went through five colleges, got a degree of doctor of philosophy, and did a number of turns as professor of economics.

In the 26 years since "Billy" Wilson started the job of conciliation, the Department has handled nearly 25,000 cases involving about 25,000,000 workers. During the past year alone Dr. Steelman and his staff of 50 peacemakers have disposed of 4,231 cases covering 1,600,000 working men and women. Quite a stride in a quarter century.

In doing the job the Conciliation Service has rolled up a batting average of 90 to 95 percent. It has chalked up that record of cases successfully settled in spite of the fact, as Dr. Steelman puts it, that "we have no law to enforce; we have no police power; we can't make anybody do anything."

No wonder the service has become recognized by Secretary of Labor Frances Perkins and Assistant Secretary C. V. McLaughlin as one of the most valuable adjuncts of the Department of Labor. McLaughlin, who is himself a veteran labor leader and vice president of the Brotherhood of Locomotive Firemen and Enginemen, is convinced that the Conciliation Service has done a fine job, worthy of the highest praise.

Little of what the Conciliation Service does makes the front pages of newspapers. It hands out no press releases, other than a skeleton weekly list of "cases adjusted" and "new cases assigned." Yet it is doing dramatic work of the kind that makes a dramatic story.

Time and again a Federal conciliator has walked in while management and labor were at loggerheads, and won a settlement when a strike seemed inevitable. How does he do it? A few examples will give a better idea than a detailed explanation.

Recently a steamship company had two of its ships tied up in a southern port by a strike of crews. They charged the firm had violated a contract by hiring men off the docks instead of through the union hiring hall. Within a day, a conciliator was on the job.

He found both sides at swords' points. The management insisted it had not infringed on the contract. The union demanded all who were employed from the docks, as well as others who scabbed, be fired, forthwith.

After long and temper-straining conferences, the conciliator worked out a compromise that both groups accepted. It provided that the men whom the union wanted discharged be required to report at union headquarters for discipline and be placed on probation by the union for a year. Everything seemed settled.

But there's the proverbial slip between the cup and the lip. Those who were to be disciplined refused to report at the union offices. Whereupon the union sent new men to take their places. The "scabs" started a free-for-all fight, however, blocked the union men from going aboard, and the whole settlement faced collapse.

The conciliator had to start over again. This time he suggested the entire crews of the two ships be paid off and new crews be hired through the union. That way, he said, was the only remaining hope for peace. The management agreed, the union supplied the men, and the ships sailed.

One of the toughest nuts conciliators must often crack is a deadlock between management and labor over a closed shop. To solve this the conciliator must figure out many an alternative for the 100-percent union shop. An unusual solution was put forward in Washington during a strike of workers at several cafeterias in Government buildings.

The union demanded a closed shop and check-off of dues. A semi-Government association operating the cafeterias rejected the demand. A conciliator stepped into the picture and developed a plan by which a sum equivalent to dues was to be deducted from each worker but he was to be left free to assign the sum to the union or to a charity. In nearly all cases the union was designated. Above all, it won its point that every employee should pay equally for the benefits the union obtained for him.

Refusal of employers to sign contracts likewise produces stalemates that often tax the ingenuity of the conciliators. Here's how one of the Federal men solved such a situation in the case of a southern manufacturer: The employer orally reached an agreement with a union, put the terms of the pact into effect, but wouldn't sign a written contract.

The conciliator devised a plan that avoided a strike. He persuaded the employer to reduce the terms to writing and sign them. Then the conciliator and the union's executives likewise added their signatures as witnesses. Thus while this did not literally constitute a contract it was a legal equivalent to it and the union approved.

To do an effective job, the conciliator must have a combination of mediating skill, a fertile imagination, and a good grounding in both unionism and industrial problems, Dr. Steelman pointed out. He can't use any cut-and-dried formula, since each case presents a different situation.

However, customarily this technique is followed: The conciliator tries to get the real facts of the controversy; he learns the exact position of the rival parties; he seeks to get them together at the roundtable in a friendly atmosphere, and, finally, he thinks up settlements to which both can agree.

"We operate on the theory that a dispute settled at the conference table is more likely to stick than one fought out at the picket line, and it is less likely to leave bitterness," Dr. Steelman explained.

By and large, employers are getting accustomed to the idea of collective bargaining, but they haven't as yet accepted it as thoroughly as have employers in Great Britain, Dr. Steelman declared. Until they do, the Conciliation Service has plenty of work ahead, he is sure.

The enactment of the National Labor Relations Act hasn't reduced the activities of the Conciliation Service. In fact, because of the rapid growth of unionism since the act was passed, the Service has more to tackle than it ever had, Dr. Steelman made it clear.

More and more unions, as well as management, are resorting to conciliation, he said. Some unions have a fixed policy of requiring use of conciliators before a strike is called. One of these is the International Association of Machinists. It will give strike sanction to a local lodge only on condition that a conciliator first be called to exhaust his efforts.

Acting President Harvey W. Brown of the machinists thinks the policy has had very good results.

"We have found that in a great many instances the entrance of a Federal conciliator has made it possible to obtain satisfactory settlements without the need of a strike," Brown said.

It's Dr. Steelman's hope that other unions may follow this example. He is a strong champion of unionism and collective bargaining as the way to industrial peace and as a fundamental protection of democracy.

"I believe free, self-governing unions are a bulwark of democracy," he asserted "Through no other means can labor bargain with industry on a semblance of equality. Labor unions can be the greatest stabilizing influence for industrial peace in any democracy."

The Jewish Homeland and the Palestine Mandate

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. McCORMACK. Mr. Speaker, the association of the Jewish people with Palestine dates back over 4,000 years. During all that time Jews have resided almost continuously in Palestine, having established Jewish commonwealths at two different periods.

The second Jewish commonwealth was destroyed by the Romans under Titus in the year A. D. 70. About 65 years later, under the Emperor Hadrian, the Romans, after a long struggle, crushed the final attempt to revive the Jewish commonwealth. From that time on, while Jews continued to live in Palestine, they ceased to be the ruling factor there.

The country passed into the hands of many Moslem conquerors, and for about a century was ruled by the crusaders, but the stagnation which set in when the Jews ceased to rule grew worse as time went on, so that by the middle of the nineteenth century the land became bare and dry as a desert.

This was the condition of the country when Jews established their first agricultural settlement in 1878 at Petach Tikvah near Jaffa. This was followed by the founding of others, and the settlement of Jews in Palestine received great impetus from the Zionist movement which was founded in 1897.

The aim of the Zionist movement, as restated by the Seventeenth Zionist Congress held in 1931, is as follows:

> Zionism is a national movement to secure the freedom of the Jewish people. It adheres firmly and unalterably to its aim to bring about in Eretz Israel (the land of Israel) the solution of the Jewish problem.
>
> The homeless and landless Jewish people, which is compelled to migrate, strives to overcome its political, economic, and spiritual condition by reestablishing itself in its historic homeland through an uninterrupted immigration and settlement and by re-creating in Eretz Israel its national life with all the essential features of a people's existence.

Up to the World War, Palestine was one of the provinces of the Turkish Empire, and by the latter part of 1917 the British Army had already taken the southern part of the country and had advanced up beyond the Jaffa-Jerusalem line. It was at about this time on November 2, 1917, that

the British Government issued what has come to be known as the Balfour declaration, which reads as follows:

His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine, or the rights and political status of Jews in any other country.

The text of this declaration was submitted to President Wilson and was approved by him before its publication. On the 14th of February and the 9th of May 1918 the French and Italian Governments publicly endorsed it. This document was the result of the combined effort of the principal allied governments, including the American Government, and was a decision openly arrived at and publicly declared before the world.

The end of the World War left the problem of Palestine as one of the many questions for the peacemakers. American interest in the future of the Holy Land soon manifested itself. My own State of Massachusetts was the first to take action. Three resolutions were adopted by our legislature, all urging the restoration of the Jewish commonwealth in Palestine; one on February 13, 1919; one on May 5, 1920; and a joint order of the senate and the house of representatives on March 29, 1922. These resolutions read as follows:

The Commonwealth of Massachusetts, in the year 1919

Resolutions relative to the establishment of a Jewish homeland in Palestine and the protection of Jewish rights and liberties in the settlement of the European war

Whereas the future prosperity and peace of the world depend upon a just settlement of the European war whereby every nationality, however small, shall be granted the right to determine its own destiny and the opportunity of living its own life; and

Whereas the Government of the United States is recognized as an ardent exponent of the rights of the small nations: Therefore, be it

Resolved, That in the opinion of the House of Representatives of the Commonwealth of Massachusetts, the national aspirations and historic claims of the Jewish people with regard to Palestine should be recognized at the peace conference, and that, in accordance with the British Government's declaration of November 2, 1917, there should be established such political, administrative, and economic conditions in Palestine as will assure the development of Palestine into a Jewish commonwealth, and that the American representatives at the peace conference should use their best endeavors to accomplish this object; and be it further

Resolved, That, in the opinion of the House of Representatives of Massachusetts, express provision should be made at the peace conference for granting to the Jewish people in every land the complete enjoyment of life and liberty and the opportunities for national development, to the end that justice may be done to that people which, in the long course of history, has suffered more than any other on earth; and be it further

Resolved, That a copy of these resolutions be transmitted by the secretary of the Commonwealth to the President of the United States.

In the house of representatives, adopted February 13, 1919.

A true copy. Attest:

ALBERT P. LANGTRY,
Secretary of the Commonwealth.

The Commonwealth of Massachusetts, in the year 1920. An order relative to the official recognition by the Powers of the right of the Jewish people to a national existence in Palestine

Ordered, That the Massachusetts House of Representatives greets with profound satisfaction the official recognition by the Powers of the right of the Jewish people to a national existence in Palestine and that it deeply rejoices to see the national liberation of the children of Israel, who will once more shed luster on our civilization; that it hails the Jewish national restoration to the ancestral soil as a triumph of justice, for which all mankind should be grateful; that it urges the Government of the United States of America to use its best endeavors to facilitate the speedy development of Palestine into a Jewish national homeland, for only on its own soil can the Jewish people live its own life and make, as it has made in the past, its characteristic and specific contribution to the spiritual treasure of humanity; and be it further

Ordered, That copies of this order be forwarded by the secretary of the Commonwealth to the President of the United States, to the Senators and Representatives in Congress from this Commonwealth, and to the Zionist Organization of America.

In house of representatives, adopted, May 5, 1920.

A true copy.

Attest:

ALBERT P. LANGTRY,
Secretary of the Commonwealth.

The Commonwealth of Massachusetts

Whereas the Supreme Council of the Allied Peace Conference, meeting at San Remo, recognized the right of the Jewish people to a national existence in Palestine and conferred upon Great Britain a mandate over Palestine; and

Whereas the various great nations of the world have approved the establishment of the national homeland for the Jews in Palestine; and

Whereas the people of the United States, individually and through their spokesmen in Congress, and by leading men in all walks of life, have expressed their gratification at the realization of the national hopes of the Jews; and

Whereas the General Court of Massachusetts views with pleasure the progress of the Jewish people in Palestine in developing the economic resources of the country, in founding institutions of learning and in creating a spiritual center so that it may better serve mankind: Therefore be it

Ordered, That the General Court of Massachusetts urges the Government of the United States to formally recognize the present status of the Jewish people in Palestine and thus to approve the fulfillment of its yearning desire for a national home in the land of its forefathers; and be it further

Ordered, that copies of this order be sent by the secretary of the Commonwealth to the President of the United States, to the presiding officers of both branches of Congress, to each of the Senators and Representatives in Congress from Massachusetts, and to the Zionist Organization of America.

House of representatives, March 29, 1922, adopted. Sent up for concurrence.

JAMES H. KIMBALL, *Clerk.*

Senate, March 29, 1922, adopted in concurrence.

WILLIAM H. SANGER, *Clerk.*

A true copy. Attest:

F. W. COOK, *Secretary of the Commonwealth.*

Following this action, the Sixty-seventh Congress of the United States adopted unanimously a joint resolution favoring the establishment of the Jewish National Home in Palestine, using the language of the Balfour declaration. This resolution was introduced in the Senate by the late Henry Cabot Lodge, who was then chairman of the Committee on Foreign Affairs, and in the House of Representatives by Congressman HAMILTON FISH. This unanimous action of the Congress makes the establishment of the Jewish homeland in Palestine a favored ideal of the foreign policy of the United States. This Lodge-Fish resolution reads as follows:

Joint resolution favoring the establishment of a national home for the Jewish people

Sixty-seventh Congress of the United States of America; at the second session begun and held at the city of Washington on Monday, the 5th of December 1921

Resolved, etc., That the United States of America favors the establishment in Palestine of a national home for the Jewish people, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of Christian and all other non-Jewish communities in Palestine and that the holy places and religious buildings and sites in Palestine shall be adequately protected.

T. H. GILLETTE,
Speaker of the House of Representatives.
ALBERT B. CUMMINS,
President of the Senate Pro Tempore.

Approved September 21, 1922.

WARREN G. HARDING.

That my home State of Massachusetts is still in favor of the establishment of the Jewish homeland is clear from the joint resolution adopted unanimously by the General Court of Massachusetts on May 12, 1939, which reads as follows:

The Commonwealth of Massachusetts, in the year 1939—Resolutions memorializing Congress relative to the Jewish national home in Palestine

Whereas recognition has been given by the nations of the world to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in that country; and

Whereas the United States of America has given its approval to the reestablishment of the Jewish national home in Palestine, as embodied in a resolution adopted by the Congress of the United States known as the Lodge resolution; and

Whereas the General Court of Massachusetts deplores the persecution of peoples in any land based upon racial bigotry and religious intolerance and has on previous occasions expressed its sympathetic interest in the Jewish national aspirations: Therefore be it

Resolved, That the General Court of Massachusetts expresses its concern in the welfare of the Jewish national home and its admiration of the progress made in Palestine by the efforts of the Jewish pioneers;

That it is inspiring to behold an ancient people return to the land of its origin for the purpose of being able to live its own life,

to develop their own culture and civilization, and to mold its national destiny; and

That it views with favor the achievements of the Jewish pioneers in Palestine where opportunities were created for tens of thousands of Jews to return to the land of their fathers as of right and not on sufferance; and be it further

Resolved, That the United States of America be, and is respectfully, solicited to use its good offices for the purpose of safeguarding the integrity of the Balfour declaration and the interest of the Jewish National Home, in accordance with the terms of the Palestine mandate, and to the end that the doors of Palestine may be opened for the purpose of admitting the homeless Jewish victims of racial bigotry and religious intolerance, where they may find the opportunity of rebuilding their broken lives; and be it further

Resolved, That copies of these resolutions be forwarded by the secretary of the Commonwealth to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives, and to the Representatives in Congress from this Commonwealth.

In senate, adopted May 11, 1939, Irving N. Hayden, clerk.

In house of representatives, adopted, in concurrence, May 12, 1939, Lawrence R. Grove, clerk.

A true copy.

Attest:

F. W. Cook,
Secretary of the Commonwealth.

Every President of the United States since President Wilson—Presidents Wilson, Harding, Coolidge, and Roosevelt—has expressed himself in favor of the establishment of the Jewish homeland in Palestine. The expressions have been frequently made by all of the Presidents. A few of these typical statements are here quoted.

President Franklin D. Roosevelt (October 1932):

Out of the World War came a matter of great spiritual significance—the establishment of a homeland for the Jewish people, recognized as such by the public law of the world. In the realization of this aim, the United States played a leading role.

Jewish achievement in Palestine since the Balfour declaration vindicates the high hope which lay behind the sponsorship of the homeland. The Jewish development in Palestine since the Balfour declaration is not only a tribute to the creative powers of the Jewish people but by bringing great achievement into the sacred land has promoted the well-being of all the inhabitants thereof.

As recently as July 2, 1938, in a letter addressed to the Zionist Organization of America, on the occasion of its convention, he wrote:

It gives me great pleasure to reiterate all the friendly sentiments which I have expressed to the Zionist Organization of America. I have watched the rehabilitation of the Jewish homeland with deep interest through many years and trust that the forthcoming convention of your organization will be fruitful of wise counsels and constructive action towards the realization of a noble ideal.

President Herbert Hoover, September 1928:

I have watched with genuine admiration the steady and unmistakable progress made in the rehabilitation of Palestine which, desolate for centuries, is now renewing its youth and vitality through the enthusiasm, hard work, and self-sacrifice of the Jewish pioneers who toil there in a spirit of peace and social justice. It is very gratifying to note that many American Jews, Zionists as well as non-Zionists, have rendered such splendid service to this cause which merits the sympathy and moral encouragement of everyone.

President Calvin Coolidge:

The proposed plan furnishes to the Jewish people an opportunity to devote their great qualities to the upbuilding and preservation of their own homeland and in their own sphere, and I feel sure that the people of the United States will not fail to give that earnest and substantial aid which will be necessary if it is to meet with a full measure of success.

President Warren G. Harding (May 1922):

I am very glad to express approval and hearty sympathy for the effort of the Palestine foundation fund, in behalf of the restoration of Palestine as a homeland for the Jewish people. I have always viewed with an interest, which I think is quite as much practical as sentimental, the proposal for the rehabilitation of Palestine and the restoration of a real nationality.

President Woodrow Wilson (August 1918):

I welcome an opportunity to express the satisfaction I have felt in the progress of the Zionist movement in the United States and in the Allied countries since the declaration by Mr. Balfour on behalf of the British Government, of Great Britain's approval of the establishment in Palestine of a national home for the Jewish people, and his promise that the British Government would use its best endeavors to facilitate the achievement of that object, with the understanding that nothing would be done to prejudice the civil and religious rights of non-Jewish people in Palestine or the rights and political status enjoyed by Jews in other countries.

In 1922, Great Britain was given a mandate for Palestine by the League of Nations. A High Commissioner is appointed by Britain who has practically all governmental authority, subject to the control of the British Colonial Office and subject also to a report to the League of Nations. The mandate itself in its preamble recites "that the mandatory shall be responsible for putting in effect the declaration originally made on November 2, 1917," and in the next clause that "recognition has thereby been given to the historical connection of the Jewish people with Palestine and to the grounds for reconstituting their national home in the country." Several clauses of the mandate itself deal directly with steps to be taken to facilitate the establishment of the Jewish homeland.

This mandate was ratified after a full and public discussion by 52 nations affiliated with the League of Nations. The United States, not being a member of the League, ratified the mandate by a treaty with Great Britain, dated December 3, 1924. This treaty recites the whole of the mandate, including its preamble. There are only eight articles in the treaty itself which deal mainly with American rights and interests in Palestine, but article 1 of the treaty must have special significance. It reads as follows:

Article 1. Subject to the provisions of the present convention the United States consents to the administration of Palestine by His Brittanic Majesty, pursuant to the mandate recited above.

This article read in the light of the participation of our Government in the series of events which led to the adoption of the mandate can lead to no other conclusion than that it is another approval by our Government of the expressed main purpose of the mandate—the establishment of the Jewish homeland in Palestine.

Relying upon the assurances given in the Balfour declaration and the mandate, the Jewish population of the country has grown from 55,000 in 1918 to about 450,000. Of this number about 300,000 are immigrants. Competent authorities estimate that Jews have brought about $450,000,000 of capital into the country. They have built up 250 agricultural settlements with a population of 97,000 who make their living from the soil. Jews have again become farmers as in the biblical days and have made the soil of the Holy Land produce crops where only a generation ago were bare sand dunes and desert.

Even more impressive has been the urban development. Tel Aviv, from a small suburb of Jaffa, has grown in 20 years to an all-Jewish city of 150,000, with all the modern comforts of a western city. Haifa, from an unimportant port, has become the busiest shipping center of the Mediterranean.

During the latter part of 1936 the British Government sent the Palestine Royal Commission to make an investigation of conditions in Palestine. A royal commission is a very important body as it received its authority directly from the Crown unlike the usual investigating commission which may be appointed by one of the Government departments. The Royal Commission spent some months in Palestine and made an extended examination into all phases of the problems of Palestine, going back to the earliest times. Its report of 400 pages was published in July 1937 and contains a wealth of information. Most of the quotations cited in this address are from this report.

On page 116 of the Palestine Royal Commission Report:

With every year that passes, the contrast between this intensely democratic and highly organized modern community and the old-fashioned Arab world around it grows sharper, and in nothing, perhaps, more than on its cultural side.

One item cited by the commission in support of the above remark is exceedingly interesting. It is as follows:

Perhaps the most striking aspect of the culture of the National Home is its love of music. It was while we were in Palestine, as it happened, that Signor Toscanini conducted the Palestine Symphony Orchestra, composed of some 70 Palestine Jews, in 6 concerts mainly devoted to the works of Brahms and Beethoven. On

each occasion every seat was occupied, and it is noteworthy that one concert was reserved for some 3,000 workpeople at very low rates, and another 3,000 attended the orchestra's final rehearsal. All in all, the cultural achievement of this little community of 400,000 people is one of the most remarkable features of the National Home.

The education system maintained by the Jewish homeland has commanded the admiration of all who have come to Palestine. The Palestine Royal Commission on page 336 speaks in the highest terms of the Hebrew University.

The apex of the Jewish educational system is the Hebrew University of Jerusalem. The main purpose of its foundation was a center for postgraduate research in science and the humanities; but the demand for university education among the Jews has been so great that there is now a considerable body of undergraduates. The university has departments of Jewish studies, Oriental studies, general humanities, mathematics, physics, chemistry, botany, and a number of allied sciences; also a special department devoted to cancer research. * * * The university is relatively well provided with laboratories and classrooms; its excellent library is constructed and cataloged on modern lines, and its magnificent site on Mount Scopus possesses ample room for further building when funds permit.

It is remarkable to find on the fringe of Asia a university which maintains the highest standards of western scholarship. On its staff are names well known in Europe and America.

This last sentence has become increasingly true since this report was written in 1937. More and more eminent scholars, who have been forced to leave their posts in Europe, have found a new haven and a new center in which to continue their work. A new medical center with a hospital of 300 beds and all the appurtenant laboratories has now been added to the Hebrew University through the efforts of Hadassah, the American Women's Zionist Organization, working together with the American Physicians' Committee. This structure, completed at a cost of $1,000,000, is the culmination of years of work by Hadassah, which began to send physicians and nurses to Palestine a few years before the World War.

The late Senator Copeland, of New York, himself a physician and a former health commissioner of the city of New York, had the highest praise for the great work done for the health of the country. In an article describing his trip to Palestine in 1937, he wrote:

Next to the great sanitation work carried out in Panama by American genius, there has been no greater achievement in the field of public health anywhere in the world than the sanitation program put into effect in Palestine by American Jews.

In another of his articles, describing the results of his visit to Palestine, Senator Copeland made this very interesting observation:

As our survey progressed, it became ever clearer to us that the Jews brought to Palestine an improvement in social welfare which is still undreamed of in the neighboring countries. They poured into the desolate Holy Land their boundless energy, large sums of capital, and scientific abilities. Within 15 years, the Zionist pioneers raised the standard of living of the entire population to a level which stands high above that of the Asiatic environment.

On page 124 of its report the Palestine Royal Commission makes this observation:

It is impossible, we believe, for any unprejudiced observer to see the National Home and not to wish it well. It has meant so much for the relief of unmerited suffering. It displays so much energy and enterprise and devotion to a common cause. Insofar as Britain has helped toward its creation, we would claim, with Lord Balfour, that to that extent, at any rate, Christendom has shown itself "not oblivious to the wrong it has done."

On page 129 of its report, the Royal Commission summarizes its conclusions as to the advance made by Palestine on account of the establishment of the Jewish National Home:

(1) The large import of Jewish capital into Palestine has had a general fructifying effect on the economic life of the whole country.

(2) The expansion of Arab industry and citriculture has largely been financed by the capital so obtained

(3) Jewish cultivation has done much to improve Arab cultivation, especially citrus.

(4) Owing to the Jewish development and enterprise, the employment of Arab labor has increased in the urban areas, especially in the ports.

(5) The reclamation and antimalarial work undertaken in the Jewish "colonies" have benefited Arabs in the neighborhood.

(6) Institutions founded with Jewish funds primarily to serve the national home have also served the Arab population. Hadassah, for example, treats Arab patients, notably at the tuberculosis hospital at Safed, and the radiology institute, at Jerusalem, admits Arab countryfolk to the clinic of its rural sick-benefit fund, and does much infant-welfare work for Arab mothers.

(7) A general beneficent effect of Jewish immigration on Arab welfare is illustrated by the fact that the increase in Arab population is most marked in urban areas affected by Jewish development. A comparison of the census returns in 1922 and 1931 shows that 6 years ago the increase percent of Haifa was 86, in Jaffa 62, in Jerusalem 37, while in purely Arab towns such as Nablus and Hebron it was only 7 and at Gaza there was a decrease of 2 percent.

Every bit of land that the Jews in Palestine occupy has been obtained by purchase, and always at a high price. It is estimated that since the World War Arabs have collected from Jews the equivalent of $50,000,000 for land sold to Jews. For the period of 16 years, up to 1937, Jews have acquired 682,000 dunams—about 175,000 acres—of land, at a cost, according to the registered value, of £7,731,000—about $38,655,000. Land acquisitions during this period have averaged 43,000 dunams—about 10,750 acres—annually. At this rate, it should be observed that it would take 150 years to purchase half the land of Palestine, or 300 years, if the southern districts of Bersheeba and the Negeb are to be included.

Even at high prices, Jews usually got poor land—swamp or sand dunes. Most of this area became good land as a result of intelligent work and effort. And all this effort has not been the cause of ousting any number of the Arabs from their land. The Palestine Royal Commission, on page 240 of its report, points out that while 3,271 applications for resettlement were received by the Government up to January 1936, only 664 were admitted to the register, 2,607 being disallowed.

As indicated above, American Jews have participated to a very important degree in the work of building up the Jewish homeland. About 12,000 American Jews have settled in Palestine, bringing with them the sum of $80,000,000 in the form of gifts and investments. They have given the country the benefit of American learning and experience, but their presence in Palestine has been encouraged by the stand of the American Government in favor of the Jewish homeland.

Opposition to the continuance of the Jewish homeland is being raised by certain elements of Palestinian Arabs. The objections are based upon a claim that Palestine was included in the area promised by Sir Henry McMahon, the British High Commissioner for Egypt, to King Hussein, of Mecca, in negotiations seeking to induce the Arabs to join the British against the Turks. This correspondence took place in 1915. The main body of this correspondence has remained a secret up to a month ago, when a large part of it was published by a committee, consisting of British officials and some Arab representatives who attended a conference held the early part of this year at London. However, the correspondence, so far as it affects the areas involved, has been known as far back as 1922, when Arabs first made the claim to the British Government that Palestine was included in the territory to become part of an Arab state. It has always been known that there were certain reservations made in the McMahon-Hussein letter, excluding certain specified territory and also territory in which there were arrangements made with the French Government.

The British have always contended that western Palestine was excluded. Sir Henry McMahon wrote in a letter dated as recently as July 23, 1937, in the London Times:

I definitely and emphatically must declare that the promise to King Hussein for independence did not include Palestine. I also had every reason to believe that at the time the fact that Palestine was not included in this pledge was well understood by King Hussein.

It should be noted that the entire correspondence that the British had upon this subject and the whole discussion took place with King Hussein of Arabia. The Arabs of Palestine were not a party to it. They do not appear in it at all. The only persons on the Arab side qualified to tell what the intentions were at the time are King Hussein and his representatives.

The official Arab view of the Balfour declaration with respect to Arab territory was expressed by Emir Feisal, the son of King Hussein. Feisal was for a short time after the close of the World War King of Syria until he was expelled by the French and later became King of Iraq when that State was set up in a treaty with the British. During the Arab rebellion he was the commander of the Arab forces and was the chief Arab collaborator with Lawrence. At the peace conference he was the head of the Arab delegation. In a letter to Professor Frankfurter, dated March 1919, Emir Feisal wrote:

> The Arabs, especially the educated among us, look with deepest sympathy on the Zionist movement. Our deputation here in Paris is fully acquainted with the proposals submitted yesterday by the Zionist organization to the conference and we regard them as moderate and proper. We will do our best, insofar as we are concerned, to help in their attainment; we will offer the Jews a hearty welcome home.

There is no mistaking this letter and the sentiments here expressed. Emir Feisal was in the best position to know what lands had been promised to the Arabs by Sir Henry McMahon. He was close to the transaction, and this letter, written at a time when the whole transaction was fresh, makes it clear that the official Arabs understood what Sir Henry McMahon, in his letter to the London Times, says they understood—that Palestine was not to be included in the Arab lands.

The recent publication by the British of the McMahon-Hussein correspondence has not added anything to what was already known. All the years of secrecy have given this correspondence a mystery which made it look more formidable than now appears to be warranted.

The British are correct when they make the assertion that it was the victory of the Allies which freed the Arab states. It is perfectly obvious that if General Allenby had not succeeded in defeating the Turks in Palestine that all the efforts made in Arabia by Lawrence and his followers would have come to naught. It does not in any way minimize the brilliance of Lawrence's achievements to point out that the whole Arabian revolt was not the main issue in the Near East campaign. The real test was in Palestine and the fighting there was done by British troops.

Even on this front there were no Palestinean Arabs on the allied side. One of the things that stands out clear in Lawrence's Seven Pillars of Wisdom is that the Arabs who fought with him came from Arabia itself and from Trans-Jordan.

This is further brought out by the British War Premier, Lloyd George, in his book entitled "Memoirs of the Peace Conference." In volume II, page 665, he writes:

> The Arab uprising led by the Sherif of Mecca and his sons took place in 1916. It was financed and equipped by Great Britain. Warriors from oasis and desert flocked to the standard of independence. * * * The Arabs of Palestine who might have been helpful in many ways were quiescent and cowering. Right through the war and up to the end there were masses of Arab soldiers from Mesopotamia, Syria, and Palestine in the Turkish armies fighting against the liberation of their own race.

He treats this subject of Arabic participation in greater detail on page 668 of the same book, where he writes:

> What the Arabs are apt to overlook is the fact that their contribution in the conquest of Palestine and Syria was almost insignificant when compared to that of the British Empire. The Arabs only claimed that their army mustered in all a force of 100,000 light cavalry. Eastern arithmetic is proverbially romantic. * * * The number of troops which Britain put into the Turkish campaign varied from time to time, but the aggregate British forces which attacked Turkey on all fronts and which finally overwhelmed its resistance numbered 1,400,000 men. These numbers had been on the British pay roll, which we know to our cost to this day is not compiled from an imaginary list of warriors. In addition to this immense army there was the indispensable action of the British Navy, which alone enabled these masses with their tremendous equipment to be transported to otherwise inaccessible battle areas.

As a reward for their participation in the war, the Arab peoples have received an area of 1,000,000 square miles, equal to one-third of the area of continental United States, a great deal of it country of immense possibilities. There are three independent kingdoms—Arabia, the ancestral home of the Arabs; Iraq, an immense country that once supported millions of people when it was the seat of the great empires of antiquity, Assyria and Babylon, and today the possessor of the great Mosul oil field; and Transjordan, twice the area of Palestine, with a more fertile soil and a better rainfall, and it, too, was a land which once supported a great population. In addition to this, two Syrian states have the prospect of soon becoming independent. They have a marvelous country with the climate equal to the best of the Temperate Zone, with mountains and plains and rivers and immense possibilities for an industrious people.

Lloyd George, in volume II, on page 723, of his Memoirs of the Peace Conference, points out how well the Arabs fared as a result of the war:

> No race has done better out of the fidelity with which the Allies redeemed their promises to the oppressed races than the Arabs. Owing to the tremendous sacrifices of the Allied nations, and more particularly of Britain and her empire, the Arabs have already won independence for Iraq, Arabia, Syria, and Transjordania, although most of the Arab races fought throughout the war for their Turkish oppressors. Arabia was the only exception in that respect. The Palestinean Arabs fought for Turkish rule.

And it only needs to be added that if Turkey had won the war, in all probability not one of these Arab states would have had the slightest semblance of freedom. Undoubtedly they would have remained what they were before the war—slaves ground under the heel of their oppressor.

If the Arabs had only Palestine to look forward to, there might be some ground for complaint, but they have this immense empire of which a generation ago the more practical of them could not even have dreamed. They have not begun to develop this empire, and their opportunities have been far greater than those of the Jews in Palestine.

The total area of Palestine is 10,000 square miles. Ten thousand miles as against 1,000,000 miles.

To say that the Arabs ruled Palestine is to misquote history. For the past five centuries it was a Turkish province. This question is discussed by the Palestine Royal Commission on page 40 of its report:

> Palestine was different from other Turkish provinces. It was, indeed, unique both as the Holy Land of three world religions and as the old historic homeland of the Jews. The Arabs had lived in it for centuries, but they had long ceased to rule it, and, in view of its peculiar character, they could not now claim to possess it in the same way as they could claim possession of Syria or Irak.

In an attempt to appease elements which have been creating disturbances and terror in Palestine there have been proposals which would in effect retard the growth of the Jewish national home. These are embodied in a White Paper issued by the British Government on May 17 as its proposal for the settlement of the Palestine problem.

The plan set forth in this document is that at the end of 10 years an independent state shall be set up in Palestine; that the Jews shall remain a minority in the country; and that immigration of Jews shall be limited to 75,000 for the next 5 years, further immigration to be dependent upon Arab consent. The high commissioner is given power to restrict land sales to Jews. There are formal pronouncements for the protection of the Jewish National Home.

The most casual examination of this project shows a complete reversal of the policy of Great Britain to the Jewish homeland. The reversal is most noticeable with respect to immigration. The policy on immigration was clearly enunciated in 1922 in the Churchill statement of policy, as follows:

> For the fulfillment of this policy (the Government's policy with regard to the Jewish homeland) it is necessary that the Jewish community in Palestine should be able to increase by immigration. This immigration cannot be so great in volume as to exceed whatever may be the economic capacity of the country at the time to absorb the new arrivals.

Two principles stand out in this statement. There is the recognition of the fact that if there is to be a Jewish National Home, there must be Jewish immigration to make it possible, and that the determining factor of the quantity of the immigration shall be based upon the formula of the "absorptive capacity of the country." Upon this basis it has been the practice in the past for the Government to issue the quota of immigration certificates for each 6 months.

This new plan to arbitrarily limit immigration will slow up the development of the country. With the increase of population in Palestine there has been a corresponding increase of wealth and new and increased possibilities for more immigrants. The prospect that the Jews have now to look forward to is that at the end of 5 years all Jewish immigration will be stopped, for it is next to impossible to believe that consent to further Jewish immigration can be expected from the Arabs.

When the Balfour declaration was issued, it was not intended to establish another ghetto in Palestine. To add to what has already been quoted on this subject, President Wilson's statement of March 5, 1919, found in the Palestine Royal Commission's report on page 34, ought to make this matter clear to Americans. President Wilson said:

> I am persuaded that the Allied Nations, with the fullest concurrence of our Government and people, are agreed that in Palestine shall be laid the foundation of a Jewish commonwealth.

The Jewish population of Palestine has grown from 55,000 in 1918 to its present figure of 450,000. The Arab population has risen from 400,000 in 1920 to about 950,000, an increase of over 50 percent in 17 years. Under Turkish rule the population was almost stationary.

From all this it follows that since the Jewish population will not be allowed to increase by more than 75,000, and since there will be no restriction placed upon Arab immigration, the Jewish National Home will soon be swamped by the surrounding non-Jewish population, and Jews will properaly feel that they have been led into a trap by promises that they would be able to build up a commonwealth, and instead find themselves an ever-decreasing minority, subject, as in Europe, to the whims of an often unfriendly or hostile majority.

Technical protection that is given the Jewish homeland may very well turn out to be of no more value than the proverbial scrap of paper. Minority rights have come to be a phrase without any real meaning. Jews have had ample experience in this direction.

There is precedent for believing that a minority in an Arab-dominated Palestine would not fare well, regardless of what form their legal rights might take. There is the glaring example of what has occurred to the Assyrians in the neighboring country of Iraq. The Assyrians are a remnant of that proud race which once ruled Mesopotamia. Their ancestors established the great empires of that region. Greatly reduced in numbers, they occupied territory in the kingdom of Iraq. Unlike the great majority of the inhabitants of that country, they are Christians whose Christianity dates back to the second or third century. They have suffered terrible persecutions on account of their religion for centuries, but it was under the kingdom of Iraq that they faced extermination. The interference of the League of Nations saved a small remnant of 10,000, who are now living in Syria, and these people are disturbed at what may happen to them when France leaves Syria and they are again a small minority in an Arab state.

It is idle to suggest that if the British could remain in Palestine they would be able to protect Jewish rights. The British were still in Iraq and were unable to save the Assyrians. It is too slender a thread upon which a people can hope to continue its existence. If the world is in earnest regarding its promise to the Jewish people, and the acceptance of the mandate by 52 nations includes most of the world, then the least that can be done is to permit the work of building the Jewish National Home in Palestine upon the firm foundation of the provisions of the mandate.

Although it is not directly connected with the discussion of the Jewish homeland, it might be well to point out to the Christian Arabs of Palestine that they should consider seriously this experience of the Christian Assyrians in the neighboring Iraq. The Palestine Christians are a minority, a much smaller and a much weaker minority than the Jews of Palestine. It does not seem to be the height of good judgment and good tactics for the Christian Arabs of Palestine to be the forefront of this struggle to bring about the Mohammedan domination of Palestine.

One of the arguments advanced for the curtailment of Jewish immigration into Palestine is that the country is already overcrowded. This was the tenor of a report by Sir Hope Simpson as far back as 1930. The government at that time rejected this report, and time has shown that this rejection was correct, as 150,000 Jews and an equal number of Arabs have entered the country since that time, and there are still large stretches of vacant land in the country capable of development and settlement by large population.

The Jewish development of the country has demonstrated as correct the figures on population possibilities of Palestine as set out in the Zionist declaration, submitted to the peace conference. This document reads as follows:

> The population of Palestine in the days of Christ, before the present scientific methods of cultivation were thought of, and when the external trade was not comparable to that now enjoyed in Palestine, amounted to 4,000,000. Evidence was given at the peace conference that in the population of Lebanon, which resembled Palestine in many respects, had a density of 160 per square kilometer. The population of Palestine is only about 50 per square kilometer. On that basis there is room in Palestine for an increase of 3,000,000 without encroaching on the legitimate interests of the people who are now there. Italy, where the conditions are not unlike those of Palestine, in that it is a mountainous country with no minerals, has a population per square mile three times that of Palestine. On the Italian basis, Palestine ought to provide accommodation for a population of 4,000,000.

From this it is apparent that it is entirely within the bounds of possibilities to absorb within 1 year the 100,000 refugees which the Jewish Agency for Palestine says can be accommodated, and also the 10,000 refugee children for whom homes are already provided.

The establishment of the Jewish National Home has been endorsed by the 52 nations which approved the mandate. They acted after long and careful study. The American Congress unanimously adopted the Lodge-Fish resolution after an extended hearing before the House Committee on Foreign Affairs. Five Presidents of the United States have spoken in unmistakenly glowing terms of the accomplishments of Jewish Palestine. American legislatures, including my own State of Massachusetts, have adopted resolutions favoring the reconstitution of the Jewish commonwealth. Distinguished Americans from all walks of life have expressed their approval of the work that Jews have done in Palestine toward the upbuilding of the Jewish homeland. All these responsible nations, high government officials, legislative bodies, and distinguished personalities have acted with great deliberation. It is impossible to believe that such a distinguished company can all be wrong.

It is quite natural that the liberal forces of our country should be so outspoken in favor of the re-creation of the Jewish National Home. The struggles of the Jewish pioneers in Palestine are a repetition of the hardships endured in the settlement of our own country.

As a Bible-reading and a Bible-loving people, we cannot help recalling that it was in Palestine in the days of the Jewish commonwealth that the prophets enunciated those great principles of human rights which are the very foundation of the democratic ideal. The Pilgrim Fathers, in founding my home State of Massachusetts, built these prophetic principles into the government which they established. Other colonies based their governments upon the same ideals. These same principles, extended and developed by American colonial experience, have become an integral part of the Constitution of the United States and have contributed greatly to the modern democratic processes of our Government, under which personal liberty and individual human rights are guaranteed and protected.

Today a new democracy is growing up in the Jewish homeland in Palestine, founded upon these same principles. This infant democracy has withstood the test for the past 3 years, in which it has had to struggle against the forces of terror unleashed by hatred and allied to the medieval reaction of

totalitarianism. Throughout these 3 years the Jewish homeland has stood firm in its defense and resisted every attack. Fighting only in self-defense, the Jews of the homeland have shown that they are firmly rooted into the sacred soil. They have shown that they are capable of maintaining themselves. Our great country, founded upon the principles of freedom and justice, should extend every possible aid to this new democracy, the Jewish homeland, and exert every possible effort to prevent the attempt to curtail its continued development.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

ARTICLE BY DAVID LAWRENCE

Mr. DISNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following article by David Lawrence, which appeared in the Washington Evening Star of July 5, 1939:

[From the Washington Evening Star of July 5, 1939]

HOUSE PLAYS INTO HANDS OF DICTATORS—MANDATORY EMBARGO SEEN AS CURB ON DEMOCRACIES' SUPPLIES

(By David Lawrence)

Cables from Rome and Berlin express liking for what the House of Representatives did the other day in its so-called neutrality bill and cables from London and Paris do not.

Anybody who says America, and particularly the House of Representatives, isn't taking sides already in the world crisis just isn't realistic. That's why the administration, which has all along drawn a distinction between totalitarian states and democracies, feels deeply the rebuff which the House gave to the policy which has for the last 3 years been conducted by the Department of State under Secretary Hull—a policy of open sympathy with the democracies as against dictatorship.

In many respects Mr. Hull is one of the most outstanding men in the country, having earned the respect of Republicans as well as Democrats. His course of action throughout the European crises of the last 3 years has been one of stanch Americanism. He has not approved by any means some of the steps taken by the British and the French, but he has disapproved even more what the dictatorship states have done.

Under the circumstances to find the House of Representatives openly taking sides with the Nazis of Germany and the Fascists of Italy in the all-important matter of neutrality is to bring clearly into view how difficult it is for the foreign policy of the United States to be conducted these days. The Constitution gives to the President and the Secretary of State the rights to make foreign policy and gives to the Congress the right to declare war. The controversy today is over the steps which might lead America into war against her will through a set of circumstances operating in the period prior to the outbreak of a world war.

HULL CONVINCED PEACE DESIRED

Mr. Hull is convinced that the American people want peace; that they do not want a single drop of American blood spilled in aid of either side in Europe's quarrels, and that not a single soldier or sailor should be pledged to go overseas again as in 1917.

But how to keep America out of a world war, how to keep American troops and sailors from being drawn into the combat in Europe? This is the central question on which opinions differ. In fairness to the men who voted last week to prohibit the shipment of arms and munitions to European countries in wartime they think this is one way to keep America out. But in all sincerity the administration thinks this is the very way to bring on war.

The reason for these differences is that a propaganda has been widely spread that if the United States had not shipped munitions to Europe in the last war there would have been no German submarine attacks on American ships, and the United States would not have been involved. The fact is the German Navy attacked every vessel, whether or not it carried munitions. Ships flying the American flag and destined for neutral countries like Sweden and Denmark were blown up at sea. The German command in effect was that neutral countries give up the right to travel on the ocean. This the United States refused to do.

UNITED STATES WOULD FIX ZONES

Today the administration is willing to agree to a provision which shall keep Americans from traveling in combat zones but is not willing to surrender to any foreign government the right to say whether these zones shall be 3 miles outside of this country en route to South America or whether the zones shall be 3,000 miles away.

Of more immediate importance is the fact that America is the supply house of the world. If Germany objects to American cargoes, the objection can be raised against American wheat and corn and materials needed to supply civilian populations abroad as much as against actual war implements. The House last week by its bill barred munitions but not airplanes. This shows the embarrassment which legislators can make when they do not permit the President and Secretary of State to conduct foreign relations. For while Congress has the right to declare embargoes relative to wartime, there is no justification for writing embargoes into law now unless it is to notify one side or the other of the help they might possibly expect. To say to Germany and Italy that part of the British and French supply house will be shut off is to take sides.

To stand on the established principles of international law and to notify the world that the Congress will meet at the outbreak of a world war, giving due weight to the circumstances existing at that time, is to follow historic and traditional American policy. Any other course means misunderstandings and encouragement for one side or the other.

ANSWER READ BY ACTION

What the House has done at this time is being construed in Germany and Italy as help for them and a refusal of help to Britain and France. This tends to encourage the war-seeking elements in the dictatorship states, who are being asked to believe again as were German militarists in 1914, that under no circumstances or provocation would the United States give any help to the Allies.

A movement to embargo arms and munitions to the Allies from the United States was started in 1914 and became one of the principal issues which divided pro-German and anti-German sentiment in the 3 years preceding the war. The belief that America was pro-German encouraged the Berlin navalists to declare unrestricted submarine warfare and had the effect ultimately of drawing America into the fray in order to protect her rights on the high seas.

To keep out of war absolute neutrality is essential, and the rules are written in the code of international law, which does not require any act of Congress whatsoever to be announced as America's foreign policy till further notice.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. JOHN KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

ARTICLE BY CHARLES G. ROSS

Mr. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following article by Charles G. Ross, entitled "Neutrality Bill Vote Reveals Partisanship," which appeared in the Washington Evening Star of July 3, 1939:

[From the Washington Evening Star of July 3, 1939]

NEUTRALITY BILL VOTE REVEALS PARTISANSHIP—ONLY SEVEN REPUBLICANS OPPOSED VORYS AMENDMENT

(By Charles G. Ross)

Many of those who voted in the House the other night to cut the heart out of the administration's neutrality bill were inspired, no doubt, by the highest motives. But if you don't believe that sheer partisan politics—the desire to swat the administration—also played a heavy part, take a look at the roll-call vote by which the cutting operation was performed.

The vote was on the Vorys amendment rejecting the proposed outright repeal of the arms embargo in the present law and writing into the pending bill an embargo on the shipment of "arms or ammunition" to belligerent nations. The amendment was adopted by 214 votes to 173.

One hundred and fifty-eight Republicans out of a total party membership of 169 in the House either voted or were paired for the Vorys proposal. Exactly 7 Republicans voted against it.

Talk about politics ending at the water line!

The names of the seven who stayed outside the Republican phalanx deserve to be set down. One of them was BRUCE BARTON, of New York, and the writer records his name here with special pleasure in view of the animadversions in this column last week on a neutrality bill speech by Mr. BARTON. The others were BALL, of Connecticut; COLE, of New York; KEAN, of New Jersey; MAAS, of Minnesota; STEARNS, of New Hampshire; and WADSWORTH, of New York.

DISTINCTION HYPOCRITICAL

What of the bill itself? As was said here recently, the compromise that it seeks to write into the law is thoroughly hypocritical. Whereas the law as it now stands forbids the sale to belligerents of arms, ammunition, and "implements of war," the proposed modified embargo runs only against arms and ammunition. The House says it is all right for the United States to carry on a wartime trade in military airplanes, trucks, and other equipment covered by the phrase "implements of war," but all wrong to sell a "lethal" weapon to a belligerent.

An attempt was made in the House debate to justify this unreal distinction between kinds of weapons on the ground that it would "comfort" our people, and doubtless some of the Members had that notion in mind when they voted for the Vorys amendment. To advance such an argument is to put a pretty low estimate on the intelligence of the people.

The bill as it came out of the House bore little resemblance to the measure which, carrying out the recommendations of the Secretary of State, sought to give effect to a consistent policy—that of permitting belligerents to buy any of our commodities, arms as well as wheat, cotton, scrap iron, or anything else, on the cash-and-carry basis. It would be consistent also to close our markets completely to belligerents, but not even the most ardent isolationist is willing to follow the embargo idea through to its logical conclusion.

BILL NOW HODGEPODGE

What we have in the House bill is a hodgepodge of confusing provisions, written there partly out of a misguided effort to satisfy all parties to the controversy over our foreign policy and partly out of sheer desire to discredit the administration.

It is generally assumed that the snarl produced by the action of the House will prevent any neutrality legislation at this session. The present law, then, with its ban on the shipment of arms, ammunition, and implements of war, will remain. Since the cash-and-carry provisions of this law, applying to all other articles of commerce, expired on May 1 of this year, without renewal, the sale of all these articles can be carried on in the usual way, and all can be carried in American as well as foreign bottoms. In order to gain their ends with respect to munitions, the isolationists pay the price of seeing restrictions removed from ordinary commerce. It may turn out to have been a price dangerous to the peace of the United States.

The worst of the whole sorry business, though, is the encouragement which the House action tends to give the aggressor states of Europe. It is Hitler and Mussolini who are entitled to be "comforted."

The Liquor Situation in the District of Columbia

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

LETTER, NEWSPAPER ARTICLE, AND REPORT

Mr. SHEPPARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the District of Columbia Liquor Dispensary Association, together with an article from the Washington Sunday Star of June 11, 1939, and a report of a special committee to the Federation of Citizens Associations of the District of Columbia:

DISTRICT OF COLUMBIA LIQUOR
DISPENSARY ASSOCIATION,
WASHINGTON, D. C., *July 5, 1939.*

Hon. HARRY R. SHEPPARD,
House Office Building, Washington, D. C.

DEAR MR. SHEPPARD: Your kind communication of July 1 received and it is with considerable pleasure I write this acknowledgement.

Yes, we shall be pleased to continue our study of the local liquor situation during the forthcoming recess of the Congress for your use as a basis of legislation during the second session.

In the 10-State survey of liquor-store operation this writer has just completed, it was interesting to note in States not enjoying their own revenue-producing dispensary systems, the trend is toward a simplification of laws governing the existing systems.

In addition to the large quantities of material already furnished you regarding the local liquor situation, and prior to our fulfilling your request for additional findings, I would like to suggest at this time, for your consideration the introduction of adequate legislation providing for the payment in cash upon delivery, of all alcoholic beverages purchased by the retail stores and distributors in the District of Columbia. This measure is an equitable one inasmuch as all purchases of beer are now on the same basis.

In view of the fact you personally appreciate the overwhelming civic, personal, and organization support you are receiving in support of your House Resolution 89, I wish to assure you that no stone will be left unturned in an effort to secure additional support from the same and other sources.

Allow me to wish you every mental and physical comfort during the recess and a completely successful year ahead.

Yours sincerely,

FRASER GARDNER, *Vice President.*

[From the Washington Sunday Star of June 11, 1939]

CIVIC PROBLEMS, CIVIC BODIES—STUDY OF LIQUOR SITUATION ASKED

(By Jesse C. Suter)

LOCAL LIQUOR SITUATION SUGGESTED FOR STUDY

While the Senate District Committee was on Wednesday considering the pending bill to prohibit retailers from purchasing beer on credit, the local liquor situation came in for considerable discussion. Members of the committee were rather critical of the generosity of the A. B. C. Board in the granting of licenses. One Senator expressed the opinion that there were more of such licensed places in the District of Columbia, in proportion to the population, than anywhere in the country.

Senator KING is quoted as saying that he would like to see the House or Senate committee, or the Board itself, give the matter further study. "I don't know who is on the Board," remarked another Senator, "but they have been overgenerous."

Organized citizens, especially in the residential sections, have been complaining of this condition. They have been putting in considerable time circulating petitions of protest against the granting of licenses, but their desires have been, in many instances, ignored by the A. B. C. Board.

Protests of the Board of Library Trustees and the Board of Education against the granting of licenses to applicants for locations near schools, branch libraries, and the central library have likewise been ignored. In some neighborhoods where there have been demonstrated overwhelming opposition to the establishment of such businesses it has been necessary to repeat the fight over and over again as new, or even the same, applicants have sought licenses.

The problem could be handled readily under the terms of the law if the District Commissioners would pass the required restrictive regulations. Congress sought by the A. B. C. law to be relieved of the necessity of frequently considering proposals to amend the law and accordingly gave the Commissioners broad regulatory powers.

The Commissioners have declined to exercise these powers, even though they have been urged to do so by large groups of citizens. Such regulations could create dry zones in residential neighborhoods and dry zones near schools, libraries, and other institutions.

The number of licenses to be issued in various sections could also be regulated under these powers, and a much improved condition created.

As the Commissioners, who for years have been begging for an enlargement of powers, have failed to do anything to improve the liquor situation, civic groups are now urging that Congress take the matter in hand and by appropriate legislation correct some of the evils of which the citizens are complaining. The advocates of the substitution of Government dispensaries for the liquor package stores have been asking for an investigation of this branch of the business. While they have had considerable support, many of the indorsing groups are urging that the entire local liquor business, including the A. B. C. Board itself, be made the subject of a thorough investigation by Congress.

REPORT OF THE SPECIAL COMMITTEE ON THE LIQUOR SITUATION TO THE FEDERATION OF CITIZENS' ASSOCIATIONS

To the Federation of Citizens' Associations:

Your committee on the liquor situation, composed of Messrs. Wilbur S. Finch, Orrin J. Davy, Milo H. Brinkley, Harvey O. Craver, and the undersigned, chairman, met on March 11, 1939, to consider a resolution from the Stanton Park Citizens' Association endorsing House Resolution 89 (76th Cong., 1st sess.), introduced by Mr. SHEPPARD, calling for an investigation and study "of the advisability of the elimination of the present class A liquor stores in the District of Columbia and the establishment of a sufficient number of liquor stores to be owned by the District of Columbia for the purpose of raising revenue for the support of the government of the District of Columbia."

Since the receipt of the above-named resolution, your committee is informed that a number of other associations affiliated with the Federation of Citizens' Associations have taken similar action endorsing said House resolution and several have opposed it.

At the meeting of your committee the following persons were present by invitation and were heard: Messrs. Milton S. Kronheim, president of the Liquor Dealers' Association, and Mr. F. Joseph Donahue, attorney for said association; Messrs. William J. Bartle and John J. Crim, representing the District of Columbia Dispensary Association, and Delegates Walter F. Wasson and Grover W. Ayres.

Also present at said meeting were Delegates W. J. Tucker and A. D. Calvert.

The resolution of Congressman HARRY R. SHEPPARD is designed to initiate an investigation by Congress of the operation of class A (i. e., off-sale) liquor stores, with a view to substituting therefore the so-called dispensary or monopoly system operated by the municipality. In support of this resolution it was testified that there have been numerous violations of the law and regulations by this class of dealers, particularly with reference to telephone deliveries to minors; that comparisons with States which operate the dispensary system show that much-needed revenue is being lost in the District of Columbia, and that under this system a greatly increased revenue to the municipality would result which would eliminate the necessity for the imposition of additional taxes at this time.

In opposition to the resolution it was testified that the business of dispensing liquor off-sale has been conducted in a legal manner; that violations of the law have been very infrequent, and denial is made of the statements that frequent sales have been made to minors; it is asserted that the State dispensary system would be politically dominated, and that the legitimate investments in business running into the millions would be destroyed; and that many persons would be thrown out of work under the dispensary system.

Your committee has considered the various statements made by the persons present at the meeting, as well as additional facts gathered by members of the committee, and believes that an investigation of the sale of intoxicating liquor in the District of Columbia should be made. It is believed, however, that such an investigation should not be confined to class A dealers but should include all phases of the liquor situation, so that when the investigation is held an opportunity will be presented to officially call attention to violations by others than class A dealers. Such an investigation should include but not be confined to class A dealers. It is the scope of the resolution to which we particularly call attention.

Your special committee therefore recommends that the first nine lines of the Sheppard resolution, reading as follows, be stricken out:

"That for the purpose of obtaining information necessary as a basis for legislation, the Committee on the District of Columbia, as a whole or by subcommittee, is authorized and directed to conduct an investigation and study of the advisability of the elimination of the present class A liquor stores in the District of Columbia, and the establishment of a sufficient number of liquor stores to be owned by the District of Columbia for the purpose of raising revenue for the support of the government of the District of Columbia."

And that in lieu thereto the following language be substituted:

"The Committee on the District of Columbia, or a subcommittee thereof, is authorized and directed to conduct an investigation of the present regulation of the liquor traffic in the District of Columbia, including the enforcement of all laws and regulations, and violations thereof, with a view—in case the evidence adduced justifies such action—to recommending amendments to the present law governing the sale of intoxicating liquors in the District of Columbia, which will improve moral conditions generally in the city, give protection to churches, schools, and residential areas, and increase the revenues of the District of Columbia."

As thus amended, your special committee unanimously recommends that the resolution be approved by the Federation of Citizens Associations.

Respectfully submitted.

HARRY N. STULL,
Chairman, Special Committee on Liquor Situation.

Employ Citizens

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 6, 1939

EDITORIAL FROM THE DETROIT TIMES OF MARCH 22, 1939

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Detroit Times of March 22, 1939:

[From the Detroit Times of March 22, 1939]

EMPLOY CITIZENS

The Daughters of the American Revolution from California, meeting in convention at San Francisco, have placed themselves firmly on record for preferential employment of American citizens instead of aliens.

This should, of course, be a permanent and inflexible principle in both public and private employment.

It cannot be construed as an attack upon well-behaved, able, or responsible aliens. It must be regarded as a constructive and helpful attitude toward our native and naturalized citizens.

Other countries have strict legislation covering this point. Private corporations must have a stated number of native workers, usually a large majority; aliens are forbidden from seeking employment; they are often prohibited from selling goods or even exhibiting them, as in the case of painters.

It is only in the United States that very little, if any, distinction is made between alien or citizen labor.

In point of fact, if an alien enters the United States for the purpose of earning his bread and residing here, there is no earthly excuse why he should not immediately apply for citizenship. This country gives him his livelihood, his protection, and social atmosphere. The least he can give in return is his formal allegiance, loyally and generously tendered.

American citizenship is a precious and unique benefit. Those who are eligible and fit for it, who have something of value to contribute in human factors, are foolish indeed not to seize eagerly the opportunity of acquiring it.

Let us hire our own, feed our own, educate, encourage, and cultivate our own citizens. We will then be improving and tightening our own bonds between Americans, and making the blessing of American citizenship still more desirable to those whose personal standards enable them to hope for it in due time.

Machinery for Industrial Peace

EXTENSION OF REMARKS
OF
HON. BERTRAND W. GEARHART
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 6, 1939

ARTICLE BY JOHN J. STONBOROUGH, OF WASHINGTON, D. C.

Mr. GEARHART. Mr. Speaker, pursuant to the unanimous consent of the membership of this body, a consent but a moment ago expressed, it is my privilege to hand to the Public Printer for inclusion in the CONGRESSIONAL RECORD an article from the capable pen of John J. Stonborough, of Washington, D. C., an article which was heretofore printed in the May issue of the Sign, a national Catholic magazine. Mr. Stonborough is a keen student of industrial relations and a careful observer of international labor trends, a field in which he has long been acknowledged an authority. Whether one agrees with the conclusions which Mr. Stonborough in this article announces, I am sure that that which he has written will constitute a worthy contribution to the literature pertaining to this subject.

Mr. Stonborough's article follows:

MACHINERY FOR INDUSTRIAL PEACE

(By John J. Stonborough)

In the words of Lord Morley, statesman and historian, "Great economic and social forces flow with a tidal sweep over communities that are only half conscious of that which is befalling them. Wise statesmen are those who foresee what time is thus bringing, and endeavor to shape institutions and to mold men's thought and purpose in accordance with the change that is silently surrounding them."

Among the great problems of our time, the problem of establishing and maintaining amicable relations between employers and employed seems of outstanding importance. Anyone who has followed political and labor trends abroad will agree that the deadlock between capital and labor was a major reason for the overthrow of European democracies. It is apparent that the successful functioning of democracy depends primarily upon harmonious relations between those who work and those who direct work. When these relations break down, democracy goes by the board.

Specifically, three causes may be advanced for the breakdown of industrial relations in Europe. First, failure to understand economic realities; second, insufficient emphasis upon democratic and voluntary methods of conciliation and arbitration, which have proven so successful in Great Britain; and, third, insufficient stress upon the common interest which binds all members of the general public.

The lesson we may draw from Europe is that even if the boat is rocked by but a few self-centered hard heads among either capital or labor, the whole boat can be overturned.

The magnitude and intensity of industrial disturbances between 1934 and 1937 and the ensuing diverse suggestions for the regulation of industrial relations demand that impartial thought and careful analysis be given the scope and form of our future machinery of industrial relations and the problem of intervention by a democratic government in labor conflicts.

In order to solve our problem of industrial relations more successfully than others have done, we must develop a better spirit in the conduct of industrial relations and must perfect our machinery for the avoidance and settlement of industrial disputes.

This machinery falls into two distinct parts:

(1) The future machinery for collective negotiations in industry (the development and extension of voluntary machinery for the avoidance and settlement of industrial disputes within separate industries); and

(2) The future role of the Government in industrial conflicts.

What Burke termed "one of the finest problems in legislation, namely, to determine what the State ought to take upon itself to direct by the public wisdom, and what it ought to leave, with as little interference as possible, to individual exertion," is a major difficulty confronting us. At present we hear far too much vague talk about the obvious necessity of capital and labor pulling together, and far too little discussion as to how that is to be achieved.

As a first step it may prove useful to study the conciliation and arbitration procedure of other democratic countries and to see what they have done, so as to guard against and profit by some of the mistakes which they have made; mistakes which in some countries have helped to destroy democracy.

In Canada, as in the case of our railroads, both capital and labor are well organized, and accustomed to collective bargaining. The Canadian Disputes Investigation Act prohibits a strike or a lockout in certain industries until a report on the dispute has been made by a board of conciliation and investigation. Employers and employees alike in these industries must, therefore, give 30 days' notice of any intended change in wages and hours.

The object of the act is to create a delay between the beginning of a difference and the calling of a strike or lock-out; during this interval, the disputants must meet under the supervision of representatives of the general public. The Board, however, has no compulsory power, and once the findings have been published, the disputants are free to declare a strike or lock-out.

Glancing at Norway, we perceive that the parties to a dispute must notify the conciliator 4 days before a strike or lock-out is called. The conciliator may arrange for a conference lasting not longer than a fortnight; after this period he publishes his findings, and if no agreement was reached the disputants can go ahead and strike or lock-out. However, it must be remembered that in the Scandinavian countries for 25 years or more the existence of collective bargaining and written collective agreements has been taken for granted.

Perhaps the most interesting lesson for us is the careful distinction made there between disputes which arise over the meaning and application of an existing written agreement—so-called disputes about "rights," and disputes which arise over the conclusion of a new agreement—so-called disputes about "interests." In the Scandinavian countries differences of interpretation must be referred to a labor court which acts as umpire. It seems sensible to require that disputes which arise because the parties cannot agree on the meaning of a written agreement should be settled by arbitration. Indeed, a very large proportion of all agreements negotiated in our country today contain such requirements.

Looking around, however, we see that strikes have occurred equally in countries where they are prohibited by law, as in Australia, and in countries in which government policy is confined to conciliatory intervention. Any hopes, therefore, that this or that device will completely safeguard the country's industry against future interruption are likely to be disappointed.

It is the habit of consultation that needs to be fostered vigorously; for ultimately it is not the setting up of machinery that creates genuine industrial peace in a democracy but rather the basic attitude which workers and employers take toward one another.

A cursory glance at recent conciliation and arbitration legislation in democratic and nondemocratic countries indicates that the movement toward legislative regulation of collective industrial relations throughout the world has gathered momentum. In this movement two features stand out: The growth of organized conciliation and arbitration procedure, and the growth of coercive government intervention. The establishment of compulsory features in the regulation of industrial relations is due to the fact that all countries desire to set certain limits to industrial warfare. Thus we note that the idea of settling collective disputes through government intervention is steadily developing.

"Naturally," says the International Labor Office's report on collective agreements, "between complete willingness and absolute compulsion there is a whole range of intermediate stages. Many indeed, are the laws which have introduced certain measures of compulsion in conciliation and arbitration systems, such as the obligation to submit to conciliation, the prohibition of industrial disputes during negotiations, the obligation to bear witness before conciliation and arbitration bodies, and so forth. But the contractual character is not compromised by such restrictions, so long as the legal effect of awards depends on their acceptance by the parties to the dispute."

In many democracies industrial strife has been subjected to limitations through State intervention; first, by means of interposing a period of delay between the emergence of a difference and the calling of a stoppage. This period of delay is evident in our Railroad Labor Act, in the Canadian Disputes Investigation Act, in Scandinavia, and in other European countries; second, by outlawing strikes which arise over the application, interpretation, or validity of an existing collective contract. The trend to settle such disputes through labor courts is evident in the setting up of the National Railroad Adjustment Board and the labor courts of Sweden, Norway, Denmark, and several other countries. Up to the present, results have been worth while.

Indeed, it was in the labor legislation of Scandinavia, when compulsory procedure for the adjustment of the latter type of disputes was introduced, that the distinction between disputes concerning rights and disputes concerning interests first made its appearance.

The validation of the National Labor Relations Act established the right to associate and bargain collectively, but in the minds of many people it also gave rise to the dangerous belief that collective bargaining is an automatic guaranty against industrial disputes. Nothing can be further from the truth. Experience here, in England, and on the Continent has shown that even when collective bargaining is fully accepted, the possibility remains that no agreement may be reached, and that resort may be had to industrial warfare.

Industrial peace cannot be attained by merely promulgating a law compelling the employer to deal with the representatives of his employees' choosing. Abroad, therefore, it has long been recognized as vital that collective bargaining, to be really effective, must be supplemented with extensive facilities for conciliation, voluntary arbitration, and union-management cooperation within separate industries. Collective bargaining is but the first step toward orderly industrial relations and lasting peace, but is in itself no guaranty that peaceful negotiations will always prevail.

Broadly speaking, three categories of labor disputes may be distinguished: The first arising over the refusal of an employer to recognize or deal with a union; the second arising over differences concerning the application, interpretation, or validity of an existing collective agreement; and the third springing from differences over a change in an agreement, the renewal of an agreement, or the conclusion of a new agreement.

The National Labor Relations Act fosters the growth of unions, the use of collective agreements, and remedies the cause of the first-mentioned class of disputes. The prevention and settlement of the other two categories, which necessarily increase as unions grow and agreements multiply, have, however, so far not received appropriate attention.

The most important factor in preserving industrial peace is not the past establishment of the right to bargain collectively, but rather today's decision on the scope of our machinery for the peaceful determination of wages, hours, and the settling of grievances.

To be truly effective, the system of industrial peace in a democracy must encompass three vital points. First of these is collective bargaining by organized groups. The British Committee on Relations Between Employers and Employed (Whitley committee) in 1918 gave as its "considered opinion" that "an essential condition of securing a permanent improvement in the relation between employers and employed is that there should be adequate organization on the part of both"; second, Federal laws governing conditions of work and compensation. The Government must, through factory and other codes of social legislation, lay down certain limitations to the subject of employer-employee discussion; third, machinery of negotiation.

The machinery of industrial negotiation must contain provision, first, for the prevention of industrial disputes, and, second, for their settlement. Prevention is obtained when the basic conditions under which work shall be performed are embodied in written agreements, these agreements in turn providing for a standard routine through which all grievances pass without undue delay. Prevention is aided by the establishment of standing joint committees in the well-organized industries, in which differences of opinion are adjusted before they harden into disputes, and the habit of consultation fostered through regular discussion of noncontroversial questions of common interest.

The settlement of disputes arising in spite of written agreements and standing joint committees, divides itself into two distinct classes: Disputes over the interpretation or application of an existing agreement, so-called disputes over "rights" to be adjudicated by an outside authority mutually appointed in advance, and so-called disputes over "interests" involving either a change in agreement, the renewal of an agreement, or the conclusion of a new agreement, to be settled by one of three means—conciliation, Government inquiry, and optional arbitration.

The importance of efficient and appropriate conciliation machinery, and the conditions which such machinery must satisfy cannot be sufficiently stressed. When envisaging a comprehensive system of regular consultation between employers and employees throughout American industry, the establishment of standing joint committees made up of trade-union and trade association representatives to deal not only with controversial subjects such as wages, hours, and the adjustment of grievances, but chiefly with matters of common interest merits consideration. For "we believe that regular meetings to discuss industrial questions, apart from and prior to any differences with regard to them, will materially reduce the number of occasions on which, in view of either employers or employed, it is necessary to contemplate recourse to a stoppage of work" (Whitley Reports).

Considering the role the Government will play in the future, the fact stands forth that while trade-union membership, collective agreements and joint industrial negotiations have made tremendous strides since 1933, Government machinery for preventing or settling disputes has, with the exception of the Maritime Labor Board and the National Labor Relations Board, remained practically unaltered.

In settling disputes between a union and an employer concerning a change in existing conditions not covered by the present working agreement, it might be well to have legislation making it obligatory to inform the United States Conciliation Service, 4 working days in advance of any action, that workers or the employer intend to strike or lockout. Until expiration of that time, it would be illegal to stop work or to lock out the employees.

This would have the desirable effect of enabling a conciliator to arrive on the scene, review the dispute, and make some attempt toward adjustment before negotiations are broken. Although this would create a compulsory step, it would be in the form of "negative compulsion."

In the meantime, an appeal to management and labor to inform the United States Conciliation Service 4 days before the calling of a strike or lockout, thus showing their willingness to have an impartial outsider help them solve their difficulties in a fair way would most likely prove fruitful.

For it is necessary that in conciliation the emphasis be shifted from the remedial to the preventive. In other words, while up to this time the main efforts of the conciliation service have been to remedy a situation once it occurred, the service should now rather be put in a position to prevent such situations.

In this country there is becoming visible a new and distinctive pattern of industrial relations which we must study as it evolves. It is the author's opinion that it will continue to develop along the lines charted in Scandinavia and Canada, and, contrary to certain present trends of public opinion, will not follow the British pattern. In America we have had to compress, within a period of a few years, far-reaching modifications in the relationship between employers and employees, which in England have taken 50 years of gradual change. Legislation can never substitute for organic evolution, and there would seem but little chance that we—though we could easily, by putting a few changes here and there, make our laws and practices identical with Great Britain's—could thereby achieve their present state of responsible industrial harmony.

Further development of industrial peace in this country lies in a wider application of the principles embodied and proved successful in our railroad legislation, in the Canadian Disputes Investigation Act, and in the Scandinavian labor laws. Application of these principles takes cognizance of the fact that in a democracy, the liberty of each group is circumscribed by the liberty of all, and placing equal responsibilities upon the self-governing groups, sees that the general welfare is adequately safeguarded.

Gambling in Wheat

EXTENSION OF REMARKS
OF
HON. CARL T. CURTIS
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 6, 1939

LETTER FROM ERNEST D. MacDOUGALL

Mr. CURTIS. Mr. Speaker, with reference to the recent news from Louisiana as to the resignation of Dr. James Monroe Smith from the high office of president of Louisiana State University, I wish to call attention to yesterday's issue of the Washington Post, which carries an interesting letter to the editor on this subject by Mr. Ernest D. MacDougall. Under leave to extend my remarks in the RECORD, I submit Mr. McDougall's letter, as follows:

[From the Washington Post]

GAMBLING IN WHEAT

To the EDITOR OF THE POST:

SIR: The few editorials that I have seen on the alleged defalcations of Dr. James Monroe Smith, former president of Louisiana State University, have laid the blame on bad political conditions in that State. Your own editorial goes so far as to give our educational system a clean bill of health. You seem to regard crookedness on the part of educators as exceptional and novel. I quote from your editorial of last Friday, June 30, as to the Dr. Smith case: "Its novel and spectacular features merely serve to emphasize the need of a thoroughgoing political house cleaning in that State."

While I doubt not the need of "political house cleaning in that State" and in many other States, I feel that the real fault lies in our educational system. Our leaders in education have much to do with the formation of public opinion and molding the norms of human conduct. I am unable to believe that our country would be in its present plight if there had been proper leadership in our schools and colleges.

Specifically, as to the Dr. Smith case, this tragedy could never have happened if the schools and colleges had taught the truth about futures trading and the evils of playing the futures market. Yet our teachers and our editors have led us to believe that playing the futures market is a perfectly legitimate thing to do.

The plain truth is that it is nothing but a gambling on price fluctuations. One who buys a wheat-futures contract acquires no title to nor property in any wheat, despite the deceitful wording of the contract. Neither does one who sells a wheat-futures contract convey any title or property whatever. Buyers and sellers alike merely bet on a chance to win on a rise or fall, respectively, of the price of wheat. They deposit the same stakes (margins) for the sole purpose of betting. It is what the courts call gambling under the forms of trade.

If our teachers and our editors would tell the public the truth about futures trading, this nefarious racket would soon blow up. Yet they applaud the practice of playing the futures market, and they play it themselves without compunction of conscience.

I have before me the figures of occupational groups that had "open contracts" in wheat futures and corn futures on the Chicago Board of Trade on September 29, 1934. There are about 600 occupations in the list, many of which represent over 1,000 accounts, and they run from abstractors to yeast makers, including physicians, 523; attorneys, 397; teachers, 163; and clergymen, 25. I omit the editors.

Can anyone seriously contend that these people were doing, or intending to do, anything other than to bet on price changes? Our teachers and our editors have made this evil practice respectable. The only "novel and spectacular feature" about the Dr. Smith case is that he got in so deep he couldn't get out without getting caught.

ERNEST D. MacDOUGALL.

WASHINGTON, *July 1.*

The Neutrality Bill

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 6, 1939

ARTICLE FROM THE BALTIMORE SUN OF JULY 3, 1939

Mr. THOMAS F. FORD. Mr. Speaker, I note that in the July 3 issue of the Baltimore Sun, there appears a special dispatch from Rome, Italy, which indicates clearly that the action of the House, including a limited arms-embargo clause in the neutrality bill passed by that body, was cause for considerable jubilation on the part of the totalitarian powers of Europe.

It occurs to me that a comment on this action is pertinent.

In view of the fact that this embargo clause is limited to lethal weapons, but wide open as regards the constitutent elements that go into the manufacture of these same lethal weapons, including the manufacture of munitions, that the House has assumed the well-known attitude, attributed to the ostrich that is said to seek protection by burying its head in the sand.

I am therefore appending herewith the news item above referred to in the hope that it will be carefully noted and prayerfully considered by Members of another body which will shortly consider this bill and come to a final decision as to its merits, its far-reaching significance, and its possible repercussions.

[From the Baltimore Sun of July 3, 1939]

ROME JUBILANT OVER EMBARGO VOTE IN HOUSE—REGARDS UNITED STATES ARMS BAN AS WELCOME TO TOTALITARIAN POWERS

ROME, July 2.—The congressional rebuff to President Roosevelt over the neutrality bill was front-page news today in Rome, where it was regarded as a most welcome aid to the totalitarian powers.

The view expressed by well-informed Italians was that the embargo on the sale of arms meant that American influence now could be discounted, and there was much satisfaction at the consequent weakening of the position of the western democracies. One Italian described it as "a smashing blow at France and Britain" and predicted that, with their chief source of supplies threatened, they would not dare to oppose the march of the totalitarians to new triumphs.

REALIZE ISSUE IS OPEN

The press was careful not to comment on the action of the House of Representatives. It was realized that the issue was not absolutely settled and that premature jubilation might have unfortunate repercussions in Washington. Hence, as if by signal, the newspapers with impressive unanimity limited themselves to recording the event and the "cruel disillusion" of France.

At the same time, the campaign against the European democracies became more violent, although less well focused. They were accused of both aggression and ineffectiveness, of bellicosity and cowardice.

Urge Enactment of H. R. 2402

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

LETTER FROM LOCAL 87 OF THE UNITED FEDERAL WORKERS OF AMERICA

Mr. SHAFER of Michigan. Mr. Speaker, under permission to extend my remarks, I desire to include a letter urging the enactment of H. R. 2402, to abolish compulsory deductions from salaries of employees of the Veterans' Administration for quarters, subsistence, and laundry. A petition, No. 16, to discharge the Committee on Veterans' Legislation from further consideration of this bill is now on the Speaker's desk. The letter follows:

UNITED FEDERAL WORKERS OF AMERICA,
VETERANS' ADMINISTRATION LOCAL NO. 87, C. I. O.,
Danville, Ill., June 28, 1939.

HONORABLE SIR: In behalf of Local No. 87, Danville, Ill., and all locals of the United Federal Workers of America, representing Government employees working in hospitals under the supervision of the Veterans' Administration, we wish to call attention to certain deplorable conditions which affect the lives and happiness of these employees and their dependents.

The nature of the service required of and rendered by employees in veterans' hospitals, both general and psychopathic, is of such importance in the care and treatment of mentally and physically disabled American war veterans as to require skill and training attained only through years of constant and faithful service. This high standard of efficiency has been the goal of the Veterans' Administration since its inauguration, and today hospitalization offered by the Veterans' Administration is second to none.

Employees in veterans' hospitals must be trained to administer occupational therapy, physiotherapy, hydrotherapy, and recreational therapy, and provide the highest standard of sanitation and comfort possible for the beneficiaries. The welfare of the patients comes ahead of every other consideration. The efficiency in these institutions is of a quality beyond the conception of anyone not connected with the service.

However, this high standard of efficiency cannot remain permanent so long as the standard of living forced upon certain employees in veterans' hospitals remains so low that they are unable to provide the necessities of a comfortable living for themselves and their dependents. Nature requires that, in order to be most efficient, one must be comfortable and free from worry. The low-paid employee in these hospitals has sacrificed homestead, savings, insurance, financial credit, and health. Many employees in this category at the Danville veterans' facility have, during the past few years, been obliged to seek the aid of United Charities and other charity organizations for hospitalization and relief for their families. Discontent reigns where the morale should be at the highest.

The basic salary for 60 percent of the attendant personnel in veterans' hospitals is $1,020 per year, or $85 per month. From this amount, deductions as high as $32.50 per month for quarters and subsistence are made, thus leaving in cash, only $52.50 per month. These deductions are made, regardless of whether the facilities are used or not. Married employees, living with their families off the station, are not exempt. Throughout the year, because of annual leave, national holidays, and the scheduled day and one-half off per week, there is total of 104 days of absence, when there is no occasion for using the facilities offered. However, the regular deductions for maintenance are made without exception. Why should the Veterans' Administration be so undemocratic as to dictate to its employees as to where they shall live, where they shall eat, when they shall eat, what they shall eat, and the amount they shall pay?

There is no assurance that a hospital or mess attendant, starting at $1,020 per year, will ever receive a salary increase while in the service of the Veterans' Administration, since it is the policy that 60 percent will be retained in that grade. What is wrong when the high salaries paid to the professional personnel must be maintained at the expense and sacrifice of the underpaid employee? It is explained that salaries are kept on an average basis. No salary increases are forthcoming for the low-wage employee if the high standard of professional personnel is maintained. Why should either be obliged to sacrifice to the other? An adequate appropriation would provide pay increases for the lower bracket, and still maintain the high standard of professional personnel necessary in veterans' hospitals.

Practically all the male employees now working as attendants in the veterans' hospitals are ex-service men, and a very large percent are married and have families to support. They have reached the age when it is difficult to find employment elsewhere. They are resigned to the fact that this will probably be their life's work. Are their military and naval services during the World War and other wars so little appreciated now that they should be paid starvation wages by the Government for which they fought?

We beseech you to lend any possible support to better the wage and working conditions in veterans' hospitals. This appeal comes to you from more than 25,000 employees in veterans' hospitals, a large number of whom are World War veterans. Legislation in the form of several bills have been proposed before Congress, which will tend to correct the grievances herein named.

The required number of signatures on petition No. 16, now on the House Speaker's desk, will discharge House Resolution 2402, a bill intended to abolish compulsory deductions from salaries for quarters, subsistence, and laundry. H. R. 960 is now before Congress for vote. This bill provides civil service and reclassification for Government employees.

Very respectfully yours,

UNITED FEDERAL WORKERS OF AMERICA,
Local No. 87, Danville, Ill.
LOUIS E. LUKE, *President.*
GEORGE S. SULLIVAN, *Secretary.*

Gen. Malin Craig

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF JULY 2, 1939

Mr. ANDERSON of Missouri. Mr. Speaker, within the past quarter century the State of Missouri has seen two of its sons reach the highest pinnacle of military achievement in our country—Gen. John J. Pershing and Gen. Malin Craig.

It is fitting at this, the time of General Craig's retirement, that we take cognizance of the great service he has rendered to our Nation. His distinguished career will long serve as a standard by which his successors through the years will be measured.

As Chief of Staff of our great Army, General Craig has exemplified the tradition of the American Army in the fullest measure. He has at all times looked upon our Army as an instrument to assure peace to our people. General Craig has done more than any other man to keep our Army abreast of the times, and as a fitting tribute to his remarkable ability I include at this point in the RECORD an editorial from the Washington Evening Star of July 2, 1939:

[From the Washington Evening Star of July 2, 1939]

GENERAL CRAIG'S REPORT

In his last report as Chief of Staff of the Army, Gen. Malin Craig has expressed gratification over the current Army expansion program but has coupled with it a warning that much remains to be done before the United States has attained the "position of readiness" deemed essential by those who have given careful study to the problem of America's national defense. Even with completion of the $552,000,000 preparedness program just beginning, he declares, the country still will be considerably short of the security goal hoped for by military experts. The expansion plan about to be carried out under direction of General Craig's able successor, Gen. George C. Marshall, will do little more, the retiring officer asserts, than help the Nation regain the ground it lost during the past decade of defense indifference—a period during which several aggressor nations have been far from idle.

Moreover, as General Craig pointed out in one part of his report, it will take 2 years to transform current appropriations into regiments and arms and planes ready to stand off an invader. Stressing

this time element as a danger too little taken into account by laymen in considering the national-defense problem, General Craig said: "The same persons who now state that they see no threat to the peace of the United States would hesitate to make the same forecast through a 2-year period." During the 2 years of development the Army will enlist 112,500 men, some of whom will fill vacancies; will train more than 2,000 pilots and about 18,000 aviation mechanics; will buy 2,500 more planes; will construct 5 new air bases; and will add to its stores some $186,000,000 worth of guns, shells, and other implements of war.

But that is not enough, says General Craig. Before the American Army is strong enough to protect the country against a modern foe, he states, it must be strengthened along three lines: First, the outer line of defense, extending roughly from Alaska to Panama on the Pacific side and from the Canal through Puerto Rico to the east coast must be strongly fortified and "manned for instant action."

Creation recently of a new department of the Caribbean is a step in this plan. Second, there must be kept always ready to reinforce this outpost line a Regular Army of 5 full divisions, with a strength of 200,000 men, and a National Guard of equal strength. About 1,800 more officers and 23,000 men would be needed to bring the Regular Army to the required strength. Third, arms, supplies of all kinds, and machinery must be provided to expand the Army quickly in an emergency to a million men.

It will take large additional appropriations to achieve such a goal, but, as General Craig plainly hints in his report, there is no real economy in haphazard, hit-or-miss defense planning. A long-range, properly balanced program is the most economical in the long run, and the least dangerous. We are paying heavily today for our failure to give proper attention to defense needs during the years since the World War, when we supposedly learned all about the grim costliness of unpreparedness. General Craig's recommendations are not those of a soldier who has an ax to grind. His advice merits the most earnest consideration of the Nation to which he devoted 45 years of active and distinguished military service.

The Removal of Indian Tribes

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. STEFAN. Mr. Speaker, the policy of removing Indian tribes from seat to seat, as the white settlements pressed upon them, which was adopted at a very early day, has at all times resulted disastrously to the Indians. It is believed that there are but few instances in which perfect good faith, in all respects, has governed in the removal of a tribe from an old to a new home. In numberless instances removals have been brought about, not because there was a necessity for them, but with a view to the plunder and profit that was expected to result from the operation. A volume could be filled with details of the most unhappy character, growing out of those removals, and in what preceded and followed them, in which the Indians were cruelly treated and the Government defrauded.

A brief extract from a letter written in 1851 to an Indian agent by a member of a firm that had grown wealthy in Indian trade and contracts for transportation and Indian removals will show not only the watchfulness of persons engaged in such transactions but illustrate the mystery of correspondence in relation to operations among the Indians. The extract is as follows:

> During this short session there has been much excitement and but little effected in these Indian matters. Nothing done or moved in the Menominee matters; they are as before, and most likely will remain so for another year. In the meantime, if the President requires them to remove West, the contract for that object will be an object. Colonel Thompson will be at Washington for some time, and so will my brother. Write to them freely; you will find them right and true. If that could be carried out as we talked the matter over, it would result in a good profit. Write to my brother about this. I have said to him what was proposed between you, Wright, and us. * * * I am compelled to go in the morning to St. Louis to provide funds for our transportation contract to New Mexico, and write in haste. Will be back in 20 days. We must try and make this business tell well yet.

In 1863 the Government removed the Santee Sioux and the Winnebago Indians from Minnesota to the Crow Creek Agency, on the Missouri River, about 150 miles above Yankton, in the Territory of Dakota. The guard that accompanied those Indians consisted of 4 commissioned officers, 135 soldiers, and 1 laundress—in all, 140 persons. The number of Santee Sioux transported was 1,318. For the transportation and subsistence of these Indians and the guard there was paid the sum of $36,322.10. The number of Winnebagoes transported was 1,945; for their transportation and subsistence there was paid the further sum of $56,042.60, making the whole amount paid the contractors the sum of $95,864.70.

The Sioux were transported from Fort Snelling to Hannibal, Mo., on two steamboats. One of the boats stopped there, and the Indians on it crossed over to St. Joseph, on the Missouri River, by rail. The other boat continued to the junction of the Mississippi and Missouri Rivers, and thence up the latter to St. Joseph; and here the Indians that crossed over by rail were put upon the boat, and from thence to Crow Creek all of them were on one boat. They were very much crowded from St. Joseph to Crow Creek. Sixteen died on the way being without attention or medical supplies. All the Indians were excluded from the cabin of the boat and confined to the lower and upper decks. It was in May, and to go among them on the lower deck was suffocating. They were fed on hard bread and mess pork, much of it not cooked, there being no opportunity to cook it, only at night, when the boat laid up. They had no sugar, coffee, or vegetables. Confinement on the boat in such a mass, and want of proper food, created much sickness, such as diarrhea and fevers. For weeks after they arrived at Crow Creek the Indians died at the rate of from 3 to 4 per day. In a few weeks 150 had died, mainly on account of the treatment they received after leaving Fort Snelling. They were landed at Crow Creek on the 1st day of June 1863. The season was unusually dry, vegetation burnt up, and no crop growing. Some corn had been planted, but did not get more than 4 inches high before it wilted down.

During the summer the Indians were fed on flour and pork. They got no beef until fall. They suffered for want of fresh beef, as well as for want of medical supplies. In the fall their rations began to fail and the issue was gradually reduced, and the Indians complained bitterly. About the first of September, a train of 100 wagons arrived at Crow Creek from Minnesota, loaded with goods and supplies for the Indian traders, and the Santee Sioux and Winnebago Indians. The only supplies for the Santee Sioux, brought by the train, was flour. It was understood that when the train left Minnesota it contained some corn for these Indians, but none came to Crow Creek Agency. Some pork was brought but none of it was issued to the Santee Sioux; but was issued to individual Indians in payment for work. After the arrival of the train, the ration issued to the Indians was flour and beef. The quantity was very short. The beef furnished was from the cattle that hauled the supplies from Minnesota. These cattle had traveled over 300 miles, hauling the train, with nothing to eat but the dry prairie grass, there being no settlements on the route they came. The cattle were very poor. Some died or gave out on the trip and such were slaughtered and the meat brought in on the train for food for the Indians. About the first of January 1864, near 400 head of the cattle were slaughtered. Except the dry prairie grass, which the frost had killed, these cattle had no food from the time they came to Crow Creek until they were slaughtered. A part of the beef thus made was piled up in the warehouse, in snow, and the remainder, in like manner, packed in snow outside. This beef was to keep the Indians until the coming June. The beef was black and very poor; indeed the greater part only skin and bone. Shortly after the arrival of the train from Minnesota, the contractors for supplying the Indians with flour, took about 100 head of the oxen, selecting the best of them, yoked them up, and sent them with wagons to Sioux City, some 240 miles, to haul up flour. This train returned in February, and these oxen were then slaughtered and fed to the Indians.

In January the issue of soup to the Indians commenced. It was made in a large cottonwood vat, being cooked by steam carried from the boiler of the sawmill, in a pipe, to the vat. The vat was partially filled with water, then several quarters of beef chopped up and thrown into it, and a few sacks of flour added. The hearts, lights, and entrails were added to the compound, and in the beginning a few beans were put into the vat, but this luxury did not continue long. This soup was issued every other day—to the Santee Sioux one day, the alternate day to the Winnebagoes. It was very unpalatable. On the day the Indians received soup they had no other food issued to them. They were very much dissatisfied and said they could not live on the soup, when those in charge told them if they could live elsewhere, they had better go, but that they must not go to the white settlements. Many of them did leave the agency, some going to Fort Sully, others to Fort Randall, in search of food. From a description of this nauseous mess, called soup, given by Samuel C. Haynes, then at Fort Randall, and assistant surgeon in the military service, it is seen that the Indians had good cause to leave Crow Creek. He states that there were thrown into the vat beef, beef heads, entrails of the beeves, some beans, flour, and pork. I think there were put into the vat two barrels of flour each time, which was not oftener than once in 24 hours. This mass was then cooked by the steam from the boiler passing through the pipe into the vat. When that was done, all the Indians were ordered to come with their pails and get it. It was dipped out to the Indians with a long-handled dipper, made for the purpose. I cannot say the quantity given to each. It was about the consistency of very thin gruel. The Indians would pour off the thinner portion and eat that which settled at the bottom. As it was dipped out of the vat some of the Indians would get the thinner portions and some would get some meat. I passed there frequently when it was cooking, and was often there when it was being issued, and it had a very offensive odor; it had the odor of the contents of the entrails of the beeves. I have seen the settlings of the vat after they were through issuing it to the Indians, when they were cleaning the vat, and the settlings smelled like carrion—like decomposed meat. The Santees and Winnebagoes were fed from this vat; some of the Indians refused to eat it, saying they could not do so as it made them sick. The Winnebagoes protested against such filthy cooking, and said they could not eat it; they said it was only fit for hogs, and they said they were not hogs.

No clothing having been issued to the Santee Sioux or Winnebagoes since 1862, they suffered much for want of proper apparel, and from this want, as well as from the lack of food, many were induced to go out on a buffalo hunt. Mr. Williamson, the missionary, went with them, although he was fearful they might perish; yet such were their necessities that he encouraged them to go, fearing that if they did not they would starve before spring. About 300 went out on the hunt in February. Mr. Williamson said that, in his opinion, if all the Santees and Winnebagoes had stayed at the agency during the winter, many of them would have starved to death. They were out about 6 weeks. On their return they found that the issue of soup had ceased, and the ration consisted of flour and beef; the beef that had been packed in snow during the winter. The ration consisted of about one-fourth of a pound of flour and three-fourths of a pound of beef, per head, per day, during the spring and summer. The flour had been hauled some 300 miles in wagons, without cover, and from rainfall on the way, such was the condition of the sacks containing the flour, that after all the loose flour was knocked out of them, some of the sacks weighed 30 pounds. This flour was issued to the Indians at 98 pounds to the sack. It was all inferior flour. During the winter of 1864–65, the beef was killed and packed in the same manner for the Santee Sioux, and the result was that many of the Indians left in search of food. It is stated that many of them went to different points where military expeditions had camped, to pick up the scattered corn that had been left by the horses and mules, when fed, for the purpose of eating it, and also to pick up the dead mules and horses to eat. Mr. Williamson states that such treatment had a demoralizing influence on the Indians, many of the women being compelled to prostitute themselves in order to get something to eat.

The Winnebagoes, not by reason of anything done by them but because of the massacre of the whites by the Sioux in Minnesota in 1862, and the excitement growing out of that sad affair, were compelled to leave their reservation in that State. Congress, in response to the demand of the people in the region in which they lived, passed an act providing for their removal. They had no previous warning and remonstrated against this act of injustice, but their protest was unheeded. They were, as stated, taken on boats and carried down the Mississippi and up the Missouri to Crow Creek. All were dissatisfied with their treatment on the journey and their location at Crow Creek. Much sickness prevailed, and many died. They were living in Minnesota in peace and quiet, and had been so for years. They had made considerable advancement in civilization. Many of them had farms and houses and had acquired habits of industry and economy. Such was their dissatisfaction at Crow Creek that large numbers of them during the summer and fall made their way down the Missouri in canoes, landing at different points, where they managed to live through the winter of 1863–64. It is said that at the time of their forcible removal they were supplied with grain stock, implements of husbandry, and so forth, most of which were stolen or destroyed, since they were unable to take their property with them. Little Hill, a Winnebago chief, thus told the story at Dakota City, Nebr., to a member of the joint committee of Congress, charged with the investigation of Indian affairs in 1865. The chief said:

You are one of our friends, as it appears. We are very glad to meet you here. Here are some of our old chiefs with me, but not all. And we will tell you something about how we have lived for the 4 years past. Now, you see me here today. Formerly I did not live as I now do. We used to live in Minnesota. While we lived in Minnesota we used to live in good houses and always took our Great Father's advice and did whatever he told us to do. We used to farm and raise a crop of all we wanted every year. While we lived there we had teams of our own. Each family had a span of horses or oxen to work and had plenty of ponies; now we have nothing. While we lived in Minnesota another tribe of Indians committed depredations against the whites, and then we were compelled to leave Minnesota. We did not think we would be removed from Minnesota, never expected to leave; and we were compelled to leave so suddenly that we were not prepared; not many could sell their ponies and things they had. The superintendent of the farm for the Winnebagoes was to take care of the ponies we left there and bring them on to where we went, but he only brought to Crow Creek about 50, and the rest we do not know what became of them. Most all of us had put in our crops that spring before we left, and we had to go and leave everything but our clothes and household things; we had but 4 days' notice. Some left their houses just as they were, with their stoves and household things in them. They promised they would bring all our ponies, but they only brought 50, and the hostile Sioux came one night and stole all these away. In the first place, when we started from Minnesota they told us they had got a good country for us where they were going to put us. After we got on a boat we were as though in a prison. We were fed on dry stuff all the time. After we got there (to Crow Creek) they sometimes gave us rations, but not enough to go round most of the time. Some would have to go without eating 2 or 3 days. It was not a good country; it was all dust. Whenever we cooked anything it would be full of dust. We found after a while that we could not live there. Many of them (the women and children) died because they could not get enough to eat. We do not know who was to blame.

They had a cottonwood trough made and put beef in it, and sometimes a whole barrel of flour and a piece of pork, and let it stand a whole night, and the next morning, after cooking it, would give us some to eat. We tried to use it, but many got sick on it and died. I am telling nothing but the truth. They also put in the unwashed intestines of the beeves and the liver and the lights, and after dipping out the soup the bottom would be very nasty and offensive. The pork and the flour that we left in Minnesota that belonged to us was brought over to Crow Creek and sold to us by our storekeepers at Crow Creek. For myself, I thought I could stay there for a while and see the country. But I found it wasn't a good country. I lost six of my children, and so I came down the Missouri. When I got ready to start, some soldiers came there and told me if I started they would fire on me. I had 30 canoes ready to start. No one interceded with the soldiers to permit me to go; but the next night I got away and started down the river, and when I got down as far as the town of Yankton I found a man there and got some provisions; then came on down farther

and got more provisions, and then went on to the Omahas. After we got to the Omahas somebody gave me a sack of flour, and someone told us to go to the other side of the Missouri and camp, and we did so. We thought we would keep on down the river, but someone came and told us to stay, and we have been there ever since.

Little Hill's narrative is quite lengthy, and in all its parts is corroborated by Big Bear, Little Chief, and Decorah, all Winnebago chiefs. Big Bear, in his testimony, contrasts the treatment of the Indians with what it was "many years ago," when they lived in the State of Iowa, "when the men used to get two pairs of blankets apiece, but we do not know," said he, "what becomes of the goods now."

The story of these Indians is a sad but a truthful one; and is, in a certain sense, the story of all Indian removals; for, while precisely the same train of events may not have marred the pathways of all Indians in the process of removal, and the incidents preceding and following, yet all have suffered seriously, many being subjected to barbarous and inhuman treatment. When attempts have been made to remove an Indian tribe with fidelity, and to extend to the Indians on the journey the semblance of such treatment as is due to human beings—such cases being exceptional—disaster, discomfort, and suffering have been experienced. With such incidents repeated frequently in the life of each generation, as tokens of our civilization, should we be surprised that the savage is distrustful of us, and hesitates to accept as genuine our professions of friendship? The joint committee of Congress that investigated the transactions connected with the removal of the Santee Sioux and Winnebago Indians, in reporting upon the case, said:

> Of one thing we may be assured, that no government can permit such injuries to go unredressed without incurring the penalty of treaties broken and justice violated.

This committee gathered a vast amount of testimony in relation to our Indian affairs in all sections, from the Mississippi River to the Pacific Ocean, wherever Indians were located, and, among other things, came to the conclusion that in a large majority of cases Indian wars were to be traced to the aggressions of the whites, and that such wars were very destructive, not only of the lives of the warriors, but of the women and children also, often becoming wars of extermination. The committee says:

> The indiscriminate slaughter of men, women, and children has frequently occurred in Indian wars.

As a remedy for existing evils this committee proffered a bill to Congress, creating five boards of inspectors of Indian affairs, each to have a section of country within the States and Territories inhabited by Indians, composed of "men of high character, and organized in such manner and clothed with such powers as to supervise and inspect the whole administration of Indian affairs in its threefold character—civil, military, and educational." The report of the committee, with the testimony taken by it, forms a volume of more than 500 pages, which may probably be found stowed away in the document room at the Capitol in Washington, but the grave matters to which it called attention have met with the same fate that kindred subjects, in previous and subsequent reports, involving the interests of a race, have received. Congress has signally failed to do its duty in the premises.

The constant agitation for the removal of Indian tribes has a very pernicious influence on the Indians. This agitation is kept up by the white people who live adjacent to and desire to possess themselves of the Indian lands. Unfortunately, Congress seems ever ready to gratify the desire of the whites to bereave the Indian of his home. A few examples of the effect produced by such agitation are here presented from the annual report of the Honorable E. A. Hayt, Commissioner of Indian Affairs for the year 1877:

> The agent of the Selitz Agency in Oregon says:
> "Hearing, as they constantly do, the Government is soon to drive them from the land they now occupy, in order to make room for the whites who want homes, they sometimes get discouraged and conclude it is useless to improve what they are so soon to vacate."

The agent of the Grand Ronde Agency in Oregon says:

> The Indians in this agency are kept in a constant state of insecurity by reports of whites with whom they come in contact, to the effect that they are soon to be removed.

The agent at Fort Defiance, Ariz., says:

> The Indians are much attached to their homes and dislike the idea of removal.

The agent of the Kickapoos, in Kansas, says:

> Many practical and progressive Indians have been discouraged and deterred from making improvements upon which they had determined, through fear that they would not be allowed to enjoy the benefit of them.

The agent of the Otoe Indians, in Nebraska, says:

> The subject of removal that has been agitating these Indians for a number of years has prevented, to a very great extent, active improvements among them.

It will not be necessary to make further quotations from similar reports, to call the attention of all reflecting people to the subject in order that the bad influences growing out of Indians' removal may be understood. As a general thing there is no valid argument in favor of the removal of a tribe when they are favorably located on land on which they can make their support. Removals simply to oust the Indians and let the whites have their land must come to an end. Every consideration founded in economy, justice, and humanity demands that the Indian have a fixed and settled home—to be, in fact, permanent. Without it his doom is sealed, and the extinction of the race only a question of time. With a permanent home, fair dealing, and just treatment the civilization and elevation of the race in the social scale is assured. Let it once be proclaimed as the unalterable law of the land that Indian removals must cease; that the settler's patent is not more sacred than the Indian title to his land; that his home is his castle, and the stride of the red man on the road of progress will astonish his white brother, and ere long, instead of the constant pressure to remove him from his home, he will have the confidence and even sympathy of his white neighbor.

When the commission appointed to endeavor to compose the trouble with Joseph's Band of Nez Perce Indians—in relation to the Wallowa Valley in Oregon, claimed by this band—held council with them in 1876 and asked them to abandon their claim to the valley, within which few whites were settled, that chief said:

> The earth was his mother. He was made of the earth and grew up upon its bosom. The earth, as his mother and nurse, was sacred to his affections, too sacred to be valued by or sold for silver or gold. He could not consent to sever his affections from the land that bore him. He asked nothing of the President. He was able to take care of himself. He was disposed to live peaceably. He and his band had suffered wrong rather than do wrong. One of their number was wickedly slain by a white man last summer, but he would not avenge his death. But unavenged by him, the voice of that brother's blood, sanctifying the ground, would call the dust of their fathers back to people the land in protest of this great wrong.

The attachment exhibited by Joseph for the land on which he was born is common to all Indians, and the sentiments uttered by the chief indicate that with proper helps toward civilization the race to which he belongs might become an element in our society, not only bearable but desirable. When this chief or some of his people, driven to desperation by oppression, and the forcible attempt to compel them to yield up the Wallowa Valley, rose in resistance, took the lives of some of the white settlers and then commenced that masterly retreat toward the British possessions, such was his military skill and exemplary conduct, pursued as he was by various military commanders, with fresh troops, as to not only create surprise but impress the reading public with a high appreciation of his character.

There is not at this time a single Indian reservation in any Western State, or in any Territory, on which intruders may not at all times be found; while in many the "squatters" are almost as numerous as the Indians, and have such force and influence that they cannot be, or at least are not, removed. The Government has lamentably failed in making good its treaty pledges that Indians within their reservations shall be undisturbed by the intrusion of the whites. There are, in our past history, a few notable instances where the whites have been expelled, and in more recent years a few spasmodic efforts have been made rather to appease the Indians for the time being than to drive out the outlaws;

but no persistent and determined course has been adopted to compel implicit obedience to law on the part of the whites, and to fulfill, in good faith, our obligations to the Indians. In addition to the class of persons who "squat" on Indian lands for the purpose of residing and cultivating, or taking the timber from them, there is another large class who invade the reservation to rob and plunder the Indians. The effect, as may well be expected, is to make the Indians restless; to check their progress; to engender strife, often resulting in loss of life; and, in such cases, frequently troops move to the scene of disorder, not to drive off the intruders, but to punish the Indians, as though they were the aggressors, and the matter terminates finally in the expulsion of the tribe, and its removal to a new home.

Men of Tomorrow

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

ADDRESS BY J. EDGAR HOOVER, JUNE 29, 1939

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Mr. J. Edgar Hoover, Director, Federal Bureau of Investigation, at the Boy Scout Day Celebration, Court of Peace, World's Fair, New York, June 29, 1939:

It is indeed an honor to address this representative gathering of forward-looking young Americans. You have been kind enough to ask me to discuss the subject of citizenship. Of course, this implies good citizenship—there should be no other kind. There should be no other thought for stalwart young men such as yourselves than the building of a greater Nation, a better Nation, a cleaner-thinking Nation, through the constant recruiting of new soldiers in the army of good citizenship. Only by this means may we hope to free our Nation from the threat of the criminal forces which seek to place it in bondage.

It is a cloud upon our national happiness that for each one of you young men who form the great army of the Boy Scouts of America there is a host of enemies who seek to prevent you from building our America to a higher plane of cleanliness, decency, and human welfare.

Even though you are 1,281,000 strong, the criminal hosts outnumber you almost 4 to 1. In its ranks there are over 4,750,000 murderers, thieves, burglars, embezzlers, arsonists, kidnapers, extortionists, and other offenders against our laws.

They exist through no accident. They live and breathe and plunder our country, invade our homes, wreck our happiness, and take the lives of our citizens because they, in turn, are protected by a skulking behind-the-lines crew of despoilers and modern-day pirates, the venal and corrupt politicians, who make it their business to place the profits of the underworld above the protection of the decent citizen.

These are real public enemies. They rob the good citizen of his vote on election day. They seize control of police departments and other law-enforcement agencies. And they even reach high into the governmental bodies of our States, into the legislatures, and into the courts, with their slimy hands ever outstretched to claw at the public purse.

All of us, whether we like it or not, pay tribute in some form or another to this vicious, corrupt influence which sooner or later must stifle America, unless courageous fighting young men and women enlist themselves heart and soul in a do-or-die battle for their elimination. There is your challenge.

The symbol of America, the Stars and Stripes, represents liberty and justice. "Old Glory" still waves triumphantly over the land of the free and the home of the brave. It stands for everything that is good. Americans should be prouder than ever of America today and should fight to defend her ideals from the traitors in our midst who stand for lawlessness and subversive "isms." We must turn upon the scoundrels who would destroy Americanism.

Only the young can win a war. This is your war—for a better America. Step in and win it! It is a war for decency, for the safety of our homes, for the sanctity of our ballots, and for the cleansing of the moral fabric of our fellow man.

It is your job to get recruits; every boy you teach to hate crime is a victory for your side; every person you can interest in a desire for clean politics, good government, honest administration of justice, is, indeed, worth a citation for bravery and fidelity in action. You can win this war by the building of a great fortress—a national mental attitude which will instinctively hate crime and every element which fosters it. Remember this, what you think today will guide our Nation tomorrow! There can be no greater achievement than to build for the happiness and moral safety of the future.

The forces today which make possible our great army of criminals are public apathy, public lack of interest in honest law enforcement, public laziness concerning the power of the ballot. Upon all these things the underworld breeds—and when I say the "underworld" I include in it the corrupt and venal politician. Corruption assaults the strongholds of what should be our highest and most worthy field of public effort—that of politics.

Keep it clear in your minds that good politics is a great and beneficial thing, but that corrupt politics is a criminal thing. With that thought always there should be the determination to admire, to work for, to give strength to the man or boy who looks to the field of politics as one in which to seek the betterment of his fellow man. There should be nothing but scorn and disgrace for anyone who despoils this greatest of vocations. No more important mass movement can be attempted or achieved by such a healthy-minded organization as yours than to dedicate yourselves to the task of eradicating the stains of corruption from the otherwise honored name of patriotic politics.

Perhaps there are those who will say that all these things are matters too mature for the consideration of the youthful mind. I insist that you are just the persons to know the facts. Study them and combat them, for if you are to grow up in the world as it is, you must have a chance to at least make it the world it should be by knowing the facts. This is a battle in which youth must take control, building constantly a growing army in which there shall be no quarter with the forces of darkness. Crime is your worst enemy, and the general who commands it is corrupt politics. It must be your sworn duty as men of tomorrow to do or die against this filthy crew. It is your job to clean up America.

I think of the more than a million clean-minded, stanch-hearted boys of your organization who, day by day, steadily approach closer to the threshold from which they step into what I hope is the management of this Nation's affairs. From your ranks will come executives, legislators, Governors. I have no doubt that somewhere in your vast organization, perhaps even among you who face me today, is one or more Presidents of the United States.

And I hope that in the heart of every one of you there is that spirit of contest, of ambition, of energetic zeal, and desire for the betterment of his fellow man which makes each one of you say: "I shall be that man. I shall rise to the greatest position in all the land. I shall be the President of the United States, giving my life if need be to build our America ever closer to the clean, wonderful dream of our forefathers." No young man could strive for the attainment of more that is noble and worth while and enduring.

Your achievements will be heartened by a never-ending alliance with the things that are good and noble. As we survey "the world of tomorrow," we face the changing world of today, punctuated by the traditional virtues that never change. The greatest of these is character. In your conquest of life, if you would be victorious you must dedicate your thoughts and your energies only to those activities which strengthen character. You will be a better man if you love your home and your church. Keep yourselves physically strong, mentally pure, and morally straight. Be loyal to your Boy Scout organization—it stands for the loftiest ideals and the purest things. Let nothing cause you to forget the forces which made your organization great.

Never forget the words of the Boy Scout motto—"Be Prepared." Always remain true to the Boy Scout oath, which means, in simple terms, be a good citizen, be a good man, and be a good American—first, last, and always.

Patriotic Americans Will Preserve Our Government

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

ADDRESS BY HON. ANDREW C. SCHIFFLER, OF WEST VIRGINIA, JULY 4, 1939, AT GRAFTON, W. VA.

Mr. SCHIFFLER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by me at Grafton, W. Va., on July 4, 1939:

One hundred and sixty-three years ago today there came from the minds and hands of a group of representative citizens a declaration. Nothing in the political history of the world excels the exquisite excellence and attributes of that noble effort, created as with divine inspiration and marked with a recognition of the just rights of human beings in organized society. The more often we read

it the more deeply we are impressed with the real genius that inspired the creation of such a document. To appreciate its genuine value we must know and understand all previous history of the world. We must know how and under what conditions the people of the world have lived in the various parts of the world from the beginning of recorded history. Only at such time can we recognize the far-reaching doctrines established by the Declaration of Independence and the adoption of our Constitution.

Only a comparative short period of time before such Declaration was made on this continent it was the usual custom and a part of the established law of the land that human beings were considered as a part of the land and were traded, sold, and controlled as was the land itself. Human slavery, or serfdom, from the inception of human history was quite common. Color made no distinction. Undoubtedly many of the ancestors of those here today were at some time within the past few hundred years attached to and were a part of the land upon which they lived and were by their masters held as chattels and from time to time, as was the will of the master, sold or bartered, as in any other ordinary commercial transaction. Free citizenship, with the right of assembly, the right of free speech, the right of freedom in religious worship, were unknown. In effect, body and soul belonged to the freeholder of the land.

To escape this condition, then widely prevailing throughout the world, our ancestors, as opportunity came, emigrated to this fair land. Less than 300 years before this historic and outstanding Declaration came, seemingly again by Divine Providence, and as we are told almost wholly by accident came the discovery of a then unknown part of the world, a part that had until such time been uninhabited by civilized people. It is truly apparent that Divine Providence intervened to aid and inspire in the creation of our Nation. In the first instance by providing for its discovery and occupation, and, in the second instance, by inspiring the leaders to create a document for self-government that was just and fair. It requires nothing more to convince me that God revealed the way to this great land, and to the establishment of the form of government that prevails. A government wherein in the eyes of the law no individual is superior to another, where rights in all respects are equal, and wherein substantial justice is available.

Those familiar with Roman history know that only those of the highest ranks were entitled to be called citizens. It was an honor and a privilege to be attained only after special service to the emperor. Citizenship comes to Americans as a right at birth or the right of every emigrant who sees its advantages and is inspired by it and will take the oath of allegiance.

The fundamentals embraced within the system of American government are the right to select those who govern, freedom of speech, freedom of action, freedom of assembly, and the right to work, create, and to own that which we will work to acquire.

I am alarmed today and deeply anxious regarding the future and that comes from a knowledge that instead of a sovereign government, free from alliances and the influences of other nations, we are fastly becoming instead of nationals, "internationals" in our form and thoughts, and we are so weaving ourselves into a fabric of a world structure that many of these privileges and advantages are in great danger of rapidly being destroyed. It is well to bring to your attention numerous instances, but it will suffice if I recall just a few. The policy of international agreement respecting trade and barter by which we are ultimately going to lose our industrial and commercial supremacy and advantages to industry, agriculture, and labor, and commonly designated as reciprocal-trade agreements. These will lose for us much more than we can at this time actually realize. The three-nation currency stabilization agreement by which the value of the currency of the world is stabilized and fixed; the fixing of gold and silver value in London as done today by a board of managers; the dropping of the arms embargo and the effectual alliance with the so-called democracies of Europe in preparation for the expected conflict of arms; the creating of loans, and the making of gifts to many nations the world over to assist in their internal policies and the consequent agreements involved in such loans; the suggested united states of the world with the proposal of holding conventions to amalgamate the nations and place them into a confederacy or world union. These and other acts indicate a trend toward internationalism that I consider highly dangerous to our liberties and privileges, and such that will ultimately destroy the United States of America if allowed to prevail by resulting in an amalgamation of nations and international regulations that will destroy the sovereignty of our great country.

We should not urge that we demonstrate a lack of friendship for every nation in the world; neither do I mean that we should antagonize the people of other countries; but I do most emphatically declare that our primary and first duty is to preserve the sovereignty of the United States as a free and independent Nation and to fully discharge our duty to every citizen within our sovereign Nation.

It is imperative that Americans awaken to the danger of this trend and insist that such be stopped. It is essential—yes, a matter of life and death—that we awaken to what is occurring within our own country, to those acts that are destructive of its free institutions, and to those subversive influences that are continuously at work to destroy our present Government.

I am not an alarmist; neither am I a demagogue. On the contrary, I am a conservative and try to study and to understand the problems of our country and its people and to contribute to their solution with such sound and constructive thought and action as will preserve our Government, assist in the solution of our present perplexing problems, and aid in the destruction of those subversive influences.

In addition to having at this time those problems of internal Government and those questions of balancing our internal economic structure, we are met with two other outstanding propositions. The first is the effort to change our form of Government from a Republic in which men are born free and where opportunities are equal, to one in which all men are born in bondage and government is administered by dictators.

These subversive influences are at work throughout the length and breadth of our Nation. They are active in every city, town, and village in the Nation, and through a lack of understanding, many of our citizens are absorbing their philosophies. The conflict is on. Do not be deceived and disillusioned. It is not brought out in the open any more than is necessary by its shrewd managers, but ultimately, and I am afraid before very long, unless we awaken to our responsibilities and act, such influences are going to be severely felt throughout our entire land, and if continued at their present progressive rate, we may be truly alarmed as to the future preservation of our present form of government. Our liberties and advantages are vanishing; our opportunities are slowly diminishing, and surely we are becoming a divided Nation; not in the far distance shall we see the head of this creature striking here and there throughout the land to attain supremacy. It is now the time to act to stop such.

A second condition highly as important, and in a measure relates to the first, exists today. It is the tendency and inclination to become involved in world affairs to an exceedingly highly dangerous degree. The inclination to place our frontier on the Rhine or at Guam; to extend our so-called imaginary lines far into foreign lands and with fortifications immediately next door to the great far eastern empires of Japan and China. Our seemingly definitely committed policy of committing ourselves in advance and without just cause to another senseless world war.

My friends, today I recognize this highly dangerous condition. It has been debated and I have observed much during the past few months. To have talked with you and to have brought these vital facts for your attention would be futile, were I to leave without suggesting a course of action. Cleave together in union under the beautiful flag of our wonderful Nation; uphold and defend the Constitution of our country in every thought and action; practice intellectual and moral honesty, and decency in all phases of life, whether religious, political, civil, business, or professional. Be ever on guard against the loss of our fundamental privileges and contribute to the solution of our perplexing internal economic problems, and by such I am certain we shall preserve America and come out of our chaotic condition, supreme, prosperous, and contented.

The Neutrality Act

EXTENSION OF REMARKS

OF

HON. PETE JARMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIAL FROM THE WASHINGTON TIMES-HERALD OF JULY 6, 1939

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Washington Times-Herald of July 6, 1939:

[From the Washington Times-Herald of July 6, 1939]

F. D. R. NAMES NAMES

According to John O'Donnell in yesterday's paper, President Roosevelt mentioned Germany and Italy by name in discussing the Neutrality Act fight at an informal talk with newspaper people during the customary Hyde Park Fourth of July picnic.

It has been common knowledge that the administration wants the arms embargo part of the act repealed because it will make us nonneutral in fact if a European war breaks out with England on one side and Germany on the other. The present neutrality act will work for Germany and against England.

But it clears the air to have the President say as much—and then go on to explain that what he is after is prevention of war anywhere in the world by any peaceable means available in the United States.

It's hard to think calmly on this whole question. Americans are so interested in the standing European crisis and its day-by-day changes that when you say "England" or "Germany" the person you are talking to tends to stop thinking with his brain and to begin thinking with his emotions. So let's put the argument for neutrality act revision on a less emotional basis.

Suppose we should find that this law as now written (1) would work for Chile and against Peru in case those two South American nations got into a fight and (2) was a standing encouragement to Chile to start a fight with Peru. Few of us feel strongly about the fate of either Chile or Peru. Most of us would much prefer that they should not have a war, or that if they felt like having a war we should have no part of it.

Wouldn't we, in such a case, amend or repeal the neutrality act in a hurry, to insure ourselves against entanglement in a South American mixup?

Why not, then, act with the same realism about the far more probable and far more ominous European war? This law as now written will work for one side and against the other if this possible war in Europe breaks out. And it is encouraging Germany and Italy to kick over the apple cart, because their leaders are well aware of the way this law has unexpectedly turned out to be framed in their favor.

Political enemies may defeat the President on this issue in Congress, but we believe the President is on the right side of the argument nevertheless. And we believe that if the Neutrality Act is not rewritten into a genuine neutrality act there is grave likelihood that the Nation will deeply regret it sooner or later.

Probably sooner, if Danzig developments over the long July 4 week end are any indication.

Hitler didn't grab Danzig outright between Friday and Wednesday, as plenty of prophets said he probably would do.

POWER POLITICS STILL STEWING

But his husky young men in civilian clothing kept on filtering into Danzig from Germany and East Prussia, to appear on the streets a few hours after arrival garbed as German Elite Guardsmen or Danzig police. Polish barricades were reported going up on the outskirts of Danzig; England and Russia were said to be coming closer to the much discussed antiaggression pact; a French-British-Polish warning to Hitler was reported imminent.

In short, the power politics which may breed a war went right on stewing.

We can't see why Prime Minister Chamberlain should consider Danzig worth the life of a single Englishman, Scotchman, Welshman, or Irishman to the British Empire; or why Premier Daladier should think for a moment of sending one French poilu or airman or sailor out to try to keep Hitler from taking a city that is 96 percent German anyway.

Nor can we see why any American should lose a wink of sleep over Danzig. Of all the useless wars we can imagine a war over Danzig and the Polish Corridor would be among the most useless.

But a war may break out over Danzig. Europe has gone to war for less cause, hard though that may be to believe.

Do we want to have on our books a law which, by making us nonneutral in fact, can conceivably drag us into the war if it goes on long enough? We entered the World War period with solemn protestations of neutrality. We came out of it lined up with the Allies, having taken a large, bloody, and expensive part in the fight. We'd better clear off the books any law which by any remote possibility can trick us into the next European war—and we'd better clear it off now.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIALS FROM THE WASHINGTON DAILY NEWS AND THE DALLAS MORNING NEWS

Mr. LUTHER A. JOHNSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial, which appeared in the Washington Daily News of July 1, 1939, together with an editorial from the Dallas Morning News of July 1, 1939:

[From the Washington Daily News of July 1, 1939]

THE NEUTRALITY BILL

We think the House made a bad mistake last night when it wrote into the administration neutrality bill a provision forbidding exports of arms and ammunition to belligerents.

We think so because that section may conceivably contribute to the starting of another European war. For it notifies Adolf Hitler that at least one branch of Congress is opposed to permitting England and France, should they be attacked, to buy guns and bullets in this country—even if they offered cash on the line and sent their own ships to do the carrying.

In our opinion the House should have accepted the original idea of the administration bill that arms exports, instead of being forbidden, should be placed on the same cash-and-carry basis that the House approved for cotton, scrap iron, petroleum, and all other shipments to belligerents.

It is argued that such a step would have been lending potential aid to England and France. But the only alternative is to strike a blow against peace by promising passive assistance to Hitler and Mussolini.

The dictators are already topheavy with planes and guns, despite the accelerated defense programs of London and Paris. Only 2 months ago Hitler boasted to his Reichstag that he had confiscated from the Czechs and "placed in safe keeping" 1,582 airplanes, 501 antiaircraft guns, 2,175 artillery pieces, 785 mine throwers, 469 tanks, 43,876 machine guns, 114,000 automatic pistols, 1,090,000 rifles, more than a billion cartridges, and more than 3,000,000 artillery shells, plus "vast quantities" of other war equipment.

So now the House has served notice that England and France need not look this way if the test comes and their defenses are found wanting.

The tragedy of it is that this assurance to Hitler, while it may encourage him to new aggression, is no real indication of what Congress would say once the drums began to beat.

A few months ago a man who certainly is no disciple of President Roosevelt said, in speaking of the European situation:

"If wholesale attack were made upon women and children by the deliberate destruction of cities from the air, then the indignation of the American people could not be restrained from action."

That was Herbert Hoover speaking, and we think he spoke the truth.

[From the Dallas (Tex.) Morning News of July 1, 1939]

NEUTRALITY DEBATE

Partisan politics is playing an unfortunate part in the drawn-out neutrality debate in Congress. Although party lines are being disregarded in many instances, the issue has become undeservedly a test of strength between administration and antiadministration forces. In addition to those Congressmen who sincerely oppose the administration neutrality bill because they fear it might entangle us in a foreign war, others are opposing it apparently because they do not like President Roosevelt and do not want to add to his influence in determining our foreign policies in the event of a European war.

Postponement of the final vote in the House may produce a more satisfactory version of the bill than the compromise tentatively accepted Thursday. This measure froze an embargo of arms and ammunition into the bill, leaving the President discretion on other exports. Members of Congress should realize that motortrucks, petroleum, steel, copper, and cotton often are as important as war materials as munitions. They need to remember also that a rigid measure that would prevent the European democracies from obtaining war commodities here might hasten their defeat and thus strengthen the aggressor powers for an attack on the Americas.

Perhaps the people of the United States are not willing to send soldiers to Europe again. But this country can hardly remain indifferent to a European war even if it should wish to do so. More harm than good likely will result if Congress tries to tie the administration's hands too far in advance of a European conflict. Our policy must be based on rapidly changing conditions abroad, and should not be tied with knots that perhaps could not be untangled until after great damage had been inflicted.

The Neutrality Bill

EXTENSION OF REMARKS

OF

HON. AARON LANE FORD

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIAL FROM THE WASHINGTON POST OF JULY 6, 1939

Mr. FORD of Mississippi. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Washington Post of July 6, 1939:

[From the Washington Post of July 6, 1939]

THE PRESIDENT IS RIGHT

The strong stand both President Roosevelt and Secretary Hull have taken against neutrality legislation which aids the aggressors arises out of an awareness that the United States cannot resign from the family of nations. Such realism is, unfortunately, lacking in certain congressional quarters.

The United States is the most powerful Nation on earth. Its influence is world-wide. And that influence can be of decisive importance whether we take a positive or negative stand on the great issues facing the nations of the world, whether we act or fail to act.

This is one side of the picture. There is another side. Because the United States is too big to live in a vacuum, whatever happens in the world outside our borders is bound, in greater or lesser fashion, to have a bearing on our lives and fortunes as well. We cannot, therefore, afford to be indifferent to the forces and tendencies which threaten western civilization and the peace of the world.

For that reason it is dangerous folly to assume that we have no interest in what is happening and what may happen abroad. If Europe remains at peace, if the all-too-long cycle of aggression is brought to a stop, it is not only the peaceful nations of the Old World that will be benefited by such a development. The benefit will also be ours. For with Europe at peace, our own wholehearted determination to remain at peace would then be subject to no challenge.

On the other hand, if aggressions continue and Europe is ultimately plunged into war, the chances of our staying out would ipso facto be lessened. There have been two world wars since the United States was founded. We became involved on both occasions.

Considerations of this sort make it preemptory for Congress not to lessen the influence which the United States can exert for peace. And that is precisely what would happen if Congress approves neutrality legislation that works in favor of the axis powers and against the European democracies.

The House bill is built on a fundamentally false and dangerous premise. It assumes that the United States is incapable of taking any effective measures to help insure peace. And it also assumes that it makes no difference to us whether in the struggle now going on in the Old World the axis powers or the democracies come out on top.

The Gallup poll suggests that the American people see the situation clearly. A recent sampling of public opinion by the Gallup organization revealed that, in the half year after Munich, the percentage of those questioned who favored the sale of arms to Great Britain and France in case of war increased by almost 100 percent, with two out of every three prepared to sanction such a course.

Instinctively a very large number of Americans realize that a further weakening of the European democracies would react unfavorably upon us; that a strengthening of the axis powers may ultimately imperil our peace and security. In this they show themselves infinitely wiser than some of their legislators.

Arms Embargo

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

ARTICLES BY DAVID LAWRENCE AND FREDERIC WILLIAM WILE

Mr. GEYER of California. Mr. Speaker, now that the House has voted by a small margin to retain the arms embargo, it is well to take stock of the effect this action has upon the country. Two columnists writing in yesterday's Washington Evening Star discussed the subject. Neither of these writers is known to have any particular New Deal leanings and both are known for their fearlessness in expressing their opinions.

One of them is David Lawrence, who uses his entire column on the subject. He writes under the caption "House Plays Into Hands of Dictators."

The other is Frederic William Wile. He gives us three short articles—Hats Off to Seven Republicans—July 1939, like July 1914—and Our Turn Next If Hitler Wins.

The articles are printed below.

[From the Washington Evening Star]

HOUSE PLAYS INTO HANDS OF DICTATORS—MANDATORY EMBARGO SEEN AS CURB ON DEMOCRACIES' SUPPLIES

(By David Lawrence)

Cables from Rome and Berlin express liking for what the House of Representatives did the other day in its so-called neutrality bill and cables from London and Paris do not.

Anybody who says America, and particularly the House of Representatives, isn't taking sides already in the world crisis just isn't realistic. That's why the administration, which has all along drawn a distinction between totalitarian states and democracies, feels deeply the rebuff which the House gave to the policy which has for the last 3 years been conducted by the Department of State under Secretary Hull—a policy of open sympathy with the democracies as against dictatorship.

In many respects Mr. Hull is one of the most outstanding men in the country, having earned the respect of Republicans as well as Democrats. His course of action throughout the European crises of the last 3 years has been one of staunch Americanism. He has not approved by any means some of the steps taken by the British and the French, but he has disapproved even more what the dictatorship states have done.

Under the circumstances, to find the House of Representatives openly taking sides with the Nazis of Germany and the Fascists of Italy in the all-important matter of neutrality is to bring clearly into view how difficult it is for the foreign policy of the United States to be conducted these days. The Constitution gives to the President and the Secretary of State the rights to make foreign policy and gives to the Congress the right to declare war. The controversy today is over the steps which might lead America into war against her will through a set of circumstances operating in the period prior to the outbreak of a world war.

HULL CONVINCED—PEACE DESIRED

Mr. Hull is convinced that the American people want peace, that they do not want a single drop of American blood spilled in aid of either side in Europe's quarrels, and that not a single soldier or sailor should be pledged to go overseas again as in 1917.

But how to keep America out of a world war, how to keep American troops and sailors from being drawn into the combat in Europe? This is the central question on which opinions differ. In fairness to the men who voted last week to prohibit the shipment of arms and munitions to European countries in wartime they think this is one way to keep America out. But in all sincerity the administration thinks this is the very way to bring on war.

The reason for these differences is that a propaganda has been widely spread that if the United States had not shipped munitions to Europe in the last war, there would have been no German submarine attacks on American ships and the United States would not have been involved. The fact is the German navy attacked every vessel whether or not it carried munitions. Ships flying the American flag and destined for neutral countries like Sweden and Denmark were blown up at sea. The German command in effect was that neutral countries give up the right to travel on the ocean. This the United States refused to do.

UNITED STATES WOULD FIX ZONES

Today the administration is willing to agree to a provision which shall keep Americans from traveling in combat zones but is not willing to surrender to any foreign government the right to say whether these zones shall be 3 miles outside of this country en route to South America or whether the zones shall be 3,000 miles away.

Of more immediate importance is the fact that America is the supply house of the world. If Germany objects to American cargoes, the objection can be raised against American wheat and corn and materials needed to supply civilian populations abroad as much as against actual war implements. The House last week by its bill barred munitions but not airplanes. This shows the embarrassments which legislators can make when they do not permit the President and Secretary of State to conduct foreign relations. For while Congress has the right to declare embargoes relative to wartime, there is no justification for writing embargoes into law now unless it is to notify one side or the other of the help they might possibly expect. To say to Germany and Italy that part of the British and French supply house will be shut off is to take sides.

To stand on the established principles of international law and to notify the world that the Congress will meet at the outbreak of a world war, giving due weight to the circumstances existing at that time, is to follow historic and traditional American policy. Any other course means misunderstandings and encouragement for one side or the other.

ANSWER READ BY ACTION

What the House has done at this time is being construed in Germany and Italy as help for them and a refusal of help to Britain and France. This tends to encourage the war-seeking elements in the dictatorship states, who are being asked to believe again, as were German militarists in 1914, that under no circumstances or provocation would the United States give any help to the Allies.

A movement to embargo arms and munitions to the Allies from the United States was started in 1914 and became one of the principal issues which divided pro-German and anti-German sentiment in the 3 years preceding the war. The belief that America was pro-German encouraged the Berlin navalists to declare unrestricted submarine warfare and had the effect of ultimately drawing America into the fray in order to protect her rights on the high seas.

To keep out of war absolute neutrality is essential, and the rules are written in the code of international law, which does not require any act of Congress whatsoever to be announced as America's foreign policy until further notice.

HATS OFF TO SEVEN REPUBLICANS

(By Frederic William Wile)

Seven House Republicans—BARTON, COLE, and WADSWORTH, of New York; MAAS of Minnesota; STEARNS, of New Hampshire; BALL, of Connecticut; and KEAN, of New Jersey—joined the 165 Democrats

who stood for outright repeal of the arms embargo. This column predicts that BRUCE BARTON, JIM WADSWORTH, MEL MAAS, and their four fellow Republicans will be honorably remembered for their patriotic, nonpartisan "Stop Hitler" votes. In thwarting the Roosevelt-Hull neutrality program, the House majority rendered the aggressor powers a service equivalent to a decisive military victory. Gloatings in Berlin and Rome banish all doubt as to the dictators' appreciation of its action. If the Nazis, despite stern warnings from Great Britain, France, and Poland, attempt to seize Danzig, history may say that resultant war was precipitated by the spiteful shortsightedness of the United States House of Representatives under the leadership of a FISH.

JULY 1939 LIKE JULY 1914

Twenty-five years ago this fateful week this observer was on newspaper duty in Berlin as joint correspondent of the London Daily Mail and the New York Times. Assassination of the Austrian Archduke had plunged Europe into precisely the same explosive tension which holds it captive today. The German war party, armed to the teeth, lusted for "the day." The one element in the situation that gave pause to the Von Tirpitzes, the Von Falkenhayns, the Hindenburgs, the Ludendorffs, the crown prince, and the other war zealots was the question, Would England come in? In their wildest flights they never dreamed the United States might eventually come in. Had they been sure either of the great English-speaking powers would some day be allied with Russia, France, Belgium, and Serbia, the Kaiser's war machine would never have cleared for action on July 31, 1914. Today Nazi Germany, unlike Hohenzollern Germany, is left in no doubt about England. After the House vote on neutrality, Hitler is left in no doubt about the United States either. He has been notified that the question of the democratic powers' ability to replenish their sinews of war in America need no longer deter Germany from risking a clash with Britain and France, who might otherwise have been invincible.

OUR TURN NEXT IF HITLER WINS

Let no American suppose that by keeping out of a totalitarian-democratic conflict, Uncle Sam is insuring himself against future embroilment in war. Is it conceivable that Hitler and Mussolini, once masters of Europe, would resist the temptation to put America in its place too? Is it reasonable to suppose that Japan would shrink from the opportunity of squaring accounts with the one power now capable of challenging "the new order in Asia?" All this, in the writer's judgment, sums up to the belief that it would be wiser and cheaper for us to help the European democracies "stop" Hitler, Mussolini, and Japan now, rather than to venture that costly task later on, single-handed and without allies.

The Inside of the Philippine Situation

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

LETTER FROM PAGKAKAISA NG BAYAN

Mr. ALEXANDER. Mr. Speaker, 2 days after notice arrived in the Philippines of the introduction of my resolution (H. R. 198) calling for an investigation of the dangerous situation rapidly developing there, because of the Japanese infiltration and because of the type of administration being given by public officials from President Quezon at the top down through the cabinet and national assembly even into the municipal offices, the following letter was dispatched to me to be presented to the Congress of the United States.

This letter comes from one of the largest of the Filipino civic organizations and also included a resolution from the National Federation of Philippine Coconut Grove Owners with a potential membership of 6,000,000 Filipinos who own, operate, work, or are dependent on the coconut industry for their livelihood.

I call your attention particularly to paragraphs 4, 14, 16, 17, and 18, and suggest that those statements with the facts so capably related in the following letter, together with a number of other similar letters which have come to me from both sides of the Pacific, warrant the immediate attention of the proper committees of this Congress. The letter is as follows:

PAGKAKAISA NG BAYAN (POPULAR FRONT),
Manila, P. I., May 22, 1939.

Hon. JOHN G. ALEXANDER,
United States House of Representatives,
Washington, D. C.

DEAR SIR: The voiceless millions of Filipinos, who constitute the great bulk of the Philippine population, were elated by the news that you have introduced in the House of Representatives a resolution requesting congressional investigation of "pro-Japanese activities by the Government of President Quezon in the Philippines." The Japanese infiltration into the islands has reached a serious proportion that now it is not alone a Philippine but an American problem. If this question is not solved soon, and the prospects are that it will never be under the commonwealth government of the Philippines, it is feared it would only be a question of time that America's work in the Far East will be in danger of being undone by an alien power.

There is no doubt that there are public officials, and (or) wives of public officials who are involved in selling and leasing lands to Japanese. Although this question has come up several times in the past, and the names of Filipinos who acted as "dummies" exposed, nothing was done by the Quezon government. In 1936, President Quezon made a personal investigation of the Davao question. Accompanying him in his trip to Davao were scores of assemblymen. After enjoying on the way elaborate receptions in his honor, he returned to Manila and reported "there is no Davao problem."

I think your resolution should also call for the investigation of the Filipino "dummies" in Luzon. The Dingalan Bay on the east coast of Luzon, a very strategic point as a naval base, is now controlled by Japanese. A Filipino who is a big political figure in Luzon has acquired a vast forest concession in Dingalan Bay and, in turn, sublet it to Japanese. The United States naval authorities should take serious interest in the investigation of this particular case.

(4) A congressional investigation should also be made on how the big politicians in the Philippines acquired vast wealth while at the same time they have been spending lavishly, and have been living in luxury and style. These politicians, always in complete control of the Philippine Government, will in time ignite a powder keg that will bring about internal chaos and disorder, as the Filipinos are at present rapidly waking up, and are now realizing that their present economic plight has been ushered in by these politicians. Only 10 percent of the Philippines national wealth, or less, is in the hands of Filipinos, and the rest in the hands of foreigners. The Filipinos are again back to their former oppressors and exploiters—the Spaniards and the friars. And this fact would not be a credit to American administration of the islands.

Propaganda conducted by the Philippine politicos, headed by Quezon, daily pictures order, peace, and prosperity, while, in truth and in fact, the people live in misery and want. And nobody knows how long these so-called order, peace, and prosperity will last under the rule of these politicians who have been exploiting and corrupting their own people. America, which has always been interested in the general welfare of the Filipinos and the security of American residents here and their interests, as well as in the continuation of a trade relationship that would be beneficial to both the United States and the Philippines, cannot remain antagonistic to the sad fate of the Filipinos, and continue, instead, to pamper the handful of Philippine politicians.

Although he was poor in purse and obscure to fame before he became a Resident Commissioner in Washington, D. C., over 25 years ago, Manuel L. Quezon, now President of the Commonwealth of the Philippines, is a man of vast wealth and potential political power in the islands. Quezon's wealth over 10 years ago was estimated at ₱10,000,000, in round numbers, and all of it hasn't yet been disclosed to the eye of public scrutiny.

With his salary as senator the comparative meager sum of ₱1,000 per month, and with his record as a liberal spender still fresh in memory of those who have been in a position to know, the people of the islands are beginning to ask themselves what has been the source of Quezon's wealth. He couldn't have saved it out of his official salary, because the total is vastly more than his total salary could have amounted to if he saved every cent. The suspicion exists that he got it by accepting "presents" from those who profited from legislative acts that permitted them to exploit the islands and their people.

The list of Quezon's properties and the valuations is as follows:

San Felipe Neri hacienda, 2,700,000 square meters	₱5,400,000
House and lot at Pasay	100,000
House bought from Justice Johnson	75,000
Fishery in Pampanga	100,000
Lumber yard, Calawag, Tayabas	50,000
House and land bought from Mr. Gibbs	75,000
House and lot bought from Mr. Hoskins	45,000
House and land bought from Mr. Antonio Brias Roxas	12,000
Stocks in government's business enterprises and newspapers	25,000
Coconut plantations in Tayabas	20,000
Land in Balintawak	300,000
Land in Mandaluyong	4,400,000
Dalagang Bukid	100,000
Total	10,702,000

The above list does not include Quezon's land in Sariaya or Baler, Tayabas, or his interests in other countries, which up to the present time have not been estimated.

Like former Senator Sergio Osmena, now Vice President of the Commonwealth of the Philippines, who also was poor and unknown, Quezon has risen to wealth and political fame.

There is a vast difference between Quezon and Osmena, and Dr. Jose Rizal, to whom misguided admirers sometimes compare them. Rizal, when he worked for freedom, starved. He was finally sent to jail and then executed. But instead of starving, Quezon and Osmena have become millionaires, living in luxury. And although there are many people who believe they ought to be jailed for graft, the probabilities are they never will be, unless good old Uncle Sam steps in to right the wrong.

The Filipinos in general are peaceful and law-abiding people. But there is a limit to everything. Under continued abuses, patience does not hold long. And the Filipinos' patience is not an exception. This was demonstrated in 1896.

In the Philippines today, there is no such a thing as democracy. This country is ruled by a dictator, with the legislative and the judicial branches of the government in the hollow of his hands. The government here is run by one-party system, the titular head of which is the President of the Commonwealth.

(14) The President holds the purse string of the Nation, has charge of the duties of hiring and firing Government officials whether appointive or elective, controls the police force of the country, the Philippine constabulary and the Philippine Army, and, in fact, has the direct control of everything about the Government and enjoys unlimited powers, even to the point of doing and undoing things without the consent of the governed. Here there is no freedom of speech, or of the press, or of the right of the people peaceably to assemble. The political oligarchy of the President controls the election, and is aided by all Government agencies every election. The election law is so drafted that an opposition party has no chance of growth. Election frauds are rampant, and those who commit frauds are not punished. The President of the Commonwealth is surrounded by paid flatterers and admirers who from time to time praise every act and deed of the President-dictator, and who daily conduct the publicity work prescribed by the "big chief." He is also surrounded by no less than 50 advisers, Americans and Filipinos, who receive annual salaries from ₱40,000 down.

If the political order of things here is not cut from its root, the day is not far that the Filipino people will be divided against each other—the government men, most of whom are Spaniards and Mestizos, on the side of the United States, while the great bulk of the Philippine population who are not contented with the political order of things will be compelled to line up with an alien power. We do not want to see this thing take place, and to our way of thinking this can only be avoided by the early intervention of the United States by reorganizing the political institution here in such a way as to make it a real institution of democracy. For the United States to continue pampering the handful of politicians, including the Spaniards and the Friars, will not be fruitful of good results. In fact, the great majority of the Filipino people are not in favor of President Quezon's appointment of a naturalized Spaniard to become the Philippine Resident Commissioner in Washington. President Quezon's administration has always been directed in favor of Spaniards, Spanish Mestizos, Friars, and foreigners. You can therefore readily see that the Philippines has a peculiar dictatorial form of government.

(16) The news of the contemplated congressional investigation was enthusiastically received by the Filipino people, with the exception of those who are guilty of "high treason." If that investigation is carried out, along with other things which I have suggested in my letter, the Congress of the United States will really be confronted with a problem here.

(17) A copy of the resolution adopted by the National Federation of Philippine Coconut Grove Owners Organizations petitioning the President and Congress of the United States to abolish the 3-cent per pound processing tax on coconut oil is also forwarded to you for publication. Our industry here is almost dead with virtually 5,000,000 people out of work in the coconut regions. Only the Quezon government is making money, and with the excise tax refund Quezon established his political power. I believe that the coconut industry has been unjustly treated. This is the only industry that is almost in the hands of Filipinos where some 443,000,000 pesos is invested. As you well know, coconut oil does not compete in the United States insofar as its industrial usage is concerned. Instead, it helps the United States domestic oils and fats as the use of the coconut oil is not complete without using other oils or fats. Of the 6,000,000,000 pounds of oils and fats consumed in the United States for edible purposes, barely 3 percent of our coconut oil is used. Quezon, Osmena, and Elizalde, in a round-about way, are against the abolition of the excise tax as proposed in the new bill which took the place of the omnibus bill. So you can readily see these people really want to kill the "goose that lays the golden egg." I wish you would give us a hand in fighting for the cause of the coconut industry where about 6,000,000 people depend for work and livelihood.

(18) This letter has been sent to you in support of your resolution calling for a congressional investigation of the "pro-Japanese activities of the Quezon government in the Philippines." We, however, believe that your resolution should be broadened in scope so as to include congressional investigation of the political graft and corruption here, and the political set-up of the Philippines. If this is done, the Filipino people, I am sure, will be doubly appreciative of the great work America has done for them.

Yours very sincerely,

LUIS AGUDO,
Secretary, Pagkakaisa ng Bayan.

Work of the Farm Placement Service

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. VOORHIS of California. Mr. Speaker, it is to be hoped that in the development of the Federal Security Agency, the work of the United States Employment Service and its farm placement service will be continued and, if possible, expanded. Particularly important to the pressing problem of migrating farm families is the work of the Farm placement service; and, indeed, no ultimate solution of that problem can reasonably be looked for until these people can have the advantage in every portion of the Nation of the guidance of some such agency in reaching employment.

FARM PLACEMENT SERVICE

The Wagner-Peyser Act, passed by Congress in June 1933, provided for the establishment of a national employment system, to operate through affiliated State employment services. The enabling statute also provided that the United States Employment Service should "maintain a farm placement service."

The United States Employment Service originated at the time of the World War, when there existed an imperative need for orderly recruiting of farm labor to harvest crops. The farm placement service has been continued as an integral part of the United States Employment Service since that time.

Prior to the passage of the Wagner-Peyser Act the Service functioned through special agents, whose duty it was to publicize shortages of labor required for various crops and to organize groups of migratory labor to cover each shortage. Farm placement work was accomplished at that time through newspapers, special bulletins, and such media of publicity, and in most instances without the advantage of public employment offices.

With the passage of the Wagner-Peyser Act, the United States Employment Service has broadened the activities and enlarged the scope of usefulness of the farm placement service. As a result of the expansion of State employment services, contact points, both for growers and farm labor, increased tremendously. In July 1935 the headquarters of the farm placement service was brought to Washington from Kansas City. Farm placement supervisors have been appointed in all of the major agricultural States west of the Mississippi and in one Eastern State. The headquarters office of the farm placement service in Washington establishes and directs its administrative policies, while the farm placement supervisors in the States focus the attention of growers and of farm labor upon the local employment offices.

Satisfying progress has been made in the program to secure orderly and controlled movement through public employment offices of the previously unregulated flow of farm labor in these agricultural States.

The farm placement service makes it its business to know crop acreages, conditions, and probable yields; the seasons and periods when additional labor will be needed; the character of the work required; the number of men that will be necessary in each instance to care for its particular needs; the wages to be paid; the living accommodations to be provided laborers; the costs of transportation; the most direct routes between points; and the sources of supply nearest to the field of activity from which labor can

be recruited. The service also is responsible for the maintenance of contacts with farm organizations. In short, its purpose is to meet the needs of both growers and workers and at the same time to avoid unnecessary and fruitless migration of labor.

When States, such as California, are confronted with a huge supply of agricultural labor and abnormal migration continues month after month, the farm placement service in Washington disseminates, through the State employment service directors, publicity designed to check labor moving toward those areas. In a further effort to discourage unnecessary migration, arrangements are also made by the farm placement service with the United States Department of Agriculture to release radio announcements concerning the number of migratory workers entering the State.

The farm placement service has set up a system of clearance with all States so as to equalize the supply and demand of farm labor, to obviate shortage of labor and the resultant spoilage of crops, and still prevent surpluses of labor which leave workers stranded at long distances from home. It is as important to keep labor in its home community when it is not needed, as it is to facilitate and regulate migration when labor is required to cultivate and harvest crops. If growers and agricultural labor become accustomed to utilizing employment offices, the flow of migratory labor can be more effectively controlled, and dislocation of workers can be more successfully prevented. The local employment office can and should be the source of information which will stop unnecessary movement of migratory labor in fruitless wanderings in search of work.

Each employment office is in position to publicize shortages of labor within the State and across State lines. Orderly movement of migratory labor is essential.

The migratory labor problem in some of the Western States—particularly in California—has become extremely acute. One of the most valuable contributions that the farm placement service has made to California agriculture is in aiding to reduce the unprecedented influx of agricultural workers from the drought-stricken areas of the United States to California in the past 2 years. These agricultural migrants went to California in the hope of rehabilitating themselves in a State where climatic and other conditions would seem to offer the hope of a less unfortunate and more pleasant existence than they had found in their States of origin.

During 1936, from all States of the United States, 97,642 people seeking manual employment were checked through the border stations maintained by the Bureau of Plant Quarantine of the California State Department of Agriculture. During 1937 this total jumped to 104,976.

In the first 3 months of 1938 a total of 29,634, or an increase of 9,233 persons over the total for the corresponding period of 1937, migrated to California in search of manual employment.

Prior to 1938 agriculturists in California had been steadily increasing their acreages in crops which required large numbers of hand laborers and were able to a certain extent to absorb these people. However, in 1938 many of these crop acreages were reduced. For example, the 1937 cotton acreage of 612,000 was reduced to 354,000 in 1938.

Early in April 1938 it became more and more evident to the farm placement service in California that if the then current rate of influx from other States continued California relief agencies would be seriously burdened with these people, a large number of whom necessarily would be unable to find employment. Therefore, with the advice and assistance of various individuals and organizations in California interested in the problem, they attempted to discourage this migration which had reached such alarming proportions.

Through the cooperation of the headquarters office of the farm placement service in Washington, D. C., directors of State employment services in Middle Western States, where the majority of these migrants originate, disseminated through their local employment offices and by means of personal contact, the press, and the radio the facts concerning agricultural employment conditions in California. In discouraging migration to California they emphasized that additional migration would work a hardship on the migrants and would jeopardize the employment opportunities of agricultural workers already in the State.

It soon became apparent that this campaign of discouragement was taking effect. From April through December 1938 the influx of migrants to California decreased 29,159 under the 1937 figure for the same period. Since that time the influx has continued to decrease. For the first 4 months of 1939 the border check stations reported that 17,623 people entered California in search of manual employment as compared with 37,096 in the corresponding period of 1938. Our united efforts in this direction have resulted in many thousands of dollars in savings to the relief agencies of California.

The farm placement service has made great strides in increasing the dissemination of employment information of interest to agricultural workers and employers alike. During the first 7 months of each year they distribute to all offices of the California State employment service and to other interested persons a monthly State-wide crop and labor report. During the active harvest months of each year they distribute this report every 2 weeks. This information is of great assistance to the 82 California State employment service offices and enables their personnel to give authentic information to all seasonal workers about potential agricultural employment opportunities, thus saving the migratory group much needless travel and disappointment in their search for employment.

In addition expressions of appreciation from other interested agencies definitely indicate the usefulness of the information thus disseminated. For example, the California State Department of Education, in the public schools it maintains for the children of migratory agricultural workers, makes available to the children the information contained in our crop and labor reports. The children, in turn, convey the information to their parents who are, therefore, currently informed as to crop activities in the State and where the most likely employment opportunities exist. Leading agriculturists in the State also have told us that they find these reports valuable aids in keeping abreast of the progress of various crops in all sections of the State.

The farm placement service has worked closely with the California State employment service in assisting agricultural employers of California to find adequate labor qualified to take care of their crops. With the cooperation of the State employment service, it has assisted in the control of the movement of seasonal, agricultural workers throughout the State, to the end that they may secure the longest period of continuous employment with a minimum of travel and inconvenience. They are working steadily toward the achievement of a so organized State employment service that agriculturally informed and interested personnel will be assigned in each office to take care of the farm labor requirements of each district; that qualified personnel will be stationed at the border checking points to disseminate factual agricultural information to persons entering the State and to direct these people to the points where they are most likely to find employment, thus preventing concentration of workers in places where there is no available employment; and that temporary roadside informational offices will be maintained during the harvest season to direct workers to points where harvests are in progress.

As a result of the efforts of the farm placement service and its supervisors in the field, there has been a steady growth of confidence in the ability of the Employment Service and its local offices to serve not only agricultural labor but the growers. Farm placements for the 11 months of the current fiscal year in the 17 States provided with Federal farm placement supervisors totaled 649,601. The farm placement service is an agency which is filling a definite and long-felt need for equalization of the supply and demand for agricultural labor and should receive greater support from growers in the future than it has in the past.

Any plan working toward a solution of the relief situation resulting from agricultural labor surpluses should take into

account the facilities of State employment services and the farm placement service of the United States Employment Service.

Benefits of the Florida Canal

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 27, 1939

ARTICLE BY JOHN L. BOGERT

Mr. HOUSTON. Mr. Speaker, I should like to read into the RECORD an article by a great authority on shipping, Mr. John L. Bogert, editor of the Marine Journal of New York, on the benefits of the proposed Florida canal to the United States, and particularly to the great western section of our country, and to the Atlantic seaboard States. I shall read those parts of the article which are of particular interest to anyone wishing information on this subject. They are as follows:

Every once in a while some editor of our great dailies takes a shot at the Florida canal, frequently linking it with the fantastic Passamaquoddy tidal power plant. On Tuesday, April 18, the New York Times published an editorial packed with misinformation, which contained the following gem: "After the Geological Survey pointed out that underground waters would be drained over a considerable area, the fruit growers raised their voices in protest." The writer of this article was present at some of the hearings before the House Committee on Rivers and Harbors and listened to testimony by a well-known geological expert who had made a profound study of the water table of that part of Florida and reported to the committee that the canal would have no effect whatsoever on the fruit growers' lands.

The stupidity of this water-drainage criticism is evidenced by the history of our entire system of intracoastal waterways. From Cape Cod all the way down to Miami, Fla., over 1,600 miles, we have various canals that have been dug, deepened, and widened during the last 30 years. No one can point to a single instance where the digging of any one of these canals has resulted in injuring the adjacent land. And what is true as to the Atlantic intracoastal canals is likewise true of the canals in the Gulf of Mexico, reaching down to Corpus Christi, Tex.

In the opinion of the writer the strongest commercial reason for the digging of the Florida canal is generally overlooked. And he would like to prophesy that in the years that are to come our people here on the Atlantic coast will profit by it far more than they could ever dream. Through that canal will come the products of the farms of the West, away up the Missouri River. Let us take Kansas City as the great shipping point for the food raised in the West, which we in the East need daily. Suppose we take the grains, for they are the "staff of life." To bring grain from Kansas City by rail to New York costs $6.35 a ton, and the distance is 1,424 miles; this reduces to 4.45 mills per ton-mile and is a low freight rate, thoroughly unobjectionable. But water transportation is much cheaper than rail; in some cases, such as the hauling of ore on the Great Lakes, as little as one-tenth. If only we had straight water transportation from Kansas City to New York, even though it involved the use of a much longer route, we could get our food for much less money. How much saving? About one-half. If the Florida canal were in existence, barges might load at Kansas City, come down the Missouri to its junction with the Mississippi, pass down the Mississippi to New Orleans, skirt the Gulf to the entrance of the Florida Canal, pass through the canal, and finally reach Baltimore, Philadelphia, and New York (after the New Jersey canal has been dug). The total distance traversed will be about 3,000 miles, and the charge for hauling the grain will be not more than $3 per ton, half what we pay by rail now. Probably someone will protest that 1 mill per ton-mile is too low. Well, all through last year barges were hauling corn down the Mississippi from Muscatine, Iowa, to New Orleans, 1,430 miles, for 4 cents per 100 pounds.

There are 60 pounds to a bushel of wheat and 56 pounds per bushel of corn, so the cost to the farmers of Iowa was but 2.24 cents per bushel for a down-stream haul of 1,430 miles. The railroads wanted 15 cents per 100 pounds to haul the same corn to Chicago, only 574 miles from Muscatine, three and three-fourths times as much for but four-tenths the distance. This 2.24 cents per bushel for water transportation was no sporadic quotation, but the standard price at which 5,000,000 bushels of corn were transported the 1,430 miles from Muscatine to New Orleans. That reduces to fifty-six one hundredths of a mill per ton-mile. If the Mississippi River barge lines, during an entire season, hauled corn to the tune of 125,000 tons, 1,430 miles for fifty-six one hundredths of a mill per ton mile, we are justified in assuming that 1 mill per ton-mile would be a thoroughly satisfactory price if the barges could continue up the Atlantic intracoastal canals all the way to Baltimore, Philadelphia, and New York. As remarked above that would cut our breadstuff transportation bill in two.

Our food bill is the most important item in the annual budget; in the metropolitan district of New York alone the annual consumption of bread is equivalent to 1,000,000 tons of wheat. Add to that some 800,000 tons of meat, 100,000 tons of eggs, 120,000 tons of butter, and 60,000 tons of cheese and you begin to realize what a handsome saving to the eastern pocketbook $3 per ton would be on all the millions of tons of food that the West is constantly shipping us. Alone, by itself, it would most certainly justify the construction of a canal across Florida.

If we don't cut the canal across Florida the distance from Kansas City to New York will be lengthened out to 3,500 miles, and that grain will have to be transferred to ocean-going steamers at New Orleans. For no river barge would be a safe risk circumnavigating the entire Florida Peninsula. The cost for bringing us the grain would be materially higher.

What is true of grain would also be true of meat and other farm products. It is hardly necessary to stress the possibilities of the fruit and vegetable trade from Texas, but it is food, and not necessarily petroleum, that offers the greatest inducement commercially for the digging of this most important highway across the State of Florida which sticks down, like a sore thumb, for some 400 miles from the continental area of the United States. No other nation in the whole world would suffer the existence of a missing link between 1,000 miles of Gulf sheltered intracoastal waterways and 1,430 miles of Atlantic sheltered intracoastal waterways.

The Country Newspaper

EXTENSION OF REMARKS
OF
HON. JOHN W. GWYNNE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 6, 1939

Mr. GWYNNE. Mr. Speaker, when the wage and hour bill passed the House, an amendment was adopted exempting from the provisions of the act "any employee employed in connection with the publication of any weekly or semiweekly newspaper with a circulation of less than 3,000, the major part of which circulation is within the county where printed and published." This was the legislative expression of the belief that country newspapers should be exempt from the operation of the wage and hour law.

It now appears, however, that Congress has not translated its intentions into proper language. It is true that most of these newspapers throughout the country have less than 3,000 circulation. There are some, however, to whom the exemption does not apply. For example, in Iowa there are 36 weeklies and semiweeklies having a circulation a little in excess of 3,000. There are also many country dailies with a circulation between three and five thousand. These latter papers work under substantially the same conditions as the weekly or semiweekly papers.

Only a very technical construction of the law would claim that these papers were engaged in interstate commerce. For example, a survey in Iowa shows that 95 percent of the circulation of these papers is in the State, and that 91 percent of their revenue comes from within the State. It should also be remembered that the circulation outside the State is largely a courtesy matter, since local advertisers are not interested in this circulation.

Furthermore, the conditions under which these papers are published make regulations not only unnecessary but undesirable. They are published in small towns where sweatshop conditions do not prevail. Wages paid are well above prevailing wages in the community for other types of employment, and are far above the minimum required under the Wage and Hour Act. In most cases employees draw a fixed weekly wage during rush times and during slack periods. They are far more secure and more comfortably situated than would be the case if they were forced to go on a strictly hourly

basis with a constantly fluctuating income. The only printers in these communities are those now employed regularly by the local papers. In rush periods, such as the weekly press day, the management cannot possibly secure additional trained help. The only solution would be to curtail the service rendered to the community. In fact, some newspapers with a circulation slightly in excess of 3,000 have found it expedient to restrict, and even cancel, some of their subscriptions to avoid the hour complication of the law.

Congress was evidently cognizant of this situation in passing the law when it expressed its desire to exempt the country newspaper. Clearly the intention was to exempt all those papers coming under this classification as distinguished from the larger metropolitan papers published under different conditions. It is hard to see why a paper with a circulation of less than 3,000 should be exempt, while its competitor with a few hundred more subscribers is under the act. The Federal Government should not adopt a policy which will encourage the publishers of these papers to keep their circulation at 3,000, thereby eventually lessening the total amount of employment and circumscribing the service rendered to the community.

In order to carry out the intention of Congress, I have introduced H. R. 6745, providing exemption from the wage-and-hour law for newspapers with a circulation of less than 5,000. The adoption of this amendment would have very little effect upon the operation of the wage and hour law, and would be of great benefit to the country newspapers and to that great portion of the reading public that they serve.

It should be borne in mind that the maintenance of the country newspapers is a matter of vital importance to the entire country. It is the most typically American institution that yet remains. Within recent years there has been a tendency to concentrate industry and population in a few large centers. To meet the problems arising from such an unhealthy and unnatural condition, we are now being told that large powers must be concentrated in Washington. I am convinced that is not the remedy and that it will only hasten the destruction of free government. The American people will some day learn that neither monopoly nor bureaucracy can exist in a free country. We need to adopt a policy that will restore prosperity and importance to the independent merchant and to the small town. When we do that, most of our troubles will be solved.

The country newspaper is the representative and the spokesman of the farmer, the independent merchant, and the small town generally. Its influence in both local and national affairs can hardly be overemphasized. Its columns are always open for announcements and regulations pertaining to the various Federal activities, such as the agricultural adjustment program. Its editorial section has never succumbed to the influence of the counting house. Nowhere is the American type of government and the individualistic form of society being more ably defended. In fairness to these country newspapers and for the good of all concerned, the provisions of H. R. 6745 should be enacted into law.

The Future of Radio Depends Upon the Use of More Power

EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. LARRABEE. Mr. Speaker, I want to take just a few minutes to explain the substance of a resolution which I proposed in the House on Wednesday, June 28, providing that the Federal Communications Commission should take the necessary steps to acquire data and other factual information, and provide an adequate method for the use of power in excess of 50 kilowatts in the standard broadcasting band.

The subject of improving rural and small-town reception has been before the Communications Commission and its predecessor, the Federal Radio Commission, since the first licenses for broadcasting stations were issued by the Federal Government, and therefore I am not proposing anything new when I ask the Federal Communications Commission not to stop now but continue to investigate the possibilities of standard broadcasting with power in excess of 50 kilowatts.

Recently the Commission adopted new rules governing standard broadcasting stations and made subsequent regulations to provide increased radio service to urban listeners without taking any measures to improve service to small-town and rural listeners. These rules were adopted after exhaustive hearings which were held about a year ago, and at which time a petition was filed with the Commission by almost a score of stations scattered over the United States asking that present regulations be relaxed to permit broadcasting with power of more than 50 kilowatts. Many of these stations have had applications pending at the Commission for as long as 4 years without action of any kind having been taken on them to date.

In its report following this hearing, the Commission admitted that the evidence showed conclusively from a technical standpoint that the use of power in excess of 50 kilowatts had a distinct advantage because it provided better quality service to the vast population residing in rural areas.

The United States has a population of slightly over 122,000,000. During the day time, a population of over 16,000,000 living in about 40 percent of the area of the entire country, does not receive a satisfactory signal from a single broadcasting station. At night time, a population of over 28,000,000 living in about 60 percent of the area of the country, likewise does not receive a satisfactory signal. Then added to this is an indeterminate number of listeners who must necessarily depend on the very minimum of satisfactory signals for their radio entertainment.

By a satisfactory signal I mean the minimum signal which the Commission has arbitrarily fixed as constituting satisfactory service. Taking into consideration then, that such a vast percent of the population and such a widespread portion of the total area in the United States, by the Commission's own standards, does not receive good radio reception or anything resembling program excellence, no effort has been taken thus far by the members of the Commission to provide for higher power which admittedly is the only solution to the problem. High power will reach this area and apparently only high power is the answer to the present dilemma.

It is a strange paradox that the very people to whom radio can mean the most and to whom radio offers most are the same people who receive its benefits least satisfactorily. With city reception having been improved year in and year out for many years, has not the time come when we should consider meeting this issue squarely and fairly rather than attempting to solve the problem by ignoring it? We are certainly glad and delighted that even a low-salaried wage earner in many medium- and large-sized cities can secure the best in radio by going to the corner drug store and buying a set at $9.99, but the day will come when those of us who have been chosen to represent the people will have to explain why we have fostered rules and regulations on the part of an administrative body which forces our country and small-town people to pay $50 and $100 for receivers needlessly—when by the simple expedient of providing them, as is done in other countries, with a signal somewhat stronger, the expense is placed squarely on the shoulders of the broadcaster, where it belongs, and not on the already overburdened pocketbooks of our citizens. There are many parts of the country where even the most expensive sets cannot be substituted for an inadequate signal.

Despite the Commission's finding of fact that from a technical and economic standpoint high power is not a Franken-

stein, the Commission has arbitrarily refused to relax its regulations and permit progressive American broadcasting stations to compete with stations in Mexico, Cuba, France, Germany, England, and Soviet Russia which now operate with power not fixed at 50 kilowatts, but running even beyond 850 kilowatts. Some of these countries which use power in excess of 50 kilowatts cover less area on the map than the State of Indiana, yet the whole United States, from the Atlantic to the Pacific and from the Great Lakes to the Gulf of Mexico, is denied this type of radio reception.

That high-power stations would not create a monopoly in the air has ably been demonstrated by facts which were part of the records and have been at the Federal Communications Commission since 1922. In those years, when existing radio stations made an attempt to increase their power from 20 to 50 watts, competitor stations raised a cry of "superpower." The same cry spread when stations were generally advanced from 500 watts to 1 kilowatt. Again, when station owners prepared to increase power to 5 kilowatts, it was generally pointed out that this would create a monopoly of the air. Of course no such thing occurred, and will not occur in the event the Commission decides to permit the use of power in excess of 50 kilowatts. The term "superpower" is only relative—for example, 50 kilowatts power is less power than that delivered by a single low-priced automobile engine; 500 kilowatts power equals only that developed by one Douglas airplane engine. It will result, however, in a radio parity that will put rural areas more nearly on a par with the metropolitan districts of the country and furnish to listeners in the United States generally a program excellence that is now only attained in the huge metropolitan areas.

I am convinced in my own mind that the very phrase "superpower" as applied to broadcasting stations has created a complete misconception in the minds of many as to its meaning. If the Commission's so-called superpower report had been termed, as it might well have been, "Report on means of improving rural and small-town radio reception," an entirely different reaction to this report might have been indicated on the part of the Commission itself.

The demand for fair consideration was first voiced before the Communications Commission by the clear-channel group of stations which now operate on power limited to 50 kilowatts. The Commission licensed one station to operate on higher power for a period of more than 4 years on a basis which has since been held to be experimental. The operation of that station which likewise is a member of the clear-channel group has proved the distinct advantage of high power without affecting in any way any other station in the United States. After 4 years this station was taken off the air and its power reduced almost simultaneously with a report by the Commission that it could not grant any further experimental or commercial licenses without further facts and data.

The puzzling thing about this action is that while the Commission itself feels it is not able to cope with high power without additional data, both of a social and of an economic nature, it has refused all requests to experiment with this amount of power.

My attention was first called to this situation by a constituent in Indiana who has used the radio at 500 kilowatts power and has attained a program of excellence that has furnished a radio parity in areas that cannot be reached under service that is now provided.

I call your attention, therefore, to the program known throughout the Midwest, the South, the East, and in many sections of the Northwest as the Nation's Family Prayer Period. This program originates in the Cadle Tabernacle in the city of Indianapolis and has been on the air every day of the week for 8 years. The sponsor of this program, Rev. E. Howard Cadle, through his family prayer period has penetrated into the rural and small-town areas of the North and into the mountains of the South with a response that has never been attained before by any program of this nature. Dr. Cadle has equipped with radio 400 formerly abandoned churches in six States. Each Sunday some-odd 40,000 underprivileged people by walking, by horse, or by mules congregate at these churches to hear the word of God by radio.

Plans have been formulated for opening up more than 6,000 abandoned churches, which will be equipped with radio and rededicated in North Carolina, South Carolina, Virginia, Tennessee, Kentucky, and West Virginia. More than one-half million people will hear the Gospel from this interdenominational institution. However, this plan now will have to be abandoned because of the inadequacy of radio signals in this area.

One of the first to realize the benefits that were provided by this type of broadcasting, Reverend Cadle, in a clear and convincing letter to the Federal Communications Commission, pointed out that the decision denying additional power was probably predicated by a desire on the part of the Commission to serve the best interest of radio stations and was reached, no doubt, only after carefully weighing of the facts presented.

While not questioning the sincerity of the Commission, Dr. Cadle showed how this reduction in power had deprived many thousands of good citizens not only of fine radio entertainment, but even more important, deprived them of the efforts of his organization and similarly situated groups to bring the word of God through the air.

Many of Dr. Cadle's listeners in recent weeks have protested to the Commission in more strenuous terms this action in reducing the amount of power to be used in broadcasting. Despite these thousands of protests, the Commission has steadfastly refused to reconsider its action, and being impressed with this demand, I introduced the resolution with the hope that the Commission would see fit to make a further study before arbitrarily writing a closing chapter in the field of radio.

I admit that I have a further hope that this resolution will provide better radio service for Indiana, which now suffers by a maladjustment as a result of earlier allocations made by previous Commissions. I might illustrate, by way of example, that Indiana today has relatively no large broadcasting station, while to the north the city of Chicago alone has five, and to the east and south four other stations operate on clear channels and with 50 kilowatts power. Under the present system of allocation of licenses for radio facilities, there is little hope that Indiana within the near future will have any powerful stations.

I have reason to believe that serious consideration is being given to a possible application on the part of a station in Montana for clear-channel operation, while at the same time the Commission has taken no steps to improve radio service in the great State of Indiana, which is now limited to one station operating on 10 kilowatts and sharing its frequency with other stations over the United States.

Two stations in Indianapolis are permitted to operate on only 5 kilowatts power during the daytime, and then are required to cut down to 1 kilowatt for nighttime service. One other station in Indianapolis is licensed on even less power. While I am unfamiliar with situations and conditions in other States, I have reason to believe that similar conditions prevail, and that my resolution would open the door to providing a means for an examination and an investigation of methods of providing increased service and facilities.

Since Indiana has so little hope, under existing conditions, of securing a high-powered station, it appears that our only chance for better radio service is through the possible licensing of high power, and it is, therefore, my desire that the Commission make a further study of this question. I believe that many of those employed by the Commission are in complete agreement with me that high power should be approved.

I wish to further point out that my resolution does not propose an appropriation of any additional funds. It simply calls on the Communications Commission to further study the question of superpower and instructs the Commission that it is the will of Congress that the Commission shall make such study.

America has always been the leader in progressive development and usage of modern inventions. I am unwilling that America shall lag behind foreign nations who are already far in the lead in the use of high power.

If any of us are inclined to treat this subject of radio reception lightly, let me impress upon you that it is not a subject which has been dealt with lightly by our people. The American people have invested over $4,000,000,000 in radio receivers, and any steps which might be taken to improve the utility and the use of an investment of this magnitude will represent an appreciable contribution to American life.

I believe that we in Congress have a clear conception of the advantages that certain foreign nations have obtained from their explorations into and use of the field of superpower in radio, and I think you will agree with me that it is of utmost importance that our Nation be in a position to at least enter into friendly exchange of radio programs.

We cannot hope to progress further if we refuse to explore the questions that confront our efforts toward progress.

I am hopeful that this Congress will support me in my desire that we instruct the Communications Commission to reopen and further investigate this question, which is of paramount importance.

The resolution is appended herewith:

Whereas the Federal Communications Commission in its report on proposed rules governing standard broadcast stations and standards of good engineering practice has made new rules and regulations to provide increased radio service to urban listeners without taking any measures to improve service to small towns and rural listeners leaving the implication that no solution of this problem is being sought; and

Whereas the report of the Federal Communications Commission lists in detail the many possible advantages of high-power operation in the standard broadcast band, particularly to people living in small towns and rural areas; and

Whereas the new rules governing American international shortwave stations prohibit the use of power less than 50 kilowatts in order to provide better service to foreign listeners while conversely other rules governing stations serving our own people within the continental limits of the United States are prohibited from using power in excess of 50 kilowatts; and

Whereas the Federal Communications Commission in its report has reached the conclusion that because of the inadequacy of data on the social and economic aspects of high-power operation in the standard broadcast band (550 to 1,600 kilocycles) no provision should be made to permit the operation of standard broadcast stations with power in excess of 50 kilowatts: Therefore be it

Resolved, That it is the sense of the House of Representatives of the Congress of the United States of America that the Federal Communications Commission should take such steps as may be necessary to provide an adequate method to obtain data and other factual information and material necessary to determine the social and economic effects of power in excess of 50 kilowatts and that in so doing the Federal Communications Commission shall not be restrained from licensing one or more than one station or stations to operate on power of more than 50 kilowatts for such experimental operation as may be thus necessary.

Neutrality

EXTENSION OF REMARKS

OF

HON. CLAUDE V. PARSONS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIAL FROM THE WASHINGTON EVENING STAR OF JULY 5, 1939

Mr. PARSONS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein the following editorial which appeared in the Washington Evening Star of July 5, 1939:

[From the Washington Evening Star of July 5, 1939]

ENCOURAGING AGGRESSION

Neutrality action that has the effect of lending encouragement to aggressor nations is fraught with danger to all the world—and what is dangerous to the world is dangerous to America, however isolated we may strive to keep ourselves from other nations. President Roosevelt, with this fact in mind, has significantly called attention to the gratification with which Nazi Germany and Fascist Italy have received news of the unexpected action of the House of Representatives in butchering Secretary Hull's sensible program for promoting peace. The eyes of the dictators were on the House when it slashed from the administration-favored Bloom bill the all-important section calling for repeal of the arms embargo provision of existing law and substituted for it a modified but still dangerous embargo plan. That the scene was one pleasant for war makers to contemplate is evidenced by the jubilant tone of the Nazi and Fascist press. Mr. Roosevelt says that reports received at the State Department confirm the fact that the action of the House in proposing a wartime embargo on guns, shells, and powder was welcomed by the dictator nations of Europe.

The President, at a press conference yesterday, quite properly deplored the mutilation of the Hull peace program by the House and insisted on adoption by this Congress of some sort of legislation having the objectives of that program—prevention of a world war and, failing that, the safeguarding of the United States from entanglement in such a conflict. He made it plain to the correspondents that he believes, with Secretary Hull and many other authorities, that the first step toward discouraging international troublemakers should be the scrapping of the present embargo law, application of which would adversely affect psychologically, if not from a material standpoint, the democracies of Europe, while causing little or no material inconvenience to the well-armed aggressor nations. That is why the Nazis and the Fascists smiled—probably unbelievably—when the House, purportedly representing the temper of the whole American people, tacked an embargo section on the Bloom bill. Now that the reactions of Germany and Italy to the House move have been observed, it behooves that body and the Senate to ponder carefully the full import of Nazi and Fascist glee.

Railroads on Parade—World's Fair Pageant of Transport History

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. CELLER. Mr. Speaker, critics have hailed Railroads on Parade, feature attraction of the railroads' exhibit, as an outstanding event of the entire world's fair. "A great show," says John Anderson in the Journal and American. "A spectacle that packs the 'it' of Rosita and her dove dance, the thrills of the ski jumper at Sun Valley, and the educational values of Merrie England's Globe Theater," according to Robert Coleman in the Mirror. Variety calls it the "Barnum of industrial exhibits." The Sun says, "Most amazing show on the lot"; and Brooks Atkinson, "More fascinating than a girl show."

Railroads on Parade is a real stage presentation in story, music, and spectacle of America's conquest of a wilderness told in terms of transport. It is presented on a great outdoor stage or series of stages, 250 feet wide by 140 feet deep, which provides two standard-gage railway tracks for the "parade" of old-timers under their own power, with coaches, and for the modern locomotives that climax the show; broad highways for vehicular traffic, a performing stage for actors, chorus, and ballet, and a channel in rear for the review of early watercraft in life-size replicas.

Old-timers that "parade" include the British-built Stourbridge Lion, sent here in 1829, and the first locomotive to run on American soil; Best Friend of Charleston, first locomotive built in America; Tom Thumb, DeWitt Clinton, Atlantic, Galloway, Ross Winans, Thatcher Perkins, Pride of the Prairies, Genoa, and others.

In 16 scenes and in actual settings and costumes of the periods, actors, horses, locomotives, covered wagons, stagecoaches, oxen, and mules reenact the part transportation has played in the opening up of the American Continent. The performance flows to Kurt Weill's music from a 30-piece orchestra, with soloists and chorus, all located in a sound room. Sound effects specially devised for the performance

carry every note and word to every corner of the 4,000-capacity amphitheater. Isaac Van Grove is conductor.

The story begins at the New York water front, 1829, with ceremonies attending the opening of the Erie Canal. Then to Honesdale, Pa., scene of the Stourbridge Lion's debut. To Baltimore next, with the little Tom Thumb, 1829, come to replace its horse-drawn railway; followed by other old-timers, all "in person" and under their own power. An interlude follows, with Lincoln on his way to his inauguration, his prophecy of a transcontinental line and the scene of its fulfillment—the famous golden spike scene at Promontory Point. There are scenes to show early railroad travel in contrast with the comfort and luxury of modern travel. A bridal party scene in the seventies in a gay dance number and interludes of ballet. There are freight-train scenes and dramatic scenes depicting everyday railroad life.

Two giant locomotives that roll on from each wing for the finale provide a thrilling climax to the show.

Edward Hungerford is creator and producer; Charles Alan, pageant director. Harry Horner designed the costumes and stage sets.

Thomas Jefferson Renounces Third Term

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIAL BY RALEIGH T. GREEN

Mr. REED of New York. Mr. Speaker, under permission to extend my remarks in the RECORD, I include an editorial by Mr. Raleigh T. Green, editor of the Culpeper (Va.) Exponent, for the information of my colleagues on both sides of the aisle and for the country generally:

[From the Culpeper (Va.) Exponent]

PRO BONO—SOME OBSERVATIONS

A trial balloon? That is the question that occurs to this writer when we note that four members of President Roosevelt's Cabinet have within the past week or so issued unequivocal declarations of their conviction that it is to the best interests of the country that Franklin D. Roosevelt be elected to a third term in the Presidency.

These four Cabinet members are Harold L. Ickes, of the Interior Department; Harry L. Hopkins, of the Commerce Department; Frances L. Perkins, the woman Secretary of Labor; and Attorney General Frank Murphy. Stephen T. Early, Mr. Roosevelt's most confidential private secretary, in a recent magazine article, touches upon the subject by declaring that in the 1940 Presidential campaign Mr. Roosevelt would again be prey to the whispering propaganda aimed at him in 1932 and 1936.

In the meantime the President maintains an unbroken silence upon the all-absorbing topic. No one, in spite of numerous efforts, has as yet been able to draw from him any semblance of a concrete statement as to his feelings and intentions.

A counterpart to this sphinxlike silence upon the part of Mr. Roosevelt is to be found in the early political records of our country.

Thomas Jefferson, the third President, was, undoubtedly, in the infant days of our Republic, opposed to a third term in the Presidency. He wrote numerous letters to that effect. From Paris, before he returned to become the first Secretary of State, under George Washington, his letters to various correspondents carried expressions of strong advocacy of a constitutional inhibition against a third term. Today the antithird term people point to Jefferson's position as a complete confirmation of their attitude of opposition to a third term.

Yet, delving back through the pages of history, we find Jefferson at the beginning of the 1808 Presidential campaign, when approaching the close of his second term in the Presidency, was persistently silent upon the subject, in spite of the fact that it was being widely discussed and acted upon by those who were favorable to a third term for Jefferson.

In November 1806 the Legislature of Vermont, with Jefferson's term not expiring until March 4, 1809, by formal resolution, called on Mr. Jefferson to be a candidate for a third term. In December 1806 the Legislature of Georgia joined in the request, to be followed in January 1807 by Maryland. Rhode Island joined the procession in February, followed by New York and Pennsylvania in March and New Jersey in December 1807. North Carolina joined later. Virginia was conspicuous by her absence.

The above States, advocating a third term, possessed an electoral vote of 86—just 3 short of the 89 necessary to elect.

The Republican States—Jefferson was the leader of the Republican Party—of Virginia, South Carolina, Ohio, Kentucky, and Tennessee, with 50 electoral votes, held aloof, as did, naturally, the Federalist States of New Hampshire, Massachusetts, Connecticut, Delaware, and Maryland, with 40 electoral votes.

It is probable that Jefferson was embarrassed and perturbed by the conflicting Presidential aspirations of his two proteges—James Madison and James Monroe. These two, in their rivalry for Presidential honors, almost became openly antagonistic. James Madison was elected, serving for 8 years. He was succeeded by James Monroe, who likewise enjoyed two terms.

Thus it was that the "Virginia Trinity"—Jefferson, Madison, and Monroe—filled the Presidential office for 24 consecutive years.

This situation confronted Mr. Jefferson when, on December 10, 1807, he replied to the invitations of the third termers as follows:

"That I should lay down my charge at a proper period is as much a duty as to have borne it faithfully. If some termination to the services of the Chief Magistrate be not fixed by the Constitution, or supplied by practice, his office, nominally for years, will in fact become for life; and history shows how easily that degenerates into an inheritance. Believing that a representative government responsible at short periods of election is that which produces the greatest sum of happiness to mankind, I feel it a duty to do no act which shall essentially impair that principle; and I should unwillingly be the first person who, disregarding the sound precedent set by an illustrious predecessor, should furnish the first example of prolongation beyond the second term of office."

Hence, we see the manner in which Thomas Jefferson punctured his trial balloon, as his enemies declared it to be.

Mr. Jefferson, in the above letter, speaks of the "sound precedent set by an illustrious predecessor (Washington)."

While on the subject of George Washington's ideas about a third term in the Presidency, let us put upon the witness stand an illustrious American, John Adams, of Massachusetts, who succeeded Washington in the Presidency after having served under him as Vice President for 8 years.

Adams, in July 1813, writing to Thomas Jefferson, said:

"Your administration will be quoted by philosophers as a model of profound wisdom; by politicians as weak, superficial, and short-sighted. Mine, like Pope's woman, will have no character at all." (Adams served only one term, being defeated by Thomas Jefferson in 1800.)

"The impious idolatry of Washington destroyed all character. His legacy of ministers was not the worst of the tragedy; though by his own express confession to me, and by Pickering's confession to the world, in his letter to Sullivan, two of them, at least, were fastened upon him by necessity, because he could get no other. The truth is, Hamilton's influence over him was so well known that no man fit for the office of State or War would accept either. He was driven to the necessity of appointing such as would accept.

"This necessity was, in my opinion, the real cause of his retirement from office; for you may depend upon it, that retirement was not voluntary."

The wonder is that someone of the bright brain trusters of the New Deal aggregation have not before this availed themselves of John Adams' testimony as to the alleged real feelings and desire of George Washington.

What will President Roosevelt do to the trial balloon sent up by his cabineteers?

Will he puncture it, as did Thomas Jefferson the balloon of 1806–7? Will he be motivated to such action by the knowledge that his great, great grandfather, Isaac Roosevelt, voted in favor of constitutional prohibition against a third term while he was a member of the New York Constitutional Convention, which ratified the Federal Constitution of 1787?

We shall see.

Defense of Freedom

REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

Mr. CHURCH. Mr. Speaker, under unanimous consent to revise and extend my remarks in the RECORD, I include a speech delivered by Col. Robert McCormick, publisher of the Chicago Tribune, at the Fourth of July celebration of the Du Page County Centennial Association in Maple Grove Forest Preserve, west of Downers Grove, Ill.

Colonel McCormick is a nationally recognized champion and defender of the liberty and freedom of America. His

speech, entitled "Defense of Freedom," constitutes an appeal for the defense of true Americanism and is as follows:

DEFENSE OF FREEDOM

As we celebrate the one hundredth year of Du Page County and the one hundred and sixty-third anniversary of the Declaration of Independence, let us remember that our forebears came to this continent refugees, escaping religious persecution and political oppression; that they were followed by swarms of officers and standing armies; were taxed without their consent—denied in many cases the benefit of trial by jury—and punished by prejudiced officials in tribunals unknown to their common law.

Eventually they rose in revolt, drove out the royal governors, organized an army, and ejected the redcoats from Boston.

It was while awaiting a new invasion that delegates from the several colonies met at Philadelphia and resolved that the colonies had become free and independent States.

ACTION TAKEN NONE TOO SOON

This bold and concerted action was taken none too soon. The American Army was defeated on Long Island, destroyed at Fort Washington, and its remnants driven across New Jersey. They were rallied by the heroic Washington on Christmas Day to the victories of Trenton and Princeton, and found refuge on the impregnable heights of Morristown.

Further catastrophes followed. Arnold was driven from Quebec, Washington was defeated at Brandywine and Germantown but afterward the Continental Army was forged to steel in the horrors of Valley Forge.

Now the tide of battle changed. Burgoyne was defeated by Morgan and Arnold at Saratoga, and surrendered to General Gates under terms that blackened the latter's character forever. Clinton was forced to retreat from Philadelphia to New York, escaping destruction only through the treason of Gen. Charles Lee.

Defeated in the field, the enemy resorted to treachery. Arnold, the hero of Saratoga, was tempted to betray the key position of our armies at West Point. Fortunately, fortune betrayed the betrayers. Arnold fled for his life, but the tempter, André, was caught and hanged.

TRAITORS USE PATRIOTIC CLOAK

It is well to remember that this betrayal was represented by its perpetrators as an act of patriotism to reunite the Colonies with the homeland; to repeat on this continent the action of General Monk in calling back King Charles II to replace the Commonwealth of England.

While the conspiracy of André and Arnold failed miserably, the idea has never entirely died. The true interests of this Republic have been subordinated time and time again to those of the kingdom from which it separated itself by the Revolutionary War.

In the year 1845 the Ashburton treaty was, in the terms of its father, "floated through the United States Senate on a sea of champagne."

At a more recent date the Hay-Pauncefote treaty sought to divest this country of sovereignty over the Panama Canal, but this time the Senate would not accept the betrayal.

The open-door policy in China and all of the other treaties concerning that side of the world are mere instruments to reduce this country to military and diplomatic vassalage.

IN MIDST OF NEW CONSPIRACY

I was a witness to the conspiracy which would have placed the American Army in France under foreign command, so that this country would have no standing at the Peace Conference. The Army resisted this usurpation, but the national interests were totally ignored at Versailles and the stage was set for another European war.

And now we are in the middle of a conspiracy to throw this country into that war, and the conspirators are in partnership with a conspiracy far greater and far more dangerous to our national welfare—the conspiracy to scrap the Constitution of the United States and supplant it with the terrorism and communism of Russia.

After our forefathers had consummated the Declaration of Independence by the capture of Cornwallis' army at Yorktown, they established the Constitution, so well described by Lincoln 64 years ago today, as the "Government of the people, by the people, for the people," and by the statesman, William Gladstone, as "the most wonderful work ever struck off at a given time by the brain and purpose of man."

So perfect was this instrument that it was accepted as a model by all of the States—first the Original Thirteen States and in turn the other 35, the last being the State of Arizona in 1912.

FORTY-NINE CONSTITUTIONS DIFFER LITTLE

These 49 constitutions are practically identical, differing only in minor matters and in detail. While the laws of our States vary widely [the States which were originally French or Spanish retaining much of their old law], the fundamental rights of citizens are found in the constitutions of all of them.

It was for more than a hundred years the inspiration of all the world. In its image representative institutions were set up almost everywhere, and the rights of men for the first time rose above the rights and idiosyncracies of rulers.

So clearly right did our form of government appear, so general was its acceptance, that the teachings of its great founders, of Patrick Henry, George Mason, Samuel Adams, and Thomas Jefferson, fell into disuse as newer generations sought to explore the sciences and bring them, as well as the free continent, to the service of mankind.

FAIL TO TEACH NEWCOMERS

Nor were these teachings taught to the citizens of Europe who were freely invited to our shores, under the belief that they would recognize the excellence of our institutions and join with us in their perpetuation. This hope has been realized for the greater part, but not in entirety. There have been those who, after leaving the poverty and oppression by the aristocracy in their old homes, have looked upon the earlier settlers who had achieved prosperity, as a new world aristocracy.

Some of these newcomers became victims of the preachings of Karl Marx and his philosophy—as baneful as that of Belial—and were led to such crimes of violence, as the bombing of the Haymarket in Chicago in 1886 and the bombing of the Preparedness Parade in San Francisco in 1916. Shocking as were these crimes, they were, in size, mere police matters.

It was not until the ignorant people of Russia had been led to their revolution and massacres, that organized attempts began to overthrow the Government of the United States.

COMMUNISM THREATENS NATION

Communism was making all Europe a battleground. In Italy and in Germany it was only resisted by the dangerous inoculation of fascism—whereby representative institutions and the rights of individuals have been destroyed—a condition terrible to our thought; but compare it with communism, where, in addition to loss of liberty, millions have been massacred and other millions exiled to starvation and freezing in the Siberian Arctic; millions massacred—including every doctor, every lawyer, every engineer, every farmer who owned a horse or a cow.

It is communism. That is the conspiracy which we have today, working with the other conspiracy to engage us in European wars, so that our Constitution may be overthrown, our liberties destroyed, and our people enslaved and massacred.

Communism made its first attempt to overthrow our Republic in 1919.

"REDS" CALL CHICAGOLAND STRIKE

In accordance with its well-laid plan, the Russian general staff called a strike in the steel mills south of Chicago, calculating that it could use the ensuing disorders to block the railroad network passing by the southern end of Lake Michigan, disrupt the transportation system of the country, force factories to close, throw workers out of employment, and cause misery and riots which could be turned into a revolution.

This first effort was so firmly and tactfully suppressed by Gen. Leonard Wood, with whose staff I was serving at the time, as to cause little alarm. Other crimes committed in connection with this disorder again did not exceed police scope, nor cause general apprehension.

The conspiracy went underground again. Little is known of its progress for 15 years, but it is history that the La Follettes made their pilgrimage to Moscow in 1923, met the leaders of the Russian terrorism, and learned from them the technique of revolution.

Ten years later Maxim Litvinoff came to this country, held secret meetings with political leaders and in the White House, and obtained diplomatic recognition of his bloodthirsty government.

SECOND OUTBREAKS IN WISCONSIN

The second revolutionary outbreaks were staged in Wisconsin, where the soil had been carefully prepared; where the Russian propaganda of envy, hatred, and malice had become the language of the self-styled Progressives. Mobs were supported by the authorities; witnesses to political murders in an adjoining State were given asylum and saved from extradition; industries were shut down and driven from the State, and the revolutionists exulted, as the disruption of industry, under the pretense of labor controversies, was their plan.

Two years later, when the governorships of several States, embracing the command of the military, had fallen into the hands of traitors, the long-maturing plans to overthrow our Republic were put into Nation-wide effect.

The methods which had worked so successfully in Russia, and which had led to fascism in Italy and Germany, were called forth in a series of undeclared civil wars.

BESIEGE FACTORIES AND CITIES

Organized bands of Communists declared strikes in factories where they worked, or where they did not work, closed them, blockaded them, occupied them, throwing the law-abiding and industrious workmen out of employment. Trained armies of Communists marched across State lines, occupied and besieged whole cities, and were frequently supported by the armed forces of the traitor Governors.

The United States mails were placed at the disposal of the private armies and withheld from American citizens.

It is one of the greatest phenomena of history that the American people, unorganized against a thoroughly organized and determined foe, betrayed by their own Governors and their own Government, remained steadfast, resisted the revolution, and successfully defeated their betrayers in the election of 1938.

It is because of this defeat that the Communists are now conspiring to put us into a European war, so that war powers may accomplish what the police powers are not strong enough to do.

CELEBRATE PARTIAL VICTORY

So, here we are, meeting on the Fourth of July, celebrating the anniversary of the Declaration of Independence, celebrating the anniversary of Lincoln's Gettysburg speech, celebrating the one-hundredth anniversary of Du Page County, and celebrating our partial success in resisting the communistic civil war.

As I look out among you, do I not see refugees? Have not many of you come to live in these suburban towns to avoid political conditions you have not been able to overcome? Have you not come to put your children in schools you can control? To take your children away from associations which contaminate, that you might go to work without fear that criminals will prey upon your women and children while you are away, that they will be beyond the fury of mobs infuriated by rabid speech and led by trained revolutionists? You know you have.

Does it occur to you that you are living in a fool's paradise? That the Communists are craftily leaving you in your peaceful semipastoral lives, while they forge a political and criminal machine strong enough to destroy you?

SALVATION LIES IN RESISTANCE

And have you been suffered to depart in peace? You have not. Escaped gangsters from St. Charles already roam this countryside and terrorize our people. Professional criminals thrust gambling machines into our midst, protected in a nearby county by a corrupt judge. Violence and assassination have begun to show their heads. Swarms of officers are ordering what we shall grow and what we shall not grow on our farms. Tribunals unknown to our common law threaten us with prison without trial by jury.

My friends, you can no more escape from criminality, from oppression, from tyranny than could your forebears. It will follow you and force war upon you. Your only salvation lies in effective resistance. Let us begin that resistance today by reiterating the Declaration of Independence. Let us dedicate ourselves again to our Constitution. Let us organize for defense of our freedom and our firesides, or we will fail where all of our predecessors have succeeded—and the government of the people, by the people, for the people will perish from this earth.

United States and International Problems

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Friday, July 7 (legislative day of Thursday, July 6), 1939

ADDRESS BY HON. LEWIS B. SCHWELLENBACH, OF WASHINGTON

Mr. HILL. Mr. President, last evening the Senator from Washington [Mr. SCHWELLENBACH] delivered a very able and challenging address before the Institute of Public Affairs at the University of Virginia. I ask unanimous consent to insert the address in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The history of a quarter of a century ago is repeating itself. In fact, the conditions in this early July are more ominous than were those of early July 1914. Then the dangers were fairly well localized; today they spread over the face of the entire world. For the first time in its history England has adopted a policy of peacetime conscription. The British Navy is being mobilized. The French behind their Maginot line and the Germans behind their Siegfried line are tensely waiting for the first blow to be struck. Poland has a million men under arms preparing for conflict. The Mediterranean and the Baltic are alive with rival navies. A final dress rehearsal for war is under way.

This week in the Far East marks the second anniversary of the undeclared war of that area. The lack of the declaration of war has not subtracted from the fierceness of the conflict, nor the inhumanness of the conquerors. The Japanese war lords, seemingly not satisfied with aggression against China, want at the same time to stir up controversy with England and Russia.

Even our own continent is not free from war. It is true it is not a war of arms. It is a war of trade and ideologies. The republics to the south of us are being bombarded in a most persistent effort to tie them in with the powers of central Europe. Lacking monetary reserves, Germany and Italy strenuously attempt to deprive us of our trade advantages in South America through the reversion to the old barter system.

Since July 1914, we have learned certain lessons—first, we learned of the almost insurmountable difficulty confronting this Nation in its efforts to stay out of and remain aloof from world conflict; second, we learned of some of the mechanisms which in 1915 and 1916 added to and augmented that difficulty; and, third, we learned of the futility of our active participation in European conflict.

We need only to go back to the days prior to our entrance into the war to understand the vividness and importance of the first lesson. We all remember President Wilson's original warning that our people should be neutral not only in action but in thought. There may be differences of opinion concerning Wilson's course of conduct at that time. Fair-minded people do not differ concerning the sincerity of his desire to avoid a course which would lead us into war. The events which culminated in the declaration of war offered almost conclusive proof of the impossibility of maintaining true neutrality under such circumstances.

Our Government was outraged and our people annoyed by the Allies' refusal to obey established rules of international law in their treatment of our merchant vessels. For a time, at least, there was every indication that we might be forced to cast our lot against those nations with which we were later allied.

Then the submarine attacks of the Central Powers not only outraged our Government but shocked our whole people. With increases in the brazenness and effectiveness of the submarine campaign, American popular opinion not only came to support but to demand our participation against Germany and her allies.

In considering our course of action today, that lesson must not and will not be overlooked; this because it will be so much more difficult for us to avoid participation now than it was then. There are many reasons why this is true. First, the United States since 1914 has so developed into a producer of surpluses that the maintenance of foreign trade is much more important than it was in 1914. The prosperity of so many more millions of our people depends upon foreign trade than it did in 1914.

Second, the Axis Powers are so much more dependent upon the importation of raw materials than were the Central Powers in 1914. This will lead them to a policy of desperation much more quickly than it did the last time. Undoubtedly scientific advancements during the last two decades have added to the efficiency and effectiveness of the more frightful instrumentalities of war. Undoubtedly they will be resorted to much sooner than they were before because of this very desperateness.

Third, our own facilities for transmitting information to our whole people have so greatly developed the last 25 years. Our news-gathering agencies have made much progress. The instantaneous transmission of news photos from any part of the world and the advent of the radio make inevitable the development of public opinion with a speed which was not dreamed of during the last war. I had this brought to my attention most strikingly last summer. I was in Europe during July and August. I arrived in Washington the day of the meeting at Munich. The striking contrast between the knowledge that our people had and the interest they had as compared with the people in Europe is impossible to describe. Any taxicab driver in the National Capital knew more about what was going on in Europe than any citizen in England, France, Germany, or Italy, outside of those who were actually connected with the foreign offices of the various governments. I said then that we were closer to the war which didn't happen in September 1938 than they were to the last war as late as December 1916. Frankly, I doubted my personal survey of the situation until I read in the papers a statement made by Cardinal George Mundelein, who returned from Europe a few weeks after I had, who made the statement when he got to Chicago that it seemed good to get back to the United States, where people knew what was going on in Europe.

The importance of this phase of the question cannot be overlooked without totally deceiving ourselves. The Constitution gives to the President almost exclusive control of our international relationships. The Constitution gives to the Congress the exclusive power to declare war. Our history proves that no President and no Congress has ever led the American people into war. To a greater extent than in any other field, American popular opinion makes the final decision as between war and peace.

The second reason is concerned with the mechanisms which led us down the path of the last war. It was the recognition of the importance of these mechanisms which brought about the adoption of our present so-called neutrality legislation. I use the term "so-called neutrality legislation" in no sense of disparagement toward it. It would be difficult for me to disparage the legislation, because I voted for it three times. Nevertheless, I believe it has been unfortunate that it has been called neutrality legislation; unfortunate for two reasons—first, long-developed international law has given certain meanings to the word "neutrality." Under international law neutrals had certain rights, certain duties, and certain privileges. There is and has been no effort to maintain that sort of relationship under our legislation of the past 4 years. Second, the word "neutrality" in itself implies an effort to try to treat both belligerents precisely the same. Our present legislation does not contemplate such an attitude. No matter what might be done concerning the arms embargo or cash and carry, or any provision of the present act or proposed revisions of it, we could not treat both sides in precisely the same way. The basis of the legislation is that expansion of our munitions industry, the granting of private loans to belligerents, the shipments of supplies—both munitions and other supplies—the sailing of merchant vessels to war zones, the arming of merchant vessels, the policy of protection of our nationals while sailing in war zones are all the mechanisms which dragged us into the last war. The policy of the so-called neutrality legislation is to prevent their repetition, regardless of which side might be hurt or which side might be helped.

The third lesson which we learned the last time was the futility of our efforts so far as settlement of European problems are concerned. On this point I believe there is little difference of opinion.

Probably we expected too much. I am not one who supports the theory that we were actuated by selfish motives nor led by self-aggrandizing leadership. I think that almost unanimously the American people believed they could and would effect such a solution of European problems as would bring permanent peace there. What happened at Versailles, what happened to and in the League of Nations, and what has happened in Europe since are largely beside the point. They did happen and now, 25 years later, the nations of Europe are at each other's throats the same as they have been dozens of times during the course of European history. What we did in Europe in 1917 and 1918 probably didn't delay the next European war by a single day. In fact, there are many people who believe that had we not participated, the last war would have resulted in a stalemate and a more lasting peace than the one which was written. That, too, is a debatable question, the debating of which is hardly worth while.

If our investment in a new European war could be a smaller one, we might be justified in sitting in on the game. We now know, however, that for us to take part in such a game requires the putting up of our entire roll. To buy our chips we would have to pay with the lives of our young men and with the broken minds and bodies of thousands who might return, staggering increases in our debt, and with economic maladjustment which probably would ultimately destroy not only our economic system but also our democratic form of government. Faced with those certainties and those probabilities, the American people must determine that regardless of the provocations and regardless of the consequences, we will, under no circumstances, participate if war comes to Europe. The winning of a victory in such a war would in itself result in our own destruction. Men learned long ago that such victories were not justified.

It seems to me that today the American people do have and should have two hopes—first, that a world-wide war conflagration shall be prevented; second, that if one comes, we shall be out of it. In the consideration of our present-day foreign policies, our first problem arises in an effort to reconcile the two. In other words, our problem is to determine how far can we go in preventing the world war without involving ourselves to such an extent that we cannot escape participation if one comes? It is around this question that all the present controversy rages.

I have no sympathy with anyone on either side of this question who characterizes or even suspects those with whom he disagrees of being desirous of involving us in a European war. I have utter disgust for those on either side who, during this troublesome time, attempt to so characterize those with whom they disagree. I have personal and intimate contact with both the executive and legislative branches of our Government and I am convinced that there is no such intention on the part of anyone. That includes those upon the one side who believe we should name and denounce the aggressors and lend open aid to those who oppose them. At the other end of the scale, it includes those who are strict isolationists and who believe that we should refuse to recognize that we are a part of the world at all and that we should fold up in our shells and let the rest of the world go by. That applies not only to those within the Government but to those interested persons outside the Government.

For a period of several weeks the Senate Committee on Foreign Relations heard witnesses who presented the problem from every point of view. Certainly, we had exhibited to us the widest divergence of opinion; and yet it was my considered belief at the conclusion of the hearings that each witness, no matter what may have been his objective or viewpoint, was actuated only by an unselfish desire for the maintenance of peace.

I do not propose in this discussion to present a detailed argument concerning the many controversial issues involved in the present neutrality controversy. You probably will have full opportunity to read them in the press within the next few weeks. The important thing to understand is that the conflict of opinion comes exclusively over differences of opinion as to how far we can go in trying to prevent a war without entangling ourselves if we should fail in those efforts.

Translated into terms of the proposed legislation, the President and Secretary of State believe that the removal of the embargo upon arms, ammunition, and the implements of war, and the placing of them in the same classification under a cash-and-carry system as oil, steel, and other products useful for the prosecution of war, would deter the axis powers and prevent the outbreak of war. Those who oppose this policy see in the lifting of the arms embargo such a danger in the development of our munitions industry in the event war should occur that they are unwilling that we should take this measure of prevention.

At this point, I want to point out one aspect of the situation which has not been generally considered. That is, the possibility of congressional deadlock which would defeat any legislation. These sections of the Neutrality Act which have to do with cash and carry lapsed on the first of May. I sincerely hope that those opposed to the lifting of the arms embargo will not create a situation which will prevent the reenactment of those sections of the act which would give us the protection afforded by the cash-and-carry system.

I hope I have made it clear by this time that I don't feel there is any royal road which we may take to avoid our becoming involved in a world-wide conflict. There are too many doors which will lead us to it. We have become and are too much a part of the world to ever again wholly isolate ourselves. The fact is that, in some form or another, we have participated in every European war since the beginning of our history. The obstacles along the road to isolation are much more pronounced than they even have been in the past. I see positive danger in placing too much reliance on any mechanical method for staying out of war. We must not lull ourselves into a sense of security through any legislative panacea as a protection against war. We can take advantage of lessons of the past in an attempt to construct barriers against our participation. We can and must guard against the danger rocks upon which we floundered in the past. We can and must convince the other nations of the world that our preparation is such that they won't dare to flaunt us brazenly as they have in the past. We can and must so perfect our so-called neutrality legislation as to avoid the specific dangers which were instrumental in our entrance into the last war. What we cannot do and must not do is to place such reliance upon such legislation as to cause us to be careless in our thoughts and actions.

Frankly, it is sometimes pathetic to read the letters that come to our offices indicating the blind faith that many of our people have in certain legislative guaranties of peace and safety. A couple of months ago I discussed this subject over a Nation-wide radio broadcast. The next week saw hundreds of letters coming into my office from every part of the country. In each the writer agreed with my thesis of the necessity of staying out of a European war. In almost every instance the writer had some definite, specific proposal which in his or her opinion would guarantee the attainment of that objective.

I know that probably from the business point of view it would be desirable to have all the American people content in the sense of security that we were protected against war. Temporarily, we might be happy if we felt sure that we wouldn't get into war. The inevitable result of such a sense of false security would lead to carelessness in our attitude toward all other aspects of our international problems from which inescapable dangers would be created.

There is another aspect of this problem which we must discuss. It involves the situation in the Far East. It has direct bearing upon the first aspect of our problem. One need only to review the events of the past 2 years to reach this conclusion. Certainly the events of the last 2 weeks have cinched the conclusion. No person with his eyes open can escape believing that there is a direct relationship between the situation in China and the situation on the continent of Europe. It may be that the Rome-Berlin axis has not been extended in military form to Tokyo; no well-informed person will deny that the Tokyo end of the alliance does directly cooperate with Rome and Berlin.

It is no coincidence that every time Mr. Hitler has decided to seize more territory in Europe the attention of those who might oppose him has been distracted by annoyances from Japan. What other explanation can be given to the Tientsin incidents of the past few weeks and of the outbreaks between Japan and Russia upon the Mongolian border? Japan certainly doesn't today desire to add to its opposition. Japan's armies and its resources are fully occupied by the Chinese controversy. Yet, deliberately, it chooses, from time to time, to provoke unnecessary conflicts with England, France, and Russia. Such conflicts uniformly come simultaneously with threats of further acquisition of territory by Germany and Italy. No more decisive steps could be taken by a nation desiring to prevent war in Europe than those which would prevent Japan from rendering indirect assistance toward furthering of a war in Europe.

Yet we, more than any other nation in the world, are directly assisting in the continuation of Japan's activities in China. Were it not for the assistance of the United States, Japan's Chinese campaign would probably have collapsed many months ago. Japan is a nation without the necessary materials of war. The whole purpose of her Chinese conquest is to acquire territory from which she may secure resources for further extension of war. We speak of her as having Germany and Italy as her allies. The fact is that we are her most important ally. Japan has no oil with which to operate her airplanes, her tanks, her trucks, her automobiles, or even her battleships. We furnish 65.57 percent of that which she secures from the outside world. She must have scrap iron and steel with which to manufacture her munitions. We furnish 30.39 percent of that. She must have copper for her munitions. We furnish 90.98 percent of that. She must have other metals and alloys, and we furnish 99.33 percent of those. She must have metal-working machinery. Our contribution is 67.9 percent of that. We furnish 64.67 percent of the automobiles and parts which she is using in China. We furnish 76.92 percent of the aircraft and parts with which she bombs the hospitals, schools, and missions in which the Chinese people seek shelter. There never has been in the history of the world—civilized or uncivilized—a more ruthless and frightful campaign of conquest than that which Japan has been waging in China during the last 2 years.

We have been told that the next war will be a war against populations and not between armies. If this is true, Japan is certainly furnishing a hideous sample of what we may expect. The murder of the old and young noncombatants, the destruction of schools and places of worship, the humiliation and ravishment of China's womanhood all paint for us a picture of lustful aggression gone rampant. The experts tell us that Japan has in adequate quantity only 2 of the 26 materials necessary to carry on modern warfare. Of the most important of the other 24, I have given you the figures as to the extent of our participation. If the writers of history in the future actually know how warfare was conducted in 1939 through the use of necessary materials, they will write down a description of China's conquest not by the Japanese but by a

Japanese-American alliance, the Japs taking the conquered land and the Americans taking the profits from the sale of our raw materials.

We criticize the Japanese for not making an open declaration of war on China. Perhaps we should pause and wonder whether we are more than slightly less guilty.

To make this situation even more humiliating, it is in direct violation of treaty obligations upon our part toward China. We criticize Germany and Italy for their attitude toward treaties. We criticize England and France for their attitude toward Ethiopia and Czechoslovakia. In the proposals before the Congress that we should name the aggressor nation, the distinction which we are urged to accept is upon the basis of treaty violations. Yet we are just as effectively violating a treaty as any of these nations ever have. It is true we send no enlisted American troops. We send only the materials for use by Japanese troops. We provide no drivers of trucks or tanks or pilots for airplanes. We just furnish the gasoline which propels these trucks and tanks and airplanes. We don't even take the chances that the Japanese take. All we do is to take the profits that we can make.

What treaty are we violating? In 1921, in an endeavor to reduce naval expenditures among the great powers, the Washington Conference was called. It had the leadership of the then very able Secretary of State and now revered Chief Justice, Mr. Charles Evans Hughes. Its chief purpose, in the beginning, was the limitation of naval armaments. The most important accomplishment of the conference, however, was the adoption and signing of the Nine Power Pact. The purpose of this Nine Power Pact is stated in the treaty as follows:

"To adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality of opportunity."

This was not the first contact our Nation had had with China. For 125 years we have been sending over missionaries, to open schools, colleges, hospitals, and churches. It might be said that that would create no obligation upon our part. So far as the Chinese were concerned, it did create an obligation. The trust which the Chinese people had in American missionaries, doctors, nurses, and teachers was transferred to the American people and the American Nation as a whole. In 1899, we intervened in China and insisted upon the open-door policy. We insisted that our rights in China be recognized and that no other nation could create a sphere of influence there. After the Boxer Rebellion in 1900, we again bound China to us by refusing our indemnities.

Such was the feeling of the Chinese people toward our country that in 1911, when the new government was set up, ours was taken as the example and model. We encouraged such an attitude upon the part of the Chinese people. During the World War, when the rest of the world was busily engaged, Japan made an effort, through her 21 demands, to destroy the territorial integrity of China. In that she was blocked by Woodrow Wilson. In return for this China readily complied with President Wilson's request and declared war upon the Central Powers shortly after we entered the world conflict. When that war ended, however, China profited not at all. The net result, so far as China was concerned, was that her old rival and enemy, Japan, was given all of the German rights in China, in addition to many other rights in Shantung, which was China's sacred Province. In retaliation of that and with disappointment with the way she had been treated by her allies, the Chinese people commenced their effective blockade against Japanese goods. It was an effective blockade. Its success struck vitally at the economic structure of Japan. It must be remembered that then Japan did not have her diversified foreign trade; her merchant marine had not been built to the strength that it now occupies. To Japan, Chinese trade was of vital importance. By the time of the Washington Conference on Armistice Day, 1921, the Chinese blockade had reached a state of well-nigh perfection. In that conference we asked Japan to agree to a naval program which meant economy for us and also lessened the danger to us in the Pacific. In consideration of Japan's agreement in the naval side of the conference we induced China to discontinue the blockade. In payment for this action on China's part, we wrote into article I of the Nine Power Pact the agreement "to respect the sovereignty, the independence, and the territorial and administrative integrity of China."

All nine of the nations agreed to it. So solemn was the declaration on our part that President Coolidge proclaimed:

"To the end that the same and every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof."

China, relying entirely upon her trust in us, surrendered her most effective weapon. China believed her sovereignty and independence, administrative and territorial integrity would be respected by the nations of the world. Did she not have the strong arm of her American friend to uphold her? Yet today China suffers and her independence and her territorial and administrative integrity are being destroyed. We, for the filthy profits involved, are aiding, abetting, and cooperating in that destruction.

What right have we to point the finger of scorn at Germany, Italy, France, or England when they regard treaties as scraps of paper? Contemporary historians of these days are striking a saddened note describing this era as one of treaty breakers. Can anyone doubt that our oil and our copper and our scrap steel and iron are the most effective agents in this violation of a treaty that this era has yet seen?

So far as China and Japan are concerned, it isn't a matter of us getting into the war. We already are in the war. We are in the war in violation of a treaty which we signed in order to gain an advantage which we sought. The background of our relations with China should make that treaty the most sacred of any ever written.

The courts of equity place upon the individual who has gained the respect and confidence of another individual a much higher duty for the faithful performance of an agreement than upon one who is dealt with at arm's length. The same rule should apply to nations. So far as we are concerned, it should have particular application in regard to China.

We in Congress are in the midst of vigorous debate over what we should do in event war comes to Europe. We have no treaty obligations in Europe. We do have most definite and sacred treaty obligations in Asia. Yet we almost completely neglect consideration of them even though respect for them would probably materially lessen the chance of the European war we so much fear. In my opinion, every consideration of logic, justice, and responsibility requires that our first step should be to get out of the present war in which we are so effectively participating.

May I conclude with just one more thought: It appears that the next few years will be filled with danger. They should not be years during which any patriotic American will attempt to secure political or personal advantage by arousing prejudices, hatreds, and resentments among our own people. It will be a time for calm discussion. It will not be a time for recrimination. There is a wide divergence of opinion among our people as to the proper course of action which we should take. It is my belief that there is no difference of opinion on the question of the sincerity of the desire for peace. I don't believe we have any war mongers either in or out of public life. We must have full and complete discussion. That discussion should be calm and dispassionate. Tolerance of the opinion of other Americans must be observed if we are to hope for peace.

The President and Politics

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, July 7 (legislative day of Thursday, July 6), 1939

RADIO ADDRESS BY JAY FRANKLIN

Mr. GUFFEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD a radio address delivered by Jay Franklin on July 5, 1939, being a discussion of the President and Politics.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In discussing the President and politics, I take it that you do not want me to twist the facts or suppress my honest beliefs in order to serve any partisan interest. So I shall follow Mr. Sullivan's example, and keep this discussion on a calm, noncontroversial level.

Mr. Sullivan has advanced an amusing theory. He says that Mr. Roosevelt could persuade the Republican opposition and the Tory Democrats to muster the patriotism to give the Executive the powers needed to protect our currency and promote our neutrality, if only he first stripped himself of all real political influence by foreswearing a third term. This is an interesting idea. I know of no case in history where the opposition voluntarily increased the power of an Executive after he had abandoned his own followers and surrendered the powers of his own political position. I do not believe that politicians who hesitate to serve their country because they wish to weaken the people's President, would rush forward to strengthen President Roosevelt the moment he cut his own political throat. I can just hear the Tory chorus—with Mark Sullivan's voice leading the gloomy song—"Ah! but does he really mean it?" if the President took Mr. Sullivan's advice and announced that he did not choose to run in 1940, when it is clear that he must run or plunge the Nation on the road to ruin.

Yet Mr. Sullivan's suggestion raises the very issue which Mr. Sullivan most deplores. When we first agreed on the subject of tonight's debate I had hoped to discuss the position of the Presidential office in our public life. That Mr. Sullivan has—quite properly—chosen to discuss this broad subject purely in terms of the third term for Roosevelt shows the great and growing vitality of the third-term movement. It is the irrepressible issue of our times and makes for a livelier discussion than the subject of whether Mr. Sullivan could have planted potatoes in 1934. I bet he would have blamed Roosevelt for the potato bugs in any case.

Many of you heard Senator GUFFEY, of Pennsylvania, speak over this network the night before last, calling for a third term for

Roosevelt in one of the most significant utterances in our recent political history. Mr. GUFFEY is not only a liberal and a lifelong Democrat, but he is also a very practical politician with a reputation for guessing right. When his voice is added to Senator George Norris, of Nebraska, Secretary Ickes, Senator Murray, of Montana, and other leading New Deal Democrats, it means that the political tide has started to sweep Mr. Roosevelt toward reelection. For JOE GUFFEY was the man who foresaw the election of Woodrow Wilson as early as November 1910. He was the man who picked Franklin D. Roosevelt to win in February 1931, a year and a half before the New Deal election of 1932. When it comes to foreseeing the political future, I like to know what the practical politicians think is going to happen.

Now let's get back to the debate and leave the third term aside for the moment.

The Presidency of the United States is the only office which is filled by the vote of all the people. The President—whoever he may be—represents all the people and must consider their interests on a national basis. Even the best of Senators and Congressmen are engaged in promoting State or local interests, where they are not frankly engaged in the private business of getting Government jobs, contracts, and favors for their friends, their financial backers, and their loyal constituents. Did we not see the venerable figure of Senator BORAH, of Idaho, vote for a tremendous increase in the price of silver, when the Coeur d'Alene district of Idaho is rich in silver mines? Do we not behold Senators and Representatives from the rural regions who have voted to starve the city unemployed in the name of economy, turning around and appropriating nearly half a billion extra dollars of deficit for the benefit of farmers. Mind you, I am not condemning this—it is human nature—and I happen to feel that relief for the farmer and for the jobless industrial worker go hand in hand. To raise the domestic price of silver a few cents an ounce does not appear to me to be morally wrong or economically dangerous.

But the fact remains that the President is the only man who gets his mandate from all of the people, the only man who represents more than a congressional district, a State, or a political machine. As a result, the powers of the Presidency have grown considerably since the time of George Washington to match the growing needs of the Nation and the people's sense of national unity. Particularly since the closing of the frontier in the 1890's and the growth of gigantic trusts and monopolies narrowed the opportunities of the average man. * * * Particularly since the rise of industrial unemployment and of a group of bankers and manufacturers who honestly believe that they are—their businesses are—above the Constitution and immune from the election returns. * * * Particularly since then have the American people staked more and more on the creation of a powerful Presidential office which could protect their interests and promote the general welfare.

It is no accident that three of the six most powerful Presidents of our history have held office since 1900. In Theodore Roosevelt, Woodrow Wilson, and Franklin D. Roosevelt we have men who compare with Jefferson, Jackson, and Lincoln. This is no accident. The Presidency has grown in power, and the men who fill it have been forced to grow in moral stature and in political imagination or go under.

Now the so-called conservatives—the party of those who are always losing their wind, begging destiny for a breathing spell, and waiting for the twentieth century to blow over—the conservatives seek to meet the need for a powerful Presidency by denying it. Like the yokel who first saw a camel, they cry, "There ain't no such animule!" when they are confronted by a powerful President in there fighting for the people. They cry havoc at his policies and deny the existence of the crisis which they are creating in one and the same breath. All that the so-called conservatives have ever done is to pack the Supreme Court with Justices trained to declare the twentieth century unconstitutional and to try to repeal the American people. What they have done is to give us a Taft or a Harding, a Coolidge or a Hoover, some variant of the three wise monkeys of Asia, who see nothing, hear nothing, say nothing, do nothing, and, where possible, know nothing. While they have this "bump on a log" in the White House the power collapses, the stealing begins, the unsolved problems pile up, and, bingo, we have to rise in our wrath and turn the rascals out.

There is no sense in appealing to the Constitution, written or unwritten, as to whether Congress, rather than the President, should direct our national policies. Political power always goes to those who can use it. I have no quarrel with a Congress which seizes power from any President, if that Congress is itself prepared to use the power. I did not like to see the Senate manhandle Woodrow Wilson and smash the world's hope of a peaceful recovery from the Great War. But at least that Senate of 20 years ago knew what it wanted, and, having blasted Wilson's foreign policy, was prepared to put forward another policy of its own. Their program happened to be a bad one, as it turned out, and led to the crash of 1929, the Hoover depression, and the rise of the totalitarians in Europe and Asia; but at least the men who beat Wilson knew what they were doing and were eager to assume power for themselves.

Up to midnight on June 30, there was reason to believe that Congress might evolve a policy of its own. Then the Congress demonstrated its incapacity to use the powers which the so-called conservatives begrudged the people's President. Mr. Sullivan has mentioned money and neutrality as great issues which have been bedeviled by partisanship. And he is right. But while Mr. Sullivan did tell you that this Congress has allowed many of the protective features of the neutrality laws to lapse, he did not tell you that now, when we face a serious crisis in Europe, Congress has adjourned its patriotism in order to wrangle and bicker over the precise form of neutrality law it would like, to the delight of Hitler and Mussolini. Congress has been tuning up its fiddles at the moment when the world is waiting for the fire alarm. Congress had 6 months to act and did nothing. That does not look like a body to which we can safely entrust real power in times like these.

Then there is the monetary question. The plain, ugly, brutal fact is that a filibuster of Republicans and certain Democrats was deliberately engineered at the last moment, in order to prevent the passage of a monetary law, in the hope of throwing our financial foreign policies into confusion and weakness. Only this afternoon, 5 days after the dead line, the Senate adopted the money bill by a close vote. On this, too, Congress had had 6 months to act and did nothing till after the twelfth hour. That is not the conduct of a body to which we can safely entrust real power in times like these.

Then there is the relief bill. Mr. Sullivan probably does not agree with me that relief is vitally important. I was taught to believe that the first duty of man to his neighbor is to feed the hungry, clothe the naked, and help the poor and the weak. History tells me that no government and no social order which deliberately starves its members can stand. By a slick congressional squeeze play the relief bill was held up till late on June 30, when it had to be passed without consideration or debate, in order to help the Tories smash the Federal theater and subject a million American families to possible starvation. I do not propose to discuss the present relief problem. I simply wish to point out that the whole thing was a dirty piece of political jobbery designed to kick men who were down, in order to weaken their faith in their President. One thing more, Congress is responsible for the government of the District of Columbia, where we suffer from taxation without representation. Yet this Congress let the fiscal year come to an end without passing the District budget or discharging its plain constitutional duty. On this, as on other more important issues, congressional government has collapsed. Congress had 6 months to act and did nothing. This is not the conduct of a body to which we can safely entrust power in times like these.

That leaves only the Presidency. And Roosevelt is our President. He cannot avoid the responsibility even if he would. He is our man, the representative of all the people, and only by running again can he keep faith with us and with our hopes. In an earlier broadcast on this issue, Mr. Sullivan made fun of the idea that President Roosevelt represents our hopes, our fears, and our interests. He said that that sort of Roosevelt was only a dream, and he asked, "Have you ever seen a dream walking?" Does Mr. Sullivan doubt the power of dreams to move mankind? Does he not know that dreams are what men live by and die for? Does he seriously believe that society consists entirely of pay rolls, meal tickets, and car loadings, when he himself advocates "obedience to the unenforceable"? I recommend that he reread the Book which tells us that "man liveth not by bread alone."

Assemblage of the African Methodist Episcopal Church

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, July 7 (legislative day of Thursday, July 6), 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, JUNE 22, 1939

Mr. TOWNSEND. Mr. President, I ask leave to have inserted in the RECORD the text of an address delivered on June 22, 1939, by the distinguished Senator from Ohio [Mr. TAFT] before the Bishops' Connectional Councils and the Congress of Young People of the African Methodist Episcopal Church at Convention Hall, Philadelphia, Pa.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Bishops of the African Methodist Episcopal Church and members of that great church, I am greatly honored to be invited to address this gathering, containing as it does so many of the leaders to whom the colored people of America look for guidance and progress.

It is of great significance in the history of the country that this assembly meets in the city of Philadelphia, where, 152 years ago, there were two remarkable gatherings. One of these was the Convention which created the Constitution of the United States, the now famous Constitutional Convention of 1787. The other was a less well known gathering but of equal significance on such an occasion as we now celebrate. It was the first meeting of the

Free African Society, out of which came the African Methodist Episcopal Church. It was in this period, when the Declaration of Independence had declared that all men are created equal, and its principles had been established on the bloody field of war, that there arose your distinguished founder, Richard Allen, willing to demand his manhood rights in American life and to organize for their attainment. The Boston Massacre of 1770, in which Crispus Attucks, a colored citizen, who was among the first to shed his blood for American liberty, had been celebrated prior to these assemblies. Three thousand Negroes had fought in the American Armies of the Revolution for our freedom. The sentiments aroused by these events had their influence not only upon the entire American people but also upon our colored citizens. This was especially the case here in Philadelphia, where the colored people began to assert themselves in independent movements.

It was in February 1786 that your distinguished leader, Richard Allen, whose monumental work is still perpetuated in this city, came to Philadelphia. He entered upon the work of organizing our colored citizens in religious and social activities. He was their leader, teacher, and preacher. In November 1787 there occurred the famous event, well known to all of you, which led Richard Allen and Absalom Jones to leave St. George's Methodist Episcopal Church, and to organize the Free African Society, finally established on April 12, 1787. It was the first step of the Negro people in the United States toward an organized social life, and the first evidence which history affords of economic and social cooperation among the colored people of the western world. The first meetings of the society were held at the house of Richard Allen. From this period until 1794 the society continued its existence, but all during this period Richard Allen was planning for a large organization. Allen's determination was consummated when he purchased a lot at Sixth and Lombard Streets, and on July 29, 1794, a building was dedicated on this site by Bishop Asbury, famous itinerant leader of the Methodist Episcopal Church. This very building is in existence today, with a flourishing congregation, and is known as the Bethel African Methodist Episcopal Church.

Just as the Constitution was the first incorporation of the liberties of all the American people in printed form, so the incorporation of Bethel African Methodist Episcopal Church on September 12, 1796, was the first incorporation of your own desire for religious freedom under the flag of our great Republic. It is also of interest to observe that the men and women who formed these two organizations, the Free African Society and the African Methodist Episcopal Church were American citizens. Some of them had been slaves, but they had freed themselves by their own efforts, or had been freed by benevolent masters. They were property owners, citizens, and voters in these early days of the Republic. The efforts of these first leaders, therefore, extended not only to religion, but to the broader interests of the colored people of America. It was not strange that the founders of your organization should have extended their efforts in this early period to the organization of schools, to a benevolent society for the caring of the sick and the burying of the dead, and to participation as citizens in our American life. It is a privilege for me to be present at this great event which brings you back to Philadelphia to gather inspiration at the tomb of your founder, whose body lies buried in the Bethel African Methodist Church, but whose spirit marches on throughout the world in the work of the great church which he founded.

It is a pleasure also to congratulate the Bishops' Council of the African Methodist Episcopal Church upon their assembly on this occasion. I understand that your bishops have assembled in gatherings of this type continuously down through the years. Bishop Morris Brown, your second bishop, had associated with Bishop Richard Allen, your first bishop, in the holding of conferences. Bishops Morris Brown, Quinn, and Waters had also associated in this work without any provision for separate districts. In 1852, for the first time, your bishops assembled in a formal council, and divided their church into districts. The first district, embracing the Philadelphia and New York conferences, was assigned to Bishop Daniel A. Payne, the founder of Wilberforce University, which is so well known and held in estimation by me in my home State of Ohio. The second district, embracing the Baltimore and New York conferences, was placed under Bishop Willis Nazery; and the third district, embracing the Indiana and Ohio conferences, was placed under Bishop William Paul Quinn. Thus the church was organized in this early period by the bishops in council. I congratulate you that you have thus kept faith through the years to this present moment, and that your great church has shown a constant development under the leadership of such distinguished men as have characterized the bishops of your church.

It is, indeed, appropriate that you should meet here today to honor and revere this heritage of your past. From the small body organized in 1787 as the society, and during the administration of George Washington as the African Methodist Episcopal Church, through the general conference of 1816, held in this city, when Richard Allen was elected your first bishop, your church has grown with leaps and bounds. It was first confined in 1816 to parts of Pennsylvania, New Jersey, Delaware, and Maryland. It spread into New York, Ohio, Massachusetts, and the Republic of Haiti during the next 20 years. By 1856, when the Republican Party placed Abraham Lincoln in nomination for the Presidency of the United States, it had established itself in Illinois, Indiana, Missouri, Louisiana, Kentucky, and the lower parts of Canada.

Since its ministers were not permitted to establish churches legally in the slave States, it was compelled to confine itself in large measure to the Northern States. But when freedom came your church turned its attention to the South, and churches were organized in 1866 in South Carolina, Georgia, Florida, Tennessee, Texas, and Alabama. By 1896 the African Methodist Episcopal Church had entered every Southern State, and its missions were established in Liberia, Bermuda, and South America. Twenty years later its missions were planted in Jamaica, South Africa, and Nova Scotia. Schools and colleges were founded in nearly every State, beginning with Wilberforce University. A newspaper was established, the Christian Recorder, in 1852, and is today the oldest continuous periodical in the United States. The last United States religious census shows that there were 6,708 of your churches, 7,000 ministers, and 545,814 members. This membership, I am told, has steadily increased during the past decade, so that its members are far beyond those which have been reported by the United States census of religious bodies. While the African Methodist Episcopal Church has more than 10 percent of the total number of Negroes in its membership, actually its influence is many times this percentage, because the ministers and religious workers are among the leaders, the molders of opinion, and the active citizens in their individual communities as well as in the Nation.

The progress of the colored race since Abraham Lincoln issued the Emancipation Proclamation in 1863 is due in large part to the leadership of these ministers and religious workers, inspired by the example of the founders of the church. That progress is unique in the history of the world, for in 76 years your race has risen from slavery to a position of influence in every profession and walk of life. You have developed leaders not only in the religious field but in the professions, in law, in medicine, in science, and in education. If progress has been less evident in the field of business, it has been largely due to an economic discrimination which has been difficult to overcome, although the general opinion is that the colored people have not availed themselves as they might of the opportunity to establish stores and other business organizations to provide the needs of their own people.

The significant thing about this progress is that it has been made through the work of your own leaders. There has been help from many well-intentioned white people, and that help has undoubtedly been of value. But without the ability and foresight and leadership of your own people, that help would have been of no avail.

We see a good deal of Government help today, typically in the hand-outs of relief and W. P. A. from the Federal Government. Such help may be necessary, but it is likewise demoralizing. It is vitally essential that you escape from it as soon as possible, and that the Government lay a sound basis of economic prosperity on which the further progress of the colored people may be based. No progress can be made on a W. P. A. wage basis, because its cost is so great to the Nation that it will never do more than provide a bare subsistence. In fact, if it continues long, and more and more of the colored people are reduced to this status, it perhaps will not restore slavery, but it will create a condition very close to serfdom, in which there is no hope and no future. Any race which relies on the help of others, whether it be the government or private individuals, demoralizes itself by teaching its members to lean on others. Your progress has been based on the magnificent efforts of your own leaders, many of them in the Methodist Episcopal Church.

I do not mean to say that you should not look to government for action, but that action should not be a dole, but the protection of your constitutional rights to which you are entitled. If you can be assured the unqualified enforcement of the thirteenth, fourteenth, and fifteenth amendments, you have the basis on which further progress can be made the moment a reasonable prosperity is restored in the United States. That is the ground on which you are entitled to an antilynching law to protect in practice rights guaranteed in theory by the Constitution.

No one can be more interested than you in the maintenance of the constitutional protection of minority groups, and the existence of independent courts to uphold the rights of the minorities. We have seen in Russia and Germany what happens to minorities under a totalitarian state. The more a people are regimented, the more the government decides what jobs people shall have and what their rewards shall be, the worse is the condition of the minority. You can be quite certain that if we ever get to socialism in the United States a race which represents only 10 percent of the total population is going to get the worst jobs in the most undesirable industries.

Fortunately, the people of the United States are turning more and more away from totalitarianism and regimentation and socialism. They are determined to work out their salvation along the lines of our Constitution, of individual initiative, and of free commerce. I am hopeful that that determination may lead to economic prosperity. Any considerable unemployment in the United States is particularly hard upon the colored people, and checks a great deal of the intellectual progress, which, after all, must be based on a reasonable economic condition. There is undoubtedly much economic discrimination against the colored people in this country, but progress has been made, and more progress can be made, in seeing that colored people are employed in more and more lines of business activity and more and more fields of government activity. Even in the service of the Government today there is a substantial discrimination which should be removed.

But the colored people have shown that they can develop leadership and progress through their own efforts. The African Methodist Episcopal Church has itself given the answer to the question whether the Negro has a capacity for organization and for leadership. Christian manhood and a spirit of independent thinking and action are its great contributions. As the progress of the colored people continues, the spirit of your great leader, Richard

Allen, will be found to inspire the bishops of today, who will lead on in the struggle for greater freedom and a larger security for all men and women, without regard to their color or the rank of life to which they were born.

Socialized Medicine

EXTENSION OF REMARKS

OF

HON. JOSIAH W. BAILEY

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, July 7 (legislative day of Thursday, July 6), 1939

ADDRESS BY DR. R. S. CRISPELL

Mr. BAILEY. Mr. President, I ask leave to have printed in the Appendix of the RECORD a discussion of socialized medicine by Dr. R. S. Crispell, of Duke University.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SOCIALIZED MEDICINE

(A discussion by Dr. R. S. Crispell, of Duke University)

Socialized medicine and the related topics of medical economics, the cost of medical care, State medicine, and the relations in general of the medical profession and the public are highly complex and controversial. The more questions and problems that are raised, the more appear. Misinterpretations are easy and solutions difficult.

Socialized medicine cannot be defined. Perhaps the nearest we can come in attempting to do so is to say that it is anything that is different from the present individualistic, competitive practice of medicine; anything involving any more extramedical cooperation and organization than we have at present.

The question is to the fore at the present time—somewhat to the confusion of all concerned—especially the doctors. The New Deal has tackled our economic structure and has created a great ado about the one-third who are ill-fed, ill-housed, ill-clothed. Now it has dragged in the ill-medically cared for—and intimates that they constitute not one-third but one-half of our population.

The juggling with our "general" economy—on a national scale—setting up surveys and proposals and organizations involving billions of dollars, has left everybody, including the doctors, stunned and confused. Everyone was aware that the general national economy faltered, became depressed, and threatened to break down. And medical economy was involved. But doctors did not—and do not—realize and do not grant that medical economy threatened to do likewise. As a matter of fact, the doctors thought that things were going along fairly well and about as usual, with signs of slow but steady progress until the New Deal, forcing things from the medical point of view, started to make a social issue of medicine.

Historically, there are three learned professions. (At present there are many more.) But medicine, law, and theology all go back to ancient times and have stood together. Hitherto in our rugged individualism, times past—and forever, according to some—we have gone to the lawyer for legal advice and practice; and we have expected to come away lucky if we came away with our shirt. It was supposed to be good for the soul of the clergyman if we paid him little or nothing. If we paid our doctor in our first burst of gratitude upon recovery, it was all right to both parties concerned. If we waited, our second thoughts often were that we really did not deserve to be sick, and therefore the doctor did not deserve to be paid. Years of this have reconciled the doctor to this.

But now all is different. Medical care has been placed by the New Deal on a par with food, clothing, and shelter. The question of legal and theolcgical practices and economics have not been raised. Apparently they are not so essential—perhaps a bit of a luxury. The physician has certainly outdistanced his colleagues the lawyer and the clergyman. He holds the spotlight. All of this is very flattering to the medical man in a way, but more discouraging, in that he prefers to work quietly and to be the master of his own house. But change has come to the doctor in this changing world. The issues have been raised. There is no use to deny them or to rail against them. The best thing to do now is to air the problems concerned and to see what can best be done about them. The medical profession conforms to and is affected by the social system of which it is a part. History teaches that the position of the physician in society is never determined by the physician himself, but by the society he is serving. Changes, progress, and developments can be opposed, retarded, but not stopped. One can easily be swamped with problems and with statistics, but time is limited, so that we shall confine ourselves to some propositions, attempting to restrain bias and final conclusions as to solutions.

Perhaps we can get a start by somewhat arbitrarily and artificially and with a little difficulty dividing medicine into a professional side and an economic side. The professional side would include the art and science of medicine and the traditions and ethics. These have accumulated gradually over a period of centuries, with remarkable developments in the science of medicine in the last 30 or 40 years. The economic side of medicine would include the profit from practice to the doctor and the cost to the patient or public. Much to our surprise, since we did not look upon him in that way, in the New Deal terminology the patient has become a consumer.

It is the conservative medical contention that things were going along fairly satisfactorily to doctor, patient, and public, and that, while conditions were not ideal, progress had been made in the past and there were promises by a natural evolutionary process for more in the future under the old-established way of doing things—denoted laissez-faire by the new dealers. Medicine and medical practitioners by aptitude and training are individualistic and conservative. This is well. No one wants a doctor who is jumping at a hundred and one panaceas and cures, be they medical or social. And patients prefer an individual practitioner with a personal relationship. In some ways it seems dangerous to tamper with a highly complex and technical organization and system that is working reasonably well.

But enter the consumer! The medical profession maintains that it has controlled and can continue to control satisfactorily all the relationships between doctor and patient, both professional and economic. And the ultraconservative and probably the majority medical opinion is that the doctor and the doctor alone can and should continue to do so.

But the consumer now enters medical as he has the "general" economy. An interesting side line on viewing the patient as a consumer is the proposition never before raised to any extent in the medical mind under the old dispensation if the patient is a consumer and if he pays for everything else he consumes—food, shelter, clothing, etc.—then why should not he pay for all the medical care he consumes? Hitherto, following medical ethics and traditions, a good proportion of medical time and energy was cheerfully given without thoughts of pay—to the tune of a million and a half dollars a day of charity work, it has been figured. If medicine is going to be reduced to a matter of dollars and cents, let's bring in these figures, say the doctors.

The agitation, disturbance, or controversy, or whatever you want to call it, really goes back to the golden era before the crash of 1929 and the economic depression—to 1927, as a matter of fact—with the formation of the Committee for a Study of the Cost of Medical Care. This committee, with over a million dollars at its disposal to spend, with lay people in direction and in the majority, although there was a medical minority, studied, surveyed, and published for 5 years, culminating in a final report published in December of 1932. The fat was in the fire, although you may remember at that time and for some months thereafter most people were so concerned with general economics that they had little time to pay attention to medical economics. But the doctors started to burn. Most of them on the committee even refused to concur in the majority report and instead submitted an opposing minority one.

We shall try not to mow you down with the statistics, propositions, and issues that have been bandied about since this survey started over 11 years ago, but here are some of them:

The total cost of medical care is not exorbitant, but both the cost and the care are badly distributed and there are inefficiencies. It was found that, including every possible thing—not only the cost of doctors and nurses and hospitals and drugs, but also patent medicines, chiropractors, and other nonmedical practices and practitioners—4 percent of the national income was spent in 1929 on this all-inclusive medical care (national income, $90,000,000,000; all-inclusive cost of medical care $3,500,000,000) * * * about $30 per capita per year. (It must be remembered that since 1929 the annual national income has gone down one-third to around $60,000,000,000. There are no statistics as to the percentage or as to the total cost of medical care subsequently.)

If you will allow me to reduce everything to approximate round figures, and if you will remember the figure of three and one-half billions of dollars in 1929, it may save the mental confusion that is apt to arise in spite of living over 5 years under the New Deal. The total cost of medical care, around three and one-half billions, was just a little over the expenditures, respectively, for recreation, education, and for the combined costs for tobacco, confections, ice cream, and soft drinks, and about one-half of the money spent in 1929 for automobiles (1937 statistics indicate a $5,000,000,000 national expenditure for alcoholic beverages). About three and one-half billions represented in 1929 the capital investment in the over 7,000 hospitals of the country with their about 1,000,000 hospital beds and with a capital improvement at the rate of about $200,000,000 a year. Total capital invested, hospitals, physicians' equipment, etc., $5,850,000.

In the aggregate there is a business side to medicine, and the statistics brought out by this original and subsequent surveys mount up enormously. About 1,100,000 people were engaged in dispensing medical services and allied endeavors—including about 150,000 doctors, about 125,000 in private practice, and about 25,000 among the personnel in medical institutions and organizations.

Also swelling the total of over 550,000 engaged in the private dispensing of medical care are 56,000 dentists, 118,000 graduate nurses, 150,000 practical nurses, 47,000 midwives, 4,900 chiropodists, 20,000 optometrists, 7,700 osteopaths, 16,000 chiropractors, 2,500 naturopaths, 10,000 religious healers. And, in addition to the 25,000 doctors swelling the personnel in medical institutions and organizations to over 530,000, are 5,600 dentists, 77,000 graduate nurses, 80,000 student nurses, 18,800 public-health and industrial nurses, 132,000 pharmacists, 196,000 lay personnel in hospitals, clinics, and public-health agencies. About 30 percent of the total cost of medical care went to the doctors—the neat sum of around $1,000,000,000—but then—and now—it was found and accepted that doctors, on the whole and by and large, are poorly paid rather than overpaid—taking into consideration the long, expensive medical education, demanding about 10 years of training following high school, and involving an expenditure of ten to twenty thousand dollars, followed by an exacting and trying and responsible occupation thereafter, with day and night work, and with a 60-hour week an unobtainable and unrealizable goal, much less a 40-hour week one.

The income of a medical practitioner can be divided into a gross one, and this less the 40 percent that it is figured that is necessary for professional expenses into a net income. In 1929 incomes were distributed very unevenly, with actual incomes inadequate for a large number of practitioners, while they were more than adequate for some others. But less than 3 percent of the profession made over $10,000 a year, and for each of these there were three who made less than $2,500. The average net income was $5,300, the median net $3,800. One-third of all private general practitioners netted less than $2,500.

The New Deal incorporated the cost of medical care in the agitation about social security, so that by 1935 there appeared a Federal interdepartmental committee and council to coordinate health and welfare activities. A national-health survey was started by the United States Public Health Service. This led to a National Health Conference in July of this year, 1938, and the smoke of this great battle has not as yet entirely blown away. Perhaps you have read about it, as well as the proposals toward a national-health program submitted to President Roosevelt in February of this year, 1938. Many of the complicated figures, statistics, and propositions of the original reports of the committee on the cost of medical care were utilized, but added to and embellished so that they are dwarfed and difficult to find in the New Deal grandiosity of millions and billions.

The new agitation recognizes the great accomplishments of preventive medicine in the United States but draws a distinction between public prevention (public health as hitherto constituted) and private prevention, that is, with individuals and with individual illnesses hitherto dealt with mainly in private practice rather than in public health.

Incidentally, in order to limit this limitless subject somewhere, we are not going to discuss public health. Not only Roosevelt but everyone else accepts Disraeli's dictum that "Public health is the foundation upon which rests the happiness of the people and the welfare of the state"; and the corollary, "Medical care is necessary for the maintenance of the health of the people and should be provided to all who need it." There is general agreement, lay and medical, as to the field of public health and as to the neglect of public health, and as to the necessity of building up and expanding public health and expending more money on it. In 1929, out of a total per capita expenditure of $30—as the cost of all medical care—less than $1 was spent for public health locally by the State and by the Federal Governments combined. The local expenditures were sometimes, and still are, only a few cents. Piteously inadequate. In 1929 the per capita expenditure in the United States for medicines was $5.49, and over one-half of this was for patent medicines and self-medication, mostly wasted the profession is inclined to think.

The new national health survey program and conference has become quite excited over the present status and needs in maternity, infancy, and childhood welfare and health. They point out the triumphs in the control of communicable diseases (at least of those for which medical science has found a specific cause or control) and the decrease in the death rate from 19 per thousand in 1900 to 11 per thousand in 1935 (brought about under the old dispensation, the doctors cannot help from pointing out). But the truth that the life expectancy of a person of 50 is not much different than it was 40 years ago is emphasized, more sentimentally than scientifically, according to the medical way of thinking, since this brings up the subject of degenerative diseases (arteriosclerosis, etc.)—those of later life—for which medicine has evolved no specific treatment or control. Special attention is also paid to the problems of pneumonia, venereal disease, and malaria, and there is no denying that there could be more and better social endeavors toward their prevention and diagnosis. But treatment has been, is, and perhaps in the future should be more a matter of individual practice.

There is no medical reason to believe that any more socialized or State attack on the problems of cancer would accomplish any more than is being done at present, except spend still more vast sums of money. There has already been a socialization of medicine. Both the doctors and the public have grown accustomed to socialized activities in public-health work, in the Army, especially during the World War, in industry, and in the health work in the school system.

We have and we need further social organization in handling the large problems concerning the control of communicable diseases, tuberculosis, orthopedic conditions, and mental and nervous disorders. Doctors have whole-heartedly initiated and supported State and social programs and institutions dealing with these problems.

No intelligent thinking doctor is unmindful of his public obligations. He remembers that he practices medicine not by divine right but by licensure through the legislature and ultimately because of a mandate of the public. And he realizes that he and his practice are subject to a critical review. Except for the die-hard conservatives, all doctors admit there is need for greater cooperation, organization, and planning in dispensing medical care and services. No one doctor can master the modern field of medicine and no doctor can practice modern medicine alone. He needs equipment, hospitals, laboratories, the help of other doctors.

The doctors are the first to agree that there have been some evils in too great specialization in medicine. But these evils have developed because of some conditions not altogether under medical or any other control and partly due to the fault of the laity. There is an honest endeavor underway in medical circles to restore the number, prestige, and dignity of the general practitioners—the beloved and lamented family doctor of old—and to give him an income fitting his worth and comparable to that of the specialists.

But doctors are universally against State medicine, if the distinction between social medicine and State medicine can be drawn and seen. Hitherto mention has been made only concerning social medicine. State medicine means taking over all, or practically all, the practice of medicine and medical care as a State or governmental function, with doctors salaried employees of the governments. Everyone knows this would involve a disastrous loss of individual initiative and resourcefulness, a tangle of red tape; in short, a bureaucracy that would be unsatisfactory to all concerned, doctors and public. The doctor demands, especially in a medical emergency, a free hand. He objects to reports, limitations, any dictation, especially lay control.

There are few people, lay or medical, who advocate State medicine. The most evangelical sociologist does not venture to say as to what medicine should be practiced, as to the content of medicine, as it were, but claims only the right to speak as to how, under what conditions, medicine should be practiced. In other words, all agree that the professional side of medicine should remain entirely in the hands of doctors, the admission and training in medical schools, the standards of practice, any censorship or disciplining of practitioners, etc. All agree that medicine has done this very well—has cleaned up its house and kept it remarkably clean and without scandal. There is no reason to believe that this will not continue in the future, and perhaps even better and more efficiently. But it is in the economic side of medicine that others maintain they have a right to concern themselves, since they are interested parties, and they say that medicine has not made the phenomenal progress as an economic activity that it has as a professional one. Another red flag to the medical profession is any kind of group, contract, or corporate practice that smacks of lay control or commercialism. The medial insistence on no advertising may seem droll to a business or newspaperman, but the benefits of medical ethics as to no patents or secrecy about any new medical discoveries are obvious.

It is true that there is a sufficient number of physicians in the country, but that they could be better distributed. Doctors, especially the younger ones, tend to remain or gather in urban centers where professional and economic opportunities are greater and hospitals are available, and they tend to avoid rural communities with their hardships for the doctor. There is 1 doctor to every 571 people in California, 1 to every 1,431 in South Carolina. But conditions in this regard seem either to be self-correcting or medically correctable—and they are not alarming. The cure for this seems to be that practice in the underprivileged areas must be more attractive from both the professional and the economic points of view before the young physicians can be expected to settle in these areas.

True, 1,300 of the 3,300 counties in the United States are without hospitals and more hospitals are needed—perhaps the 500 new ones advocated by the new national health program. However, hospital facilities are not identical with county boundaries. Perhaps the country as a whole has a deficiency of about 400,000 hospital beds and that the ones we now have are maldistributed. It is true that there is 1 hospital bed for every 154 people in Wisconsin and only 1 for every 749 in South Carolina.

There is a great lag between the amount of medical knowledge we have and the amount we apply at present. There are economic barriers between those in need of service and those prepared and equipped to furnish service. Perhaps 20 percent—totaling 40 percent of our population—is marginal, with an income of $1,000 or less per year per family. If this be so, these people denoted the medically needy can pay nothing or so little and with such sacrifice for any medical care, that some provisions will have to be made for these unfortunates and indigents, to receive medical care—and not as charity but as their due. The American medical profession will be found sympathetic and helpful in formulating any reasonable solution of these pressing problems.

But the personal relationship between doctor and patient must be kept inviolable, and in considering the problems certain factors of human nature and human psychology must be considered. First, one can be most successfully treated by a physician on one's own

choice in whom one has confidence. Second, one is apt to criticize, undervaluate, and reject free medical attention. Witness the attitudes toward the Medical Department of the Army, in the Veterans' Bureau, in the industrial, or any other organizations where medical care is dispensed free, sometimes even in free hospital clinics. Many people would abuse the right to consult a doctor without having to pay some financial penalty to do so. Doctors are human. They would react to this abuse, and if they became overworked (and to the lack of a profit incentive if they were salaried) by becoming superficial, careless, casual. A sick man will travel far and at a great sacrifice, ignoring the doctor at hand, if he thinks there is another one who can help or cure him more quickly and more successfully. With the most extreme system of social or State medicine proposed, the private practice of medicine would not be abolished and we should see in existence two parallel, if not two clashing, systems under State medicine. The established practitioners and specialists might welcome State medicine if it would free their conscience and release the load of charity patients they now look after. They would refer them to the State doctor, and devote all of their time and energy to their presumptively lucrative practice.

And cold, realistic, biologic facts might enter the argument. By the most utopian schemes death will not be abolished. Death seems to be a biologic, if not a theologic, necessity. There will always be a number of diseases, especially degenerative ones, that will be unavoidable and incurable.

Some day some cold eugenist is coming along and he is going to increase the horror of the surveyors who found that there is sometimes inadequate medical attention for the 1,100,000 births occuring annually in families which are on relief or in which the income is less than $1,000 a year by asking why so many babies are allowed to be born and in such disproportionate numbers to this class. And if the one questioned is not thereby overcome, the eugenist will follow this up by asking if it is not dysgenic to lower too much the infant mortality of the premature, debilitated, etc., infants, since they are notoriously so subject to all sorts of future disorders and incapacities.

In all the new proposals there is no mention of eugenics, birth control, and sterilization—of heredity or of human folly as factors in disease. Sickness as a cause of poverty and dependency is stressed, but the, at least, equally true facts that poverty and dependency cause sickness are understressed. Perhaps poverty and dependency can be abolished more easily and sooner than sickness. Any great expansion of medical facilities will demand some sort of insurance schemes involving vast sums of money or markedly increased taxation—or both. With the sums involved, philanthropy, private and professional and industrial, cannot be counted on as previously.

Hospital insurance, as a private rather than as a public enterprise, met a little medical opposition because of the fear of the possibilities of lay control and meddling. But hospital insurance has been started and is expanding rapidly and it has won the almost universal approval of medicine, private and organized.

But hospital insurance does not provide for professional fees. The economically privileged people who need it least do receive the most medical care. And the underprivileged or medically needy who are in need of medical care most receive the least. Yet this latter group—one-third to one-half of the population—cannot afford much, if any, health insurance of any kind. What is the solution to this? Various schemes have been recommended and some have been tried out, and further ones should be, with medical approval. But it remains a great question.

If experimentations and developments start from below in the local communities, rather than being imposed from above, nationally local medical centers have been recommended and advocated, and also local health council with the medical profession in the majority and since they are best qualified to know the problems, in control, but with some public-spirited laymen as members who would acquire an intelligent interest and knowledge of the medical situation to advise, especially economically.

Like individuals, a community which will help itself, if it is at all possible to do so, will do better and will deserve better. As a rule, a community receives the medical care that it deserves.

Let us scrutinize this social compact before we sign it.

Our new Federal public health program proposes to take over or to subsidize about two-thirds of the total cost of medical care, involving an expenditure of over $2,000,000,000 a year. Two hundred million dollars for an expansion of public health and maternal and child-health services, $165,000,000 a year for additional specialized services for children, especially crippled children, $146,500,000 for additional hospitals and hospital beds, $400,000,000 annually to provide medical care for the medically needy, etc., half to be paid by the Federal, the other half by the State and local governments.

In addition, of more interest to the businessman and employer than to the medical man, a system of sickness insurance similar to unemployment and old-age insurance has been recommended. Other schemes to finance the gigantically expanded costs for medical care and social welfare involve other proposals to do so by means of insurance or taxation, or both. This would cost over $2,000,000,000 and this combined new expenditures of four or five billion dollars in addition to our Federal Budget soaring around $10,000,000,000 a year. Nice sums if you can get them.

It is proposed to submit this new health and welfare legislation to the next Congress. The medical profession asks that we go slowly and give due thought and consideration to this not only in its relation to the profession but also to the national economy, and that we achieve our ends by evolution rather than by revolution.

The Licensed Radio

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, July 7 (legislative day of Thursday, July 6), 1939

ARTICLE BY WESTBROOK PEGLER

Mr. GURNEY. Mr. President, I ask permission to have printed in the RECORD an article by Westbrook Pegler on the subject of the Licensed Radio.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

THE LICENSED RADIO

(By Westbrook Pegler)

It looks as though the perfidious press will have to take over the fight to establish freedom of the radio, which the President, Mr. Farley, and Mr. Ickes so often extol as an agency of pure expression. The radio companies live by license from a political bureau of the New Deal which has the power to harass, intimidate, and, ultimately, ruin them. They are, as a group, a dangerous rival of the newspapers, which have had to share with radio the advertising revenue which once was particularly all theirs. The press, therefore, has a selfish motive for wishing the worst of luck, but, ironically, finds itself compelled to assist its commercial rival in a feeble struggle against coercion and censorship lest a controlled radio be used as a propaganda arm to destroy the freedom of the press.

Although Mr. Roosevelt has said that in some communities untruth and exaggerated halftruth may be overtaken only by radio and Mr. Farley has declared that only by air may he present a case to the people unedited, radio finds itself afraid to urge its own case over its own medium. If radio did so it would necessarily attack the political agency of the New Deal which controls its conduct and issues the licenses by which it operates.

POLITICAL CONTROL OF RADIO STRESSED

If it did that, it would displease its political bosses and risk painful or disastrous reprisals. Therefore, radio relies on the newspapers to present its case to the public, and it has been the press which has emphasized the hidden significance of the ruling of the Communications Commission which requires that international broadcasts must promote international good will, understanding, and cooperation. This ruling might be invoked to rule off the President and Mr. Ickes themselves—doubtless an unforeseen possibility—but if the same principle were applied to domestic broadcasts, the broadcasters would be obliged to promote internal good will, understanding, and cooperation according to the Commission's interpretation.

Surely the Commission would not regard criticism of the New Deal or itself, as a contribution to internal good will, understanding, and cooperation. In fact, in the press such criticism has been fiercely resented, and, for punishment, the New Deal has repeatedly praised the radio to the detriment of the papers but without explaining the uncertain and the risky state in which radio lives under political control.

CANNED SPEECHES GIVEN TO STATIONS

The President recently said that the people have a right to expect their Government to keep them supplied with sober facts, but left unsaid the fact that the New Deal has been sending out pancakes, or radio records, with a sly but firm intimation that these pancakes had better be given on the air. They are accompanied by a request for accurate information as to when they were played, and, although this might express an innocent curiosity, it might also conceal an intention to check up and discipline stations which found the pancakes inappropriate. As to whether they contain sober facts there must be some dispute, but it may safely be assumed that the Government departments are putting out no sober facts which criticize the administration adversely.

There is a difficulty in the fact that the air belongs to the Nation, so to speak, and therefore must be subject to Government regulation. That much is not disputed, but it does not mean that the air belongs to the New Deal any more than it belongs to the Republican Party. But in using the radio for New Deal propaganda the administration puts itself in the position of a trustee who uses his authority to promote his own interests and impair the interests of the trust. For certainly if radio is allowed to live under frank or implied coercion it loses that purity which the President found so admirable—indeed, its chief virtue.

LIVES UNDER THREAT OF PARTISAN DISCIPLINE

But radio itself lives in a state of fear and political jitters. Individuals in the business may pretend to admire the Commission and its methods, but they are open to the obvious suspicion

that they are playing ball with the New Deal for the advantage which it will bring them in the form of valuable official favor.

Others realize that the industry lives under a threat of partisan political discipline and looks to their economic enemy, the press, for help in a fight for independence, afraid, however, to speak for publication or appear anywhere in the picture except as confidential informants on matters which radio dares not appeal to the public over its own medium.

Forest Service Is Popular

EXTENSION OF REMARKS

OF

HON. THOMAS A. JENKINS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. JENKINS of Ohio. Mr. Speaker, there is no more popular department in the Government than the Forest Service. This is partly because of its competent personnel and partly because it deals with nature and nature's products. Its activities are interesting to all classes of people.

The Forest Service has a personnel of about 4,700 regular employees and an equal number of seasonal employees who work in the summer months.

The Forest Service operates under the Department of Agriculture. Mr. F. A. Silcox is the Chief of the Service, Mr. C. M. Granger is the Chief of the National Forest Divisions, Mr. Earl W. Tinker is the Chief of the State and Private Forest Divisions, Mr. C. L. Forsling is the Chief of the Forest Research Division, Mr. Earl W. Loveridge is the Chief of Administrative Management and Information Divisions, and Mr. L. F. Kneipp is the Chief of the Acquisition Divisions.

The active personnel in the field is handled through regional foresters, who have under their direction forest supervisors and district rangers. Those in charge of these various departments must be men of very special qualifications.

The activities of the Forest Service are widely scattered. The Service has under its jurisdiction about 175,000,000 acres of forest land. The largest single forest unit is known as the Superior Forest, located in Minnesota, and contains approximately 2,000,000 acres.

The land for forestry development is purchased through a congressional committee known as the National Forest Reservation Commission. The membership on this Commission consists of the Secretary of War, the Secretary of the Interior, and the Secretary of Agriculture, together with two Congressmen and two Senators. The Congressmen on this Commission at this time are Hon. ROY O. WOODRUFF, of Michigan, and Hon. WALL DOXEY, of Mississippi. The Senators are Hon. WALTER F. GEORGE, of Georgia, and Hon. STYLES BRIDGES, of New Hampshire.

I wish to discuss briefly the land-purchase program of this Commission as it applies to the State of Ohio. In 1934 the Forest Service began to operate in Ohio. It set up five units, which are as follows: Symmes Creek unit, Little Scioto unit, Muskingum unit, McArthur unit, and Hocking Valley unit.

Each and all of these units are located in southeastern Ohio. There is no available forest land anywhere in Ohio except in a few of the counties of the southern and southeastern part of the State. The survey made by the Forest Service shows that there are 1,466,000 acres of land well adapted to the activities of the Forest Service but that 375,000 acres of the same are too valuable to be considered for purchase by the Forest Service. There is therefore about a million acres of available forest land in Ohio that can be purchased at an average of about $6 per acre. The Forest Service took options for a large portion of this available acreage but was only able to purchase 34,234 acres in the State.

It is conceded that there is no part of the United States better adapted for the growth of the finest hardwoods, such as walnut, hickory, white oak, and ash, than the southern Ohio territory.

In addition to its land purchases in Ohio, the Forest Service has established headquarters in Scioto County and also in Athens County and has maintained the same with a corps of capable men. They also located several C. C. C. camps in this territory. With this force the Service has been active and has cleaned up the territory already purchased and has planted many acres of trees. This organization has also constructed a beautiful lake in Lawrence County near the site of one of the famous old charcoal iron furnaces. The lake is given the name of Vesuvius Lake because of its location near old Vesuvius furnace. Vesuvius Lake will be one of the most beautiful lakes under the jurisdiction of the Forest Service. It is located in the hills and in the center of the 4,000-acre tract of woodland. It is located near large centers of population and no doubt will be the attraction that will bring tremendous crowds to its shores. It has a shore line of more than 8 miles. Attractive trails and driveways will be opened for the recreation and pleasure of the people. A million people live within 60 miles of this beautiful lake.

No State in the Union with one-half the population and business of the State of Ohio has within its borders so few places of recreation. Most of the area of Ohio consists of fine, valuable farm lands. Although Ohio ranks fifth or sixth in the value of its agricultural products, it is also one of the leading industrial States of the Union. It has neglected providing recreational centers for its people. The roads leading south into the resort sections of the Kentucky, West Virginia, and Tennessee Mountains carry more Ohio cars than cars of all other States combined. Likewise, Michigan, whose tourist patronage each year amounts to $300,000,000, mostly due to her recreational advantages, gets more of her patronage from Ohio than from any other State. Ohio must strive to hold this money at home. The hills of southern Ohio are as beautiful as the hills anywhere. There are an abundance of locations through southern Ohio where beautiful lakes and other recreational centers can be located. The Berkshires cannot surpass southern Ohio in beauty when the maples and the red gums take on their gorgeous hues when the fall breezes come with their bracing tang. The lakes of the flat countries of the North cannot compare in beauty to the lakes that can be constructed in the coves and glens among the wooded hills of southern Ohio.

Because of lack of funds the National Forest Reservation Commission was forced to reduce its land purchases. It appeared that the most effective way to reduce its purchases was to discontinue purchases in the sections where only small acreages had already been purchased. It could be logically argued that they might more appropriately discontinue purchases in sections where they already had large purchases. However, the Commission established a rule that no more purchases be made in units where less than 20 percent of the available land had already been purchased. This stopped further purchases in Ohio because in no one of the five units had 20 percent been purchased.

Having encouraged the Forest Service to come into Ohio and to make purchases therein, I naturally was much disappointed at the turn of events that would prevent any additional purchases. With others I immediately began to consider plans to remove this restriction. It was apparent that appropriations must be increased and that the merits of Ohio's cause must again be presented. The Bureau of the Budget of the present session of Congress recommended to Congress that only two millions be appropriated to the Forest Service for the purchase of land. This was less than had been appropriated for this Service for years. I have maintained steadily that this is one service where the money invested will furnish wholesome employment and will also create wealth. After considerable effort in both branches of Congress the appropriation was increased to $3,000,000. This is the total amount that the Land Acquisition Department of the Forest Service will be permitted to spend for its work in the next fiscal year.

The National Forest Reservation Commission, at its meeting on July 6, modified its 20-percent regulation and has given orders for a resurvey of the whole situation. People of Ohio appreciate the action of the Commission and the moral support of the Forest Service. Because of the superior merit of the claims of the State of Ohio, I confidentially believe that during the next year the Forest Service will again be in the market for the purchase of lands in the various Ohio units. It should purchase immediately all the land that it has under option and other lands upon which the options have expired. This will comprise about 100,000 acres which the Forest Service should purchase as soon as possible. With annual purchases in reasonable amounts for a few years, the Forest Service will have secured most of the available land in Ohio. It is not the intention of the Forest Service to purchase valuable land and to remove the same from the tax duplicate. Neither would it be the purpose of the people of the State to encourage the purchase of valuable land which can be used for the production of annual crops.

While the Forest Service gives consideration to the recreational advantages of the land which it purchases, still its principal function is to take this cheap land and make it valuable by placing thereon a growth of valuable timber. Its purpose also is to give wholesome employment to men and boys and at the same time create wealth through the growth of trees. Their plan provides that as the old timber is cut and manufactured into timber products and that when the forests themselves will be manufactured into timber and sold, that 25 percent of all such sales shall go to the counties in which the timber is produced. An additional 10 percent is also paid to the road authorities for the construction and maintenance of roads and trails. The roads and trails in the forests themselves are maintained by the Forest Service.

I feel that our efforts in again having the Forest Service resume its purchases and its activities in Ohio will eventually increase the value of Ohio lands by millions of dollars. Recreational facilities of these forest areas will also be of much greater importance in Ohio than in many other States where they already have an abundance of such facilities. These activities on the part of the Federal Forest Service will act as a stimulant to the conservation activities of the State of Ohio, which in the past few years have extended their activities considerably. Friendly cooperation of the Federal and State Forest and Conservation Departments will mean much to the people of Ohio by way of recreation and by way of increased value of land and forest products.

British Royal Visit to America Was War Mission

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

EDITORIAL FROM THE NEW YORK ENQUIRER OF JUNE 19, 1939

Mr. SWEENEY. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include a very timely and patriotic editorial from the New York Enquirer under date of June 19, 1939:

[From the New York Enquirer of June 19, 1939]

BRITISH ROYAL VISIT TO AMERICA WAS WAR MISSION

Just as their Britannic Majesties' visit to the United States, a visit in which religion was brought into play in a prominent manner, came to an end, a special British envoy set off from London in order to expedite the signing of an alliance between anti-God Russia and the British Empire, whose sovereign George VI, is supreme head of the Church of England, and in addition numbers among his other titles that of Defender of the Faith.

The royal traveling show, with its super-Barnum publicity, which John Bull staged upon American soil in the visit of King George and Queen Elizabeth, while it caused a great deal of amused curiosity to the American people, has for them a vitally serious aspect.

All this expensive, glorified, and free entertainment was not provided for the purpose of attesting John Bull's warm regard for the United States. It was actuated by a selfish and characteristically British motive—the luring of hundreds and hundreds of thousands of the cream of America's young men to pour out their heart's blood in defense of that empire which is now working so eagerly to ally itself with anti-God Russia, and in addition to induce Uncle Sam to squander his monetary and other economic resources for the salvation of the empire of George VI and Queen Elizabeth.

The visit of the British sovereigns to the United States of America was a war mission, pure and simple.

It was a mission designed to befool us once more into disloyalty to the solemn injunction of George Washington, the man upon whose hallowed tomb at Mount Vernon the treacherous hands of England's monarch placed a wreath of ostensible tribute, that we ever take care against being drawn into the wars and other contentions of Europe.

Our good friends the British boast that they are a discerning and well-informed people. The illusory interpretation placed by them upon the reception accorded George VI and his consort in the United States evinces that they have a great deal to learn concerning the American people.

It was curiosity and a desire to see a free show that promised a great deal of amusement, rather than an intense friendship and regard for either the royal actors or their manager, John Bull, which brought out the crowds of Americans who watched the unfolding of the great comic pageant. Had Emperor Haile Selassie of Ethiopia and his Empress made a similar tour, and had they been accorded half the super-Barnum publicity enjoyed by the British sovereigns, they would have drawn much bigger crowds of Americans.

The size of the gatherings that came to see the British sovereigns was exaggerated by press and radio in an outlandishly laughable fashion. In the refusal of Americans to attend the World's Fair when George VI and his consort visited it, we find a real test of America's sentiments with regard to the royal visitors and their empire. The paucity of the attendance at the World's Fair on the day of the royal presence there amounted to a boycott. Let us quote the New York Daily News:

"The most severe blow was the surprisingly slim crowd that turned out on the occasion of the royal visit Saturday.

"Plans had been made to take care of a crowd of 1,000,000—Grover Whalen's experts had confidently estimated such a record-shattering attendance—but a final count showed that only 196,116 persons entered the fair's portals.

"In fact the attendance was the second lowest for a Saturday since the opening figure of 606,504 when President Roosevelt dedicated the fair. The only other Saturday on which attendance fell below the royal visit figure was when it rained virtually all day."

For the United States there is an intimate and alarming connection between this royal visit and the departure of Special Envoy William Strang, British Foreign Office counselor and expert on Stalinland, from the capital of the British Empire for the capital of the "red" Empire. They are all-important parts of a gigantic conspiracy to bring about a British-French-Soviet-American alliance for war and world domination in the interest of British, French, and Soviet despotism. That is the plain truth of the matter.

While the "excruciatingly delightful royal couple," as one of the sob brethren of the American press phrased it, were acting their roles upon the American stage, the heaviest emphasis was laid on England's centuries-old contribution to civilization and how essential it was that this Republic should always cooperate to the maximum with the great democracy represented by the British Commonwealth of Nations—that is, the British Empire, whose sovereign is also supreme head of the Church of England and enjoys the august title of Defender of the Faith.

And this appeal was made at a time when George VI and his Empire were moving hell itself to bring about a British alliance with Czar Josef of the anti-God Russia.

Blasphemy is the only suitable characterization of the misuse to which religion was put in order to advance the objective of the British royal visit here in view of the eagerness of George VI and his empire to bind themselves in a solemn compact with the land of Stalin—the enemy of liberty, the enemy of peace, the enemy of civilization, the enemy of Heaven itself—and in view of the centuries-old criminal record of John Bull, who did his momentous work for civilization with a Bible in one hand and a dagger in the other.

These are fateful days for the United States of America. A lavishly financed and powerful propaganda, inspired and directed by John Bull (the sanctimonious champion of peace and liberty, civilization, and religion, who cannot too soon bring about an alliance between himself and the terrestrial viceroy of Satan, Josef Stalin), is at work in every quarter of this land to encompass for the American people the supreme tragedy of hoodwinking Uncle Sam into another bloody and costly war crusade in Europe on the side of British, French, and Russian "democracy."

The visit of the English sovereigns was a most important contribution to this colossal campaign of deception.

Under the very dome of our National Capitol the international conspiracy to add a myriad of American dead to those who are already sleeping their last sad sleep far away from their beloved

kinsfolk and beloved country, as a result of our first war crusade in the Old World, is receiving wholehearted encouragement and vital support.

This Republic has a superabundance of problems of its own to solve. But they are not being solved.

It is nothing short of treason that high-placed American officials who were elected to serve America, and America alone, are leading participants in an international plot which means disaster of the first magnitude for our country.

One of the most terrible fruits of the success of this conspiracy would be the certain annihilation of America's civil and religious liberty and the transformation of this glorious Republic into a Hitlerized despotism.

It is only too clear to the American people, therefore, that they are face to face with an emergency which demands their unremitting attention.

The New York Enquirer is not and never has been engaged in an anti-British campaign. It is and always has been engaged in a pro-American campaign to save America from British exploitation and aggression. And it will continue that campaign just as long as there is need for it.

Emmett Owen—The Man

EXTENSION OF REMARKS
OF
HON. MALCOLM C. TARVER
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 10, 1939

Mr. TARVER. Mr. Speaker, in the Congressional Directory for this session there appears in the biographical section, where Members customarily record outstanding facts concerning themselves and their careers, oftentimes at great length, a statement of seven words, indicative of the modesty and simplicity of the man who wrote it:

EMMETT MARSHALL OWEN, Democrat, of Griffin, Ga.

Others have spoken, and will speak again, of the oratorical brilliance of our deceased colleague, of the honors paid him by his people during many years of public service, of the unswerving fidelity with which he met fully and capably every requirement of public trust; but EMMETT OWEN made official record only of his name, that he was a Democrat, and that he resided in Griffin, Ga. The same innate reticence about himself and his accomplishments is evidenced by his labor of 7 years on the Committee on Agriculture, striving, struggling, thinking, and talking in the interest of a better deal for the farmers of the country who have been and are now passing through a period of terrible trial, with never an effort on his part to make the headlines or even to let his constituents know the important, faithful, and useful part he was playing in the formulation of farm legislation.

There are Members of the Congress whose oratory on every conceivable subject scintillates in the CONGRESSIONAL RECORD who never accomplish anything except to advertise themselves. All of us know that legislation in the main is accomplished here in the committee rooms and that the advices of Members in whom their colleagues have confidence when they talk as man-to-man around the committee table have far more weight than impassioned orations on the floor which few hear or even read. EMMETT OWEN knew this; and, knowing it, he used his abilities, his fine personality, the friendships that he made, where those assets would accomplish the most for his people. The stamp of his influence is indelibly impressed upon much of the important farm legislation enacted during the last 7 years.

His constituents elected him to Congress because he possessed those qualities which appeal to men everywhere and in all walks of life. He was loyal not only to his public trust but to his friends. He had one of the most gentle natures I have ever known. Everybody who knew him loved him. Members of the House who knew him well would take pleasure in helping him in his undertakings. No death in recent years has caused more general sorrow among the membership of the House of Representatives.

The Georgia delegation in the House will sorely miss him. His friendly cooperation in every effort for the advancement of Georgia's interests, his pleasant comradeship with every Member of the delegation, these are memories which shall forever hold their place in our hearts and minds. Georgia laments the passing of a distinguished citizen, the Fourth Congressional District sorrows over the loss of a faithful and capable Representative, but the Georgia delegation, while not unmindful of these losses, mourns most of all the departure from our circle of EMMETT OWEN—the man.

Indian Claims and Jurisdictional Resolutions

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, July 10, 1939

Mr. COCHRAN. Mr. Speaker, I have read with a great deal of interest the speech of the gentleman from South Dakota [Mr. CASE] in reference to legislation affecting Indians and Indian tribes. The gentleman from South Dakota goes into detail in regard to the attitude of Congress toward legislation of this character. He calls attention to the fact that only a few bills of minor importance have become law.

As one who has tried to prevent the passage of Indian jurisdictional legislation, I desire to explain the reason for my attitude. Several years ago an official of the Department of Justice called attention to the Committee on Expenditures of the situation confronting the Government in the Court of Claims where a hundred or more cases were pending as a result of resolutions passed by Congress. A hearing was held by the committee and Assistant Attorney General Harry W. Blair discussed the matter in detail. I desire the reader to note that this is a Government official, not a Congressman, speaking. I quote part of his testimony:

Mr. Chairman and gentlemen, these claims arise out of treaties made with the Indians, some of them going back as far as 1790. When jurisdiction is passed by Congress, a claim is filed, usually on just a statement of account in the Court of Claims. It is then sent to the Attorney General's office and also to the Interior Department, with the request that each of those find out from their records what the situation is between the Government and the particular Indian tribe. These are all tribal claims, not individual Indian claims.

The Department of the Interior, of course, having in its jurisdiction and having in its charge all the reports of all the Indian agents since the first negotiations with the particular tribe were started, is able to give from these reports all of the transactions between the Government and the tribe, the furnishing of them with food, the building of schools, what was done with their lands, whether the land was sold and the money turned into the tribal fund, as in accordance with the treaty, or not.

The General Accounting Office, of course, has a record of what moneys actually were spent. These claims, under these conditions, started growing in about 1920, but the great influx of claims was along in 1924 and thereafter. I do not know whether the fact that the Indian got the vote or citizenship along about that time had anything to do with it or not, but those claims have been coming in until there are now 99 cases pending in the Court of claims.

THREE BILLION DOLLARS INVOLVED

Taking the interest upon them, and approximating those which do not state the exact amounts of money that are sought, the total involved is close to $3,000,000,000.

The claims frequently are unfounded and imaginary; and, where there are offsets by payments, gratuities, and so forth, it is frequently possible, even if some sum of money is due, the offsets are greater than that.

Since the 1st day of January 1934, in the Court of Claims, the Government has defeated claims amounting to $369,000,000. There has not been a single judgment against the Government in the Court of Claims on these bills, which has cost the Government any money, since the 1st day of January 1934. I mention that date because that is the time I took charge of the Division. The record before that is correspondingly good.

A great many of these claims are fictitious; that is, they are imaginary, but the Indian tribes and the Indian societies throughout the country feel that they are entitled to their day in court, and, unless they do have their day in court, there is corresponding

dissatisfaction and belief that the Government has wronged the Indians in many instances when it has not at all.

There has been considerable discussion of the suggestion to Congress that some sort of tribunal be established to sift these claims before they reach the state where the Interior Department or the Comptroller General is asked to spend any large amounts of money in digging up the facts. That will be presented shortly, I understand, for the consideration of the Congress. That will be very helpful, because we are in this peculiar situation in regard to these cases: A petition is filed, a claim is filed in the Court of Claims, and the Government immediately goes to work, as I say, in the Interior Department and in the Comptroller General's offices assembling all this data.

In one of these cases it took 7 years to get this data together. I understand it cost over $150,000 to do that. But those facts can better be stated by the representatives of the Comptroller General's office, who are here.

GOVERNMENT FURNISHES ALL EVIDENCE

Here is the situation we find ourselves in: The Government furnishes all of the testimony in the case, and it is deposited over at the Court of Claims, and the attorney for the plaintiff goes in there and takes the testimony we have furnished, and then the suit progresses. We cannot deny it. We have not any testimony other than that. So that it is a proceeding where the Government is furnishing all the testimony; and if the Government has wronged anybody, it has to pay.

I do not think, in the last analysis, that there is anything unjust about that, or wrong about it, because if the Government of the United States does owe those Indians any money, I think everybody would like to see them paid; but the expense of getting all of that testimony together and of getting all that data together, and it so frequently results in nothing being accomplished except the satisfaction of the Indian tribe and the various friendly societies. It is for that reason that this matter of sifting out beforehand has recently been agitated.

The details, now, as to these bills: Some of the bills provide that the Government may have offsets for gratuities, etc., and some of them do not. The ones which do not are those affecting the Five Civilized Tribes. All of those tribes are located in Oklahoma. Occasionally one of the other tribes gets a bill through that does not have that in it, but it is exceedingly rare. I think there are nine pending in the Congress, and a large majority of those do not have that provision in them. That is a very helpful provision in defending the suits, and it seems to me a very fair provision, because many times the Government has had to furnish the money to help the Indians, and it would only seem right that, in any final accounting, the Government should be given credit for that.

GENERAL ACCOUNTING OFFICE VIEWS

Mr. Frank Yates, representing the General Accounting Office, also appeared before the committee. I likewise quote part of his testimony:

Mr. Chairman and gentlemen of the committee, much of the information we were prepared to present to the committee has already been well covered by Assistant Attorney General Blair and Mr. Stormont and, if I have observed correctly, the committee is already fully informed on the principal question involved; that is, the consideration of appropriate legislation that will give to the United States the uniform right of offset for certain expenditures, including gratuities, in pending and future causes. However, this committee has taken cognizance of the growing list of Indian treaty suits under jurisdictional acts, no doubt because of the very considerable expense in the General Accounting Office, Department of the Interior, and the Department of Justice, which the preparation and handling of the many cases has required, and because by far the largest burden falls upon the General Accounting Office in preparation of the reports for use by the Department of Justice in presenting the case of the United States I feel that I should discuss this angle of the matter even at the risk of some duplication.

WORK AND COST OF PREPARING REPORTS

After the filing of one of these suits the Department of Justice calls upon the General Accounting Office to prepare a report from the accounting records. Here is where the large, important, and expensive undertaking begins. From 1920 to 1926 the enormous task of preparing reports on cases then pending became so apparent that special preparations had to be made, including the establishment of a special organization in the General Accounting Office, the Indian Tribal Claims Section, and the obtaining of an additional appropriation to permit the conduct of this work.

In the beginning of this Indian tribal claims work it was necessary first to assemble in one place convenient for ready access the vast volume of scattered files of Indian accounts and claim settlements, going back in many instances for more than 100 years; their classification and segregation for examination purposes; and also their repair, which was frequently necessary because of disintegration, particularly at the folds, having been filed folded and having remained so filed over long periods of years.

This work also required a vast amount of research of the history of the tribes; their origin, migrations, and unions with other tribes; and their many treaties and agreements with the United States and between tribes. Much information, valuable and necessary to a proper disposition of the cases, was obtained from reports of the Bureau of Ethnology, House and Senate reports, and records of the War, Treasury, and Interior Departments.

The accounts and claim settlements covering payments to these Indians are not filed in this office by tribes but are filed in numerical sequence. To obtain for examination the particular accounts and claim settlements pertaining to particular tribes of Indians, it was necessary to know the origin of said Indians, their migrations, their unions, the treaties made with them, and the appropriations made in fulfillment of these treaties, and for other purposes. This information was obtainable only after a complete and exhaustive study and analysis of the Statutes at Large, the records and ledgers of the War, Treasury, and Interior Departments, the State Department treaty records, and other reference data.

It is estimated that 1,379,506 claim settlements and 83,299 accounts have been examined, analyzed, and classified in connection with the reports submitted. An account with its accompanying vouchers may be large or small depending upon the tribe or activity for which the disbursements were made. The accounts thus examined, analyzed, and classified covered vouchered expenditures of varying types and kinds in varying amounts and the larger accounts contain as many as 6,000 vouchers. The expenditures represented by these accounts were made from advances to disbursing officers on accountable warrants. Expenditures through claim settlements were those made direct by the accounting officers.

The largest and most involved report was the one made in connection with Sioux petition No. C–531. This report, comprising 4,385 pages of text, tabulations, and data, bound in 8 volumes, involved, among other things, the examination and analysis of 162,899 claim settlements and 7,279 accounts, containing approximately 600,000 vouchers, and the classification of the disbursements pertaining to the Sioux Indians. It involved also an exhaustive search and study of the Statutes at Large and all available records for determination of all appropriations, funds, accounts, etc., having relation to Sioux matters. Approximately 51 funds and 1,900 appropriations, covering the years from 1831 to 1925, were examined and analyzed in connection with the preparation of the report. The work on the Sioux report was started on March 1, 1925, and completed at an estimated cost of $177,344.89, and filed with the Department of Justice on April 12, 1932.

Other reports of some magnitude were the Assiniboine J–31, Cheyenne and Arapahoe K–103, Shoshone H–219, Duwamish F–275, Blackfeet E–427, and Chippewa H–155.

The Assiniboine report consisted of 1,322 typed pages of text, data, and tabulations, bound in two volumes. It involved the examination and analysis of 1,277 accounts and 46,716 claim settlements, and the classification of the disbursements pertaining to said Indians, and the estimated cost of its preparation was $13,787.

The Cheyenne and Arapahoe report consisted of 1,820 type pages of text, data, and tabulations, bound in three volumes. It involved the examination and analysis of 2,778 accounts and 97,028 claim settlements and the classification of disbursements pertaining to said Indians, and the estimated cost of its preparation was $41,402.86.

The Shoshone report consisted of 615 typed pages of text, data, and tabulations, bound in one volume. It involved the examination and analysis of 1,152 accounts and 44,249 claim settlements and the classification of disbursements pertaining to said Indians, and the estimated cost of its preparation was $14,879.85.

The Duwamish report consisted of 933 typed pages of text, data, and tabulations, bound in one volume. It involved the examination and analysis of 5,003 accounts and 51,265 claim settlements and the classification of disbursements pertaining to said Indians, and the estimated cost of its preparation was $36,770.64.

The Blackfeet report consisted of 717 typed pages of text, data, and tabulations, bound in one volume. It involved the examination and analysis of 2,339 accounts and 86,080 claim settlements, and the classification of disbursements pertaining to said Indians, and the estimated cost of its preparation was $33,833.31.

The Chippewa report consisted of 879 typed pages of text, data, and tabulations, bound in one volume. It involved the examination and analysis of 1,957 accounts and 75,052 claim settlements and the classification of disbursements pertaining to said Indians, and the estimated cost of its preparation was $30,376.33.

The office for a time, particularly in the early stages of the work, was confronted with many real and vexing problems, outstanding among which was the form the report was to take, and the extent to which the records were to be examined and the reports made.

Generally speaking, the various treaties with the Indians provided for payments in money at stated intervals, for the furnishing of grist and saw mills, for schools, teachers, and equipment, for subsistence, clothing, etc. In many of these cases there were claims that the treaty provisions were not fulfilled, and in order to ascertain and show to what extent and in what manner such provisions were fulfilled it was necessary to examine and list disbursements made under treaty and nontreaty appropriations. The form and details of the accounting reports were largely governed by requirements of the treaties, agreements, and acts in each case and the reports were augmented by such explanatory references from the reports of the Secretary of War and the Commissioner of Indian Affairs as would tend to show or account for the failure or apparent failure of the United States to fulfill its treaty obligations.

An accurate estimate of the cost of this work in the General Accounting Office to date is $1,000,000.

There have been enacted 31 separate jurisdictional acts and some amendments to permit additional bands or groups to sue under the original acts. Under these enactments 110 petitions have been filed in the Court of Claims and forwarded to the General Accounting Office for report, showing information in answer to or in con-

nection with the claims and contentions and requests for accountings contained in the petitions. Reports have been compiled on 104 of the petitions.

OFFSET PROVISIONS

From the beginning it has been the view of the Department of Justice and the General Accounting Office that in these suits by Indian tribes, bands, or groups for fulfillment of treaty obligations the United States should be permitted to offset not only all payments made upon the particular claims asserted but also all gratuity payments made to the claimant Indians—that is, payments outside of treaty obligations made because of the Government's interest in the civilization, education, subsistence, etc., of the Indians. It seems only reasonable to suppose, and I have no doubt the legislative record will indicate, that many of the appropriation provisions for gratuity payments to the various Indian tribes, etc., were enacted in consideration of the nonfulfillment of certain treaty obligations.

A large part of the cost of preparation of reports has been required in setting up therein the records of hundreds of millions of gratuity payments, and the expenditure thus entailed has at times been a gamble due to the uncertainty of the varying offset provisions contained in the acts and resultant doubt whether the Court of Claims would construe the provisions to permit offset for gratuity payments. It has been a profitable gamble, however, as in 16 cases already decided by the Court of Claims, involving claims totaling $345,574,636.78, wherein the court found for allowance a total of $13,594,623.87, offsets were allowed totaling $10,939,893.50, leaving the net total allowed by judgment of the court $2,654,730.37. But more than three-fourths of the causes are still pending and there is still some doubt as to what offsets the court will permit. It is safe to say that in a large group of the pending causes, more than 40 in number, pertaining to the Five Civilized Tribes (Cherokee, Seminole, Choctaw, Chickasaw, Creek), no offsets for gratuity payments may be allowed by the court under the jurisdictional acts now pertaining.

GOVERNMENT PROTECTED BY LEGISLATION

Following the hearing, as chairman of the committee I was instructed to call the matter to the attention of the Appropriations Committee of the House. The then chairman of the committee, the late Mr. Buchanan, of Texas, included in a deficiency bill a provision which, in brief, extends to the Government the right to offset the claims of the Indians by showing advances as well as gratuities made to the Indians.

Following the enactment of this legislation, many protests were filed by attorneys representing Indians in their cases before the court. They did not want the Government to protect itself.

Many of the bills referred to by the gentleman from South Dakota [Mr. CASE] would deny the Government this privilege, and it is bills of that character to which I have objected. Prior to this Congress practically all bills reported by the Committee on Indian Affairs of the Senate passed that body with little discussion. It is true that the bills failed to pass the House, which undoubtedly subjected Members of the House to criticism, because the Senator was able to secure the passage of the legislation, while the House did not approve.

Up to the start of this Congress neither the House nor the Senate committee ever secured a report on a bill other than from the Department of the Interior. Before objecting to the consideration of the legislation, I always secured a report from the Department of Justice and the General Accounting Office. The Department of Justice was charged with the responsibility of defending the Government in the cases before the Court of Claims, while the General Accounting Office was in possession of all the records.

Starting with the Seventy-sixth Congress, the committees of both the House and the Senate have secured reports from the Department of Justice and the General Accounting Office. These reports pointed out the disadvantage to the Government if the bills passed in the form they were introduced. The committees have not seen fit to accept the amendments recommended by the Department of Justice and the General Accounting Office, and until they do I for one feel that I will be justified in objecting to the consideration of the legislation.

WHAT THE ATTORNEYS WANT

A typical case is H. R. 2776. On this bill a minority report has been filed. I think it is a fair expression to say that the same can be said of most of the Indian bills, although the facts might not be identical. Therefore, I quote the minority views, which are as follows:

MINORITY VIEWS

This is the third jurisdictional bill proposed by the lawyers in an attempt to get several million dollars from the Federal Treasury upon the basis of a contingent fee for themselves—and if they get what this bill provides—they are no doubt entitled to a handsome fee. This is their third attempt at drafting bills.

The first jurisdictional act was passed in March 1927. It provided that the United States was to be allowed full offsets for any sums expended for the benefit of the Indians, including gratuities. A case was then commenced in the Court of Claims but the plaintiffs found that there was no hope for them to succeed under the terms of that act. So then they asked for another or second jurisdictional act which was passed by Congress in June 1930 wherein was added the provision that the court was to determine the rights which the Indians now for the first time claimed under the right of "immemorial possession."

Everything now having been fixed as desired, the plaintiffs went to trial again and their case was fully and fairly heard, and in April 1933 the court rendered its opinion, including special findings of fact and its conclusions of law, with an opinion by Judge Green in which three other judges concurred, the findings and judgment being adverse to the claims of the tribe. The record is voluminous and the court supported its findings and decision by reference to facts which were almost uncontrovertible. The plaintiffs then asked for a new trial, but the court denied this inasmuch as there was no error or evidence upon which a new trial could be awarded. The plaintiffs then applied for a writ of certiorari in the Supreme Court of the United States, and this also was denied; and the case was considered as finally closed.

So then we have here a case where two jurisdictional acts were granted to the plaintiffs, where they were given full and fair trial under the language in the acts which the attorneys themselves desired, and where new trial, and where writ of certiorari, and where appeal to the Supreme Court were all denied. Now there comes along this present proposal to open up the whole thing under this third jurisdictional bill.

In the drafting of bills during all of the years it would be difficult to find a measure more artfully drawn than the original H. R. 2776. Mr. O'CONNOR, who introduced the bill, does not claim to be the author of it.

In its original form this bill conferred the right of appeal to the Supreme Court, which is no longer granted in such cases under the later rules of procedure. The bill provides for a waiver of the lapse of time, or former adjudication and of statutes of limitations. The United States is not to be allowed to plead any estoppel, but may plead set-off only. Furthermore, the bill prevents the Government from having any set-offs or counterclaims which did not exist prior to March 1927, being more than 12 years ago. In the annals of procedure whoever before heard of a case where a defendant was not allowed set-offs or counterclaims for a period of 12 years previous to the time of trial? Furthermore, the bill as now proposed does not allow credits for sums paid by the United States to or for the benefit of the Assiniboine Nation for lands north of the Missouri River, nor for sums received for surplus lands in Fort Peck and Fort Belknap Reservations, nor for lands allotted to the Assiniboine Nation in those reservations, nor for any lands, nor the value thereof, still held undisposed of in those reservations. These limitations are unfair.

The original act, with unprecedented aplomb, stipulated that the Government must pay at least 93 cents an acre for the lands in question, this being based upon the idea that the land was worth $1.25 an acre in 1852 and that it would take about 27 cents per acre for cost of surveying and sale. But there was no corresponding ceiling beyond which the Indians could not go in proving values. This was a very comforting arrangement for lawyers representing the plaintiff. This was put into the bill notwithstanding that the Court of Claims found that these lands were not of the value of more than 50 cents per acre as a liberal estimate. Remember that this price is fixed as being away back in the early fifties, when this land was of little or no value at all, and when there was no sale for it, and no use to be made of it except as hunting ground for roaming Indians.

Notwithstanding committee amendments the bill still stands as a monumental affront to all concepts of trials and adjudications. The plaintiffs have already had two jurisdictional acts. They now want a third one which amounts to little less than a direct appropriation by Congress, leaving scarcely anything for the Court of Claims to determine.

WAIVER OF FORMER ADJUDICATION

The case was fully and fairly tried by the Court of Claims; every element of the claims involved in H. R. 2776, including offsets and land values, were fully presented to the court in the trial of the case. The court's decision on these matters cannot successfully be attacked. No valid reason can be advanced for reopening that decision. It is a dangerous and unwise thing for the Congress to do, and if done in this instance, no doubt it will lead to applications for similar relief by other tribes who have failed in the Court of Claims. In short, by the waiver of res adjudicata and the restriction upon offsets (offsets to which the court held the United States was justly entitled), the bill legislates a judgment. Regarding this question the Attorney General reported saying:

"It is proposed in the bill that the defense of res adjudicata be waived, although the claims of these Indians have been fully and fairly heard by the Court of Claims, after which a petition for certiorari was denied by the Supreme Court (292 U. S. 606).

Furthermore, the claims were adjudicated upon the same footing as have been those of Indian tribes generally in the Court of Claims, the offset (as in other cases) of payments by the United States made for the benefit of the Indians having resulted in no possibility of a balance in favor of the plaintiff. The reopening of a case under such circumstances by waiver of the defense of former adjudication would make the trial of Indian claims cases worse than useless for the United States as a defendant and would constitute an unwarranted burden on the Court of Claims."

The doctrine of res adjudicata is based upon equity. It restrains claimants from litigating anew such matters as have been drawn into controversy between them in previous cases. The decisions of a court of competent jurisdiction is and ought to be final and conclusive. If erroneous, it should stand, unless legally vacated or reversed. But in this case the Court of Claims, as well as the Supreme Court, refused to allow a new trial or to review the judgment.

It would be useless to recapitulate the eulogiums which courts and judges have lavished upon this most salutary doctrine. It is a fundamental concept in the organization of every jural society. Unless a judgment should at some point become final and have the quality of establishing irrefragable truth, litigation would become interminable. Endless confusion would result, and the courts would be stripped of their powers and functions.

THE FORMER DECISION WAS FAIR AND EQUITABLE

But the judgment of the Court of Claims was in itself righteous and equitable. The present bill places an unjustifiable restriction upon the Government in the matter of gratuity offsets. It bars the Government from having offsets for moneys received by the Assiniboines from sales of the lands north of the Missouri River or from offsetting the value of any of such lands still undisposed of. It is plain from the facts of the case and the opinion of the court that the Assiniboines received their interest in the lands north of the Missouri River purely as a gratuity from the Government. If this interest had not been gratuitously bestowed upon the Assiniboines, if the moneys received by the Assiniboines under the agreement ratified in the act of May 1, 1888, had not arisen from this gift of an interest in the lands, the Court of Claims would have refused to include them in the total of allowable offsets. If the Government (after the Assiniboines intruded upon the reservation in 1869 and 1870) had appropriated money and given it to them (instead of permitting them to remain on the land and giving them an interest therein), it would not now be contended that the gift of such money was anything else than a gratuity.

The fact that the gratuity took the form of an interest in land rather than money should not operate to prevent the Government from offsetting sums which were subsequently paid the Assiniboines for the surrender of their interest in a part of these lands gratuitously given them. This being the fact, the court's action in including these sums in the allowable offsets under the provisions of the original act (that "the United States shall be allowed credit * * * for any sum or sums heretofore paid or expended for the benefit of said Indians, including gratuities") was correct. Every consideration was given these Indians by the Court of Claims at the time of the former trial. Their claims were thoroughly and carefully examined. After listening to the evidence for many days and weeks the court was compelled to find for the Government.

AMOUNT OF RECOVERY

Even under the amendment proposed stating that the damages be confined to $1.25 per acre less cost of survey there will be injustice. This language will not accomplish the purpose intended. This limitation may be construed to apply solely to lands which have been "unlawfully" appropriated. If the lands were taken in the exercise of the power of eminent domain, as would probably be held by the court, they were not "unlawfully" taken but were taken "lawfully," in which case the court would hold, under the decision of the Supreme Court in a leading case known as the Shoshone case, that the rule of "just compensation" applies, thus permitting the tribe to recover not only the value of the land as of the date taken but interest upon that value to the date of judgment. The application of this principle would make the recovery in interest alone amount to more than three times the principal. The danger of such a result would be considerably lessened if the word "unlawfully" in line 14 of page 4 were stricken and would be completely removed if the proviso suggested by the Attorney General in his report should be added to section 1, as follows:

"*Provided*, That in any claim for the appropriation, expropriation, taking, acquisition, or deprivation of land or any interest therein, the jurisdiction hereinbefore conferred by this act upon the Court of Claims to hear and determine any such claim is limited to the determination of the value of the said land or interest therein at the time of the appropriation, expropriation, taking, acquisition, or deprivation, and that no claim shall be asserted or judgment rendered by the Court of Claims which includes any increment, interest, or an equivalent thereof from the date of the taking to the date of judgment as an element of just compensation or otherwise; and this provision is not severable from any provisions in this act conferring jurisdiction upon the Court of Claims."

The Interior Department also joins in this view. See the letter of the Acting Secretary to the chairman of the Indian Affairs Committee.

TIME LIMITATIONS ON OFFSETS

The Attorney General filed his objections to this bill and we believe that this opinion states many cogent reasons why the bill should not be enacted. On the question of time limitations on offsets he stated the following in which we concur:

"The bill should not limit the items and payments for which the United States is to be allowed credit as offsets. In section 3 it is provided that credit shall be allowed only for sums expended 'subsequent to the date of any Executive order, law, treaty, or agreement under which the claims arise' and prior to March 2, 1927. This is followed by a proviso which would also remove from consideration any sums received by the Assiniboines for surplus lands in the Fort Peck or Fort Belknap Reservations; lands, or the value thereof, within those reservations allotted to the Assiniboines or still held undisposed of; and disbursements made for agency expenses and maintenance. It is quite probable that, prior to an Executive order, law, treaty, or agreement upon which the plaintiff may base its claim, as well as during the past 12 years, the United States has expended for the benefit of the Assiniboines large sums for which credit should be allowed. Lands lying north of the Missouri River, including those in the Fort Peck and Fort Belknap Reservations, should be the subject of set-off, since the Court of Claims has held in the *Assiniboines case* (77 Ct. Cls. 347, 368) that the plaintiff failed to establish title to any of these lands by permanent and continued occupancy and that the permission given to these Indians by the United States to settle thereon was in fact a gratuity. Expenditures made for agency maintenance and similar expenses should certainly be set off. All of these payments, which are enumerated on page 4 of the bill, were for the direct benefit of the Assiniboines and are properly chargeable as gratuities. It was so held in *Blackfeet et al. Nations* v. *United States* (81 Ct. Cls. 101, 137–138), wherein the chargeability of exactly the same type of expenditures was in question. It is therefore recommended that the words 'subsequent to the date of any Executive order, law, treaty, or agreement under which claims arise,' in lines 16 and 17, page 3; and the words 'prior to March 2, 1927,' in line 19, page 3; and the entire proviso extending from line 19, page 3, to line 10, page 4, be stricken from section 3 of the bill."

CONCLUSION

The Interior Department by its Acting Secretary has filed a letter stating that this legislation will likely create a precedent which will be used by other tribes to reopen claims. It also stated that the Director of the Budget has advised that this legislation would not be in accord with the program of the President.

The legislation proposed is dangerous. It will open the Treasury to innumerable future raids. It is an affront to recognized legal and equitable procedure. It will encourage people to continue to try cases over and over again until they themselves win decisions just as they want them. It avoids the equities of the situation because it imposes taxes upon the people of every congressional district to pay unwarranted, improper, and unearned appropriations. It avoids the procedure asked by the Department of Justice and the Attorney General and is inequitable and unjust in every particular. If these people are destitute, if they need supplies or relief, we ought to vote it to them; but we should not do this in the guise of a suit in the Court of Claims.

FRED C. GILCHRIST.
FREDERICK C. SMITH.
FRED BRADLEY.

Let those who take exception to the attitude of Members who endeavor to protect the taxpayers read this minority report.

Why should the attorneys for the Indians be permitted to have their cases reinstated and tried a second and third time after once being disposed of?

Why should Indians be allowed a direct appeal to the United States Supreme Court when no other citizen is granted that privilege?

Why should the Government not be entitled to set off amounts that Government records show were advanced to the Indians?

Anyone who will carefully study the situation that confronts the Government in the Indian claims, in my opinion, will be required to admit that those of us who have opposed the enactment of legislation which Mr. CASE refers to are justified in doing so.

On numerous occasions I have referred to two claims which were recently disposed of not only by the court but by the Congress in appropriating money to pay the claims. Two resolutions were passed amending original jurisdictional acts several years ago. As a result the Government was helpless in presenting its case. The tribes affected were the Klamath and the Shoshone. In the last deficiency bill passed by the Seventy-fifth Congress in 1938 approximately $10,000,000 was appropriated to pay the claims. Within a very short period the attorneys received over $800,000 in fees. With such fees at stake, naturally, lawyers continue to have Members representing Indians introduce jurisdictional resolutions.

If the resolutions now pending become law in their present forms it would be impossible to estimate the amount that it would cost the taxpayers of this country.

If any legislation is to be recommended, the committees certainly should accept the recommendations of the Department of Justice and the General Accounting Office.

What Is Neutrality?

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. THORKELSON. Mr. Speaker, in the confusion of opinions on neutrality as expressed by Members in the House and in letters which we receive, let us take time out to consider this most vital subject. What is neutrality? It is nothing more than fair play and impartiality when differences arise among individuals, peoples, and states. The best way to remain neutral is to mind our own business.

Neutrality cannot be regulated by law, for it depends upon whether or not we wish to remain neutral. Neutrality is normal. Peace is desirable. War is abnormal.

Neutrality is intimately related to society, and is, as I said, a normal state; so if all of us remain neutral and observe international law, there would be no war. International law consists of rules to which all nations subscribe, but to which only a few adhere. It prescribes the rules which govern war; and if such rules are observed, neutral nations may expect to enjoy peace. The greatest assurance of peace is to be fully prepared to meet any contingency.

If two chaps start to fight on the street in front of your house, you observe neutrality if you stay in the house. You may even be neutral if you stay in your front yard; but when you leave your own domain for the purpose of giving advice or taking sides, you jeopardize your neutrality. Taking sides with either of the combatants is an open declaration of your status. In the end your curiosity may be costly, because both sides may hand you a bill of expense.

Please remember at this point that it was such meddling in the World War that alined us with England and France. All of these nations presented the bill to us and still owe us thirteen or fourteen billion dollars. That was the cost in money for not attending to our own business.

The so-called neutrality acts are directly or indirectly causes for war, and we now find that the papers come boldly out and proclaim to the world that the recent Neutrality Act which passed the House was for no other purpose than to aline the United States with the same powers we helped in the World War.

For us to legislate power to name the aggressor nation will no doubt be looked upon as an unfriendly act by the nation so designated and because of that involve us in war. Under international law the United States may choose its own course, but the President, knowing that operating under international law would leave the responsibility on him, selected instead to use a neutrality law which actually forces his hand to declare what side we will support. This being done by a congressional act leaves all the responsibility on Congress. I say it is a clever piece of legislation that enables the President to be right, win or lose.

Public opinion is often shaped by those who have an ax to grind. Newspaper propaganda controlled by one side often confuses and influences the people. It is therefore highly desirable for the higher-ups to own or control the daily papers. It was such propaganda that was responsible for our taking sides in the World War, and the same propaganda is used today.

If you recall a few months back, the papers were full of anti-Nazi and anti-Fascist propaganda. When no one became excited, all that foolishness stopped. Recently the same papers have attempted to create sentiment in favor of China, not because they are particularly interested in China but for the purpose of building sentiment against Japan. Now the papers are back, headlining their first hate, but I believe the people are wise to this "line of bunk." They are beginning to do their own thinking. They no longer believe the invisible government's expert writers. The many plausible excuses to rekindle antagonisms and hatreds are "no go," for the whole mess is now being exposed and the warmongers cannot find anyone to fight for them. Truth is coming in from Spain—yes; facts unclothed in their real ghastliness of destruction, ravishment, and murder by Stalin's emissaries from Russia, a racial admixture reveling in primitive abandon and drifting back in the gutter to lust and to the jungle of depravity. This characterized the "red" regime in Spain, where the leaders were pawns of the despotic dictator of Russia.

What happened in Spain should be a lesson to the world, for communism and the Communists only understand the rule of destruction. What humanity built in Spain by industrious care and gentle hands during centuries of Christian civilization was destroyed overnight by this "red" horde. Is anything said about it in the kept or communistic press? Of course not; for such information must be censored or deleted, so that our people shall not be informed about the misery which goes hand in hand with communism.

If the international gangsters want to fight, why should they not do a little fighting of their own? They are instrumental in starting our wars, and they use public money to defray the cost. Let them now be crusaders in their own cause of destruction. It would, indeed, be interesting to observe A. Sieff, Melchett, Lindsay, Belisha, Elmhurst, Demitroff, Stakhanoff, Kaganovich, Litvinoff, Rosenberg, Blum, Daladier, Chautemps, Herriot, and their six American cohorts, shoulder guns to fight for the invisible government and the glory of their own "red" cause. It is these internationalists that our boys would be fighting for, should they fight on the side of England, Russia, and France. The World War was fought for the invisible government, and please do not forget that.

Another world conflagration will be fought to restore the same "red" government in the United States that was recently conquered in Spain. This is a picture that some of our Christian representatives, educators, and other dupes of the invisible government should visualize when they beat the tomtoms for the money changers. These pseudo educators and reformers should remember that a fight for the money changers is a fight which destroys all good things in life. Where are we going? Communism is rampant in the Government, colleges, churches, and society. It is publicized and recognized, and condoned, if you please, by even the First Lady herself, as shown at the meeting of the American Youth Congress the other day in New York.

Communism is the order of the day, and in hearings before congressional committees officers of the Army and Navy testified that this vicious doctrine has infiltrated the military service until it is now at the danger point. These gentlemen of the Army and Navy further testified that Communists enlisted in our own armed forces have said that they would not fight for the United States of America. Further evidence appears in the hearings that alien Communists assert that they have a right to murder in order to advance their cause.

With all this evidence before congressional investigational committees, which have full knowledge of communistic activities even in vital places, nothing is done by the Federal Government to stop it. Evidence and proof of communistic activities and of the vicious Communist himself are in the CONGRESSIONAL RECORD, and, remember, if you please, it is communism of the Stalin brand, and not fascism. It is the "red" destroyer in the raw. It is well for those who read this to bear in mind that these statements are not idle wonderings to be stated in the RECORD, but they are actual facts which may be read in the hearings, page by page.

What is the reaction of the kept press? Nothing. It is passed over quietly, and the controlled press advocates greater tolerance and free immigration of the same tribe that is now destroying the Government of the United States. I say, what in the name of heaven is wrong with the Government, and what has happened to our people? If there is any courage left—and I believe there is—let us unite in common effort and demand that Congress stop this deliberate destruction and turn the Government back to the people and upon sound constitutional principles, where it should be.

Five nations in the world are paralyzed by international planners, a most vindictive and inhumane group, with no consideration for anyone but themselves. Their slogan seems to be to rule and destroy. Why should nations not be run by sound constitutional government instead of such planning boards as these: Gosplan, Russia; Pep, England; Economie Dergée, France; and the New Deal in the United States of America. This set-up that is now planning another war in which our own young men will be used to provide greater power for these international planners. What does this mean? It can mean nothing but enslavement to us.

It is difficult to believe that six men in Russia, six in the United States, five in England, and five in France, can rule and enforce their will on the whole world. Such power is incomprehensible to us. I do not believe that they can entice our people into another war, so that they may revenge themselves on such nations as will not submit to their dictatorial rule. It is this type of individual who is connected with the League of Nations, League of Nations Bank for International Settlements, International Agricultural Mortgage Credit Co., and our own Import and Export Bank. It is interesting to see this international interlocking hook-up, for it has wielded a tremendous influence for a long time. It is different now. Many thousands of people know about it, and I do not believe any war fever will be fomented in the United States which will permit the invisible government to use our young people to fight for their cause.

Let us not be mistaken. The subsidized press and the communistic papers let the cat out of the bag, for they state openly and brazenly that the neutrality bill was not a neutrality bill in fact, but a well-prepared device to lead us into war on the side of our allies of 20 years ago. The Members who voted for the Vorys amendment were well aware of that, which is the reason for their support of that amendment. In the Washington Evening Star of July 5, page 11, appeared two articles which in substance infer that the neutrality bill was in reality a stop-Hitler war bill, and that is a clear example of trying to put something over on Congress. Members who wanted real neutrality voted for the arms embargo as a step in that direction. One of the writers sums it up as follows:

> To keep out of war absolute neutrality is essential, and the rules are written in the code of international law, which does not require any act of Congress whatsoever to be announced as America's foreign policy till further notice.

This is a warning to Congress which in substance says: "If the President cannot get a bill enacted which will relieve him of responsibility for war by placing such responsibility upon Congress, he will conform to international law." That is precisely what I have said all the time. Neutrality cannot be regulated by law, for it is only necessary to comply with the international code to remain neutral. It follows, therefore, everyone who complains because the neutrality bill was amended is not neutral in fact or principle but is instead very much partisan.

The question now is, Why did the administration ask for a neutrality act when such desirable state can be had by strictly conforming to international law?

Let us have it right. The Neutrality Act is to aline us with the same powers we helped 22 years ago, to save the world for what we have today; that is, unpaid war debts, closed industries, idle people, poverty, communism, and chaos.

What have the warmongers done to advance civilization, and what have they done to preserve peace? Nothing. They have instead used their power and money to nourish communism and mass executions in Russia, in Spain, and in China. The same powers are now financing communism in the United States, spreading dissension, hatreds, and confusion. They are advocating associations of a demoralizing nature so that patriotism and self-respect may be destroyed. In this attempt to acquire power the "invisible government," through its own agents, engages in un-American activities so that they may rise to power on the ruins of our liberties. This is condoned by our own Government, for, were it not favorable, communism could not prevail for 24 hours. There is sufficient evidence on file in all intelligence departments to evict, eject, and deport all of the alien Communists and their ringleaders in the United States.

I have lived in hope that the light of responsibility would guide Congress in its consideration of the extension of the monetary power and devaluation of the dollar. This power should have been denied to the President, for it is destructive to our own industries. Unfortunately, at the critical moment when this momentous question came up for consideration the light of responsibility failed.

The muddle in which we find ourselves today is to a large extent the result of the Gold Reserve Act. The absolute control of the monetary gold by interests outside of the Treasury and by the governors of the Federal Reserve banks, who now have in their possession over $13,500,000,000 in gold certificates, was delegated by Congress without justification and contrary to the Constitution itself.

Gold, being the property of all the people, inasmuch as it is earned by the common and united effort of all, should remain with the people. When the people are deprived of this right confidence is destroyed in the Government and in those who are to safeguard and protect public interest. We have today in the United States approximately $13,500,000,000, against which interests outside of the Treasury and the governors of the Federal Reserve banks are now holding $13,500,000,000 in gold certificates. These certificates are in reality a priority claim upon the gold, and it should be evident that in such ownership the people are deprived of the use and security of this valuable property. It is for that reason that I have advocated repeal of the Gold Reserve Act, for it is, as I have already said, the actual cause of international turmoil and intrigue now so destructive to world peace.

These thirteen and one-half billion dollars are a potential credit to such powers as the President may designate as nonaggressor powers. To make this plain, let me again say when the President declares the aggressor power, he in reality by such designation alines us with the other side. The question may be asked, How can this credit be used by a foreign power? In reply, I beg to state that the conversion of such credit is a very simple procedure. It is not difficult to secure credit in the United States if such credit is approved by the Secretary of the Treasury, and the neutrality bill provides for just such contingency. This credit may be in the form of ordinary commercial credit, in United States bonds, or even in our own commodity money, for all of it when used by foreign powers is interchangeable for gold credit at the rate of 15.521 grains of fine gold, which is the present standard of the international dollar. We have no business to designate an aggressor, and it is ridiculous for Congress to set the President up as an international umpire, for he has not, if we are to judge him by his past actions, acted as a strictly impartial referee. We have no business to aline ourselves with any foreign power, for having nothing at stake, either in the Occident or Orient, we should not become involved. Let us therefore remain neutral in the true sense of the word, and the formulas for neutrality are set forth clearly and distinctly in international law.

If the President without the sanction of Congress and the expressed will of the people involves the United States in a war, he alone is responsible and must for that reason accept all responsibility. This issue is clear to the people and I

now hope that the President and the State Department will conform to the wishes of the people, for they have clearly indicated that they do not want war.

Mr. Hoover in 1932 and Now

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

EDITORIAL FROM THE ST. LOUIS POST-DISPATCH OF JULY 6, 1939

Mr. COCHRAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Post-Dispatch of July 6, 1939:

[From the St. Louis Post-Dispatch of July 6, 1939]

THE DAYS OF HOOVER

Herbert Hoover appears again in print to rehearse the errors of the Roosevelt administration. The subject of his latest thesis is war. He charges the President with having taken "a seat at the table where power politics is being played." He thinks the administration's policies are ill-advised, that utterances of administration spokesmen are imprudent, and that, jointly, they are imperiling our peace and bringing "the war threat closer."

Mr. Hoover must be accorded sincerity, of course. If there is a citizen of the United States in a position to speak judiciously and from a serene detachment uninfluenced by partisan bias or personal ambition, Herbert Hoover is, theoretically, that man. Yet the record convicts him, we believe, as a persistent critic of the administration, a professional fault-finder who, having observed the probationary silence ordained by custom, has assailed his successor with malignant zeal. His speeches and papers—a voluminous total—contain not one generous word for the present administration.

That may be politics. It may be sound and orthodox partisan strategy. It is not ex-Presidential deportment. And from the low level of partisan strategy, its efficacy may be doubted. When Mr. Hoover gets up to speak everybody in the audience knows the speech will be an attack upon the administration. Whenever Mr. Hoover's name appears in a table of a magazine's contents every reader knows that the article will be recital of the administration's mistakes. The never-ending refrain of Herbert Hoover, whether as pamphleteer or pulpiteer, is "Roosevelt is wrong."

Now, everybody knows that there isn't a sane man in the United States who wants to drag this country into war. We are all for peace. Differences of opinion honestly exist, of course, as to the policies that will maintain our neutrality. Mr. Hoover is almost uniquely blessed with the absolute knowledge of the one best way to safeguard America from the scourge of war. The road to assured peace, he insists, lies "in economic cooperation with other nations to relieve the economic pressures which are driving the world constantly to instability. * * * We should resume the conferences which were started under such good auspices by our country in 1932."

"Economic cooperation" has an almost ritualistic flavor as pronounced by Mr. Hoover and as originated by President Hoover. But before the desperate hour of international conferences in 1932 the United States declared economic war upon the world in the form of a tariff law which nation after nation earnestly protested. Washington was deaf to those protests. The Hawley-Smoot bill was on the way. Bigger and better subsidies were voted to giant industries which, like Mr. Mellon's Aluminum Co. of America, had been piling up, in Senator BORAH'S accusing judgment, "unconscionable profits."

To the pleadings from foreign lands was added the historic remonstrance of our own American economists, beseeching Mr. Hoover to veto the bill which, they predicted, would expedite and intensify the economic disaster even then darkening our skies. But the sonorous prophecy of Jim Watson vaulted out of the Senate Chamber to assure a troubled people that a month from the day the Hawley-Smoot bill became a law by Herbert Hoover's signature prosperity would be ringing anthems from ocean to ocean and we'd all be singing Happy Days to the tune of Hail, Columbia. Hoover signed it with a panegyric flourish.

The public memory may be short-lived, but it has not forgotten the dark, despondent, defeatist days of Herbert Hoover.

Sale of War Supplies to Japan

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

STATEMENT BY HENRY P. CHANDLER

Mr. IZAC. Mr. Speaker, under permission granted me to extend my remarks, I include herein a statement drafted by Mr. Henry P. Chandler, president, Chicago Bar Association, in reference to the invasion of China by Japan and a plea to the Members of Congress to stop the sale of war supplies to Japan, which appeared in the New York Times of May 21, 1939:

An appeal to Congress from 20 leading lawyers of the United States for legislation to stop the sale of war supplies to Japan was made public yesterday by the American Committee for Nonparticipation in Japanese Aggression. The statement, drafted by Henry P. Chandler, president of the Chicago Bar Association, reads as follows:

"We, the undersigned, members of the bar of the United States, condemn the sale of supplies from this country to Japan for use in aggression against China and urge that the Government take effective measures forthwith to stop it.

"The invasion of China by Japan is an exercise of force, pure and simple. It violates treaties to which both the United States and Japan are parties, providing for the territorial integrity of China and denouncing war as an instrument of national policy. As lawyers we support the consistent efforts of the United States for more than half a century to promote the settlement of controversies between nations by methods of reason rather than force and to secure increasing respect for international law. The present course of Japan is diametrically opposed to these aims, and if it succeeds is bound to become an evil precedent. Furthermore, according to reliable observers, the movements of Japan in China are being conducted with deliberate cruelty toward the civilian population, including women and children. Ruthlessness is being made an instrument of military policy.

"To our shame, we must confess that the great wrong to the friendly nation of China is being inflicted largely with essential commodities supplied from the United States. This seems to us indefensible. The least that the American people can do is to refuse for profit to abet an aggressor nation in its designs of aggression.

"For the sake of international law and justice, for the sake of humanity, we call upon the Government of the United States to prevent any further shipment of war materials to Japan. Our complicity in the oppression of China should be ended."

In addition to Mr. Chandler's signature, the statement bore the names of such well known lawyers as William D. Knight, of Rockford, president of the Illinois State Bar Association; R. M. Kelly, of Vicksburg, Miss., president of the Mississippi State Bar Association; Laurence Dumas, Jr., of Birmingham, Ala., Alabama State chairman of the American Bar Association; Joseph B. Cumming, of Augusta, Ga., president of the Georgia Bar Association; Francis M. Hartman, of Tucson, Ariz., president of the State Bar Association of Arizona; Milford Springer, of Washington, D. C., national director of the Junior Bar Association; Fred S. Hutchins, of Winston-Salem, president of the North Carolina Bar Association; Charles P. Megan, of Chicago, member of the board of editors, American Bar Association Journal, and Paul Brosman, of New Orleans, College of Law, Tulane University.

Other lawyers who signed the statement are Robert K. Bell, of Huntsville, Ala.; Maurice P. Davidson, of New York; Ronald J. Foulis, of St. Louis; Walter H. Pollak, of New York; Ralph B. Quillian, of Atlanta; Lester W. Roth, of Los Angeles; Leon Sarpy, of New Orleans; John R. Snively, of Rockford, Ill.; J. D. Thames, of Vicksburg, Miss.; Edgar Bronson Tolman, of Chicago; and Kingsland Van Winkle, of Asheville, N. C.

Imports of Farm Products

EXTENSION OF REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. THOMAS F. FORD. Mr. Speaker, glancing through the appendix of the CONGRESSIONAL RECORD, as is my habit, I

find on page 327 a statement by the gentleman from California, Representative GEARHART, that shocks me because of its romantic attitude toward the official facts.

The distinguished gentleman from California, with a total lack of respect for statistics other than those supplied by irresponsible opponents of the present administration, quotes figures that purport to represent imports of farm products for the years 1935, 1936, and 1937 by the so-called Raw Materials National Council of Sioux City, Iowa. The distinguished gentleman says:

> But a hasty glance at the import figures for 1935, 1936, and 1937, as compiled by this most efficient business agency, lays bare these startling facts and irresistible conclusions:
>
> First. In 1935 more than 73,000,000 acres of American farm land were displaced by importations of foreign-produced agricultural products. In 1936, the acreage displaced increased to 75,000,000 and by 1937 to more than 87,000,000 acres.
>
> Second. The smallest acreage displacement in any one of the years which I have just mentioned is more than 20 times the area irrigated within Federal reclamation and Indian irrigated projects plus all of the acres provided with supplemental water by Federal irrigation works.
>
> Third. The American value in United States dollars of the farm crops displaced by imported foreign-grown agricultural commodities ranged from $2,656,000,000 in 1935 to $3,410,000,000 in 1937.
>
> Fourth. The cumulative value of all of the crops produced upon Federal reclamation irrigated lands since the inception of the reclamation program in 1902 is almost a billion dollars less than the American value of the highly competitive, foreign-grown, and imported agricultural commodities for the year of 1937 alone.

The gentleman from California [Mr. GEARHART] bases his statement upon a tabulation credited to the research division of the Raw Materials National Council of Sioux City, Iowa, the responsibility of which organization no one to my knowledge has vouched. The tabulation contains figures for imports during 1935, 1936, and 1937 of 32 products or product groups which it designates as agricultural and 7 product groups which it designates as nonagricultural. For these items, it shows the quantity of imports, the foreign value in dollars, the "United States displacement" in dollars, and the number of "United States acres to produce."

On the basis of this tabulation the gentleman from California [Mr. GEARHART] states or implies two principal conclusions: First, that the totals shown in the table as "United States acres to produce"—73,000,000 acres in 1935, 75,000,000 in 1936, and 87,000,000 in 1937—represent United States "acres which might have been planted" in those years had the imports in question been kept out; and, second, that the commodities in the table entered the United States in large quantities during the years shown because our high tariffs on these products had been lowered.

A study of the situation reveals (a) that the table contains many errors of fact, most of which are such as to exaggerate the import figures, and (b) that the conclusions drawn by the gentleman from California [Mr. GEARHART] are entirely erroneous.

A few of the major errors in the table are as follows:

(1) The table includes as agricultural such items as shoes, gloves, chemicals, and cotton manufactures, in which the interest of American farmers is exclusively that of consumers. The industrial tariffs on these products tend to increase the prices farmers must pay for the things they buy and by decreasing the foreign supply of dollars to decrease the prices farmers obtain for the products they sell. These products have never been classified as agricultural in serious analyses of our foreign trade. Their ommission would greatly decrease the totals shown in the tabulation.

(2) The so-called United States displacement by the commodities in the table appears to have been arrived at by tripling the official import values. Presumably this was done because import values are taken from invoices and do not, therefore, include freight costs and duty charges. There is no single factor which can be applied to the value of all imports in order to arrive at their United States valuation. If such a factor could be computed, it would certainly be much lower than 3. Even for a product where a tariff of 100 percent—much higher than the average—is fully effective in raising United States prices, the factor to use in arriving at the United States valuation would be only a very small fraction above 2. In the case of some products, such as dyes—included with chemicals—the figures shown as "foreign values" are actually United States values and should not have been raised at all. For most products, the correct factor to apply in determining United States values would be considerably less than 2, and only rarely could it reach the figure 3, which is applied to all products in Mr. GEARHART's tabulation.

(3) Figures shown in the table for several commodity groups are arbitrarily large. Thus the quantity of hay shown is exactly 1,000 times the amount actually imported. In the case of condensed and dried milk the table carries the figure $1,113,700 for each year, explaining that this is the 1935 figure being carried as an average. The true 1935 value of imports of condensed and dried milk was $218,000, about one-fifth of the figure in the table.

Other errors may be observed by comparing the data in the attached corrected table of certain agricultural imports with those shown in Mr. GEARHART's table. The corrected table also brings out the fact that imports of most of the products in question were greatly reduced in 1938 and, in some cases, were higher on the average during the 5 years 1926–30 than during any single year included in Mr. GEARHART's table.

But even if the figures relied upon by the gentleman from California [Mr. GEARHART] were correct, the general conclusions he draws with regard to the relation of agricultural imports to our farm situation would not be correct.

First, with regard to the conclusion that the commodities in the table entered the United States in large quantities during 1935, 1936, and 1937 because our tariffs had been lowered, it need only be pointed out that the great majority of these imports paid the full rates of duty provided for them in the Tariff Act of 1930. The largest agricultural item upon which United States duties have been reduced under the reciprocal trade agreements program is sugar. The sugar-duty reduction was associated with a quota on imports, and the quantities entered during the 3 years shown in the table of the gentleman from California [Mr. GEARHART] were from a quarter to a third less than the average for the 5 years, 1926–30. As for the commodities other than sugar, it is only necessary to point out that less than 7 percent of the increase in all supplementary United States agricultural imports other than sugar between 1932 and 1937 occurred in products upon which duties had been reduced by the reciprocal-trade agreements. Furthermore, not all of even this small proportion of the increase was due to the duty reductions, as is evident from the fact that much of it disappeared during the general fall in imports which took place during 1938.

Perhaps the most fundamental error in Mr. GEARHART's statement, however, is connected with the concept of "displacement." By and large, imports do not "displace" United States farm products. Certainly they do not represent United States acres which might have been planted had they been kept out. Agricultural imports of types which supplement United States farm production may be divided into two general groups. The first group, ordinarily by far the larger, includes such products as sugar, hides and skins, tobacco, and wool, of which we are unable in the United States to produce either sufficient quantities or the necessary varieties to satisfy domestic requirements. The second group includes such things as corn, wheat, cured pork, and a number of other commodities, of which we ordinarily produce more than enough to supply domestic requirements and which are not imported to any significant extent except in years of domestic shortage due to crop failures. Even in such years, imports of these commodities amount to only a

small fraction of the shortage and are rarely, if ever, an appreciable percentage of total domestic production. Upon reflection it becomes apparent that each of these types of imports is of vital importance to the economic welfare of the United States and that neither of them may be properly said to "displace" domestic farm production. Without the first group, the standard of living of the American people would be greatly reduced, and there would be little or no corresponding benefit to American producers. Without the second group, occasional shortages of food and feedstuffs due to drought or other causes of crop failure would be greatly accentuated. Furthermore, producers would be no better off than they are at present, since it would be impossible for them to increase production until the next producing season, when the crop shortage would usually be changed into a surplus and imports of this group of products reduced to a mere trickle.

Imports of the first group tend to be high during periods of a high general level of economic activity in the United States and tend to be low during a depression. Imports of the second group vary inversely with domestic production of the crops in question. The 3 years included in Mr. GEARHART's table were marked by a relatively high level of domestic economic activity and a great shortage in domestic supplies due to drought. Hence, imports of both groups were at exceptionally high levels. They have been at relatively low levels during 1938.

There is another aspect of the question of the "displacement" of American acres by imports which it is important to remember in this connection. United States agriculture as a whole is on an export basis. It has been estimated that fifty to sixty million acres were used to produce our export crops during the period just preceding the great depression, while the exclusion of all supplementary agricultural imports could have given employment to less than 10,000,000 acres. The attempt to exclude supplementary imports would tend to decrease our farm exports both because it would decrease the supply of dollar-purchasing power made available to foreigners and because it would lead to reprisals by foreign countries against our own export products. We would stand to lose more acreage due to decreased exports than we would gain due to decreased imports.

United States: Imports for consumption of specified agricultural commodities, average 1926–30 and annual 1935–38

Commodity imported	Unit	Year ended Dec. 31—									
		Average, 1926–30[1]		1935		1936		1937		1938, preliminary	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
		Thousands	*1,000 dollars*	*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*
Cattle (dutiable)	Head	378	13,523	365	8,497	399	10,708	495	16,312	424	9,111
Dairy products:											
Butter	Pound	5,279	1,834	22,675	3,577	9,874	2,016	11,111	2,509	1,624	425
Cheese	Pound	76,862	22,162	48,933	11,201	59,849	12,717	60,650	12,809	54,432	11,542
Milk, condensed, dried, etc	Pound	8,005	999	3,346	218	26,829	1,289	4,478	271	820	50
Dried eggs:											
Whole	Pound	1,269	674	602	172	533	162	601	183	205	69
Albumen	Pound	3,199	1,677	1,876	824	2,358	958	2,844	1,048	718	282
Yolks	Pound	5,128	2,085	3,953	498	4,902	763	5,426	970	338	71
Total			4,436		1,494		1,883		2,201		422
Meats and meat products:											
Beef, canned, including corned	Pound	[2] 51,206	[2] 6,458	76,263	5,565	87,804	8,384	88,097	9,172	78,597	8,397
Other meats and meat products	Pound	93,576	26,898	38,796	13,613	64,694	17,231	103,820	30,666	69,653	21,381
Total	Pound	144,782	33,356	115,059	19,178	152,498	25,615	191,917	39,838	148,250	29,778
Oils, fats, and greases, animal:											
Tallow	Pound	[3] 10,629	[3] 1,043	245,851	13,104	78,694	4,123	14,503	828	1,304	52
Other oils and fats, animal		(4)	1,261	(4)	2,085	(4)	1,295	(4)	1,018	(4)	512
Total			2,304		15,189		5,418		1,846		564
Hides and skins (agricultural)[5]	Pound	[6] 447,460	[6] 118,003	300,800	45,198	307,827	54,287	308,749	70,466	179,273	29,395
Wool, unmanufactured:											
Free in bond for use in carpets	Pound	[7] 122,882	[7] 30,836	154,099	20,798	134,774	23,281	166,475	45,013	70,021	12,557
Dutiable	Pound	[7] 128,212	[7] 48,828	48,634	9,127	122,951	29,983	159,560	51,332	34,253	10,045
Total	Pound	[7] 251,094	[7] 79,664	202,733	29,925	257,725	53,264	326,035	96,345	104,274	22,602
Cotton, unmanufactured (478 pounds)	Bale	381	42,663	105	7,053	221	11,997	281	16,592	223	9,615
Hemp, unmanufactured	Ton	1,708	549	927	265	753	239	1	221	1	168
Fruits and preparations:											
Bananas	Bunch	61,887	34,435	55,019	28,034	58,302	28,675	66,587	31,441	59,243	28,798
All other fruits and preparations		(4)	21,754	(4)	11,111	(4)	12,658	(4)	15,987	(4)	12,818
Total			56,189		39,145		41,333		47,428		41,616
Barley grain	Bushel	[7] 123	[7] 43	4,840	3,748	8,144	6,887	10,384	9,564	126	71
Barley malt	Pound	[7] 1,608	[7] 55	320,623	9,043	401,767	7,162	371,243	11,313	100,576	2,825
Corn grain	Bushel	1,808	1,452	43,242	20,292	31,471	16,082	86,337	55,184	404	258
Oats grain	Bushel	205	102	10,107	2,939	149	54	58	35	7	3
Rye grain	Bushel	[7] 2	[7] 1	9,643	4,755	3,889	2,447	207	181	(8)	(8)
Wheat grain:											
For grinding in bond and export	Bushel			11,431	9,290	13,321	11,932	9,032	9,834	3,781	2,503
Other (dutiable)	Bushel			27,439	21,072	39,669	36,193	8,684	9,949	48	39
Total	Bushel	15,858	18,574	38,870	30,362	52,990	48,125	17,716	19,783	3,829	2,542
Hay	Ton	133	1,253	67	665	74	544	146	1,099	19	142
Cottonseed oilcake and meal	Pound	[9] 32,923	[9] 441	59,744	669	27,370	283	41,952	478	6,591	57
Coconut oilcake and meal	Pound	34,570	459	103,738	1,007	90,944	698	143,853	1,829	85,513	874
Oils and fats, vegetable, expressed:											
Edible:											
Cottonseed oil	Pound	(10)	(10)	166,687	8,880	127,787	7,371	194,031	11,958	77,500	3,411
Olive oil	Pound	85,247	14,812	70,789	8,758	60,972	7,437	48,343	8,988	71,086	9,786
Other edible	Pound	9,322	753	160,158	7,845	129,415	7,668	148,517	9,862	57,447	2,773
Total	Pound	94,569	15,565	397,634	25,483	318,174	22,476	390,891	30,808	206,033	15,970

See footnotes at end of table.

United States: Imports for consumption of specified agricultural commodities, average 1926–30 and annual 1935–38—Continued

Commodity imported	Unit	Year ended Dec. 31—									
		Average, 1926–30		1935		1936		1937		1938, preliminary	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Oils and fats, vegetable, expressed—Con.		*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*	*Thousands*	*1,000 dollars*
Inedible:											
Coconut oil	Pound	311,798	23,500	353,406	12,577	322,065	12,227	337,376	19,880	363,941	11,401
Palm oil	Pound	201,839	13,209	297,579	8,574	338,789	11,631	411,112	15,835	271,325	9,125
Tung oil	Pound	105,575	12,367	120,059	13,131	134,830	17,838	174,885	20,100	107,456	11,923
Other inedible	Pound	(4)	17,299	(4)	19,070	(4)	21,131	(4)	25,384	(4)	10,146
Total			66,375		53,352		62,827		81,208		42,595
Flaxseed	Bushel	19,771	36,794	17,560	15,623	15,365	17,653	28,032	35,207	15,364	19,872
Sugar, cane (2,000 pounds)	Ton	4,235	207,306	2,954	133,475	2,968	157,930	3,196	166,248	2,974	130,400
Molasses	Gallon	294,575	14,890	249,521	12,512	252,686	13,597	312,331	17,459	189,556	10,315
Tobacco, unmanufactured	Pound	77,013	57,018	63,296	25,762	67,519	29,880	71,703	31,923	71,406	36,028
Tapioca, sago, and arrowroot	Pound	139,624	3,740	231,430	4,731	310,465	6,228	471,610	9,067	248,336	4,335
Wines	Gallon	39	93	2,771	8,781	3,636	11,465	3,817	10,432	3,429	8,511

[1] General imports except as otherwise noted.
[2] Includes a small amount of "meats canned, other than beef."
[3] Average for years 1928–30.
[4] Reported in value only.
[5] Beginning 1936, excludes the weight of "other hides and skins" which are reported in pieces only.
[6] Includes a small amount of reptile and fish skins.
[7] Imports for consumption.
[8] Less than 500.
[9] Average for 1929 and 1930.
[10] If any, included in "other edible oils."

Compiled from Statistical Abstract of the United States, 1937, and official records of the Bureau of Foreign and Domestic Commerce.

I am sure that if the distinguished gentleman had gone to official sources for his information that he would not have permitted his wholly unrealistic statement to appear in the RECORD.

I say unrealistic statement for the purpose of charity. My distinguished friend should have known better but partisan zeal often blinds one to the facts. My friend is a victim of totally false information.

Republicans Make Merry in Denouncing Democratic Spending Policies

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 6, 1939

EDITORIAL BY JOHN McGIVNEY

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include herein a challenging editorial from the pen of John McGivney, editor of the Tacoma Labor Advocate, official organ of the Tacoma Central Labor Council. This editorial appeared in the issue of June 16 of the Tacoma Labor Advocate. Its sentiments devastatingly blast the cynical jeremiads of the Republicans with respect to governmental spending. I commend its reading to all who might be inclined to be deluded by Republican propaganda.

The editorial is as follows:

[From the Tacoma Labor Advocate]

NATIONAL DEBT WEEK

You may not have known it, and certainly few indicated that they cared a continental, but the high moguls of the Grand Old Party last week celebrated National Debt Week.

It was quite a stroke of political acumen. The general idea is that nothing so terrifies folk in an insecure world as that word "debt" and to depict the Nation tottering into an abyss because of the accumulating national debt was calculated, the wisenheimers of the G. O. P. believed, to just give the Nation the jitters.

They believed, no doubt, that the public would not know what it was all about, and that it was something terrible could easily be shown by just a summing up of the bills that Uncle Sam owes. But the week came and went without any national shock to the country's nerves; and if ever there was a dud, alas, here was one for all to see.

The newspapers did their bit. You can give them credit for that; but it would appear that, like Macbeth, the people have supped with financial horrors of the kind for so long that they are quite indifferent. And there's the rub. While most of the big wigs in the realm of finance, industry, and commerce have been of late doing very well, thank you, there was a time when that was not so. Indeed, it is the recollection of that which makes the people altogether hesitant that they should swap the New Deal for the old deal, although you dress the latter in good old American flags and give it a monopoly on Americanism.

You see that halcyon period from 1923 to 1929 has not been quite buried in the obscurity that the leaders of the G. O. P. would fondly hope. And if debt discussions are to be in order the public naturally has a few questions to ask, because there are debts and debts.

In that illustrious period when top capital cavorted high, wide, and handsome, the great corporations of America were borrowing the colossal sum of $123,000,000,000. And of this enormous sum quite a large portion never has been paid, never can be paid, and so never will be paid. These nonpayments were registered in insolvent banks, railroads, power corporations. They were materialized in ruined lives, broken homes, lost fortunes, and the social debris built a monument to business incapacity which will not collapse for some time.

Let us take a forgotten incident in the career of a forgotten man. We refer to Mr. Sam Insull, exploiter in chief of investors—men and women, widows and orphans. Well, last week, delicately synchronized to time with National Debt Week, 14,700 investors were paid back a total of $1,670,933 of the fifty millions they had subscribed to the Insull Utility Investments before it went bankrupt. To date, then, they received exactly 7 cents on the dollar and the liquidation of the I. U. I. is only one among many thousands of other losses and its millions just a drop in the many billions that are gone with the wind.

It's hard, somehow, to understand the make-up of any politician that designs a debt week and concentrates his attention on the national debt of the only nation in this wide world the financial position of which is as sound as a dollar. And as every debt must be considered in relation to the status of the debtor, you can see for yourself what the critics of this administration think of it, the way they scramble over their feet to grab any issue of the United States Government that the Treasury may open for bids.

This criticism of the administration's fiscal policies is one of the most impudent hypocrisies of the age. For National Debt Week, like lack of confidence and deterrent taxation, is only just another of many alibis to explain the impotence of private enterprise to stand on its feet again.

The tremendous reserves in banks and savings institutions is proof enough that taxation is not excessive. The extraordinary number of willing workers seeking employment, while plants are idle and this money remains in control of financiers, proves that incapacity for initiative and leadership which is the bane of our price and profit system.

So when the Government steps in with lending-spending programs and provides food, clothing, and shelter even in a minimum degree, those who themselves can do nothing maintain a united front against such spending and declare that the Nation is on the high road to insolvency!

The position is so absurd it seems as if these men who control the financial and industrial destinies of the country act as if they lived in an age when mechanical technique, assembly lines, and such vastly increased productivity didn't exist at all, and view things as if they had remained unchanged during all the years.

Even Bernarr MacFadden should know more than that.

American Neutrality

EXTENSION OF REMARKS
OF
HON. JOHN M. VORYS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, July 10, 1939

RADIO ADDRESS BY HON. JOHN M. VORYS, OF OHIO, JULY 9, 1939

Mr. VORYS of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over a coast-to-coast network of the Columbia Broadcasting System on July 9, 1939:

I want to tell you tonight where we are on American neutrality. Abraham Lincoln said, "If we could first know where we are and whither we are tending, we could better judge what to do and how to do it." I am going to try and tell you where we are on neutrality, as accurately and realistically as I can, because so many people who are discussing neutrality, including many editors and columnists, apparently don't know where we are. Their comments on the Bloom bill as it passed the House sound as if they haven't read the bill and don't know the present law.

The Bloom bill that passed the House is entirely different from the Bloom bill that was introduced in the House. Eleven important amendments were adopted, five in committee and six on the floor. Ten were drafted by Republicans, and adopted by Republicans and Democrats. I sponsored four amendments, Congressman BRUCE BARTON, of New York, three, and Mr. BLOOM himself offered the amendment striking out the controversial provision for designating combat areas. The Vorys arms embargo amendment was adopted by the votes of Republicans and Democrats and opposed by Republicans and Democrats. Here is what the Bloom bill now pending in the Senate provides, as compared with the present law:

(1) During a foreign war, whenever either the President or Congress finds that it is necessary, a neutrality proclamation is issued. The present law requires the President to issue a proclamation whenever a state of war exists, although he has ignored this requirement.

(2) Under the pending bill, it is unlawful to export arms or ammunition from the United States to any belligerent. This is the Vorys amendment. The present law forbids not only arms and ammunition but implements of war, whatever they are, and also forbids shipping to neutral countries for transshipment to belligerents.

(3) Under the pending bill, no citizen can travel on a belligerent vessel except at his own risk. In the present law, travel on belligerent vessels is absolutely forbidden.

(4) Under the pending bill, it is unlawful to buy or sell the bonds or securities of a belligerent government in this country or to make loans to a belligerent, except 90-day loans approved by the President, or to ship articles or materials to belligerents until all right, title, and interest therein have been transferred to a belligerent. These provisions are substantially the same as in the misnamed cash-and-carry law which expired May 1. Will editors and columnists who have been writing about "cash and carry" and "come and get it" please note that there is no cash-and-carry requirement in the Bloom bill? Only those belligerents who cannot secure an exception from the President have to pay cash, and there is no provision at all for "carry."

(5) The pending bill forbids solicitation and collection of funds by belligerents. The same provision is in the present law.

(6) The pending bill exempts American republics from the foregoing, and a similar exemption is contained in the present law.

(7) The pending bill permits the President, when ships leaving our ports are suspected of supplying belligerents in violation of law, to require bond of the shipowners guaranteeing that the law will not be violated. A more drastic similar provision was contained in the present law up to May 1.

(8) The pending bill forbids the use of our ports by belligerent submarines or armed merchant vessels in exactly the same terms as are contained in the present law.

(9) The pending bill continues the National Munition Control Board, which is provided by the present law, but in the Bloom bill, provision is made for more publicity concerning shipment of arms.

(10) The pending bill provides penalties for violations of $1,000 or 5 years or both. The present law provides for penalties of $10,000 or 5 years or both.

This is what the Bloom bill does and doesn't do. It is far from perfect, but it's far from a meaningless hodge-podge. It will not guarantee peace or neutrality for our country. No law can. No law can limit the constitutional powers of the President as to foreign affairs. No law of Congress can have any binding effect on foreign nations, but solely on our citizens. What we do in a so-called neutrality bill is to pass laws forbidding American citizens from doing things that experience has shown tends to get us into war. The pending bill doesn't tie the hands of the President. It ties the hands of munition makers and of American citizens who want to finance foreign wars, raise money for foreign wars, and do other things that tend to get us into trouble.

Since 1818 we have had various kinds of such neutrality laws. We still have in full force and effect neutrality laws, including arms embargoes, that were enacted in 1909, 1917, 1922, and 1930, as well as the act of 1937. No one is claiming that these laws which we have had for decades tie the hands of our President or tie the hands of anybody else except international troublemakers. Even those who advocate going back to international law, which in this day and age means relying on international lawlessness, have not suggested that we repeal these time-tested limitations upon the rights of American citizens to get us into trouble.

Of course, we can't guarantee peace merely by passing laws, but it's just as silly to claim that we can guarantee peace by repealing laws merely because they don't guarantee peace. It would be just as silly to advocate repeal of our laws against murder merely because they don't guarantee to prevent all murders.

The fight on the pending bill will now center on the Vorys amendment, which provides an arms embargo. This amendment would embargo anything that is designed solely for offense or defense in war—lethal weapons—and would not cover any other articles or materials, even though they could be changed into arms or ammunition by a belligerent, or were used both for peace and war, such as trucks, commercial airplanes, sandbags, food.

The interventionists say there is no difference between the selling of arms to belligerents and selling anything else they may need. That is because they think of neutrality in terms of helping or hurting some other nation and not in terms of protecting ourselves. Everyone recognizes the distinction in law and in morals between the sale of whisky by a saloonkeeper and the sale of a load of corn by a farmer, even though whisky can be made from corn. A similar distinction exists between selling arms which can only be used for war and selling other things. The interventionists feel that we should arm the victims of aggressors. I feel that we should stop arming aggressors, as we are doing in the Orient. The interventionists say that an arms embargo is unneutral. On the contrary, we are not required under international law to ship arms, which Mr. Hull admits are "absolute contraband," to any nation. The arms embargo merely prevents the shipment of "absolute contraband," which is subject to seizure by any belligerent under international law. Every international law expert admits that the airplane and the submarine have completely changed the law of search and seizure, because you cannot search and seize a surface vessel from the air or from under water. If a belligerent knows it is a neutral vessel, not carrying arms but a peaceful cargo, he will hesitate to molest it and offend a neutral. If, on the other hand, it is known to be laden with arms, "cooperating with similarly minded governments," to use the President's term, the belligerent will sink it, for he will know he has nothing to lose; he will not be offending a real neutral and will be sinking "absolute contraband" under international law.

Our policy, under the pending bill, as amended, would be to forego this arms traffic in means of murder, and then to assert our rights as neutrals to freedom of the seas for peaceful commerce. If other nations go to war we will furnish them the supplies of peace. We will let them distort their economy into a wartime economy. We will furnish the sewing machines and let them furnish their own machine guns.

It is now claimed that our munitions industry needs the stimulus of a foreign war boom for our national defense. That sort of boom was described by President Roosevelt in 1936 when he said:

"If war should break out again in another continent, let us not blink the fact that we would find in this country thousands of Americans who, seeking immediate riches—fool's gold—would attempt to break down or evade our neutrality. * * * To resist the clamor of that greed, if war should come, would require the unswerving support of all Americans who love peace. If we face the choice of profits or peace, the Nation will answer—must answer—'We choose peace.'"

Those are the words of our President in 1936. What has caused him to change his mind now and insist upon a war boom for the American munitions makers? We are now told that the purpose of this proposed war boom is to preserve peace. That by arming one set of powers in Europe we can preserve the balance of power in Europe. That by intervening we can keep out. That the mere threat that we'll help will stop any war from starting and thus preserve world peace.

There are two criticisms of this policy. First, we have no assurance that the threat of our force will be sufficient to stop war in Europe, and no one can give us that assurance. Second, if the bluff does not work we will inevitably go into the war. When an international incident takes place on the strength of our promise to one side or threat to the other, the pressure to make good our bluff, to back up our commitment, will be irresistible.

The President has no more intention of taking us into war than he had 6 years ago of taking us into debt; but we have learned that despite good intentions, if you spend enough you get into debt, and if you bluff enough you get into war.

Opposed to this policy is our traditional American belief that the way to peace is not to promise or threaten to fight anybody or to

help fight anybody. We cannot decide what other nations will do or should do, but no matter what they do we are not going over to the next war. We cannot guarantee peace to the world, but we have a duty toward world peace, and that duty is to stay out of war and war economy and war psychology so that when other nations are exhausted either by war or by frenzied preparation for war and are ready to try to restore international peace and order and justice we can then join them as the strong and neutral and friendly big brother of them all, and not the weakened and biased and hateful partner of one side.

This is a policy not of intervention nor of isolation, but of independence; it is the policy of Washington and Jefferson. It cannot be guaranteed by law, for in our foreign affairs Congress cannot tie the hands or close the lips of the Executive. Congress can, however, tie the hands of munition makers and carry out this American idea and ideal—that we won't help kill people in other people's wars because we want to be neutral and friendly and peaceful—and independent.

The Oslo Conference of the Interparliamentary Union

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. FISH. Mr. Speaker, the Thirty-fifth Conference of the Interparliamentary Union will be held at Oslo, Norway, beginning August 15. Due to the world situation this conference will be one of the most important ever held and to which practically all nations are expected to send delegates.

As president of the American group of the Interparliamentary Union and with the approval of the executive committee, I appointed an advisory committee of 28 prominent Americans, as follows: Col. William Hayward, chairman; Bernard M. Baruch, Miss Mabel T. Boardman, Lucius Boomer, Mme. Julia Cantacuzene, Hon. Bainbridge Colby, Hon. John W. Davis, Hon. Charles G. Dawes, John Foster Dulles, Hon. Henry P. Fletcher, John M. Franklin, William Green, Hon. Herbert Hoover, Julius C. Holmes, Hon. Patrick J. Hurley, Hon. Fiorella H. LaGuardia, John J. Lewis, Allan Nevins, John J. O'Connor, Hon. Frank L. Polk, Capt. T. Rieber, Dr. Emmett J. Scott, Hon. Alfred E. Smith, Hon. Bertrand H. Snell, L. J. Taber, Hon. Grover Whalen, Rabbi Stephen S. Wise, and Owen D. Young.

A questionnaire is being sent to each member of the advisory committee to ascertain their views on important issues that will be discussed at the conference, such as: (1) World peace and neutrality; (2) ethnic, colonial, and refugee problems; (3) overpopulation, foodstuffs, and raw materials; (4) the calling of a new Hague Conference; (5) advisability of inviting the Interparliamentary Union to hold its conference next year in the United States, possibly in connection with the world's fair at New York; (6) promotion of peace by arbitration, judicial settlement, and international law; (7) outlawing bombing of defenseless cities and safeguarding food ships; (8) reduction and limitation of armaments; (9) economic and financial questions; (10) social and humanitarian questions; (11) intellectual cooperation; and (12) promotion of representative and parliamentary forms of government.

The United States is entitled to 28 votes at the conference. As president of the American group, I expect to appoint the delegates from the House and Senate within the next 10 days.

Mr. George Djamgaroff, of New York, has been appointed public relations counsel for the American group.

Emergency Committee for Preserving the Fair Labor Standards Act

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. GEYER of California. Mr. Speaker, I ask unanimous consent to have printed in the RECORD a statement of purpose of the Emergency Committee for Preserving the Fair Labor Standards Act. As will be observed from the list of members of this committee, leaders of many of the outstanding nonpartisan organizations of the country are rallying to the defense of the popular wage and hour law, as the Fair Labor Standards Act is commonly known. This committee is particularly significant in that it contains representatives of religious, consumer, citizens, and trade-union groups. There are representatives of the Catholic, Protestant, and Jewish religions on it, and these individuals command a wide following among the church-going people of the United States.

The organized consumers of the Nation are represented by such groups as the National League of Women Shoppers, National Women's Trade Union League, and the American Association for Economic Freedom. Trade unions in the American Federation of Labor, the Congress of Industrial Organizations, and the Railway Brotherhoods are, of course, represented on the emergency committee. Lastly, the committee has among its members representatives of various citizens' organizations, such as the Washington Commonwealth Federation, Labor's Non-Partisan League, the National Negro Congress, and the American League for Peace and Democracy.

The conclusion which comes to my mind when I summarize the membership of this committee in this way is that here we have an authentic representation of many diverse elements of the public. In other words, this appeals to me as evidence of a spontaneous reaction of the people in this democracy when they discovered a conspiracy to deprive them of the hard-won wage and hour law. I believe, Mr. Speaker, that the time has come when the American people are going to dispose, once and for all, of the attempts of the narrow group of reactionaries to destroy this act. We have seen in recent weeks a clever lobby working in close cooperation with those elements of this House who are trying to emasculate the New Deal program. The statement of purpose of this committee quite clearly points out that the old enemies of the Wage and Hour Act are determined to ruin it by amendment or smear it by investigation before it has had the beginning of an opportunity to demonstrate its value. It is clear to all of us, I think, that by the so-called clarifying amendments the antilabor interests are merely seeking to exclude the laborers in the most viciously sweated industries and to destroy the foundations of the Wage and Hour Act. Knowing that they cannot accomplish their purpose openly these interests are taking the devious method of knifing the act by amendments.

Mr. Speaker, I submit that the Emergency Committee for Preserving the Fair Labor Standards Act speaks for a wave of public opinion which will soon look like a tidal wave that will sweep away the proposed emasculating amendments. I am informed that the emergency committee has sent a copy of this statement of purpose to every Member of the House of Representatives with the request that each Member of this House advise the committee of the extent to which he subscribes to the principles embodied in the statement of

purpose. I urge respectfully that every Member of this House should place himself on record with this committee as being a defender of the wage and hour law in its present form. The principles to which I urge you to subscribe are in the following statement of purpose:

[The Emergency Committee for Preserving the Fair Labor Standards Act, Nina P. Collier, secretary, Washington, D. C.]

STATEMENT OF PURPOSE

This committee, representing church groups, consumer groups, labor organizations, and other public-spirited groups and organizations, has come into being to help organize effective resistance to a concerted attempt of the original enemies of the Fair Labor Standards Act to destroy the act, under pretense of intention to improve and strengthen it.

Recent developments and current legislative maneuvers leave no room for doubt that the old enemies of the Wages and Hours Act are determined, if at all possible, to scuttle this act, and ruin it by amendment or investigation before it has had even the beginning of an opportunity to prove its practicability and its economic worth.

The same powerful lobbyists who continuously fought the bill before its enactment into law last year are now seeking to make new alliances and obtain support in attempting, under the guise of "clarifying" amendments, to exclude members of sweated industries, and to destroy the very foundations of the act.

The Administrator of the Fair Labor Standards Act has publicly stated: "It is now clear that the high-priced lobbyists are not going to let any clarifying amendments go through the Congress unless these amendments carry along with them the emasculating exemptions which they seek for the special groups they represent."

The Secretary of Agriculture has also pointed out the harmful character of the amendments advocated by representatives of the large agricultural processors and industrial employers.

This emergency committee, in view of the present legislative situation, is unqualifiedly opposed to the consideration of any amendment to this act in this session of Congress.

These same groups have also proposed a resolution for a special investigation of the Wages and Hours Administration, intending by that device to force a reopening of the act, to create an opportunity to undo this legislation, which was won last year only after years of struggle.

All available forces for the support of this law must be reorganized for its defense now. It may require as much force to defend the act as it required last year to pass it.

The victory achieved last year is lost unless this law is effectively protected now. This committee, in taking this stand, believes that it represents the true sentiment of the vast majority of the voting population of the country.

Nina P. Collier, National League of Women Shoppers, secretary; Father R. A. McGowan, National Catholic Welfare Conference; Bishop Francis J. McConnell; Rabbi Barnett Brinckner; Elizabeth Christman, National Women's Trade Union League; W. D. Johnson, Railway Labor Executives Association; Gardner Jackson, Labor's Non-Partisan League; James McNamara, Hotel and Restaurant Employees International Alliance (A. F. of L.); Donald Henderson, United Cannery, Agricultural, Packing, and Allied Workers (C. I. O.); Charles H. Chase, American Association for Economic Freedom; Daniel Driesen, American Communications Association (C. I. O.); John P. Davis, National Negro Congress; Marion Bachrach, Washington Commonwealth Federation; Mildred Riemer, American League for Peace and Democracy; Leo Goodman, United Shoe Workers of America (C. I. O.); John J. Abt, Wage-Hour Bureau, Amalgamated Clothing Workers.

John Ericsson Memorial

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

ADDRESSES BY HON. GUSTAV MOLLER, MINISTER OF COMMERCE OF SWEDEN, AND HON. FRANK CARLSON, OF KANSAS

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I want to include the addresses given by Hon. Gustav Moller, Minister of Commerce, of Sweden, and myself, at the dedication of the John Ericsson room in the American Swedish Historical Museum in Philadelphia on June 24, 1939.

The American Swedish Museum at Philadelphia contains a large collection of paintings, relics, books, replicas of machine models, and other items connected with the progress of Swedish-American history in this country. At this same meeting the placques presented by the States of California, Illinois, Iowa, Massachusetts, Minnesota, Washington, New Jersey, and the Territory of Alaska were made a part of this museum.

The following address was given by the Honorable Gustav Moller, who has served his country with honor and distinction for many years as a member of the Swedish Parliament. He is the father of social-security legislation, and at present is minister of commerce.

Mr. Chairman, ladies, and gentlemen, in joining with you in celebrating the one hundredth anniversary of the arrival of John Ericsson in America, and in participating with you in the dedication of a room set aside in his honor in this beautiful building, permit me first and foremost to convey to the American Swedish Historical Foundation and to its many friends and supporters the heartiest greeting from the people of Sweden and from the Swedish Government on this very auspicious occasion. On behalf of my government I wish also to thank you for all the unselfish work you have performed with a view to keeping alive the memory of Swedish contributions to America's life and development.

We, at home in Sweden, cannot sufficiently appreciate the importance of your labors and endeavors, without which the Swedish name would not enjoy the excellent acclaim that it apparently now evokes in America.

John Ericsson is now regarded by the land of his birth as one of its foremost inventive geniuses—a place of honor which by no means was ungrudgingly accorded him during his lifetime—and let me assure you that your act of honoring him by means of dedicating in this museum a special room in his memory will strike in all Sweden a note of grateful appreciation.

John Ericsson's untiring labors during your Civil War contributed to some extent toward the preservation of your marvelous country, and if he had done nothing more of importance than construct the famous *Monitor* his name would still have gone down in history as a famous man. For, as a matter of fact, democracies throughout the world were strengthened morally in the knowledge that one of the most important of them—important in size, power, and influence—did not collapse, although assailed on all sides during 4 long years of strife and danger.

It is pleasing to recall at this moment that Sweden for 125 years has not been at war with any country—and may I be so bold as to suggest that because of this fact, and because of the further fact that Sweden's relations with your country have always been peaceful, that my country has well earned the right to be regarded by your country as a trusted friend.

It is my fervent hope that Sweden and the United States of America, in friendly and helpful intercourse, will keep aloft the torch of democratic freedom and liberty.

Following Mr. Moller's address, I delivered the following address:

Mr. Chairman, honored guests, ladies, and gentlemen, I want to assure you that I regard it a distinct honor and pleasure to have the privilege of attending this dedicatory service. My only regret is that you were not privileged to have as one of your speakers the distinguished and honored Senator from Minnesota, Senator ERNEST LUNDEEN. I am here, trying in my humble way, to render the service he would have performed with great honor and credit.

No one can question my intense and sincere interest in a meeting of representative Swedish Americans. Ostergotland and Vermeland are provinces of Old Svea that mean much to me. My father and mother immigrated from those provinces in 1883. Heeding the call of that day they went westward with a great group of immigrants, crossing the Allegheny Mountains. They settled in Concordia, a small country town in Kansas. Time does not permit or I would mention some of their early trials and tribulations, because they were typical of the trials and tribulations the Swedish pioneers went through. I only want to mention in passing that they had a firm and unbounding faith in the future of the United States of America. With this firm faith they built on the three great pillars that have made this Nation, namely, the home, the school, and the church. If our Nation is to continue, as I believe our God and Creator wants it to continue, we of this generation must protect and preserve these institutions. They are the foundation stones of our democracy. In these troublesome times of domestic economic problems and the delicate international situation, it is well for us as Swedish

Americans to pause for a moment and look back upon the lives of those sturdy pioneers of Scandinavian descent. Ours is a great heritage and we of this generation are greatly indebted to our forefathers. More than that, our Nation is indebted to this great group of early Swedish pioneers.

Mr. Chairman, it is an honor to dedicate the placques that were presented by the Swedish American citizens of California, Illinois, Iowa, Massachusetts, Minnesota, Washington, and the Territory of Alaska. These placques were presented as an evidence of brotherly love and good will to the Swedish Tercentenary last year. It is most fitting that as we dedicate or set apart these placques that we pause in gratitude and retrospect. Samuel, the prophet of old, erected a milestone in the progress of his nation's history. As he dedicated it, he stated, "I am going to call it Ebenezer because hitherto hath the Lord helped us." Therefore, this afternoon it can be truly said of the early Swedish settlers and their descendants "Hitherto hath the Lord helped us."

It is not necessary for me to review the history of the Swedish pioneers in Delaware, Pennsylvania, New Jersey, and Maryland. Theirs is a record of progress and achievement. John Morton, John Hanson, and John Ericsson are Swedish names that have helped change our history and our Government. Pioneers they were—courageous, noble, industrious, and faithful to God and country. History, my friends, has a way of constantly repeating itself. The problems and evils, socially and politically, that confront one generation have a way of arising in future generations, perhaps in differing forms, but none the less baffling and menacing to the social order and security of our political institutions.

During recent years our beloved country has been confronted with conditions and problems that have caused the stoutest hearts among us to quail and to wonder if under this strain our social order and institutions would survive. In a way they are as serious and as menacing as were the issues of the Revolutionary and Civil Wars. Someone has said that this Nation of ours can never be destroyed from without, but that we must always be on the alert for the enemies within. The darkest period in the history of our Nation was that period from 1861 to 1865 when we were fighting among ourselves. The Swedish people have always stood for religious tolerance and policies of peace and fair dealing and have a respect for minority groups. I am positive everyone of us has viewed with alarm the class hatred that seems to be developing in the Nations of the World. Every effort must be made by all true, liberty loving American citizens to see that this class hatred and class feeling will not be allowed to get a foothold on American soil.

Mr. Chairman, on behalf of the States which have presented these placques, I dedicate them as marks of progress and a signal light for future generations.

Neutrality

EXTENSION OF REMARKS
OF
HON. JOHN W. GWYNNE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

Mr. GWYNNE. Mr. Speaker, the consideration of the Bloom bill has given the country an excellent opportunity for an examination of our entire foreign policy. For it should be borne in mind that we are not simply debating the details of a bill to keep America out of war. We are, in fact, deciding whether we shall be neutral or unneutral in future contests among foreign nations. In spite of all efforts to camouflage it, that is the real issue before the American people.

In deciding this issue, we should not be influenced by immediate affairs in Europe or Asia. Nor should our judgment be swayed by the prejudices which many of us have toward one side or the other in any present conflict. When the policy of neutrality and aloofness from foreign affairs was first announced in Washington's administration, it was in times similar to these. Then a great conflict was actually raging in Europe. The easiest course would have been to lend support to our former ally—as was being demanded by many of our people. The fact that Washington and Jefferson and the other leaders of that period were able to look beyond the immediate day is a splendid tribute to the sound statesmanship and courageous character of these great patriots.

The adoption of a foreign policy is a power and duty of the Congress. The authority of the executive department in this matter has been grossly exaggerated. There is nothing in the Constitution which indicates any intention to give the President or the Secretary of State exclusive control over our foreign relations. On the contrary, the final authority in matters of foreign policy, as in matters of domestic policy, is lodged in the elected representatives of the people. Of course this policy must largely be carried out by the Executive, and in so doing, he has considerable discretion. The duties of the Congress, the Executive, and the courts in these matters were well understood by the early American statesmen, although there seems to be some misunderstanding within recent years. George Washington did not, as is often said, establish for America a policy of neutrality. He simply recommended it. His recommendation occurred in a message, not to Congress, but to the American people—both of his own and of future generations.

It is said that "you cannot legislate neutrality" and that, instead, we should allow our course to be charted in accordance with established principles of international law. The law of nations recognizes the right of each sovereign to participate in a war or to remain neutral, as the interests of that sovereign may best be served. It recognizes the right to sell arms and supplies or to refuse to do so. In either case, its participation or nonparticipation, its selling or nonselling is governed by the rules relative to neutrality, blockade, and so forth, which have been established by common usage of the family of nations. But the actual determination of the policy of neutrality or participation—by sales of munitions or otherwise, is to be determined by the nation itself.

Furthermore the rules of warfare under international law are now in a sad state of confusion. This is due to the use of the submarine and the airplane. The nation which undertakes to sell munitions in the next war "in accordance with the principles of international law" will find it has an uncertain reed on which to depend. It will find itself caught between the conflicting claims of certain groups of nations in the matter of the submarine blockade, for example. It will have the choice of submitting to the claims of one group or of trying by force to maintain the older principles of international law established before these new weapons came into effective use.

We admit that "you cannot legislate neutrality" any more than you can legislate prosperity, good health, or good morals. However, many of us believe that a certain course of conduct imposed upon our own citizens is more conducive than some other course to neutrality, to peace, to prosperity, and to morality. It is true that selfishness, greed, propaganda, and prejudice may eventually break down the barriers erected by law and lead us into war anyway. However, we will be no worse off than if we had never erected the barriers. Is it not wise to maintain a policy that has kept us at peace in the past and to avoid those things which have on other occasions led to war?

Two different courses are being urged on Congress. The first is a policy of disinterestedness—of aloofness from the troubles of other nations—that is, of strict neutrality. The second course is that of interestedness, of entanglement, of attempting to aid by one means or another those nations whom we consider our friends. The first plan would keep us out of war by staying entirely away from the war after it started and by announcing our intention so to do before hostilities began. The second aims to keep America out of war by taking active steps to prevent a foreign war from starting.

Both of these views are urged with great sincerity and persuasiveness by people whose only desire is to keep America at peace. It is my firm conviction that the interests of our country will best be served by adopting and maintaining the first course—that is, of strict neutrality—and I wish only to suggest the following reasons:

First, it does not involve us in the risks necessarily incident to the second course.

In this latter plan we would become an active participant in the poker game now going on in Europe. The State Department is rather frank about it. It requests the Congress

to deal it a hand consisting of the unlimited resources and manpower of the country and to give it unhampered authority to play this hand, as it may see fit. This policy might succeed in bluffing other nations, or at least in calling their bluff. It might prevent a war from starting. This does not mean that our conduct would necessarily bring about a just and lasting peace. It would simply mean that the internal affairs of Europe would, for the time being, be settled in accordance with the views of those nations that we choose to support. This might, or might not, be a good thing for the future of the world.

Let us not forget that our presence at the peace table after the last war did not prevent the harsh and severe settlement which is now an important cause of the present trouble in Europe. Suppose, however, the so-called aggressor nations declined to be bluffed. Would we then go to war to make our bluff good? Would we again shed American blood on distant battlefields? This would seem to be a pretty large price to pay for the privilege of sitting in a game in which we have no business in the first place.

Second, a policy of strict neutrality has an excellent chance of keeping us out of war.

I do not agree with the oft-repeated statement that America could not be kept out of a major foreign war. Our military and naval experts agree that we cannot be successfully invaded. If we get into war, therefore, it will be because we choose to go to the war, and not because the war has come to us. If we again allow uncontrolled sale of munitions, reasons will later be urged for going to war. But these reasons will not be the defense of our country, nor will it be in defense of any interest that is entitled to protection. Of course, we could not remain unaffected by a European war. It might be necessary to make a drastic change in our domestic economy. But we could make the change. It would be a heavy price to pay, but participation in the war would be a heavier one.

Neutrality

EXTENSION OF REMARKS
OF
HON. FOSTER STEARNS
OF NEW HAMPSHIRE
IN THE HOUSE OF REPRESENTATIVES
Monday, July 10, 1939

EDITORIAL FROM THE CONCORD (N. H.) MONITOR OF JULY 5, 1939

Mr. STEARNS of New Hampshire. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Concord (N. H.) Monitor for July 5, 1939:

[From the Concord (N. H.) Monitor of July 5, 1939]

NEUTRALITY

No law which Congress can pass can alone keep this Nation at peace. A neutrality law which is lacking in wisdom might readily help break the peace. The chances of wise neutrality legislation are excessively slim. The Neutrality Act of a recent session of Congress provides a good illustration of how unsound such legislation can be. Enforcement of this law illustrates how the purposes of a neutrality act can be twisted or ignored in actual administration.

The American people themselves hold the only good answer to the continued neutrality of this Nation. Those who happen to occupy the seats of government will not long go against the wishes of the American people as a whole, or the wishes of any considerable majority. If the people wish to remain neutral, this country will remain neutral. * * *

There is no doubt whatever that the American people want peace, not only for this Nation but for all nations. But neutrality on the part of a single country is not necessarily any insurance of peace. A house surrounded by other houses which are on fire is almost bound to be burned, also, and the American people know that this is so.

There is probably no great accord among Americans as to the exact form which neutrality legislation should take. There is, however, a keener appreciation of methods it should avoid. This sense has discarded every proposal yet made which has been seriously considered. It also arouses an intuitive reaction which dictates the soundest neutrality legislation as none at all.

Three Editorials

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, July 10, 1939

EDITORIALS FROM THE CINCINNATI TIMES-STAR

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorials from the Cincinnati Times-Star:

[From the Cincinnati Times-Star of July 4, 1939]

WHY THEY FOUGHT AND THEN WHAT THEY DID

Americans declared their independence and made it a fact in the Revolution because, as the Declaration asserts, they would have no more of a monarch who had attempted to control the judiciary; had "erected a multitude of new offices, and sent hither swarm of officers to harass our people and eat out their substance"; had "excited domestic insurrections among us," etc.

The new Nation, thus launched on July 4, 1776, has survived and become powerful through four major factors: (1) It adopted a Constitution which safeguarded the rights of States, individuals, and minorities and assured a Government of laws rather than men. (2) The first and greatest President, commander in chief in the Revolution, rejected with anger all overtures to make himself king or dictator—overtures which, when made to successful commanders in other republics of the New World, had direful consequences; by keeping both his acts and his thoughts within the framework of the Constitution, Washington set an example respected by nearly all his successors. (3) The first President refused to consider a third term, and thereby set another great precedent. (4) He kept away from the network of European wars, and through the years resounds his great counsel against "entangling alliances."

It will be salutary to Americans on their national holiday to recall why they threw off the yoke of a stubborn and stupid king, and how the ship of state was set on a course which has brought it on even keel across the ages.

ALMOST A ROUT

The fiscal year dead-line of midnight, June 30, found the administration forces in Congress in a condition resembling a rout, this although the Senate is Democratic by 3 to 1, the House Democratic with nearly 100 votes to spare. It also found a President who likes to speak of himself as his party's "leader" in something of a temper. By 200 to 188 the House had passed a neutrality bill which defies the administration by including a modified arms embargo provision. The President's power to devalue the dollar died at midnight, at least for the time being, Republican opposition preventing the bill to renew it from coming to a vote. The relief bill which he signed reduces the power he formerly exercised to spend money as he chooses and abolishes the Federal theater, one of his pet projects.

Mr. Roosevelt scolds, of course, but has only himself to blame. Neither Congress nor country is in mood to trust his discretion, whether it be in the matter of devaluing the dollar, or of permitting shipments of munitions to belligerent nations. The power to regulate money is vested by the Constitution in Congress, not in the Executive. So is the power to declare war, and there is justifiable misgiving that the President's handling of the munitions question might make war inevitable. Nor is the President in position to denounce Congress wherever its appropriations have exceeded his requests, for wherever they were less he set up a clamor that gave impetus to the pressure groups. If, as he says, Congress passed the farm appropriation bill without providing new taxes therefor, it merely took a leaf from his own book—which is to spend and spend and spend, and get the funds by borrowing rather than taxing.

For whatever of confusion and divided counsels has been manifested in the Senate majority, the President is responsible alone. His initial mistake was in insisting on the choice of BARKLEY as Senate leader; the Kentuckian has his good points, but leadership is not one of them. And what else could Mr. Roosevelt expect from a body every Member of which, whatever his outward professions might be, was inwardly angered by his attempt to punish in the 1938 party primaries Democrats who had voiced its deliberate judgment?

HERE'S THE ARGUMENT

The figures of casualties in the World War which follow are almost incredible, yet they are printed in the 1939 World Almanac with the statement that they were compiled by the United States War Department.

According to this source, the Allied Powers mobilized 42,188,810 men, of whom 22,089,709, or 52.3 percent, were killed, or died, or were wounded, or were made prisoners, or reported as missing. Russia's 76.3 percent of casualties was the highest. Japan's 0.2 percent of casualties was the lowest. The next lowest was that of the United States—350,300 casualties, or 8 percent.

On the side of the Central Powers, 22,850,000 men were mobilized, with 15,404,477 casualties, or 67.4 percent. Austro-Hungary's casualties, which are listed as 7,020,000 out of 7,800,000 mobilized, or 90 percent, were the highest on either side.

Out of a total mobilization on both sides of 65,038,810 men, no less than 37,494,186 were killed, or died, or were wounded, or were made prisoners, or were reported missing. The grand total casualty percentage was 57.6 percent. Known deaths were 8,538,315.

This macabre parade, some consciousness of which still haunts the minds of men, is the argument for not starting anything again.

The Hatch Bill

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

EDITORIAL FROM THE NEW YORK WORLD-TELEGRAM

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks I am pleased to include the following editorial from the New York World-Telegram:

[From the New York World-Telegram]

A VOTE TO WATCH

The much-amended and devitalized Hatch bill will be brought to the House floor for a showdown vote some time next week or the week following.

People who are interested in cleaning politics out of relief and in having public servants devote their time to the public service, rather than to political activity, will want to watch how their Congressmen vote on this measure.

The first thing to keep in mind is that a vote for or against the Hatch bill in the form in which it will be presented to the House will be a vote of no significance. For the measure that is being brought to the floor is one without substance.

The House Judiciary Committee not only eliminated the prohibition against administrative Federal officials participating in "political management and political campaigns;" it even went so far as to write in a specific authorization for those officials to take active part in such political affairs. And in that portion of the bill banning campaign-fund solicitations in W. P. A. and other relief agencies, the committee specifically exempted supervisory officials—virtually serving notice on them to get ready for the shake-down.

The real test will come when Representative DEMPSEY (D., N. Mex.) proposed an amendment restoring those vital provisions to the Hatch bill. So watch how your Representative votes on the Dempsey amendment. If he votes "aye" you will know he places his country above politics and if he votes "no" that he places politics first.

Neutrality

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 29, 1939

STATEMENT BY JOHN W. WENTERICK

Mr. WHITE of Idaho. Mr. Speaker, the people of the United States through their Congress, are considering legislation to effectuate our policy in dealing with foreign countries in time of war.

There is nothing more important to the welfare of our country, to the security of peace and happiness of our people, and the stability of our Government than the policy of maintaining strict neutrality in dealing with foreign governments.

Mr. Speaker, under permission to extend by remarks, I include for the consideration of everyone with the best interest of our country at heart, the statement of a patriotic American, Mr. John W. Wenterick of Cleveland, Ohio, appearing in a booklet entitled "Before it Becomes Treason," which has recently reached my desk.

Mr. Wenterick in the chapter on neutrality says:

While on the subject of neutrality may I say that military help prior to an outbreak of war is just as much intervention as help rendered after the war has begun. Our neutrality, if we want to be honest with ourselves, must be wholehearted in action. Either we are cold-blooded economists and sell our war supplies to any nation that pays our price, or we are neutral in the real Christian spirit and serve notice by law to foreigners and citizens alike that we consider the preservation of peace above economic interests.

Our neutrality also must be wholehearted in spirit, for to stay neutral does not mean to sit on the sidelines and cheer for the one side and throw pop bottles at the other faction. It means we must not take a course favorable or unfavorable to any belligerent. Neutrality should also be mandatory for our diplomatic representatives so that they with all their secrecy do not play the prelude to involvement of the United States in a catastrophic foreign war.

The war that we are talking about, the war that would leave the world in anarchy must be stopped—at least we must stay out of it.

When the American people in an unmistakable language demand real neutrality our Government is bound to listen. This Government is ours. But once in war, and that may be before this book is published, such thoughts would be treason, for then only lunacy and passion reign. And anyone giving moderate counsel is vilely abused, mobbed, beaten, and frequently thrown into prison by prosecutors, judges, and juries, all temporarily as unjust as the mob. It is the most amazing, and supercolossal phenomenon of collective human life, and dont tell me "it can't happen here."

I saw it happen with my own eyes, and should it happen again, for no matter what reason, you may bet your last cent on the fact that opinion 10 years hence will hold that we should have stayed at home and tended to our own knitting.

When the World War started in July 1914, the vast majority of Americans desired their country to keep out of it, and for that very reason selected President Wilson on his famous, or shall I say "infamous," battle cry, "I kept you out of war." Yet, in April 1917, the declaration by which the United States of America joined the Entente Allies passed Congress almost unanimously.

The most important factor in getting America into the war was the barrage of propaganda to which our people were subjected.

The same propaganda is going on today and comes from the same source as then. It is, therefore, extremely important for the welfare of the American people that public opinion be formed in the light of past experience rather than in an atmosphere of excitement and sentimental appeals. Cool heads, not partisanship, are urgently needed today.

Don't let our vast wealth and the lives of our young men be the cat's-paws of European diplomatic greed and animosities. More than two decades have passed since many a mother's son closed his eyes in agony, consoled only by the thought that he gave his young life in "the war to end wars," and in spite of the untold supreme sacrifices made the international situation today is even more distressing than it was in 1914. We had two decades of futility and have been constantly face to face with war somewhere on this globe.

We, as a race, have wasted 21 years, and even now are doing nothing worth while to get the answer to "What are you going to do about the peace of the world?" I hope you do not aim to solve the problem with another war to end wars or by calling names across the Atlantic or Pacific. Perhaps you are an advocate of the gospel that if you want peace you must prepare for war and turn over all the material wealth and mental resources of this great Nation to the business of planning war equipment.

What will you do? What shall I do to plan for peace? These are questions that are forced upon every one of us if we do not want our future generations and our social order to perish. Every time I think of this fateful question I marvel at the successful evasion of the real answer by our political leaders, by our teachers, by our editorial writers; yes, by our men of the cloth.

The answer to our longings for peace is so astoundingly simple: If you want peace, then teach the Christian principle, "Peace be with you," He said. If you want peace, you must prepare for peace by a sustained educational movement which does not preclude Christ and His teachings. He has set us into a world of abundance and has endowed us, unlike His creatures in the animal world, with a free will to act and think. And in these qualities only lie real liberty and freedom.

Every right-thinking man today should think of peace not only in his own country and his own people but in the Christian spirit of a universal peace instead of a world divided against itself. Do not wait for the other nation to make the start by standing aside, saying like the Pharisee, "O God, I give Thee thanks that I am

not as the rest of men." This very behavior is the curse of our day. Teach peace, prepare for peace.

If we want peace we must have sound and exhaustive social and political discussions by statesmen, teachers, writers, and clergy who have implicit faith in the God who said, "Without Me you can do nothing," for He is the source of all talents and their purpose is to lead ourselves and others back to God. And only God is peace. Until that gospel is understood and accepted there seems little hope for peace.

Let us head the parade with "March On, Christian Soldiers." And you, gentlemen of the press, I hope you see the soundness of my argument and do your share. Let's have the truth seen through Christian eyes. Don't let unsupported statements of disruptive propagandists who work for a diabolical cause go into circulation as gospel truth. Even the mixture of half truth and falsehood is deadly poison.

Twenty-five years ago we fell victim to diabolical propaganda which flooded our country. Let us not fall victim today to the same type of poison which is vitiating our morale.

Gen. Anthony Wayne

EXTENSION OF REMARKS

OF

HON. CLIFF CLEVENGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

MEMORIAL OF THE GENERAL ASSEMBLY OF THE STATE OF OHIO

Mr. CLEVENGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following memorial of the General Assembly of the State of Ohio:

Resolution memorializing the Congress of the United States to adopt H. R. No. 6269, entitled "A bill to authorize a survey of the military route of Gen. Anthony Wayne during the Indian wars with a view to constructing a national parkway to be known as the General Anthony Wayne Memorial Parkway," introduced in the House of Representatives, May 10, 1939, by Mr. CLEVENGER

Whereas there was introduced in the House of Representatives of the Congress of the United States on May 10, 1939, a bill known as H. R. No. 6269, entitled "A bill to authorize a survey of the military route of Gen. Anthony Wayne during the Indian wars with a view to constructing a national parkway to be known as the General Anthony Wayne Memorial Parkway"; and

Whereas since the route of this proposed parkway follows the military route of Gen. Anthony Wayne during his campaign in the Northwest Territory in 1794, it is of primary interest to the citizens of Ohio, since the campaign was conducted practically in its entirety in Ohio, extending from Cincinnati to Detroit and into Indiana: Therefore be it

Resolved, That the members of the House of Representatives of the Ninety-third General Assembly of Ohio hereby memorialize the Congress of the United States to adopt H. R. No. 6269, now pending before the House of Representatives, in order that the General Anthony Wayne Memorial Parkway may be established and perpetuated as a fitting memorial to the important part Gen. Anthony Wayne played in the opening and development of the Northwest Territory, and in particular the State of Ohio; and be it further

Resolved, That a copy of this resolution be forwarded by the clerk of the house of representatives to President Franklin D. Roosevelt, Vice President JOHN N. GARNER, and to the two United States Senators and to each Member of Congress from Ohio.

Public Ownership of Utilities

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

LETTER FROM C. M. JANSKY, OF MADISON, WIS.

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the Appendix of the CONGRESSIONAL RECORD, I include a letter addressed to the Honorable JOHN M. COFFEE by Mr. C. M. Jansky, of Madison, Wis.

This letter is in answer to statements made by the gentleman from Washington [Mr. COFFEE] in a letter dated March 20, 1939; and, because of the importance of the issues involved, I recommend its careful consideration by every Member of the House.

There have been too many misstatements of fact regarding the advantages of public ownership, and I submit this information in further defense of private ownership of business enterprises, in which I am a strong believer. If we are to obtain permanent relief from this depression, private business must be given an opportunity. Government expenses must be reduced, the tax burden lightened, and individual enterprise permitted to function without oppression from governmental agencies.

MADISON, WIS., *June 28, 1939.*

Mr. JOHN M. COFFEE,
House of Representatives, Washington, D. C.

DEAR SIR: In the June 15, 1939, issue of the CONGRESSIONAL RECORD is printed a copy of a purported letter addressed to me March 20 last. I say "purported," because I did not receive the original and the reprint in the RECORD is the first information I have had of its existence.

I repeat what I said in my former reply to your franked reprint of a radio speech, namely, that I do not have the time to comment on every statement and misstatement you make. I must either type the letter myself or pay a typist for copying it, and then I must pay the postage out of my own pocket, whereas you print and distribute your purported communications at the taxpayers' expense. I suppose that Congressmen recently voted themselves more clerks in order that their extended remarks might be more widely distributed. If that is ranting, make the most of it.

At the outset, I wish to say that I am in complete accord with your statement that "it is not unreasonable to expect that an educator in a public institution should have an open mind on the subject. His students * * * have a right to hear both sides of the question to permit them to form an unbiased opinion." In the future when my students ask for material on the relative merits of municipal and public ownership, I will refer them to the June 15, 1939, issue of the CONGRESSIONAL RECORD and to my letter that provoked your outburst. They will then be able to form an "unbiased opinion." Of course, this letter will be included in the reference. I am wondering, however, if noblesse oblige does not also apply to Congressmen.

If noblesse oblige applies to Congressmen, and I think it does, as well as to school teachers, then why do you, without evidence, accuse me of crediting and disseminating "paid propaganda of sworn enemies of public ownership?" Not a single word or datum in my former letter was taken from the documents of the E. E. I. or any propagandist for private ownership, paid or unpaid. The sources of my material are the official reports of the municipal utilities of Tacoma and Seattle, the Federal Power Commission reports, the official reports of the Madison Gas & Electric Co., the Seattle Chamber of Commerce, the Seattle Municipal League, the Seattle Post Intelligencer, and the bulletins of the United States Census Bureau. If there are any errors in the conclusions, they are mine and not of any paid advocate of either municipal or private ownership of utilities. Can you say as much? What is Carl Thompson's business and who pays him?

Before I discuss more in detail your two paragons of excellence, I want it distinctly understood that I care not how Tacoma and Seattle run their utilities. I am not criticizing them. I am merely trying to correct some misinformation that is continually being spread by municipal ownership propagandists. The utility of Tacoma is no more typical of municipal utilities than the Madison Gas & Electric Co. is of privately owned utilities, and if Seattle's City Light is typical, then the municipal utilities set a poor example. One outstanding municipal utility no more proves the superiority of municipal ownership than one swallow makes a summer.

SEATTLE'S CITY LIGHT

Almost the very first statement you make, namely, that I said the local utility paid $6,000 in taxes is so absurd that I need make no comment. What the local utility paid in taxes will appear later.

As to the "falsehoods" about the Seattle utility, will you please refer to its official report for 1933? There you will find under the heading, "Income, profit, and loss for the year ending December 31, 1933," the following item: "Accrued city occupational tax, $125,642.50." Again, in the April 23, 1934, issue of the Chicago Tribune is printed an advertisement of six investment houses offering to the public $5,000,000, par value, Seattle Light & Power bonds at a price to yield 5.25 percent. In fine print—so fine that it could easily be overlooked—is printed the information that the Seattle utility in 1933 paid in taxes $125,642.50. No mention is made of any other tax in either the official report of the utility or the advertisement. It is true that the accounting systems of both Tacoma's and Seattle's utilities are sui generis. They do not conform to the regulations of the Federal Power Commission and hence it is extremely difficult to compare their reports with those of privately

owned utilities, but as neither the official report nor the advertisement mentions any other taxes, it is reasonable to conclude that no other taxes were paid in that year. But that is not all. The advertisement mentioned above also contained the information that the assets of City Light were $43,209,916, against which there were outstanding bonds to the amount of $30,300,000. No wonder the bonds were being offered at less than par. The acknowledged assets were at least four times the assets of the Madison Gas & Electric Co., which in that year paid to the different governmental units the sum of $360,000. If City Light had paid a proportionate percentage of its assets as the local utility in taxes, it would have had to pay nearly $1,500,000. The significance of this sum will be disclosed later. The payment of even a million dollars in taxes would have bankrupted City Light.

But let's take your own figures, in which you include $45,030, which is not a tax but operating expense. Every utility pays its officials, and City Light did the same thing when it paid this sum "as a charge for services of general government departments." Deducting this sum, City Light in 1935 paid less than 5 percent of its revenue in taxes, whereas the local utility paid nearly 20 percent of its revenue in taxes. A comparison of these figures confirms what I said; namely, that in comparison with a private utility Seattle's taxes were insignificant.

But again that is not all. In the report for 1933 the average revenue per kilowatt-hour is given as 1.977 cents and not 1.9734, which you say is "another figure taken from unofficial sources." The latter figure is from the Seattle Municipal League report, but no matter, the official figure will do. In 1932 the average revenue was 2 cents. Your fellow Congressman, JOHN RANKIN, inserted some figures into the CONGRESSIONAL RECORD, to wit: "In 1934 the people in the State of Wisconsin used 1,888,207,000 kilowatt-hours of electrical energy for which they paid $37,026,068." If we multiply the consumption given by Mr. RANKIN by 1.977, we get $37,329,852.39, which is over $300,000 more than the people in Wisconsin actually paid. But the private utilities in Wisconsin paid some $6,000,000 in taxes, which is approximately three times as much as Seattle would have paid. I do not guarantee the accuracy of the above figures of consumption and cost. They are RANKIN'S and not mine. Most certainly you would not charge your colleague with being a "sworn enemy of public ownership." This should be enough to convince any impartial reader that City Light is neither a paragon of excellence nor a "yardstick" with which to measure the activities of private utilities, but let's pile a Pelion of facts upon the Ossa already given.

In the Seattle Post Intelligencer of September 1, 1935, there was printed the following:

"The deficit in the city's general fund is steadily mounting as a result of the unbalanced budget. This was revealed yesterday when a report filed by the comptroller, Harry W. Carroll, with the city council giving the results of his monthly check-up of funds in the city treasurer's office showed the general fund had $3,406,041.84 in outstanding unpaid warrants on August 31, with only $26,277.74 on hand to meet them.

"The street-railway fund was also heavily overdrawn, having $1,405,628.03 out in warrants and $69,566.86 on hand in cash."

Is it a profanation of the sacred cause of municipal ownership to suggest that if the municipal utilities of Seattle had paid in taxes the same percentage of their book values as private utilities do, a goodly portion of these deficits would have been liquidated? Are you answered, or do you want more official and semiofficial data? Then read this:

On page 39 of the report of the Municipal League of Seattle issued in 1935 on Seattle Municipal Light and Power System is this:

"During this same 21-year period had taxes been charged and paid in the amount of 10 percent of the gross revenues, the amount of taxes received by the community would have been $3,278,000. Even if it is assumed that the customers of the private utility serving the Seattle district benefited by the competition of the municipal light plant in a proportionate measure, which is a fair assumption, the total savings of the customers in the Seattle district would not have exceeded the amount of the taxes lost to the community."

As you say, "the whole story is not yet told," so let's compare the residential rates of City Light with those of some privately owned utilities. The following figures are taken from "official sources," the Federal Power Commission report on typical net and monthly bills for electric service, dated January 1, 1939.

Consumption (kilowatt-hours)	15	25	40	100	250
Seattle City Light	$0.75	$1.25	$2.00	$3.20	$6.10
Puget Sound Power & Light	.75	1.25	2.00	3.20	6.08
Portland, Oreg	1.00	1.25	1.88	3.37	6.07
Madison, Wis	.90	1.10	1.40	2.60	5.10
St. Louis, Laclede Power & Light	.65	1.07	1.43	2.85	5.70

The last four-named companies are all privately owned and all pay a greater percentage of their revenues in taxes than City Light. But you say, "I must admit that rates in Seattle are higher than they should be * * * for the simple reason that Seattle is forced to compete for every customer with a private company, etc.," as though that were a legitimate argument. In the advertisement of the six investment houses mentioned above it is stated that City Light serves 77 percent of the electric consumers in the city, and the above figures show that the Puget Sound Power & Light Co., City Light's competitor, charges exactly the same rates. It seems rather ridiculous to assert that a company that serves only 23 percent of Seattle's customers prevents a reduction in City Light's domestic rates. It would be nearer the truth to say that City Light's competition with the private company prevents the private company from reducing its rates at least to the level of those charged in St. Louis, which likewise has two competing companies. Furthermore, there are other cities with two competing utilities, one privately and the other publicly owned. Cleveland, Ohio, and Fort Wayne, Ind., are two such cities. Both utilities in these cities charge the same rates and in both the domestic rates are lower than in Seattle. (See table at end of letter.) Are you answered?

SEATTLE'S STREETCAR PURCHASE

You seem to be roiled by my charge that politicians were responsible for Seattle's acquisition of the decrepit street railway, which your versatile lieutenant governor proposed to use as a means for relieving unemployment "by placing a hostess on each car and serving cracked ice on the owl-car runs." See page 289 of Our Promised Land under the chapter headed "Cockeyed Politics in Hinterlands." As an alibi for the politicians you accuse those who were instrumental in acquiring the antiquated transportation system of dishonesty and you even hint at bribery, all of which is wholly irrelevant. Was the mayor elected because he was a small real-estate dealer or because he was a better politician than his competitor, and does a politician cease to be a politician when he accepts a bribe or is dishonest?

Did not City Engineer Dimock on November 4, 1918, say the price was fair both to the city and to the company, and did not the electorate approve the purchase on November 5, 1918? If the price was fair, what was concealed? You say "honest public officials were given no voice." How were they silenced? I did not know that a politician could be silenced. Your whole defense is what the lawyers call a plea of confession and avoidance. And what a lot of gullible voters there must be in Seattle to authorize the politicians to buy a street railway without knowing what it would cost. Now that the venture in municipal ownership is a complete failure, politicians are seeking other scapegoats. If, as you intimate, both the officials of the city and of the private company were crooks, why were they not tried, convicted, and imprisoned? I make no defense of crooked utility officials nor of crooked city officials, but one thing must not be overlooked—namely, that insofar as the Seattle Street Railway is concerned, municipal ownership is a flop.

TAX RATE IN SEATTLE

If you will reread what you say I said, you will discover I did not say "tax for all city purposes." I said "tax rate in Seattle," an entirely different thing. My source of information is the Seattle Chamber of Commerce, which, in a document entitled "Facts Worth Knowing About Seattle," dated May 15, 1935, on page 3, under the heading Real Estate and Taxation, says:

"Total value of real and personal property in Seattle in 1934, $584,686,854. Assessed valuation $292,434,427. Property assessed at 50 percent of its true value. Tax rate on $1,000 assessed valuation: State $6.52, city $20.78, county $19.53, schools $15.30, port 50 cents; total $62.63."

Dividing $62.63 by 2 to get the rate on full value, we get $31.32. In that year the rate in Madison was $22.50, but today it is $23.50. The difference between the two rates is near $8, believe it or not. Utility taxes have a marked influence on these rates. Last year the private utilities in this State paid nearly $9,000,000 in taxes. In 1934 the private utilities in this State paid 18.7 percent of their base revenues in taxes, the municipal utilities in Washington paid 4.7 percent, and the private utilities paid 14.9 percent of their base revenue in taxes. (See Federal Power Commission Electric Rate Survey, Rate Series No. 5.)

TACOMA'S MUNICIPAL UTILITY

You seem to think that because this utility has low domestic rates it is typical of all municipal utilities. As I have already stated, it is no more typical of municipal ownership than the Madison Gas & Electric Co. is of private ownership. Nevertheless, I have nothing to retract from what I wrote in my previous letter. Had you printed my letter in full, I would not discuss Tacoma further; but as you only made some extracts, a further explanation is necessary.

The annual report for the Tacoma utility for 1933 shows that it paid a gross earnings tax of $145,582.91. I know that under the heading "Payments to general fund and losses assumed by light division in lieu of taxes" several other items are listed. These items are: Street lighting loss, $35,329.96; gratuitous work, $562.51; damage to plant, $6,455.19; office rent, $1,500; 30 percent of general fund office salaries, $16,893.83; which, together with the gross-earnings tax amounted to $206,324.40, but several of the items are not taxes in the true sense of the word. Street-lighting loss is an operating expense; so are damage to plant, office rent, and 30 percent of general-fund expense. Deducting these, there remains less than $150,000, a sum less than 50 percent of the taxes paid by the local utility which serves a city a little larger than one-half the size of Tacoma.

It appears that you should get a more accurate propagandist to prepare your rebuttals. If you do, I am quite certain that he will understand exactly what I meant when I stated that Tacoma utility does not earn fixed charges. Please reread what I said, and you will find this sentence: "It is reasonable to assume that 11.5 percent is a fair charge against the assets of the Tacoma plant." Ask any consulting engineer, and I believe you will learn that most of them will think 11.5 percent is too low. Nevertheless, the New York Power Authority, of which the late Mr. J. D. Ross was a consultant, estimated that 11.5 percent of the depreciated value of a distribution system was a fair fixed charge, and I

applied that percentage to the total depreciated assets of the utility. Do you mean to say that no fixed charges should be assessed on the other elements of the plant?

Until recently the rates of the Tacoma utility were determined by ordinance No. 11,121, effective January 1, 1935, a section of which reads:

"For single residence, flat, or apartment, when separately metered, 4.5 cents per kilowatt-hour for the first 40 watt-hours' consumption per square foot of equivalent floor space (minimum 500 square feet); 1 cent per kilowatt-hour the next 500 kilowatt-hours and all remaining kilowatt-hours one-half cent per kilowatt-hour." When that ordinance was changed I do not know, but I am quite certain it was not changed before 1937 for the report of the utility for that year states "the number of kilowatt-hours is determined by the size of the house." Undoubtedly there are many residences in Tacoma whose first block was more than 40 kilowatt-hours. But let's take 40 kilowatt-hours as the first step. Here in Madison 40 kilowatt-hours cost $1.40 and in Tacoma the same consumption under the above rule would cost $1.80. The like or corresponding charges for 100 kilowatt-hours in the two cities would be $2.60 and $2.40 respectively. Deducting 11 percent of its gross revenue which the Tacoma utility claims it paid in taxes in 1937, and 20 percent which the local utility paid in taxes, we get cost of 100 kilowatt-hours in the two cities to be $2.14 and $2.08 respectively. But as stated before, Tacoma charges to taxes items that should be charged to operating expense.

Please do not shift from one utility to another. We were comparing the Tacoma utility with the Madison Gas & Electric Co. and not with the Wisconsin Power & Light Co. You claim that Tacoma is a typical municipal utility. If so, the Madison Gas & Electric Co. is a typical private utility. It pays more than twice the taxes the Tacoma utility pays on a book value of less than one-half the book value of the Tacoma plant. I said nothing about the Wisconsin Power & Light Co. Why drag that in by the heels? If local conditions in Seattle compel City Light to charge a high rate, it is likely that local conditions affect the rates of the Wisconsin Power & Light Co. This utility serves not Madison but a large part of the rural area of the State of Wisconsin.

I wonder where you got your statistics on the power generated and number of domestic customers in Madison and Tacoma. You say: Schedule F, use of energy—domestic.

	Madison	*Tacoma*
Domestic consumption, kilowatt-hours	51,831,201	52,367,632
Number of customers	75,000	31,382
Kilowatt-hours per customer	691	1,698

Evidently not only every resident of Madison must be a domestic customer, but in addition household pets must also receive electric service, or, perhaps, the squirrels in the trees heat their nests in the winter with electricity. The United States Census shows that in 1930 the total population of Madison was 57,899 and of Tacoma 106,817. The local utility has 20,400 domestic customers, which is more than it had in 1933, while the number of like customers has decreased in Tacoma from 32,062 in the same interval to 31,382. The average annual domestic consumption in Madison is not 691 but 1,350 kilowatt-hours. This is official.

COMPARISON OF LACLEDE POWER AND LIGHT RATES WITH TACOMA'S

I stated that up to 100 kilowatt-hours per month the rates of the LaClede Power & Light Co. were lower than those of Tacoma. Your schedule E confirms that statement. Are there no customers in Tacoma that use less than 100 kilowatt-hours per month? I am certain that there are many. The LaClede Power & Light Co. needs none of my sympathy. It is doing quite well even if it does charge many of its customers less than the utility in your home city.

'Tis true that an 8-year-old child should know that everyone must pay something for the use of borrowed money. Perhaps I should exempt the Federal Government, but a Congressman seems not to know that every business must collect in revenue what it pays out in taxes, private utilities included. You say, "You know that consumers actually paid the tax in their rate and that the company merely, in effect, acted as a tax collector." That should also be known by an 8-year-old child, for it is true of every business, as well as you and me. Our constituents also pay our taxes, but a Congressman should know that it is unfair to load the private utilities with exorbitant taxes and then accuse them of charging excessive and exorbitant rates and of robbing their customers. Your fellow Congressmen and Senators have charged the utilities with overcharging their customers by more than a billion dollars, when the total domestic revenue was less than $700,000,000. Likewise, a Congressman should know that it is grossly unfair to take the rates of one outstanding municipal utility and compare them with the average rates of private utilities. Washington voters may fall for that trick of propaganda, but intelligent voters will ask, Why not compare the rates, taxes, salaries, etc., of all municipal utilities with like averages of private utilities?

Such a comparison has recently been made by the Bureau of Census, Department of Commerce. The comparison may astonish you.

The average salaries and wages of all classes of employees of private utilities were $1,723 a year, as compared to $1,463 for municipally owned utilities. The Census Bureau showed in its bulletin for May 31 that salaried employees of private utilities received an average of $1,833, whereas those working for municipal utilities received $1,419. Wage earners received an average of $1,632 when working for private utilities and $1,494 when working for municipals. The consolidated income, operating revenue, and expense statements of the two classes of utilities showed that the municipal utilities paid total taxes of $2,635,349, amounting to approximately 1.5 percent of their gross revenues, while privately owned utilities paid $359,603,642 in taxes. This sum amounted to approximately 14 percent of their gross revenues. But the important fact disclosed by the Census Bureau Bulletin of May 23 is that the privately owned utilities charged their consumers less per kilowatt-hour than the municipals, the comparative costs being 2.1 cents per kilowatt-hour for privately owned utilities and 2.6 cents per kilowatt-hour for municipal utilities.

Thus the average cost to the municipal consumers is approximately 24 percent higher than that to the private consumers. Please tell me which consumers pay the taxes, or do you consider the Census Bureau "a sworn enemy of Government ownership"?

A few words in conclusion. I agree that "the question of Government ownership involves a clash between two great schools of thought and involves fundamental differences in politics and economic opinion." The controversy, however, involves more than that. It involves a conflict between political expediency and intellectual integrity. It also involves a clash between the doctrines of socialism and of private, individual enterprise. You may think that ridicu'ous, but consider the basic argument of the Government-ownership advocates. It runs something like this: The furnishing of electricity is a Government function because electricity is a necessity, or they invert the syllogism and say, electricity is a necessity and, therefore, it should be supplied by the Government. Aside from the fact that the conclusion from either premise is a non sequitur, if accepted, it proves too much. There are many, many things more necessary than electricity, such as food, clothing, shelter, heat, etc., etc., and according to the syllogism, all of these should be owned by the Government. That is socialism or stateism pure and undefiled. Having by assertion proved that it is the function of Government to furnish electricity, clever politicians, sensing lucrative jobs, proceed by cajolery, sophistry, and appeal to personal interests to persuade a majority of the people to force a minority into a business that is wholly the product of private initiative, resourcefulness, courage, enterprise, and ingenuity of individual men, and not of governments nor of the inchoate body known as society. This persuasion is always sugar-coated with promises of lower rates, better service, lower taxes, and the like. Taxes are invariably shifted from the utility onto other property as shown by the Bureau of Census bulletin cited above. If the governmentally owned utilities paid taxes of the same percentage of the value of their properties, as do private utilities, most of them would be bankrupt, those owned by the Federal Government not excepted. Bonneville power project has been completed for nearly 2 years, and up to date it has sold very few, if any, kilowatt-hours. The interest alone on the cost of the development at 3 percent amounts to more than $3,000,000. If taxes were added, the enterprise would be bankrupt. The interest, however, is not paid by the project but by the taxpayers of the country as interest on the public debt. Not within the memory of men of my age will there be any navigation worthy the name on the Columbia River, and if there were, it would be to the great disadvantage of Portland, which is not on the Columbia but on the Willamette River. The residents of the Tennessee Valley are now short some $3,500,000 in taxes and the taxpayers of the country are subsidizing the electric consumers of T. V. A. Even Senator NORRIS recognizes this, for on the floor of the Senate he in effect said: "If T. V. A. paid the same taxes as are now paid by privately owned utilities in that section, T. V. A. would be out of business in 3 months." (CONGRESSIONAL RECORD, April 13, 1939, p. 4214.)

In speaking of these projects the late dean of engineering of the Massachusetts Institute of Technology, the leading engineering school in the country, said: "To build a great dam to supply electric power in a region already supplied with power, to irrigate land in a region of no inhabitants while farm land stands idle close by, to render navigable a stream that proceeds into a wilderness, are fool pieces of work in any langauge."

As stated above, the electrical industry is par excellence the product of private initiative. From the discovery of electromagnetic inauction by Michael Faraday, individuals like Edison, Steinmetz, Thompson, and a host of others, in laboratories and other fields have contributed to the development of a gigantic industry that last year paid in taxes over $350,000,000, and in many ways contributed to the well-being of humans. Electricity is much more the product of man than the food we eat and the clothes we wear. With the exception of the energy in the coal or water, every agency in the production of electricity and its utilization is the result of private research, private initiative, and private resourcefulness and the final development has not been reached. Not only has man by his ingenuity made possible the use of electricity to lift the burden of drudgery from the bent backs of men and women, but its development has made possible researches in other fields the results of which have been of incalculable benefit to humanity. I mention only one: Without high-voltage electricity X-rays would be unknown. Anyone can name many others. The fundamental issue between the advocates of government ownership and the advocates of private enterprise is the stifling of all of this initiative and enterprise by the dead hand of government, many of whose officials do not know the difference

between a kilowatt and a volt. Governmental ownership is merely pirating or appropriating the results of man's endeavors. Business is no legitimate function of government.

Very truly yours,

C. M. JANSKY.

Comparison of the cost of specific consumptions, taxes included

Consumption (kilowatt-hours)	15	25	40	100	250
Seattle	$0.75	$1.25	$2.00	$3.20	$6.10
Cleveland:					
Municipal	.60	.85	1.27	2.80	5.55
Private	.60	1.00	1.60	3.75	7.25
Fort Wayne:					
Municipal	.53	.88	1.40	3.50	5.90
Private	.53	.88	1.40	3.50	5.90

A People's Movement

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. VOORHIS of California. Mr. Speaker, the American people boast a long and glorious history. And not the least important pages of that history have been written by people who have participated in great popular movements, fired by devotion to a cause in which they believed, hoping for a solution of problems that afflicted them.

In recent years the greatest such popular movements have centered around the cause of old-age pensions. This is not due to any especial cupidity on the part of our elder citizens. It is due fundamentally to this: that millions of citizens have sensed the fact that the central need of our time is a system of control of the flow of purchasing power which will keep the Nation's ability to buy and consume in line with its power to produce. The people have seen that there is poverty in the land not because there needs to be but because some numbers in financial ledgers are put down in the wrong places and by the wrong people. They have understood that the trouble is not with production but with distribution and that men are idle only because the buying power is not present to purchase what they would produce if employed. And gradually the pension movement and the monetary-reform movement are drawn together.

Perhaps this is too simple a way to state it, but the analysis is fundamentally correct and increasing numbers of Americans are realizing it.

And so while Congress strains at gnats the time draws near when it may have to swallow a camel. For this movement in all its aspects is not one that will pass away nor one that can be beaten down. It comes too close to having the answer to the problem of the machine age.

For a long, long time California has been America's land of promise. It was so in gold-rush days. It is so today. Not only have the dispossessed farm families of the Middle West gone there to try to find a meager existence working in the harvest fields; but back from California one after another have come proposals for the solution of this problem which belongs to all the Nation. Latest and perhaps mightiest of all these movements is the so-called "ham and eggs" movement, more correctly styled California retirement life payments. And whatever else may be said about it, here is a great human movement with all the earnestness, all the devotion, all the possibility of elation or bitter disappointment that every such movement contains.

A glimpse at that movement may be worth while even in so staid a periodical as the CONGRESSIONAL RECORD. And a most vivid glimpse is given us in an article written by Tom O'Connor and published in the June 24 edition of the Los Angeles Evening News, portions of which I quote herewith:

Some people will be inspired by the spectacle. Some will be saddened. Some will sneer, some will snicker, some will snort.

But no one, unless he be blind and deaf and senseless, can go to Shrine auditorium of a Sunday afternoon, gaze out over the sea of faces, hear the deafening cheers for "ham and eggs! Ham and eggs!" and not be profoundly affected * * *.

Who are these people? Who are these thousands of "ham and eggers" who never tire of hearing the gospel of purchasing power expounded according to St. Warrant, who never lose their willingness to trade pennies in hand for $30 warrants in a Thursday bush?

Who they are, what they are, and, most of all, why they are—these are questions that California cannot afford to let go unanswered. You can laugh off "screwball economics" and you can laugh off "funny money"; but you can't laugh off 1,000,000 votes, no matter how much laughing gas you take. * * *

Obviously it's impossible to interview even the one hundredth part of the 331,000 enrolled members of the California pension plan to get such a picture of the typical and average "ham and egger."

But an afternoon spent casually chatting with 10 or a dozen specimens selected at random from the Sunday afternoon crowd at the shrine provides a pretty fair slant on what kind of people have gone in for "ham and eggs," and what kind of thoughts are buzzing around in their bonnets.

One thing becomes quickly apparent: These "ham and egg" people aren't all on relief, as some persons would like to believe. Parked around the shrine on Sundays are plenty of 1938 and 1939 cars with "$30 Every Thursday" plastered on them just as prominently as on the old "jalopies." * * *

A sublime faith—a demonstration of the power of wishful thinking virtually unprecedented, even in politics—characterizes the "ham and egg" rank and file.

They are the dispossessed, searching through the wilderness for a better way of life, and, though they be many stages removed from the actual pinch of poverty—two rank and filers put up a $70,000 property bond when Willis Allen was sued last week—all of them feel that somehow the present economic set-up doesn't provide a square deal.

The "ham and eggers" aren't "alien agitators," "Communist dupes," "dangerous radicals," "subversive revolutionaries." They're ordinary American people, with ordinary American backgrounds, and they salute the flag and sing Glory Hallelujah with equal fervor.

The heart of the proposal which has drawn these people together is almost universally misunderstood. True, State warrants are proposed to be issued in an amount large enough to pay $30 in such warrants to everyone in the State over 50 years of age every Thursday morning. But each week a 2-percent tax is levied against all outstanding warrants and they are to be redeemable at the end of 52 weeks in United States money raised by this tax. "No increase in total buying power there!" someone exclaims. To which the "brains" of the "ham and eggs" movement will answer, "But we are putting into circulation a nonhoardable currency that will turn over far more rapidly than the money we are now using. That is our real purpose."

Other people beside "ham and eggers" have been thinking about that same purpose.

Will it win in the special California election? Will it work if it does win?

These are questions only the future can decide. But this much is certain. A national system of pensions for the elder citizens of America and a reform of the Nation's monetary system to bring it in line with the requirements of the age in which we live—these are going to come.

The task of statesmanship is to see that they come soon enough and in sound enough form to prove what every American wants with all his heart to prove—that our system of government and our way of life are more than a match for any yet devised on the face of this earth.

The Decline in American Exports of Cotton to the United Kingdom

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

LETTER FROM WILLIAM H. CLIFF

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter recently received by

me dealing with American exports of cotton to the United Kingdom.

BOSTON, MASS., *June 28, 1939.*

Hon. ALLEN T. TREADWAY,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN TREADWAY: The decrease in sales of our raw cotton to Great Britain is of real moment to this country, and it is very likely that a large factor in the cause for such decrease is the trade agreement consummated last March between the United Kingdom and India. In case you have not seen copy of same, you may be interested in having the wording of paragraph 2, article X, of said agreement, which reads as follows:

"His Majesty's Government in the United Kingdom undertake that they will continue to use all possible efforts in commercial interests to stimulate the consumption of Indian cotton in all possible ways, including technical research, commercial investigation, market liaison, and industrial propaganda. They have taken note that it is the desire of cotton growers in India that as much as possible of their production of short and fair staple varieties of cotton should be absorbed in the United Kingdom. They have also taken note, and invite the Government of India to take note, that the Lancashire Indian Cotton Growing Committee, set up by His Majesty's Government in the United Kingdom to stimulate the consumption of Indian cotton, have expressed their sympathy with that desire and their intention to take all practicable steps to assist in its fulfillment. It is recognized that the fulfillment of the foregoing objectives largely depends on the continued pursuit by all interests concerned in India of the policy of improving the quality and staple of Indian cotton exported to the United Kingdom by all practicable means."

England has been for many years our largest export outlet for this product. She was so anxious to get our raw cotton that as far back as the Civil War she threatened to become embroiled in that strife. In her agreement with us, which became effective January 1, 1939, she graciously consented to continue to take that product free of duty. She thereby, in her usual diplomacy, kept the door open for our raw cotton, but she will take only sufficient to fill her excess requirements.

It is quite possible that our sales to her will eventually reach the vanishing point, because in the paragraph quoted above she has agreed to preserve her market by propaganda and other means for the benefit of India. In that pact, which was consummated less than 3 months after the one with us had become operative, she agrees to import Indian cotton in the following quantities: The current calendar year 500,000 bales, next year 550,000 bales, and all subsequent years 600,000 bales. Our sales to her, during the first month of this particular agreement, dropped over 10,400,000 pounds, which decrease resulted in a loss in excess of $600,000 to the American cotton grower.

Naturally, with her buying short and fair staple cotton in huge amounts from India and the long-staple variety from Egypt, plus additional purchases in Brazil, the outlook for our cotton grower is very dubious. Because of these purchases and on account of our reduction of duty on cotton fabrics, she is now in a position to flood the American home market with her manufactures of cotton. For instance, prior to the first of the year, when our duty was 44½ percent, English cotton broadcloth sold in the domestic market at 58 cents per yard. Now, with the duty reduced to 36 percent, it is selling for 34 cents per yard, while prices on comparable American fabrics range from 53½ to 56½ cents per yard. It is only a question of time when the American mills will of necessity buy less and less American raw cotton from the American grower.

With warm personal regards, I am

Sincerely yours,

WILLIAM H. CLIFF.

Religious Liberty Versus Religious Intolerance

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

ARTICLE BY HON. CLARENCE J. McLEOD

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by the gentleman from Michigan, Hon. CLARENCE J. McLEOD:

[From Liberty, third quarter, 1939]

RELIGIOUS LIBERTY VERSUS RELIGIOUS INTOLERANCE

(By Hon. CLARENCE J. McLEOD, Member of Congress from Michigan)

In a world suddenly gone beserk it is indeed gratifying to Americans that each of us may be the governor of his choice of religious beliefs; that we are part of a nation whose Creator is steering us safely through the muddy rapids that are crammed with the flotsam and jetsam of paganism, hereticism, atheism, and the propaganda of false gods. We all are, I believe, truly grateful that it has been our lot to be cast under the sheltering arms of a government that abhors intolerance and bigotry; one that permits no man through legislation to condemn or ridicule another because of his religious beliefs. That, in my humble opinion, is the important and essential principle of religious liberty.

GRADUAL DEFEAT OF INTOLERANCE

Because Americans have been so fortunate in this respect, it sometimes is difficult for them to realize that there was a time, for a period of many long years, when their forbears, the first American settlers, did not believe in such a principle of religious liberty. Even a hasty glance at recorded history will give them cause for astonishment.

When they read that New York, over 150 years ago, under its charter of rights, purported to grant freedom of religion to Christians only; that Maryland, founded by the Catholics, barred from religious liberty the Unitarians and all other Christian sects that did not believe in the Trinity, as well as Jews and Mohammedans; that up until 1784 Virginia recognized only the established Church of England; that in New Jersey, political privileges were withheld from Catholics; and that in Pennsylvania a statute read: "All public officers must declare and subscribe to their disbelief in transubstantiation, the adoration of the Virgin Mary, and the sacrament of the Romish mass as superstitious and idolatrous," they will wonder at the intolerance and short-sightedness of the Colonists.

As they read on through the undimmed pages of early American history for a possible lead as to why intolerance finally was exchanged for religious liberty, they will discover the story of Rhode Island's tenacity and determination—the result of Roger Williams' teachings—in refusing to ratify the Constitution of the United States until some guaranty was given that freedom of religious belief would be granted to all the States.

The letter that accompanied Rhode Island's ratification occupies, and will continue to occupy, a place in the archives of great documents. In spite of its brevity, that statement sets out the basic principle behind the first amendment to our Constitution, which declares that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." It follows:

"That religion, or the duty which we owe to our Creator, and the manner of discharging it, can be directed only by reason and conviction, and not by force or violence, and therefore all men have an equal, natural, and unalienable right to the free exercise of religion, according to the dictates of conscience, and that no particular religious sect or society ought to be favored, or established by law in preference to others."

So far as the United States is concerned, the battle for religious liberty has been won. At no time since the inclusion of the Bill of Rights in our Constitution in 1790 has there been any successful attempt to overthrow that liberty. It is true that at various times since 1790 the religious liberties of certain sects have been threatened by other groups, but in no instance have such liberties been usurped completely or for more than a short space of time.

The story of religious liberty has been covered in this worthy periodical on numerous occasions in the past by far more able writers than I, and there can be little doubt that others will express their views in future issues. It is well that so many Americans have fought and will continue to fight for the retention of religious liberty. It is most important that our fellow countrymen constantly be reminded of their sacred heritage, their good fortune in being able to lay claim, among many other valuable things, to complete religious freedom.

POLITICAL "ISMS" AND RELIGIOUS LIBERTY

As we glance at the troubled world which lies about us, we are, I believe, more and more impressed with the grim and sinister aspects of conditions abroad. If we are to protect and retain our liberties, it is necessary that we always be on the alert and keep an eye open for anyone who would scuttle our civil and religious liberties for some other system of human management. In keeping our eyes trained for such invaders we should remember that the foundation of Americanism is class, racial, and religious tolerance; that the foundation of nazi-ism and fascism is religious hatred; and that the foundation of communism is class hatred. Our philosophy of government is based upon belief in God as the Supreme Ruler of the universe; nazi-ism, fascism, and communism are pagan philosophies of government which either deny, as in the case of the Communist, or ignore, as in the case of the Fascist and the Nazi, the existence and divine authority of God. Since nazi-ism, fascism, and communism are materialistic and pagan, hatred is encouraged, whereas the very essence of Americanism is tolerance.

The workings of the Communist Party in this country are well known by the great majority of Americans. In recent months their strategies and plans for the overthrow of the American system of government and the substitution therefor of a proletarian system, and their activities among the American labor class to engender class hatred, have been made public and are now a matter of common notoriety.

Without attempting to touch upon the communistic principle of distribution of wealth and property, and taking into consideration the attitude of the Communist Party toward religion only, the testimony of William Z. Foster, twice candidate of the Communist Party for President of the United States, before the Fish committee, is indicative of the danger which constantly is lurking in the background, awaiting an opportunity to overthrow and abolish religious freedom in this country:

"The CHAIRMAN. Does your party advocate the abolition and destruction of religious beliefs?

"Mr. FOSTER. Our party considers religion to be the opium of the people, as Karl Marx has stated, and we carry on propaganda for the liquidation of these prejudices amongst the workers.

"The CHAIRMAN. To be a member of the Communist Party, do you have to be an atheist?

"Mr. FOSTER. In order to be—there is no formal requirement to this effect. Many workers join the Communist Party who still have some religious scruples, or religious ideas; but a worker who will join the Communist Party, who understands the elementary principles of the Communist Party, must necessarily be in the process of liquidating his religious beliefs, and, if he still has any lingerings when he joins the party, he will soon get rid of them. But irreligion—that is, atheism—is not laid down as a formal requirement for membership in the Communist Party.

"The CHAIRMAN. Can members of the Communist Party in Russia be married in the church and maintain religious beliefs of that nature, and practice them?

"Mr. FOSTER. My opinion is that a member of the Communist Party of the Soviet Union who would be married in a church would not be of any value to the Communist Party.

"The CHAIRMAN. Could he maintain his membership in the party?

"Mr. FOSTER. He would not.

"The CHAIRMAN. He would be put out of the party?

"Mr. FOSTER. Eventually, if not for that specific act.

"The CHAIRMAN. Would it not be the same in this country?

"Mr. FOSTER. As I stated before, workers who would be so imbued with religious superstitions that they would be married in a church would be of no value to the Communist Party.

"The CHAIRMAN. And the same thing would happen to them in this country that happens to them in Russia?

"Mr. FOSTER. Of course."

If this testimony signifies anything, it signifies that ahead there are new battles to be fought toward the maintenance of religious liberties. The tortures suffered in past centuries, and the accumulation of blood spilled in the never-ceasing battles for religious freedom, it appears to me, are ominous precursors of what is yet to come.

It still is the cry of "right over might." How long it all will go on and what the result will be, I cannot venture to predict. This I know: Men are human, and regardless of their powers in this world, they must some day die; but faith will live on forever in spite of the widespread attempts to abolish man's God-given rights of free will and free thinking.

Our Relations With the Philippines

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

ARTICLE FROM THE PHILIPPINE-AMERICAN ADVOCATE

Mr. ALEXANDER. Mr. Speaker, pursuant to my resolution offered on May 19, calling for the appointment of a committee to study our relations with the Philippines, I herewith ask consent of the House to publish in the RECORD an article by Porfirio U. Sevilla, publisher of the Philippine-American Advocate and a critic of Quezon's administration.

This editorial brings sharply to the attention of the world the critical condition facing American relations in the Orient during the present Japanese campaign of Asiatic conquest.

The editor of the Philippine-American Advocate indicts the Philippine government, controlled by President Quezon, for collusion with Japanese-Spanish interests against the interests not only of the Filipinos but the peace of the United States.

The Advocate speaks for an independent Filipino league, representing the view and sentiment of a large minority headed by General Aguinaldo, and the veterans, the Right Honorable Juan Sumulong, the brain of the opposition leaders in the Philippines today; General Alejandrino, the director of the Popular Front; and various other independent opposition groups and leaders. Such a crisis warrants prompt investigation by Congress that we may be prepared to meet any emergency that may arise.

Publisher Sevilla's editorial is as follows:

CONGRESS MUST GET RID OF QUEZON BEFORE HE EMBROILS THE UNITED STATES—WHY I OPPOSE THE REGIME OF PRESIDENT QUEZON

(By Porfirio U. Sevilla, publisher)

For many months now the Advocate has conducted a publicity campaign against the present administration of the Philippine government. This campaign is devoted to a public cause—the dearest cause in the world to the patriotic people who are the subjects and victims of an exploiting government.

The time has come for a frank statement in review of the grounds on which our fight is based. It is high time that the two peoples most deeply interested—first of all, the 18,000,000 people of our Pacific archipelago; and, second, the people of the United States, who for over 40 years have been our best friends on earth—knew definitely the ground of our publicity fight in precise terms.

I am opposed to the administrative regime of President Quezon:

1. Because it places in increasing jeopardy, month after month, the liberty and national security of the Filipino people, even to the point of threatening their future independence and national existence when the Independence Act casts them upon the mercy of Providence.

2. Because the outstanding achievement of the Quezon administration has been to tighten the strangle hold of the armed "Machiavelli of the Pacific," who has already devastated the neighboring mainland and is now perfecting his "encirclement" of the Philippines.

3. Because outstanding executive acts and legislative measures have worked to increase Japanese immigration, Japanese land ownership, Japanese industrial and shipping control, and even Japanese political influence in the land of the Filipinos seeking national independence.

4. Because President Quezon, through his political managers (and by apparent Japanese influence), is at this hour seeking to prolong his official tenure in power beyond the lawful period by emasculation of the Constitution. And he is doing this in violation of his preelection pledges to the people who entrusted him with a single 6-year term in office. In a word, he is following in the well-trodden path of the dictators of the Old World.

5. Because the foremost interests which he serves are not those of his native land but foreign capitalistic and militaristic interests seeking control of the Philippines for their own aggrandizement. The people of the Philippines are the pawns and their lands are to be the recruiting ground for foreign exploitation—as was the case before the United States came to their rescue.

6. Because the Quezon administration, through collaboration with foreign aggressive interests, threatens by gradual monopoly of all governmental powers, eventually to so entangle the Philippines in the foreign network, that the only way for escape is war, and a war of national suicide. How long would our long-sought Philippine independence last after the guns of the battleships from the north hove in sight on Manila Bay?

7. Because one more term of Quezon would cost us the loss of our one great friend—the United States—which in 1898 saved us from Spanish barbarous and despotic rule and, during the past 40 years, has expended $800,000,000 for our economic development, roads and bridges, sanitation and education, and all that goes to embellish civilized life.

8. Because the Quezon administration is on closer terms with the Government of Fascist-Nazi Japan than with the patriots of our own people and is working harder for the capitalistic foreign monopolists than for the workers in our fields and the people in our homes. Where does Quezon go when he is photographed at a state banquet—to the Filipino homes or to a palace in Tokyo?

9. Because Quezon's appointee to the high position of Resident Commissioner in the Congress of the United States, in the person of Spaniard Joaquin "Mike" Elizalde, who is not a Filipino, but a capitalist from the royalty period of Spain; who actually served 5 years in the Spanish Army; a man who has a corporate interest in a good share of the monopolies which rob the Filipino producer and workingman. Why can we not have a Resident Commissioner devoted to the rights and interests of our country, a Filipino patriot like the veteran General Aguinaldo? Why? Because Quezon is on the job. And he proposes to extend his control of that job—even if he has to override or emasculate our constitution.

10. Because Quezon is so blind to patriotic service and so deaf to the appeal of patriotic duty that he has moved to abolish the pension of Gen. Emilio Aguinaldo and other Spanish-American war veterans opposed to the Quezon administration. He abolishes the pensions of Filipino veterans and extends special privileges to the foreign monopolists and Japan.

11. Because the Quezon administration and the so-called Quezon national assembly is filled with pro-Japanese officeholders and attorneys and agents of Japanese landlords and commercial interests. Quezon, himself, is too closely associated with the Japanese, and even Quezon's secretary and his chief of staff, his appointees to departments, and a dozen at least of his assemblymen working in his interest, are known to have Japanese affiliations. A New York Times correspondent reports that "three-fourths of the members of the Philippine National Assembly are on the books of Mitsui, O. S. K., Furakwaa, and other big Japanese credit-extending companies, as 'legal counsel.'"

12. Finally, because further extension of the Quezon bureaucracy in dictatorial power, like that of the pro-Spanish Fascist-Nazist powers abroad, points to the day when the people of the Philippines may be without power in their own native land—without power and

without inalienable rights in their own country. They will be peon subjects of capitalist and militarist powers under foreign flags. What then will be the destiny of Philippine independence? The first step in government for true Philippine independence is, get rid of Quezon. And the second step is, put out of office the Quezon gang.

A few weeks ago, at the hearings in the United States Senate, one of the stanchest friends of Philippine independence, Senator WILLIAM H. KING, who has worked 20 years in the Philippine cause, made this statement concerning the present situation in Asia and the Philippines—a statement that all thinking readers know to be conservative:

"At that time (when the Independence Act passed the Senate in 1934) some of us believed—I among the number—that Japan was entering upon a democratic development. I was mistaken. She has demonstrated that she seeks dictatorial authority. She seeks the conquest not only of China but perhaps of the Orient."

And the footstool of Japanese dictatorship of the Philippines is the Quezon administration. Quezon, as shown by his official appointments, his legislative measures, his visits back and forth between Manila and Tokyo, and between Manila and Berlin, has demonstrated to the profound conviction of those who have followed his steps, that he is the monkey for pulling Japanese, Spanish, and Nazi chestnuts out of the fire. What else could he have done, that he has not done, to advance the interests of a foreign dictatorship over the Filipino people?

If his political regime is not part and parcel of the Spanish-Japanese entente, why is it that the Quezon assembly is aiding Japanese immigration and landowning in the Philippines, so that the Emperor of Japan may at an early date follow the example of Hitler and take over the country held by its nationals? Quezon and his organization are in effect making Luzon and Mindanao a "Sudetenland" for the Asiatic Hitler of the north—the Emperor of Japan.

Why is it that all of the iron ore and most of the manganese, coal, and chromium of Mindanao go to Japan? Why is it that the 20,000 Japs of Davao Province own 70 percent of the land and abaca production? Why is it that 95 percent even of Davao's exports to the United States are handled by Japanese commercial agents? Why is it that 70,000 Davao natives are dependent upon Jap enterprises?

Moreover, why is it that the Quezon assembly has such Japanese-minded representatives as the following people of known affiliation with Japanese enterprises; for example:

Assemblyman Juan T. Alano, of Davao (70 percent Jap control).

Judge Benito Natividad, of Davao (Jap "Sudetenland").

Assemblyman Maximo Kalaw (president, Japanese-Philippine Society).

Ex-Assemblyman Romualdo Quiempo, of Davao (Japanese land interest).

Ex-Governor Sarinas, of the Davao Japanese Province.

Assemblyman Pedro Sabido, attorney for Jap interests.

Quezon's Secretary Vargas, associated with Jap lumber interest.

(Secretary Vargas also acts as head of the Commonwealth of the Philippines when President Quezon is abroad, disregarding constitutional powers and rights of Vice President Osmena to hold the position as acting President in the absence of the President, usually recognized in a democratic government, particularly with the present set-up of the Tydings-McDuffie Act.)

The Davao-Japanese scandal reached the point that High Commissioner McNutt held an investigation of the land-lease scandal involving rich Japanese landholders.

Also, consider the appointment of Spaniard Joaquin "Mike" Elizalde, making the Philippines safe and powerful for the Spanish interests, competing with the best interests of the Filipino people.

The Philippine Civic Union pictures the Philippine plight under the Quezon regime with the following graphic symbol: "The Philippines—for Japan?"

There is yet another phase of the Philippine-Japanese struggle that is full of near-future complications. The Sino-Japanese conflict in its monthly broadening radius of activity may yet develop until the Filipino finds it not a foreign issue but an internal racial issue.

The Quezon administration reports no census of population statistics showing the comparative number of Japanese and Chinese and Filipinos for the Philippines up to date. Officially the population is around 12,000,000, although a complete census is likely to extend that figure to 18,000,000.

This much is known, however, regarding Japanese and Chinese industrial and commercial control. Of the two great industries, abaca and rice, the Japanese control the abaca industry, one of the chief sources of income from commerce, and the Chinese control the rice industry, which is the chief source of food. Both Japanese and Chinese are large factors in all minor local industries.

Though Filipinos constitute the majority of the rice farmers, 75 percent of the 200 rice mills that mill and market the bulk of the crop are owned by the Chinese, just as 70 percent of the abaca (manila hemp) industry is controlled by the Japanese and Spaniards.

The Philippines themselves, therefore, have all the "makings" for a Sino-Japanese contest within their own boundaries. One of the reasons why the Japanese Government is so anxious to extend the power of Quezon, and by a controlled "plebiscite" hasten the day of so-called "independence" is undoubtedly in order, as quickly as may be, Japanese sovereignty over the Chinese may be demonstrated in the Philippines.

The visits of Quezon to Berlin and Tokyo, and the recent return visit of a German official party stopping at Manila on its way to Tokyo, may be the educational preliminaries in order that Dictator Quezon may handle the Japanese "Sudeten" cases as wisely and efficiently as even Adolph Hitler.

If the Japanese follow their Asiatic mainland policy in "cracking down" on the Chinese of the Philippines, the Filipino people may yet see, if they extend the power of Quezon, that their main food crop, rice, has passed under the control of Japan.

Japanese encroachment, under the helpful auspices of Quezon, already extends in the following fields of national development—Japanese immigration, Japanese commercial and banking enterprise, Japanese industrial and shipping control, and, above all, Japanese political and governmental control. All that Japan now needs is food control of the Philippines, and Japanese domination over the Chinese may be the major step to that end.

Therefore, I repeat: There is no hope for Philippine independence until the Filipino people wake up to the realities—and get rid of Quezon.

In view of the above, we feel justified in asking the Members of Congress to vote "yes" to H. Res. 198.

Views of Gov. A. Harry Moore, of New Jersey, On an Ideal W. P. A. Program

EXTENSION OF REMARKS

OF

HON. EDWARD J. HART

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

LETTER FROM HON. A. HARRY MOORE, GOVERNOR OF NEW JERSEY

Mr. HART. Mr. Speaker, on June 7, 1939, Hon. A. Harry Moore, Governor of New Jersey, addressed a letter to Hon. EDWARD T. TAYLOR, chairman of the House Committee on Appropriations, setting forth his views of the chief essentials of an ideal W. P. A. program.

Governor Moore is the first man in all the long history of New Jersey to have been selected by its people as their Governor for the third time. He has directed the affairs of the State both in prosperous times and in times of depression. No man in the United States is better qualified to discuss the difficulties facing the States during these parlous days and what relationships should exist between the States and the Federal Government with the larger view in mind of the welfare of the people of the States.

Because of his ability and experience and his wide knowledge of the problem involved, I submit herewith the letter above referred to:

STATE HOUSE,
Trenton, N. J., June 7, 1939.

Hon. EDWARD T. TAYLOR,
Chairman, Committee on Appropriations,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN TAYLOR: As I said I would in my telegram of May 15, I have prepared my views in respect to the W. P. A. and the participation of the Federal Government in providing jobs for the unemployed on the basis of our experience with the work program and with the problems it is intended to solve.

To summarize at once, I should say these are the chief essentials of an ideal W. P. A. program:

(1) It should provide employment for all of the needy and employable unemployed—not just part of them.

(2) It should apply a needs test periodically to be sure that none but needy unemployed is given work.

(3) It should accept only those projects, among all proposed, which constitute the greatest possible asset to the greatest possible number of persons.

(4) It should provide for sponsors' contributions within the limit of what sponsors can afford to pay, and

(5) It should provide that a schedule of expenditure and employment, once launched, shall not be jeopardized by changing Federal regulation and policy.

I do not contend that your committee can devise a program perfect in all these particulars as easily as I and other Governors may advocate it; but I do sincerely recommend that you test each clause proposed in work-relief legislation by asking whether it would contribute toward such a program as I have outlined.

I shall discuss separately the essentials I have enumerated.

All-inclusive employment: Such a program is fully justified in our Federal policy. This administration has contended throughout its incumbency that national unemployment, caused by a national catastrophe, is a national problem—not the problem of any political

subdivision. But the Federal Government has never assumed and is not now assuming this readily admitted obligation. The W. P. A. in New Jersey employs about 80,000 of our 120,000 needy employables, representing family units comprising 436,800 persons, leaving the other 40,000 to be cared for by the State and the municipalities.

This lag exercises an ill effect upon State and municipal governments, upon industry, and finally upon national welfare. These 40,000 persons cause an undue strain upon the finances of the State and the municipalities, already overburdened with direct relief, unemployment compensation, widows' pensions, and similar subsistence payments. Being unsalaried, they are nonpurchasers, to the detriment of industry and consequently to the detriment of a nation whose economic welfare depends upon industry's capacity to recover in a measure, then employ and pay, then sell to persons paid. Industry cannot achieve this first step toward recovery without buyers, and persons on direct relief are hardly buyers. Until it achieves a first stride toward recovery, industry cannot employ and pay, and until it employs and pays it can have no market to sell to.

I therefore recommend a W. P. A. program which really cares for the persons it should care for, according to a clearly pronounced and nationally approved Federal policy.

Periodical needs tests—on first glance it would appear that an all-inclusive employment program is a means of keeping as many persons as possible on relief, and that recurring needs tests are a means of keeping as many as possible off relief, so that to ask for both would seem contradictory.

There is actually no contradiction involved. Putting all needy employables on the pay rolls now is the best way to get them off eventually; it helps to create a place for them in industry. Keeping persons who are not needy off the W. P. A. pay rolls helps greatly toward putting on all those who are needy.

The needs test lately applied took 2,016 persons off the W. P. A. here. Under an all-inclusive employment program this would take 40,000 cases, representing family units comprising 128,000 persons, off direct relief; put them on the W. P. A. and make purchasers useful to industry of them, relieving the State and the municipalities from paying able persons to do nothing, and at the same time benefit industry. This appears to me to be definitely worth while.

Strict review of projects: Just as we should get all the relief benefit possible out of work relief, so should we get all the material wealth out of it that is possible. It is not enough that a project should create something useful; it should create that which, among many possibilities, will be most useful to most persons.

This implies no criticism of the municipalities, which sponsor the bulk of our projects or the W. P. A., which carries out the work. Both do remarkably well, considering the hindrances to better selection of projects.

Chief among these hindrances is a lack of machinery for encouraging cooperative sponsorship among municipalities. Where town borders town, as they do throughout the suburban East, there is as much need to create or improve jointly used facilities, such as community sewage systems, consolidated school buildings, through highways, miles of beach, fronting many towns, etc., as there is to create or improve separately used facilities.

It is obvious that in such joint undertakings there must be a central authority, and it is natural that each municipality should insist upon exercising that authority if it is to take part in the project. Consequently, many joint projects, superior in every respect, are discarded in favor of less beneficial undertakings simply because these may be sponsored by a single municipality.

To remedy this I suggest that the W. P. A. be empowered to cooperate with a State W. P. A. authority designed to facilitate joint projects.

Adjusted sponsors' contributions: Advocates of higher sponsors' contribution to work relief argue that the Federal Government cannot spend at its present rate without exceeding its legal debt limit or establishing higher limitation by act of Congress. They reason against such spending as if we had but to choose whether to spend or not to spend. Actually, no such easy choice is open to us. We shall spend of necessity, and even overexpend, so long as the life of our people depends upon it. The actual question is whether the Federal Government or the separate States shall overexpend.

In my opinion it is better for the Federal Government to overexpend, creating one financial problem to be solved by national action and with the whole national resources, than for the 48 States to overexpend, creating 48 financial problems, each to vex a Federal Government that has neither power nor precedent to apply a uniform solution, nor to bring the whole national resources to bear.

The Federal Government, having tapped almost every source of taxation, leaves the States no alternative but to pyramid tax upon tax.

Uninterrupted employment program: It appears to me desirable that a sponsoring agency should feel reasonably certain, once its program is approved by the W. P. A., that change without notice shall not cancel this approval. It is understandable that an organization so vast and new as the W. P. A. should, during its first years, have to experiment a great deal with procedures, but many of us hope that after 4 years of experience in Federal work relief the W. P. A. will be able to proceed more smoothly than it has in the past. Government, also, could do with a little confidence.

Sincerely yours,

A. HARRY MOORE, *Governor.*

H. R. 4331—Binderup-Voorhis Monetary Control Bill Explained

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

ARTICLE BY WILLIAM T. FAULKNER

Mr. LEAVY. Mr. Speaker, under leave to extend my remarks, I am placing in the RECORD an article written by William T. Faulkner in reply to Miss Gertrude M. Coogan's criticisms of H. R. 4931, known as the Binderup-Voorhis Monetary Control Act, which act is based on the 100-percent reserves for demand deposits, as advocated and outlined by Dr. Irving Fisher, one of the world's greatest monetary authorities. The article follows:

As one follows the gyrations of the money question through its many ramifications it becomes more and more apparent why no real and effective remedial legislation is possible of enactment. No sooner does one self-styled "monetary expert" publish his views, and a proposed solution, than another equally able authority starts shooting the proposal full of holes. What possible hope can exist in the minds of men for a satisfactory solution of this fundamental question until these experts get together and agree on a common working basis and then all pull together for the same program? Is it any matter for wonder that conscientious Congressmen who have not made any detailed study of this question refuse to act in any way when they are confronted, with such a diversity of ideas among those they feel should know something about the subject?

On March 10, 1939, Congressman VOORHIS introduced a bill in the House, H. R. 4931, known as the Binderup-Voorhis Monetary Control Act of 1939, which was referred to the Committee on Banking and Currency. This bill is practically a rewrite of a bill which ex-Congressman Binderup had in the Seventy-fifth Congress and, on the whole, has evoked the acclaim and active support of most monetary-reform students. Very few perfect bills have ever been enacted, practically every original act has been amended, some many times, to meet unforeseeable conditions and it is very doubtful if the sponsors of H. R. 4931 ever felt that this bill would prove 100 percent satisfactory. However, its enactment would certainly be a step in the right direction and would place the control of money, its issuance and regulation, in the hands of Congress where the Constitution (art. I, sec. 8) says it shall reside.

The first adverse comment on H. R. 4931 which the writer has seen was offered by an eminent monetary reform student, Miss Gertrude M. Coogan, in Central Northwest Topics, of June 1 and June 8, 1939. In her analysis of the bill, Miss Coogan states that it does not "provide for resumption by Congress of the power to coin money, regulate the value thereof, and of foreign coin." Section 6 (a) of the bill says, "The Board is hereby authorized and directed to use any or all of its powers to bring about and maintain full employment and a stable buying power in the dollar." Section 6 (b) authorizes and directs the Board to purchase with lawful money "direct or guaranteed obligations of the United States" and continue this policy "until such time as a condition of practically full employment has been attained or until the buying power of the dollar has been restored to the average level held by it in the year 1926." Section 6 (c) provides that when the objectives named in section 6 (b) have been attained the Board shall "use any or all of its powers to maintain" those conditions. Section 6 (d) orders the Board to promptly notify the Congress and the President "with recommendations for appropriate legislation" if it ever finds its powers are insufficient to fulfill its mandate. Section 7 provides for a sufficient flow of new lawful money to maintain "the productive capacity of industry, agriculture, and commerce," in an expanding population and, in the event of threatened undue inflation the Board is mandated to sell United States obligations in sufficient amounts to absorb any surplus floating funds. Does Miss Coogan expect the Congress to sit as a committee of the whole every day in the year and thus "regulate and coin" our money? Or, is it just as effective to have a Board operating under mandate perform those functions? What more can the Congress do to "coin money and regulate the value thereof" than is provided for above?

Miss Coogan says the bill "does not end the existing dependence of the United States upon a privately created and destroyed bank credit." Section 1 provides that the Secretary of the Treasury purchase the Federal Reserve System of banks, lock, stock, and barrel, "it being the intention of this act to vest in the Government of the United States the absolute, complete, and unconditional ownership of the said Federal Reserve banks" and further, all earnings of the Federal Reserve banks "shall be paid into the

general fund of the Treasury." Would there be anything private about such a set-up?

Miss Coogan says: "It does not provide a dependable medium of exchange not based on debt." Section 2 (a) of the bill says: "The Board of Governors of the Federal Reserve System is hereby constituted the monetary agent of the Congress of the United States to regulate the value of the money of the United States in accordance with article I, section 8, of the Constitution of the United States, and for this purpose the Board shall have sole power to issue all lawful money of the United States." The bill does not say that the money issued by the Board must be backed by bonds, gold, or silver to be lawful. In the absence of such a mandate any money issued by the Board would be lawful money within the full meaning of the Constitution and would have the credit of the entire Nation back of it. By what stretch of the imagination would such money be "based on debt"? It would be exactly similar to the greenbacks issued by Lincoln, still in circulation, and to which Miss Coogan refers in her article of June 8.

Miss Coogan says, "It does not get rid of the Federal Reserve Act or System or the National Bank Act." Yet section 8 of the bill states: "All laws or parts of laws in conflict with this act are hereby repealed." Could language be clearer or more explicit? Or is Miss Coogan objecting because the Binderup-Voorhis bill retains the name, machinery, and physical plant of the present Federal Reserve System of banks? In her book, Money Creators, Miss Coogan makes the point that the present system is Federal in name only; enactment of this bill would make it Federal in fact as well as in name.

The bill does not contain any implication to the effect that either gold or silver has any "unit of value" in our domestic economy. It does provide in section 2 (j) that "the Board shall purchase at a price to be from time to time fixed by it any or all gold which may be offered in the domestic market." Also, "The Board may purchase or sell gold, silver, foreign exchange, and/or obligations of foreign governments (as it may deem necessary) to promote stability in the buying power of the dollar, to protect foreign commerce against the adverse effect of depreciated foreign currency, and/or to carry out the purposes of this act." This section continues with detailed instructions on the use of gold and silver in international transactions only and closes with the clause: "All laws or parts of laws in conflict with this subsection are hereby repealed." Until gold and silver are formally abandoned (as they probably will be before very long) by nations as a medium for settling international balances, and we revert to international barter (as some nations are already doing because we have their gold) gold will continue to be used for this purpose. Should this bill be enacted, all further use for the stabilization fund will be eliminated. Its functions would be taken over by the Board.

It is rather difficult to ascertain Miss Coogan's point that this bill does not attack the present stagnation in investment of private capital. It would be rather interesting to learn just how the Congress could constitutionally mandate the investment of private capital. Private capital is stagnant today because its owners are too much afraid of future Federal tax legislation.

American farmers are losing their home markets because of our "good neighbor" reciprocal trade treaties, which are being drawn in favor of our munitions makers and mass-production industries at the expense of our agricultural producers and not because of "adverse foreign exchange ratios." Having a monopoly on the world's monetary gold, we can only "sell as we buy," and our farmers are being offered up as a national sacrifice on the altars of big international business and good neighborliness.

Miss Coogan says this bill "does not take away from local banks the power to create bank credit as loans to Government and to 'buy' Government bonds with their bookkeeping entries," yet section 3 states that within 1 year after the passage of the act all commercial banks shall place their "demand" deposits on a 100-percent basis, hold such deposits in trust for the depositors, but that banks having a part of such deposits invested in Government obligations 3 months after the bill is enacted may continue these investments, but not increase them after that date. It is further provided that the Federal Reserve shall redeem such obligations at not less than par, as the owning bank may elect at any time. The Federal Reserve System, under this act, would be an instrument of Government under the direct control of the Congress. It would, itself, buy with lawful money any Government obligations offered for sale, and all profits accruing would revert to the United States Treasury.

The bill provides that any member, excepting the ex officio member, may be removed at any time by the passage of an appropriate resolution by the Senate and House of Representatives. Yet Miss Coogan says the House has absolutely no control over the acts of the Board. The power to remove any or all members at any time would certainly indicate to this writer that the Congress, including the House, retains at all times absolute control over the acts of the Board.

The bill contains no provisions empowering the President to order the Board to do anything, Miss Coogan's assertion to the contrary notwithstanding. The Board itself is empowered to set the price from time to time, which it will pay for gold and silver; this is an unlimited power and may be set so low as to absolutely discourage future offerings. The same provisions obtain with respect to the purchase and sale of foreign obligations, so here the President is in no position to order any transaction.

Miss Coogan says: "The decisions of the Board * * * shall be absolute and final." Let's see just what those asterisks stand for: The bill says, "The decisions of the Board as to all questions relating to the purchase and sale of foreign exchange and the exchange of currency for gold or silver in such international transactions shall be absolute and final." Is there any intended misleading impression here? Surely no Board member is going to jeopardize his job and reputation by committing any act which would likely cause his removal by Congress. Decisions affecting international trade change from day to day and, under certain conditions, from hour to hour; who would or could more logically than the Board make these decisions?

The banking business, like all big business, is now conducted on a national scale; State boundaries mean no more to any bank than they do to our communications systems. Is there any good reason why it should not be subject to Federal regulation? Under this bill, should any bank be so foolish as to voluntarily restrain its activities to an intrastate basis it would not long remain in the banking field. The courts would soon settle any argument on the constitutionality of this line.

Section 3 (c) does not prohibit private capital from engaging in banking in the future, should this bill be enacted. This section provides that at the expiration of 1 year any bank whose demand deposits are not on a 100-percent basis may sell to the Reconstruction Finance Corporation "so much of its other assets as may be necessary" to place it on a 100-percent basis or "such bank may at its discretion" increase its capital stock and sell this new stock to the R. F. C. There is nothing to prevent it from selling this new stock to any private investor who is willing to buy it.

Section 3 (f) says: "The Board shall establish and enforce uniform rules and regulations for the withdrawals by depositors from funds from the savings- and time-deposit departments of all banks subject to its jurisdiction." Did Miss Coogan ever hear of anyone being obliged to wait 30 days for their money from a savings bank under our present set-up? All such banks reserve this right and all have exercised it at one time or another. And does she know of anyone who would have more than they possess today had they been obliged to wait a few days to think a proposition over before making a withdrawal on the spur of the moment? Yet she comments adversely on this point.

If Miss Coogan does not believe the Federal Deposit Insurance Corporation is a stabilizing influence in the banking world of this country today, and she evidently does not, that is her opinion, which she has a perfect right to entertain, but it does not seem quite fair for her to leave an entirely false and erroneous impression regarding the provisions of this bill with respect to the bank-examining functions of the F. D. I. C as provided. The bill says only that the F. D. I. C. shall act as an agent of the Board "under such rules and procedure as the Board may prescribe to examine all insured banks without charge. Banks thus examined shall not be subject to examination by any other Federal agency." Is there any prohibition here of State examining boards? Yet Miss Coogan says: "When did the Constitution grant the Federal Government power to take away from each of the 48 States the right to examine any and all corporations chartered under its laws?" Any banker in the country, regardless of his feelings toward this particular bill, would frankly admit that today he is about examined into extinction and would gladly welcome this provision, which would subject him to the trials and tribulations of only one Federal examining agency.

Enough has been covered already to show that, for some reason, Miss Coogan has an ax to grind. It would be most interesting to know just what her object was in publishing such false and misleading propaganda about H. R. 4931. The remainder of her articles are replete with half truths and false impressions similar to those uncovered above. Any interested individual can easily satisfy himself as to the terms of this bill by writing to his Representative for a copy.

Until the question of the supply of our money and credit is properly and sanely settled we are destined to continue to see millions of our unhappy citizens on the dole or tramping the streets vainly looking for work; destined to ever-increasing debt and taxation to care for the ever-increasing army of unemployed; and it is the foul soil of this want in the midst of plenty where flourish all those un-American "isms" so rampant in the country today. This is the thing Americans have to fear. Let us who are interested in this question unite on a few necessary fundamental changes and then fight for their enactment instead of lurking in the shadows with a brick in our hand ready to soak the first one who pops up with a constructive measure.

Have Faith in America

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, ON JULY 8, 1939

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following speech

delivered by me over the National Broadcasting Co.'s network, Saturday evening, July 8, 1939:

The three greatest issues in America today are the preservation of our representative and republican form of government, the restoration of confidence and reemployment of our wage earners, and keeping America out of foreign wars.

The immortal Declaration of Independence, written by that great Democrat, Thomas Jefferson, was a mere scrap of paper until George Washington, by his leadership, courage, determination, and faith, translated it into a governmental actuality—our republican and constitutional form of government, the oldest single continuous form of government in the world today.

As the Old World nations go to the right and to the left into dictatorships and despotism, such as fascism, nazi-ism, or communism our free institutions are still the hope and aspiration of the struggling masses of mankind, whether they be in Germany, Italy, Soviet Russia, or Japan.

We are only in the morning of our glorious destiny and will emerge from the depression in spite of the New Deal policies of collectivism, radicalism, and internationalism to greater opportunities and more prosperous times. We must remain steadfast to those sound American principles of government established by Washington and Jefferson and upheld by Jackson, Lincoln, and all our Presidents until recent years.

We must not be led astray by false prophets or would-be dictators into emulating the political, economic, and social idealogies of the Old World despotisms. Europe is bankrupt, its socialized economy has broken down and with it has gone free enterprise, free institutions, and personal liberty.

We must devote our energies to combating the spread of these false political doctrines and economic fallacies in free America. There can be no compromise with the spread of alien propaganda and "isms" aimed to undermine and destroy our American system of government.

If there is any country worth living in today it is the United States of America. Our answer to the dictators is to make democracy work at home by putting our own house in order and providing jobs for our army of 12,000,000 unemployed.

The American flag is the flag of tolerance, not bigotry; of freedom, not oppression; of liberty, not dictatorship; of a free ballot under free institutions and by a free people, and not a government of the bullet, force and violence and the bread ticket. Our flag is the symbol of freedom, justice, democracy, and peace, and we must keep it so.

The foundation and rock upon which our free institutions and American liberties are based is that of freedom of speech, whether in the press, forum, or over the radio. Any attempt to restrict the right of freedom of speech is a menace to popular government and to democratic institutions. Censorship of the press or control over the radio would establish a precedent that would endanger American liberties, promote intolerance, and, ultimately, set up an American dictatorship.

I subscribe to the sentiment expressed by Voltaire, when he said, "I disapprove of what you say, but I shall defend with my life your right to say it." The attempt to censor or restrict the right of Father Coughlin to speak over the radio, regardless of the merits or demerits of his views, is, in my opinion, an act of intolerance and an utterly un-American procedure. If the administration or any opposition groups can keep critics off the radio then we have reached the end of government by the people and of free institutions in America. Dictatorships of the left, such as communism, and of the right, like fascism and nazi-ism, have already done away with freedom of speech. Let us not follow this example in the United States. The constitutional right of freedom of speech on both national and international issues must be upheld or otherwise we will have a dictatorship and the right of minority groups and legislative and party minorities will be destroyed.

I am convinced that the do-nothing-but-spend Congress will adjourn within 2 weeks, and that the Bloom "unneutrality" bill is headed for the scrap heap and oblivion. For sake of good measure, and to make assurance doubly sure, I urge the radio audience to take up their pens and pencils and write or wire their Senators not to vote for any neutrality bill without an arms embargo. A neutrality bill without an arms embargo is like a bad egg, or even a partially bad one, good for nothing.

There must be no surrender by the Senate against the ban on the sale and shipment of arms and ammunition to warring nations for blood money and war profits, or the youth of America will soon follow this immoral and un-Christian traffic in deadly weapons to bloody battlefields all over the world. Are we a peace-loving, Christian Nation or not?

If my remarks over the radio reach the people in the great Middle Western State of Iowa, and far western State of Montana, I hope they will respond to my Macedonian cry and wire or air-mail their Senators to do their part in keeping America out of foreign wars by voting not to bring up the Bloom bill at this session of Congress.

I believe in the right of the people to petition, and advise their Representatives and Senators, particularly on an arms embargo that may drag us into war and affect the lives of millions of our youth. This is democracy in action, and a good American doctrine that is part and parcel of popular government, or government by the consent of the governed.

The time for the people to speak out to their Senators is now, and not after some interventionist war-making bill is forced upon us by the Moscow-Bullitt-Bloom-Roosevelt axis.

As God is my judge, and because I love peace, democracy, and America, I am opposed to any neutrality bill without an embargo on arms, ammunition, and deadly weapons. I am convinced such legislation would mean that the United States of America would follow our arms traffic for blood money and war profits into the next war.

Who is asking us to do away with this arms embargo? Has the American Federation of Labor and the wage earners of this country asked us to wipe out the arms embargo? Have the farmers or the National Grange asked us to do away with the arms embargo? Have the veterans who followed the arms traffic into war in 1917 opposed the arms embargo? Have the church people and the rank and file of the peace-loving people of America manifested any desire to repeal the arms embargo? Ninety percent of all these groups want an embargo on arms. The main ones who have asked to do away with all arms embargoes are the President of the United States, the Secretary of State, and the entire Communist Party and Communist press.

You can almost hear the beating of the wings of the angel of death as she hovers over England, France, Germany, Italy, and Poland. They are on the verge of war. Yet the President proposes that Congress pass a law without an arms embargo, which will put us exactly where we were 22 years ago and launch us into another world war.

I have only one concern, and that is the interest of my own people and my own country. I want to do everything I can to keep America out of war and prevent the sending of American soldiers to be slaughtered on the battlefields of Europe.

The American people do not trust President Roosevelt on account of his interventionist views, and do not agree with him that our participation in another world war is a "virtual certainty." The Congress is determined to exert its constitutional prerogative to keep America out of foreign wars unless we are attacked.

The continued pressure on the Congress by the President to obtain greater interventionist powers to police and quarantine the world with American blood and treasure ought not to have any more effect on the Senate than it did on the House of Representatives. The Congress does not propose to permit President Roosevelt to usurp its constitutional power to declare war by entering into entangling alliances with any group of nations.

The American people went to war once to oust the Kaiser and opened the way for Hitler, and are not disposed to send our soldiers to throw out Hitler and establish communism in Germany, Italy, and all over Europe.

If we must go to war, let it be in defense of America, but not in defense of the munitions makers, war profiteers, Communists, to cover up the failures of the New Deal, or to provide an alibi for a third term.

It will make no difference, except as to the date of adjournment of the Congress, what action the Senate takes on the arms embargo adopted by a majority of 41 votes in the House. The House acted deliberately, after 5 days of debate on the Bloom bill, and is in no mood to compromise. In fact, there can be no compromise on such an issue as keeping America out of foreign wars. It is a great American issue, transcending all party lines, as evidenced by the votes of 61 Democratic Members of the House in favor of an arms embargo in spite of terrific pressure from the White House.

I am confident that the House will insist on an arms embargo by an increased vote in case the Senate yields to the demands of President Roosevelt to kill the arms embargo.

The American people do not want to take any chances of being jockeyed or eased into imperialistic wars by President Roosevelt, British or Communist propaganda, the internationalists and adherents of the League of Nations, or by interested groups, or war profiteers.

I give you of the radio audience another Macedonian cry of help to sustain the efforts and activities of the National Committee to Keep America Out of Foreign Wars by sending a contribution to Walter L. Reynolds, treasurer, House Office Building, Washington, D. C. Funds are urgently needed to extend our activities in every section of the country and to combat the war hysteria, hatred, emotionalism, and poisonous propaganda that seeks to involve America in foreign entanglements and the eternal wars of Europe.

With the threat of the Bloom bill and the increased New Deal war propaganda which will immediately follow the adjournment of the Congress, it is essential that the national committee continue its program and extend its activities to offset this war propaganda from whatever source and keep America out of foreign wars.

In conclusion, I take this opportunity to answer the inspired statements from New Deal sources and from the international-minded and interventionist press of the eastern seaboard cities, regarding the reactions in Germany, Italy, France, and England over the decisive vote in the House of Representatives in favor of an embargo on arms, ammunition, and deadly weapons.

The House by its vote sought to keep us out of world wars, and is not concerned with what Hitler, Mussolini, Chamberlain, or the French Foreign Office thinks or says. It is none of our business what form of government exists in any foreign country, whether it is fascism in Italy, nazi-ism in Germany, or communism in Soviet Russia, and by the same token it is none of their business what form of government we have in the United States of America.

It is well for all nations to know that we do not propose to go to war over Danzig, power politics, foreign colonies, or the imperialistic wars of Europe or anywhere in the world.

Let us mind our own business, put our own house in order, uphold our own free institutions and republican form of government, have faith in America, and keep out of all foreign wars.

The Road to War

EXTENSION OF REMARKS
OF
HON. CLARENCE J. McLEOD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 29, 1939

Mr. McLEOD. Mr. Speaker, this Congress has before it a bill which masquerades under the name of neutrality. It is a name that appeals to the American people because the word expresses the historic attitude of this Nation when conflicts and wars disturb other countries.

But to apply that word to this measure is to belie its very meaning. To adopt this measure is to forsake our historic policy of neutrality. To adopt it is to open a breach in the policy which has made and preserved this country. To adopt it is to open wide the gates of war and to march this Nation's youth once more to the fields of carnage.

Instead of going by the misnomer "neutrality" this bill should be labeled what it is—a bill to create a condition which will serve as an excuse for the sacrifice of our people in the quarrels of others.

By the passage of this act Congress would create in our own Nation the identical conditions which, by their existence in other countries, are forcing those countries into war. If this Congress should be so short-sighted as to enact the measure it would simply be writing out an undated check for the next war—a check to be paid not only in money but to be paid in the lives of our people.

I am confident that the Congress, having had sufficiently sorrowful experiences with blank checks does not now want to start writing undated checks, checks that can be paid only by horrible suffering on the part of all our people.

The duty imposed on Congress by the Constitution, which is also the right of the people as represented in the Congress, to declare war goes far beyond the mere matter of the resolution which finally places us in a belligerent status.

That right to declare war imposes upon us the duty of trying to prevent war. It imposes upon us the duty of participating actively in the preparation for war and imposes upon us the further duty of avoiding those conditions which might lead to a needless or an unjust war.

This measure, if enacted, would yield our duty of avoiding those conditions. It would in itself be an invitation to the creation of those conditions. In itself it binds up all of the steps leading to those conditions. It would carry us to the brink of the resolution declaring war without giving Congress an opportunity to consider or participate in those steps.

There is a physical condition of neutrality and there is a mental condition of neutrality. We cannot have actual neutrality unless we are so minded. And those who have conceived this bill are not neutrality-minded.

There is no secret here and it should not be a secret from our people that this so-called neutrality bill is not conceived in minds actuated by neutrality. It is born in minds that would use it, even before its enactment, as a card in the dangerous game which is being played in Europe.

Even our utterances in this debate are being heralded as giving aid to one side or another in the game of bluff and war which Europe is playing. Neutrality cannot exist except as impartiality. Yet it is openly admitted that this bill is designed to deprive us of impartiality. It is to be an important weapon on one side in the controversies already waging.

If the problem of our future neutrality were approached in a neutral spirit, in a spirit of aloofness from the quarrels which are none of our business, then it might be possible to write an effective neutrality law.

But what has been the approach that sired this legislative monstrosity? It has been the approach of openly expressed animosity on the part of our executive department. It has been an approach in which partiality for one side or another has dominated. It has been an approach of the very essence of unneutrality.

Out of such an approach does not come neutrality and peace.

Out of such an approach comes war and its broken lives, its maimed bodies, its shattered homes.

This bill would take the power over war out of the hands of the elected representatives of the people in the Congress and place it in the hands of one man. Regardless of who that man may be such a course is foreign to the spirit of our democracy.

It would create in this manner the same conditions here that exist in many countries in Europe today. Does anyone believe that we would have such serious and such constantly recurring threats of war and such outright aggression as exists were it not for the fact that some countries have forsaken the right of the people to make war and have given that power into the hands of one man?

Countries which are deliberative in their war processes do not find their armies constantly on the march. But nations which have forsaken the deliberative process find their armies at the beck and call of those whose minds see only the self-aggrandizement and glory of the conflict. They will not see, do not want to see, the dire results of such conflict upon those who must carry the burden.

This bill would set up a series of conditions which, according to the bill and its sponsors, would make for neutrality in the event of war engulfing other nations.

But not one of these conditions become operative except as the whim of one man dictates his action on finding that a state of war exists. Not one step under the act would or could be taken except as the President, without necessarily seeking any advice or counsel, would precipitate it through his action in regard to finding that a state of war exists.

And let us examine, in the light of the last few years, how this matter of determining that a state of war exists is decided.

Let us see if all wars are treated alike when one man has the power to determine for the American people if war exists.

According to American thinking, a war certainly would exist when a hostile army marches into another land and kills its inhabitants, shatters its homes, and plunders its people. But the Executive to whom we would give almost unlimited powers under this bill apparently does not think that those things constitute a war. They have been going on in China for years, have horrified the civilized world, but our Government has not been able to see that a state of war exists in the Orient.

Similarly we have had in Europe nations perpetrate acts which to any normal thinking could be nothing less than war. Yet war, according to our Executive, has not been waged.

The existence of these facts cannot be denied.

Nor can it be denied that when we confer war powers upon one man we run the danger of his being at least partially blind to the existence of war—blind to the existence of war when it pleases him not to see it, but keen-eyed when he is interested in it.

That is too vague a condition for the American people to put their trust in. It is too vague a condition for the American Congress to accept. It is too vague a condition to warrant the surrender of our historic principle of real neutrality and real impartiality.

I should like to see a Neutrality Act which would carry of itself specific authority and regulation of our commerce, our financial relations, and the general attitude and actions of our citizens with respect to belligerent countries. Such an act should definitely limit to the extent of complete curtailment all trade and financial assistance to any and all belligerents in the event of either a declared or undeclared war. I would even go so far as to provide that all passports issued for travel in countries in a state of war or endangered by war should carry the proviso that such travel is completely at the risk of the individual and his protection will not be guaranteed by this Government.

There is no question in my mind but what this is the most important and far-reaching legislation that we will be called upon to consider during this session. I have had hundreds of letters from constituents and, almost without exception,

they have urged me to vote against this so-called Bloom bill. These letters do not come from an organized minority, they come from average citizens—men and women who vividly recall the heartaches they endured during the World War; fathers and mothers who have sons now of military age, and who have no desire to see those sons called upon to participate in a foreign war. I am convinced that the citizens of the United States long years ago determined that never again should our young men be called upon to fight on a foreign battlefield.

For the reason that the Bloom bill increases the possibility of our becoming involved in a war, every Member of this House is justified in voting to defeat the measure.

The Struggle for Liberty Never Is Completely Won

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

EDITORIAL FROM THE SACRAMENTO BEE, THE FRESNO BEE, AND THE MODESTO BEE

Mr. GEARHART. Mr. Speaker, in the July 4 issues of the Sacramento Bee, the Fresno Bee, and the Modesto Bee, McClatchy publications, appeared a most interesting and timely editorial under the significant caption of "The Struggle for Liberty is Never Completely Won." Because I believe that the editorial is quite worthy of consideration, I ask unanimous consent that it may be reprinted in the CONGRESSIONAL RECORD, as follows:

[From the Fresno Bee, the Sacramento Bee, and the Modesto Bee of July 4, 1939]

THE STRUGGLE FOR LIBERTY NEVER IS COMPLETELY WON

The one hundred and sixty-third anniversary of the signing of the Declaration of Independence is being celebrated today under conditions offering a peremptory challenge to every believer in the principles for which this outstanding human document stands.

Never since the ringing of the Liberty Bell in old Faneuil Hall announced that the Declaration had been signed have these principles been so openly disputed. Never has the need of a rededication to the belief that government should exist by, and for, and of the people been as great.

In many countries the ideals of democracy have been repudiated or are in jeopardy. Men are enunciating the dangerous doctrine that the sovereign people are not fit or capable of governing themselves.

They openly are challenging the basic tenet of the Declaration of Independence that life, liberty, and the pursuit of happiness are the fundamental rights of man; they deny that men are endowed by their Creator with certain inalienable rights; and for the right of each individual to rule his own destiny they would substitute a groveling type of totalitarianism that demands spineless obedience to the wishes of a dictator and weak-kneed subservience to an all-powerful state.

On July 3, 1776, John Adams wrote to his wife:

"I am well aware of the toil and blood and treasure that it will cost us to maintain this declaration and support and defend these States. Yet through the gloom I see rays of ravishing light and glory. I can see that the end is more than worth the means. Posterity will triumph in that day's transactions even although we should rue it."

Thus spoke a patriot willing to lay down his life that tyranny might be wiped from the earth.

And if our form of government is to survive, some means must be found of reviving this white-hot zeal for liberty—this willingness to die for a principle.

The Declaration of Independence brought a new sort of community into life. A western civilization had broken away from the last traces of absolutism and empire. It wiped out monarchy and the caste system.

It made a clean start in political thinking and practice such as never had been witnessed before. It was, as Jefferson put it, not so much an attempt to find new principles as to reaffirm old ones in common-sense language. It became, in short, an expression of the American mind.

Significantly, the signing of the Declaration of Independence was the beginning of a series of upheavals throughout the world. It marked the start of a struggle between the oppressed and the oppressors in many lands that was to last for more than a quarter of a century and to result in important gains for the underprivileged.

Thus the Declaration of Independence has been one of the great beacon lights to guide the struggling feet of the masses to greater liberty.

And because the fight for liberty and democracy never is won their defenders ever must be on their guard to strike down the skulking dragons of reaction with the shining sword of truth.

Independence Day is a challenge to every true American.

How shall we meet it?

Women and the Nation's Power

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ARTICLE BY HON. JAMES J. DAVIS, OF PENNSYLVANIA

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article that I have prepared entitled "Looking to Women for the Nation's Power," published in the Philadelphia Inquirer, July 2, 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer of July 2, 1939]

LOOKING TO WOMEN FOR NATION'S POWER

(By JAMES J. DAVIS, senior United States Senator from Pennsylvania)

"America will be as strong as her women."

Recently there has been a great deal of talk about women taking men's jobs and thereby contributing to the male unemployment problem. Such statements are due to a lack of understanding of economic and industrial conditions and trends. To realize this we have only to look back over past centuries and to analyze the many changes and developments, particularly those of the industrial revolution and its ramifications in the last hundred years of our own history.

A hundred-odd years ago women's work was literally never done. Take the wife of a small village tradesman, whose property was large enough to raise vegetables, fruit, chickens, hogs, and to keep a cow. Families were larger then; so were meals. The mother and any other ablebodied woman or girl worked hard from early morning until bedtime.

Rising at 5, for instance, a woman might start her day by milking the cow, straining and skimming the milk, and tidying up the dairy. Then, or later, the chickens had to be fed and the eggs gathered. Preparing breakfast was a task in itself. The housewife had to visit the smokehouse, the springhouse, and perhaps the preserve cellar. Families ate heartily of such items as smoked shad, ham and eggs, rump steak, cooked porridge, hot bread, pies, and cakes.

All the cooking was done at an open hearth. Heavy iron pots had to be hung from the swinging cranes. Water had to be drawn from a well or pumped. Dirty water had to be carried out. And the whole program repeated twice again before a single day's quota of meals was complete.

Throughout the day this same woman might be called on to preserve, pickle, or dry vast quantities of fruits and vegetables. When hogs or sheep were killed she would help to cut them up and salt or pickle the meat. Various drinks had to be brewed. Candles were to be dipped, butter churned, lard and soap made.

Most women living on farms and in small towns made their own clothes and those of their children without benefit of sewing machines. Often they spun the thread and wove the cloth from which these clothes were made. They also knitted socks, made curtains, sheets, and heavier bed coverings by hand, and perhaps rounded out the day by working on a sampler.

A MARKED CONTRAST

By contrasting this picture with the housework of the modern woman you can get a clear outlook on the effects of the industrial revolution and just why those who complain of women taking men's jobs are lacking in a deep knowledge of these effects. For the industrial revolution transferred most of these jobs from the home to the factory and the women followed the work.

Let us look at a typical homemaker today, the wife of a small village businessman, and so paint a companion picture to the housewife of a century or so ago. This particular housewife does her own work and she has plenty to do because her two daughters are busy at school. She gets up at 7 o'clock, having slept well on a comfortable mattress and between sheets, in the making of which women in factories have had an important share. According to the 1930 census, there were over 450,000 women employed in textile

mills (including those making hosiery and knit goods), and 3,700 women employed in mattress factories.

Here, right at the start of the modern woman's day, is a striking example of how women's work has been transferred from the home to the factory by the industrial revolution. But to return to the century-old parallel—the modern housewife has no cows to milk. She picks her milk from the porch, strained, skimmed, pasteurized, and conveniently bottled. She feeds no chickens, collects no eggs. She doesn't have to make her own clothes or those for her family, because some 350,000 other women are working in garment factories throughout the country.

Her breakfasts are smaller and much easier to prepare, because there are 116,000 women employed in food factories and canneries, in bakeries, and packing and poultry picking industries. About 10 years ago a well-known economist pointed out that the various labor-saving devices in the home were equal to about 30 servants for each individual. Naturally women workers play a large part in the manufacture of these devices. For instance, the 1930 census showed that 49,000 women work in factories making electrical products and that 34,000 more are employed in the metal industry, many of whom help in making modern stoves, vacuum cleaners, and countless other labor-saving devices for the home.

Laundry work is almost child's play compared with the old Monday washing and Tuesday ironing, because a growing number of women are working in laundries and dry-cleaning establishments—even in 1930 there were 182,000 so employed. Groceries may be had by telephone, due to some 235,000 women employees in the telephone industry. Almost any article will be delivered on order from a department store because in 1930 there were 700,000 women working as clerks and salesgirls in stores. There were 22,000 women employed in automobile factories at that same time, 115,000 working in beauty shops, 875,000 as school teachers and college professors, and almost 500,000 as domestic servants.

FOR BETTER STANDARDS

Altogether, according to the national unemployment census of November 1937, about 11,000,000 women are gainfully employed. But they were employed not because they had won the jobs from men, but because the jobs they had once done in the home had been transferred to factories by the industrial revolution.

Because of this, both the housewife and the feminine wage earner should be completely united in their efforts to win better standards for the woman worker. Just as "charity begins at home," this effort should start with the working conditions for domestics. This is particularly essential, since to date only two States have made any attempt to cover such workers by an hour or wage law.

But this same effort should spread from the home to include a definite interest in the standards that govern any feminine job. Much has been done in recent years to better labor conditions for both men and women, but as we look about us we can't help seeing that much remains to be done. The wage-hour law—that is, the Fair Labor Standards Act, which went into effect last October—provides a floor to wages and a ceiling to hours in interstate industries. This act establishes the principle of men and women in the settling of minimum rates. A progressive measure, this strikes a blow at the double-wage standard which has proved so detrimental to both men and women. The tendency to pay women lower wages than men for the same jobs leads to substitution of women for men, or pulls down men's wage standards to the lower level.

The wage-hour law stipulates that for the current year no person in the industries affected shall be paid less than 25 cents an hour or be employed more than 44 hours a week without overtime pay at time and one-half times the usual rate. After next October, no person in the industries affected may be paid less than 30 cents an hour or be employed more than 42 hours a week without overtime.

After October 1940 the 40-hour week goes into effect for these workers in intrastate industries. And, after October 1945 the minimum wages for workers in interstate industries will be 40 cents an hour. This same law provides for special industry committees which may recommend minimum rates higher than the 25 cents an hour stipulated for this year or the 30-cent rate for next year, if conditions in any industry justify such an advance. In short, a committee may recommend 40 cents an hour before 1945, but in no case may advise a minimum to exceed 40 cents an hour.

In connection with this law women have a very important role to play. They can help to develop public opinion in its favor. Women, however, must have a clear understanding of the law. They must realize that it does not apply to intrastate industries (such businesses as are conducted entirely within one State). Typical intrastate industries employing women are retail stores, laundries, hotels, restaurants, or beauty shops. Women employed in such industries cannot expect protection from the Federal Fair Labor Standards Act, because the Constitution of the United States prohibits the Federal Government from regulating industries of a definitely intrastate nature.

FURTHER SAFEGUARDS

What can be done for women in intrastate industries? Twenty-five States, the District of Columbia, and Puerto Rico now have minimum-wage laws on their statute books, but 23 have none. In regard to minimum-hour legislation, all but five States—Alabama, Florida, Indiana, Iowa, and West Virginia—have enacted a law to limit in some way the hours of women in some industries or occupations. Only 18 States, however, have set the 8-hour day combined with the 48-hour week (or less) as the maximum permitted by law.

Minimum-wage and maximum-hour legislation brings benefits not only to the workers in industry but also to the employer. When a floor is put to wages and a ceiling to hours, it safeguards the interests of progressive employers by preventing cut-throat competition on the part of those willing to overwork and underpay their employees.

Greater effort must be made also to give employment to the millions who are still unable to find it. It is a great waste of human resources for men and women to remain idle in a country which could and should make use of their energies in order to build up their purchasing power through employment. The question should not be, Are women taking men's jobs? But, How can we get jobs for both men and women? Women have always worked. Today a lot of their work has been transferred to factories. But the slogan stressed by the Women's Bureau of the United States Department of Labor still holds good, "America will be as strong as her women."

Guaranty of Bank Deposits

EXTENSION OF REMARKS

OF

HON. MILLARD E. TYDINGS

OF MARYLAND

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

RADIO ADDRESS BY HON. GEORGE L. RADCLIFFE, OF MARYLAND, MARCH 14, 1939

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered over a Nation-wide hook-up by my colleague [Mr. RADCLIFFE] on March 14, 1939, on the subject Guaranty of Bank Deposits.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In discussing the guaranty of bank deposits by the Federal Government I will comment also very briefly on certain other ideas which seem to have in them some elements of analogy.

Everyone knows that when a court tries a case it attempts to consider all facts as far as possible which are material and relevant. That is, likewise, what every fair-minded man or woman should try to do in studying any question. No one expects perfection in judgment or action, but mistakes call for consideration as to whether such mistakes could have been avoided by reasonable study and care.

Such consideration requires also some sort of a general standard, which often may have to be modified. The law recognized a long time ago that such a standard was needed. We find, therefore, a standard or a yardstick known as that of the hypothetical reasonably prudent man or woman created by law to determine whether or not there should be a penalty for the failure to avoid certain kinds of mistakes.

Certainly if the test of the reasonably prudent man or woman were eliminated we would be at a great loss to find a fair basis of comparison. It would be like trying to estimate distance without any yardstick or any other form of measuring instrument.

Since it is really necessary to have the hypothetical reasonably prudent man or woman as a standard in private affairs, isn't it just as essential that when individuals act collectively or as a government that we should have a similar standard? We all know that no nation has or will show perfection in its policies, but it is a wholesome thing for people to keep in mind always as a desirable guide the concept of a reasonably prudent nation.

Constantly questions affecting health, education, taxation, business regulation, crime prevention, and other matters demand attention and action from our Government. No one expects a government to be able to do everything that it should do in analyzing and studying such problems, but it should make such efforts as under the circumstances are reasonable.

A man may come to a sound conclusion as to what is reasonable to do under the circumstances as they exist, but new circumstances and yet new conditions may change his standard as to what is reasonable. These changes or shifts occur constantly in the daily lives of all of us. Isn't it important that a nation should be sure that it isn't using an outmoded standard? Isn't it just as important that a nation should not be too quick to discard old opinions and old standards in trying to adjust itself to new conditions? A reasonably prudent nation has respect and reverence for the past, but it will not let that confidence prevent it from considering open-mindedly the problems which newly arisen conditions have brought into existence, for we know economic, industrial, and financial conditions are never really static but are always undergoing some degree of change.

Let me discuss specifically the matter of guaranty of bank deposits. Only a few years ago the United States Government passed

a law guaranteeing the safety of deposits of money in bank. Why did it do it? We all remember that long ago the bank had succeeded the chest or the old-fashioned stocking as the place for keeping money.

Obviously the shift to banks was a businesslike one, but some hazard was involved. If the depositor was to be able to draw his money from the bank whenever he wanted it, the bank must have it available at any time. How could the bank have all the money ready if it had to utilize a large part of the money to earn income for expenses?

More banks have failed because of unreasonable runs upon them than because the assets of the banks were basically inadequate. Such a hazard to an intrinsically sound bank should be avoided if feasible. It is true that public funds belonging to the United States Government, or some other division of government, were usually protected by surety bonds or deposits of collateral, but it had not seemed practical for the private depositor to be given such protection.

It is true that banks have long been under Government regulation and that the large majority of banks have always been run wisely by competent officials. There was, however, always the possibility that misfortune in many cases, or mismanagement in a few, would bring about bank failure and would result in losses to depositors.

The distressing troubles of the banks in 1931 and 1932 illustrated the fact that some additional form of safeguard seemed urgent, and that something should be done to encourage the revival of confidence. One result of this attitude of mind was legislation by the Federal Government by which every deposit up to $5,000 in a qualifying bank could be guaranteed fully by the United States Government.

Where does the Government get the money to furnish this protection? It comes from the banks who pay annually one-twelfth of 1 percent of the sum of their total deposits and that amount goes to the Government as a reserve fund for the payment of losses. Of course, when the Federal Government pays off depositors in a closed bank, the Federal Government receives as reimbursement all the dividends paid in liquidation which would have been paid to the depositors if there had been no guaranty by the Government.

What has been the result of this method of guaranteeing deposits? Since then a few banks have failed because of mismanagement, or because for other reasons, the assets of the bank became inadequate to pay depositors. Failures due, however, to sensational and tragic runs on banks have practically been eliminated with a resultant growth of confidence in banking institutions.

What has been the experience of the Government in this matter? Roughly speaking, the Government has received approximately $190,000,000 but its net losses growing out of its payment to depositors has only been about one-quarter of that amount. The remaining three-quarters is held by the Federal Government as a reserve fund for possible future bank failures.

Was this plan of guaranty by the Government necessary? Certainly it seemed advisable that some unusual steps should be taken and no adequate substitute for guaranty by the Federal Government was in sight.

What as to the future? This, of course, is a matter somewhat of speculation. There is a strong belief in this country that the Federal Government should not issue guaranties or participate otherwise in business unless such action by the Government seems clearly necessary. It may be that time and experience will demonstrate that some plan other than guaranty by the Federal Government will meet the situation. For instance, it is conceivable that private capital may devise a plan in time by which private insurance to depositors of banks can be furnished on a comprehensive and adequate basis. In the meantime the guaranty of bank deposits by the United States Government is certainly tiding us over a troublesome situation.

I think this story illustrates quite well the idea of a reasonably prudent Nation. The Federal Government avoided giving guaranty of bank deposits until the situation became so serious that some form of action was necessary, and yet private capital could not offer a full solution. The Government acted promptly when the guaranty seemed necessary, and I believe our Nation would act with reasonable prudence in modifying materially or changing entirely the present plan should a better method of handling the situation seem to be feasible sometime in the future.

Let me illustrate by another point. There is much discussion nowadays as to whether the United States Government should continue to have a stabilization fund. The fund was created, as we know, a few years ago when wide fluctuations in the currencies of certain foreign governments were having a very disruptive effect upon our foreign trade. Ten years ago prudence would not have required our Government to create such a fund. Let us hope that some day soon no such fund will be necessary or a better plan for handling the problems can be found.

The subject of preparedness is in the minds of all of us. Of course each one wants our Government to make such arrangements for national defense as are necessary or at least prudent. But what arrangements are required by prudence? We are fervently and emphatically for peace in this country and we covet none of the territory or physical possessions of any other nation. Unfortunately, however, the desire on our part for peace does not insure peace to us. Our Nation would have been justified 10 years ago in having army, navy, and aircraft facilities much less than what prudence requires we should have today.

We cannot be blind to the fact that there is an aggressive militaristic spirit abroad and that might and not right is too frequently set as the proper guide. We can only hope that within a short while different viewpoints will prevail in certain sections of the world whereupon we as a nation could continue to be reasonably prudent even if we then reduced materially the amount of our armaments. In reaching or in changing conclusions, a reasonably prudent nation, like a reasonably prudent man or woman needs and seeks the opinions of experts.

Of course, we need guns, aircraft, and ammunition for defense, but we require also commercial ships essential in time of war to assist in the operations of our battleships, cruisers, submarines, and naval aircraft.

We will not have made considerable adequate provision for our defense unless we have a merchant marine.

Likewise prudence suggests that since we are an exporting nation we must have some ships of our own to carry some, at least, of our products. It is not safe to be entirely dependent upon the ships of foreign nations.

I will not add to these illustrations. I have emphasized the guaranteeing of bank deposits as a policy which prudence has justified. It illustrates the fact that if a nation like an individual is to be reasonably prudent, it must be ready at all times to try to know the facts which are pertinent and to act accordingly. In doing so we should give due weight to old conditions as well as those which have newly come into existence.

Council Against Intolerance

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

RADIO ADDRESS BY HON. W. WARREN BARBOUR, OF NEW JERSEY, JUNE 30, 1939

Mr. AUSTIN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the Senator from New Jersey [Mr. BARBOUR] on Friday, June 30, over the Mutual Broadcasting System network, as part of the Independence Day ceremony of the Council Against Intolerance in America, of which the Senator from New Jersey; George Gordon Battle, of New York; and William Allen White, of Emporia, Kansas., are co-chairmen. The Senator from New Jersey was introduced by Rev. Dr. Maurice S. Sheehy, head of the Department of Religious Education, Catholic University, Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Americans, any American should be proud to participate at any time in a ceremony dedicated to tolerance. And it is particularly appropriate, I think, that we should give special emphasis to the virtues of tolerance and the dangers of intolerance as we approach the Nation's birthday. It was a happy inspiration which led the Council Against Intolerance in America, of which I am a co-chairman, under whose auspices this program was arranged, to link it with the observance of Independence Day. For when we analyze it and recall not only the beginnings of the United States but the conditions which gave it birth, we must realize anew that tolerance is of the very essence of America. Without it there would be no America as we know it. And if we lose it the United States will pass into the limbo of experiments which have been tried, have failed, and become subjects for the historian rather than a living, pulsating contribution to man's progress.

When the Declaration of Independence was written by Thomas Jefferson and the little group who charted the Nation's course they saw with the eyes of true philosophers that without life, liberty, and the right to pursue happiness in his own way the state of man is worse than meaningless: it is hopeless. And so they wrote into the Declaration, as "inalienable rights" to which all men are entitled, that historic phrase with which every schoolboy is familiar. But that was merely a milestone—neither an end nor a beginning—in the progress of the race. For the search for freedom is without end and without beginning. It is innate, a part of man's spiritual inheritance, and remains a part of him always, no matter what his condition of life.

What the Founders of the Republic did, not alone in the Declaration of Independence but in the Constitution, into which were gathered the principles previously expressed in the constitutions of the Colonies, was to translate this ever-present desire for freedom into a political system. They said, in effect: "Men desire to be free and should be free. They have come here to be free. If they are to be free, this is the sort of government we must have. This is the kind of society in which we must live. Then, if those who come after us safeguard the institutions we give them, neither tyranny nor intolerance, except of their own mak-

ing, can ever again enslave them." And at that point, it seems to me, we confront and must guard against the only real danger to the freedom which we have come to enjoy as freely as we breathe the air about us. It has been so long since the gift was conferred on those who preceded us, to be handed down from generation to generation, that we take it too much for granted. If I can leave but one thought with you, I should like you to remember that the freedom which is given us can be given away by us—bartered away, thrown away—but can never be taken away from us except as we abandon our heritage of democracy for intolerant thinking and performance. That puts it in our own hands to say whether America will endure as a nation of freemen and equals, or whether we shall revert to barbaric conceptions of self-appointed supermen and self-ordained supergods who think they can rule men better than they can rule themselves. And we must never forget that, while the road to intolerance is easier than the path of tolerance, the end of intolerance is the loss of freedom and the destruction of a free society. We have seen individuals and minorities deported, enslaved, and slaughtered as the present wave of intolerance sweeps over Europe. But it is well to remember also that those who remain subject to the favor of intolerant rulers likewise lose their freedom.

Why did men come to the shores of America following the first voyages of discovery? As we all know, it was to escape persecution for religious beliefs or to escape the intolerable burden of taxation laid upon the backs of the people by tyrannical and profligate rulers engaged in constant warfare; to find a spot under the clear skies and on the virgin soil of a new land where men might think, speak, work, and worship as they chose, without fear, and as a right rather than as a favor. For this they left behind them all they had known of civilization—families, homes, in some cases wealth, titles, an assured place in a stable society. They brought with them the few things they could carry in the holds of the small sailing ships which took weeks or months to cross the sea. But they brought also the institutions of freedom and tolerance.

The springs of freedom which bubbled quietly to the surface when men formed their first societies have become great rivers which flow ever toward the sea of man's destiny as a thinking creature. But those springs can be poisoned. And as the sources are poisoned, so may the stream be poisoned. And as the stream becomes polluted and bitter, free societies may shrivel, die, and disappear, even as they are disappearing in other parts of the world. Unless we watch constantly for attempts to pollute the springs of our freedom and spread sickness through the land, and unless we are on guard lest we ourselves absorb the poison of tyranny and intolerance, the national health and even the national life will be endangered.

It is not always easy to detect the danger. Intolerance may express itself in whispers no less than lynchings, in social ostracism no less than the more flagrant forms of bigotry, in unreasoning partisanship, in the kind of thinking which denies to others the rights we claim for ourselves. It may express itself in speech or in action. It may appear in business, in politics, in our thinking about religion. But wherever it appears, or in whatever form, it springs from the same seed and produces the same evil crop.

Voltaire, in one of his essays, summarizes the principle of tolerance, which is to say the principle also of a free society:

"Think for yourselves," he said, "but grant to others the right to do so, too."

But it is not enough that we think for ourselves and concede the same right to others. Unless the quality of tolerance is a living force, it is nothing. It is of value only when it becomes a principle of social action. To discriminate against another human being because he does not think as we do, because he worships the same God in a different way, or because his skin is of a different color, or he is poor or rich in the world's wealth, is to slip back in our thinking to the kind of society which our ancestors fled when they came to America to found a better one. It is to permit ourselves to be contaminated by the philosophies which less vigilant peoples have had forced on them by the comic-strip Napoleons who strut and shout for a little time in Europe and Asia because they ignored the dangers which confront us here.

I think that too often we are inclined to forget that intolerance is a moral issue also. It is in morals that tolerance begins, since law is but the crystallization of custom, and custom the product of our moral conclusions with respect to the relationship of man to man.

The Apostle Paul urged the virtues of faith, hope, and charity. "And the greatest of these," he wrote, "is charity." I think we might profitably ponder that observation. For without faith life is meaningless, without hope it is an empty void, but without charity we are unfit to live among our fellow men.

Surely there is room in the world for men and women of different faiths, different beliefs. Convictions are important in life, but let us not forget that men do differ, as they have a right to differ in their thinking about fundamentals as well as about the superficial things of life. We are not all cut to a pattern. What an uninteresting world it would be if we were. But there is a simple formula by which we may live peacefully and contentedly together. It is the formula of tolerance:

"So many gods, so many creeds,
So many paths that wind and wind;
When all this old world really needs
Is just the art of being kind."

Good night.

Resources and Opportunities of the South

EXTENSION OF REMARKS
OF
HON. THEODORE G. BILBO
OF MISSISSIPPI
IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ARTICLE BY HON. THEODORE G. BILBO, OF MISSISSIPPI

Mr. BILBO. Mr. President, I have recently prepared a brief sketch of a few of the inexhaustible resources and glorious opportunities of the new land of promise—the deep South. This article will appear in the next issue of that great farm paper, Southern Agriculturist, published at Nashville, Tenn.

Being anxious that the story of these golden opportunities and inexhaustible resources that are being developed and are awaiting development by the farmer, the miner, all other laborers, and the industrialists from everywhere, who are looking for new fields to conquer, shall to them be made known, and in order that this information may be given to the people in all parts of the United States, I ask unanimous consent to have this message published in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE DEEP SOUTH

(By Senator THEODORE G. BILBO, of Mississippi)

Reaching inland for about 200 miles from the crescent shore of the Gulf of Mexico is a subtropical paradise which we call the deep South. There is no clear line of demarcation between the South and the deep South, but as time passes I am sure we will hear more and more about this beautiful land which is rapidly becoming an agricultural and industrial empire.

We deep southerners are apt to choke up a bit when we start singing the praises of this particular part of Dixie where both the weather and the hospitality stay warm the year around. It's God's country for sure, and one of the most beautiful lands that man ever saw.

But don't forget that the deep South has wealth as well as beauty. It has the slash and the longleaf pine, the orange, the grapefruit, the pecan, and the tung tree. Then there are our fields of sugarcane, sweetpotatoes, rice, and cotton—crops with new as well as old uses—and mineral resources equal to those of any section of the country.

As a matter of information, it might be well for us to make a sort of inventory of the deep South to see what we already have as well as what we may look forward to in the future.

First, let's count our pine trees and make a brief survey of the industries they support. Roughly, about 60 percent of the Southland is covered with forests, divided about half and half between pine and hardwoods. To the pine belongs the glory just now, because it is furnishing the raw material for the pulp and paper industry that is rapidly developing in the deep South.

For years northern woods have furnished the bulk of the pulp for the paper industry. But the Northland's easily accessible supplies of trees for pulp are rapidly dwindling. Furthermore, reforestation is a long-time problem up there. Fortunately, and thanks to the long growing season, southern pines grow to maturity in about one-third the time required to grow a pulp tree in the North. Recognizing this advantage of the southern forests, the paper industry now has an investment of more than $200,000,000 in about 40 pulp mills scattered throughout the Southland. Many of these mills have started operating within the past few years, and others are being built.

These mills furnish employment for about 25,000 men inside the plants and another 20,000 who cut the trees and haul them to the mills. They are producing about 10,000 tons of pulp each day and, at this rate, the mills will consume this year, and in years to come, about 5,000,000 standard cords of rough wood per year. The deep South is the only place that can supply, and keep supplying, such huge quantities of pine.

The pulp mills at present are engaged in manufacturing kraft paper. But at Lufkin, Tex., a mill is being built to manufacture newsprint. That's the kind of paper used for newspapers. The time will come, I feel sure, when the South will supply its own newsprint from its own forests.

Naval stores is also a product of the old pine tree. It means turpentine and rosin. Naval stores is the principal chemical export crop of the entire Nation. In an average year the pine forests of the deep South produce more than 2,225,000 barrels of rosin and more than 500,000 barrels of turpentine. More than half of this

crop is sold to foreign countries. Something like 100,000,000 slash- and longleaf-pine trees are worked to furnish the crude gum for these products, and it is an industry that brings an annual income of about $40,000,000 into the South's cash register, and furnishes employment for more than 50,000 persons. This industry supplements both the lumber and pulp industry. In other words, the owner of pine trees can work the trees for gum for 10 or 15 years and then sell them for lumber or pulpwood. At the same time he can have young trees coming into working size as the older trees are worked out. In this way he has a steady income from one or more sources.

Now, let's take a look at another tree that is produced in the deep South. It's the tung tree. Last year tung trees, which can be grown only in the deep South, produced nuts bearing 4,000,000 pounds of valuable vegetable oil used in paints, varnishes, and lacquers. The year before we imported 175,000,000 pounds of tung oil from China, for which we paid more than $15,000,000. The tung industry is in the early stage of development. We need more knowledge about tung-oil production. For this reason I supported legislation which sets up three new laboratories to investigate the possibilities of tung-oil production in this country. The laboratories are located at Gainesville, Fla.; Bogalusa, La.; and Cairo, Ga. In these laboratories we hope to work out information that will enable us to build a tung-oil industry that is sound and permanent. We know that it is not a get-rich-quick scheme, but we expect to make it a valuable part of the South's diversified farm program.

The deep South is also the home of that great juicy giant we call the citrus industry. And this year's crop of 75,000,000 boxes of oranges and 40,000,000 boxes of grapefruit was a record. Furthermore, many new groves will not come into peak production for several years yet. While this industry has expanded rapidly, so has the public appetite for citrus fruits. And if the public wants more the deep South can raise them.

With such crops as sugarcane, cotton, and rice, it is no longer a question of producing more but of producing a balanced abundance. But with sweetpotatoes, of which the South produces about 75,000,000 bushels a year, science has found a profitable industrial use to supplement the yams sold as food. At Laurel, Miss., chemists of the United States Bureau of Chemistry and Soils have worked out a process for making starch from sweetpotatoes. This project is enabling the farmers around Laurel who grow the potatoes to make more money. In other words, chemistry has given them a profitable industrial outlet for one-of their farm crops.

I might say that chemistry is responsible for much of the development that has taken place in the South in the last few years. It has not only done much for us already but it offers such great possibilities that I introduced a bill which resulted in the establishment of the four regional research laboratories which are to search for new and wider industrial outlets for farm products. The southern laboratory, located in New Orleans, is now under construction.

Another little-heard-of resource of the deep South is its pastures. Again, because of that year-around warm weather and the plentiful rainfall, grasses grow longer and furnish more grazing here than any other place in the country. The trouble has been in the past that the beef breeds that thrive farther north can't stand the warm weather that makes the long grazing season in the South.

Here, again, the men of science are fulfilling a need. At the Iberia Livestock Farm, Jeanerette, La., experts of the Bureau of Animal Industry are combining the tolerance of Brahman cattle to tropical and semitropical conditions with the superior beef-producing qualities of the major beef breeds. Studies showed that Brahman cattle will graze right through a hot day while Angus cattle seek the shade. That's because the Brahmans have sweat glands through which they can throw off heat. Half-bred and three-quarter bred Brahman-Angus cattle inherit this same characteristic. Further investigations show that Brahman-Angus calves reach a weaning weight 3 weeks ahead of Angus calves. We have pastures in the deep South that will produce 400 pounds of beef per acre a year. These breeding studies point to the possibility of soon having cattle to eat that grass.

In our inventory we can't forget the vast mineral wealth of the deep South either. Right now the center of the great petroleum activity is found in Texas and Louisiana. The petroleum industry is truly an industry of the deep South, because much of the oil is now coming from wells down in the bayou land.

Then there's the sulfur fields, which is one of the South's greatest mineral prizes. Before technologists found how to bring the sulfur out of the deep wells of Louisiana and Texas a small island off the coast of Italy held a world monopoly on this widely used element. But that isn't the case today. The crude sulfur ore mined by Italy can no longer compete with the sulfur wells of the South.

The deep South is also the home of some of our greatest salt mines. Here, too, are located huge supplies of phosphates so valuable to our fertilizer industry and coal in quantities sufficient to supply our needs for many years.

And so we conclude our brief inventory of the deep South. It's not the first nor the last inventory of this great and fast-growing section. Industry has surveyed it before, and liked it so well that it is moving in. It is estimated that fully half of the industrial concerns that are coming into existence are locating in the South. So, instead of the South being the Nation's No. 1 problem, it is my opinion that it is the country's No. 1 opportunity.

Federal Spending

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

ARTICLE FROM THE WASHINGTON POST

Mr. SPRINGER. Mr. Speaker, many of our people are alarmed because of the excessive spending of money by the administration now in power. I have received many letters and petitions from the businessmen, the farmers, the laboring men and women, and the taxpayers from my district urging that the ruthless spending of money be limited and restricted, and that our Federal Government be required to proceed upon a plan of economy in its affairs. A continuation of this present spending program will certainly cause disaster. The effect of this unprecedented spending is further depressing business and industry, and when those elements in our business world are depressed, and almost destroyed, the farmer suffers and our laboring men and women are rendered jobless; this tends to increase, rather than diminish, our unemployed situation. Any businessman, or any individual, who would pursue the same course as our own Government, under the guiding hand of those at the helm of the present administration, would soon meet bankruptcy. Likewise our own Government, in rushing toward the brink of bankruptcy or inflation, either one of which means disaster to our people.

Mr. Speaker, I desire to include in and as a part of my remarks a very illuminating article written by Roger W. Babson, which appeared in the Washington Post, of Washington, D. C., of date July 10, 1939, which article has my wholehearted endorsement and approval, and is as follows:

[From the Washington Post of July 10, 1939]

TAXES NOW TAKE 30 PERCENT OF OUR INCOMES, BABSON SAYS—10 YEARS AGO IT WAS 15 PERCENT; RATE OF PUBLIC SPENDING, HE SAYS, IS DRIVING NATION INTO INFLATION

(By Roger W. Babson)

GLOUCESTER, MASS. July 9.—Family breadwinners are sentenced to work 100 days this year for the public in order to meet Government spending. Ten years ago Federal, State, and local expenses consumed only 15 percent of the Nation's income. Today they are gobbling up nearly 30 percent. The saddest part of the situation is that the wage workers and others who are the real sufferers from this constantly swelling tax bill do not realize what is happening. The politicians kid them into thinking that Rockefeller, Morgan, and General Motors are the only ones who pay taxes.

TAX TALK THE BUNK?

For 5 years I have been hammering away on the growing percentage of national income being eaten up by Government activities. In this connection, today's mail contained a very interesting letter from an Illinois reader. I would like to quote portions of it:

"All of this explosive propaganda regarding high taxes is, to my mind, nothing but a lot of bunk. I have been at the head of a corporation for 26 years, and, as far as I am concerned and my corporation is concerned, I see nothing on earth wrong with the present tax system. During 1931, 1932, and 1933 we paid no taxes to the Federal Government, for the simple reason we did not make any money. When a corporation or an individual makes a profit there is no reason why he should not pay a tax. * * *

"The years 1934, 1935, 1936, 1937, and 1938 were good years for us and 1939 is even better. I, therefore, see no reason why a lot of propaganda should be put out trying to influence the ignorant voter that the country is going to hell, or somewhere else, as there is absolutely nothing to this line of stuff."

This letter is extremely significant. I wonder if many people feel the same as my correspondent does about taxes. Grant that they do, is this any reason for our Government continuing to spend recklessly, to mortgage future generations, and to push us into inflation? Readers know that I have supported many things that the administration has proposed and adopted. Ever since President Roosevelt abandoned his economy platform in 1932, however, I have been 100 percent opposed to his spending policies.

PUBLIC SPENDING

History shows that no nation can spend more money than it receives in taxes for long without bringing on inflation and creating

a revolution. The United States has failed to balance its Budget for 9 long years. It is estimated that a total of thirty to forty million people receive financial aid from Federal, State, and local governments. A huge army of a million Federal officeholders has been mobilized. A vast vested interest in public spending has been built up.

My correspondent says that taxes are not a burden in his case. He does not feel their pinch, because his business has forged ahead fast even though his taxes have increased. But he cannot throw aside figures issued by the Government which show that taxes are taking a far greater portion of profits and wages than ever before.

SPENDING AT NEW PEAK

Here is a table comparing Federal receipts and expenditures in billions of dollars for recent years. Even 1937's expenditures, big as we thought they were, look small compared with today's outlay. Despite the highest tax collections in history, receipts were only enough to pay 60 percent of the Federal Government's bills in 1939.

	Receipts	Expenses
Fiscal year ending:		
1930	4.2	3.9
1933	2.1	5.1
1936	4.1	8.8
1937	5.3	8.1
1938	6.2	7.7
1939	5.6	9.1

Every time I discuss public spending I receive a flood of mail from people who accuse me of being inhuman. They tell me we will have revolution if we do not take care of the 10,000,000 unemployed. I realize that these millions of unfortunates must be aided, although I totally disagree with my critics as to how they honestly can best be aided. However, of our huge $9,000,000,000 Federal expenditures this year, only 25 percent will go for relief of the unemployed. The balance is being spent for growing permanent bureaus, the Army and Navy, farm relief, and pegging prices of commodities such as silver and cotton.

SILVER PURCHASE

Take the silver-purchase program, for instance. The United States Treasury has bought nearly $1,000,000,000 worth of silver from all over the world in the last 6 years. We have almost singlehandedly financed the Mexican Government by our silver purchases. Our thanks for doing so was the stealing of our oil properties by that Government. We have accumulated a mountain of silver bullion at a cost which is nearly three times its commercial value. And the sum total of our efforts to make silver a monetary unit again has been to destroy, perhaps forever, its monetary character in every country where 6 years ago it was part of the currency.

There are other examples of the disastrous results of our Government's meddling with natural economic laws. These various projects have cost the Nation billions of dollars which must be paid for in higher taxes for years to come. Furthermore, the cost of these disastrous experiments will not be paid by the Rockefellers, by General Motors, by prosperous and growing concerns, such as those of my Illinois correspondent. They will be paid by small and struggling employers, by harassed wage workers, and by low-salaried "white collar" people through hundreds of hidden taxes on the necessities of life.

INFLATION DRAWING NEARER

Unless the American people wake up some day soon and change their character and goals, I do not believe that spending can ever be controlled under our present democratic form of government. Two years ago inflation was in the headlines. Everyone was thinking about it, talking about it, hedging against it. From a news angle, however, it is now dead as the proverbial doornail. But inflation is far nearer now than it was 2 years ago. When it will strike, no one knows. My advice to readers is: Remember that the United States and the whole world is rushing pell-mell toward inflation.

The Nation's Credit for the Nation's Needs—Widespread Support for H. R. 4931

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 5, 1939

Mr. VOORHIS of California. Mr. Speaker, leading economists are today fairly well agreed that our central economic difficulty lies in the fact that income spent does not equal the value of goods and services produced in our country.

Recently the Government has tried to overcome the depression by increasing the total buying power of the people of America. It has tried to do this by Government loans, payment of wages to unemployed people, and similar measures.

This, however, has been made possible only by an increase in the public debt. For in the absence of the creation of any debt-free money by the Government as the Constitution provides, the only method we now have of increasing the money supply of the Nation is by either private or public contraction of debt. Debt, and debt alone, is our present means of getting the banks to create demand deposits for borrowers. We use checks drawn on these demand deposits for 95 percent of our money. Hence, if private debt decreases, public debt must increase, or our money supply is cut off. This is the reason for our large public debt and the reason we can only get rid of it by a reformed monetary system.

We have billions of idle deposits in the banks and several billions of excess reserves. One reason for this is the expectation on the part of those holding these deposits that the value of the dollar in terms of goods is going to rise. A dollar of stable value in terms of commodities would help to end this tendency.

Prices of agricultural products are far too low for the welfare of either the farmers or the people as a whole. It is absolutely imperative that these prices be raised.

Government investment must be used to make up for the failure of private investment to absorb hoarded savings. But at present we pay for most of our public works twice over, and quite needlessly so.

And the income of great groups of our people must be maintained in some manner if the depression is not to grow worse and distress to increase. Were we to balance our Budget by cutting expenditures for W. P. A. and similar enterprises we could not but render the depression deeper, yet the Budget should soon be balanced.

Our supply of actively circulating buying power is far short compared to the need of our people for goods and of our businesses for markets. These are some of our problems.

WHAT H. R. 4931 WOULD DO

With these problems in mind, H. R. 4931 was drafted in consultation with some of the best minds in America and introduced in the House.

Under its terms a monetary authority, as an agent of the Congress, would create money directly as it was needed by our national economy. With some of that money we could redeem or buy in a portion of our outstanding national debt. Under the present system when additional money is required to sustain our economy our Government goes to the commercial banks and sells bonds to them in order to get them to create "money" in the form of demand deposits. Thus under H. R. 4931 each increase in our money supply would decrease the national debt; under the present system each necessary increase in our money supply increases the national debt.

Furthermore, this bill would provide the Nation with a unified, controllable monetary system.

It would give us a dollar whose purchasing and debt-paying power would be constant and stable. It would accomplish this by bringing more dollars into circulation when the value of the dollar—that is, its command of goods—threatened to rise. This in turn would cause idle hoards to cease to be idle, else they would decrease in value in the owners' hands.

H. R. 4931 would stop the increase in the public debt without crippling the Nation for want of an adequate money supply. And it would make possible the increase of buying power just to the extent that increase in need for buying power—that is, increase in production—took place. Public investment in revenue-producing works would be possible without increase in public debt.

It would end the threat of bank failures forever, would remove the present necessity on the part of banks to insist upon short-term instead of long-term loans, and would make it possible for every depositor in all the banks in the country to

draw out all their deposits at the same time and still not cause a single bank to be in distress. These things would come about by the introduction of a 100-percent reserve system. Incidentally this would remove absolutely any threat of an inflation of bank credit.

Finally, and most important, this bill would restore to Congress, acting through its own monetary agent—a new Federal Reserve Board—the sole right of creating money in the country. It would mean that money and credit would be originally created, not as at present by banks monetizing their borrowers' security, but by direct governmental action exercised in the public interest on the simple principle of increasing the amount of money in circulation each year in proportion as the growth of the Nation's industry and population required.

No longer would the Nation depend upon expanding private or public debt as its sole means of increasing its money supply. Instead, it would have a safe dependence upon the exercise by a free people of its right to monetize through an appropriate Government agency its own net annual growth in wealth and population. Our money would be based not on the size of our debt but on the extent of our wealth.

BRIEF SUMMARY OF PROVISIONS OF BILL

H. R. 4931 contains the following main provisions:

(1) Purchase by the Government of the capital stock of the 12 Federal Reserve banks, thus clearing, absolutely, title to all gold against which the Federal Reserve banks now hold liens in the form of gold certificates, and restoring to the Government the banks of issue of the United States.

(2) Provision for the appointment of a new Federal Reserve Board; abolition of the advisory council and open-market committee; addition of the Secretary of the Treasury to the Board; making the Board the direct monetary agent of Congress to regulate the value of money, exercise sole power to issue all lawful money of the United States and to control the volume of demand bank deposits, and transferring to the Board monetary powers now in the hands of various other governmental officials and agencies.

(3) Provision of funds immediately for payment of old-age pensions, wages on public works, loans to agriculture and industry, and other recovery purposes as determined by Congress, not by borrowing or increase in debt but by direct use of the Nation's credit through its own Federal Reserve banks.

(4) Continuance of this expansion policy until either full employment is restored or the dollar brought back to the value it held in 1926, and thereafter the maintenance of a stable value in the dollar.

(5) As protection against possible runaway inflation of bank credit and in order to assure 100 percent liquidity now and forever in demand deposits, the bill requires maintenance by banks of dollar-for-dollar reserves behind all demand deposits and provides ways to assist banks in establishment of such reserves.

(6) Simplification of the whole structure of governmental control over banking and all monetary matters, extension of guaranty of deposits to savings and time deposits, and elimination of duplicate examination of banks by several governmental agencies.

(7) Restoration to Congress of its constitutional power to be the sole agency to coin money and regulate its value, and provision that, as national population and productive capacity grow, the volume of money shall be increased so as to maintain a constant purchasing and debt-paying power in the dollar.

SUPPORT FROM AUTHORITIES IN THE FIELD OF MONETARY SCIENCE

A very large number of letters have been received expressing interest in and support of H. R. 4931. Some of the more important have come from men who have spent their lives in the study of economics and of monetary science. Three such men are Prof. Irving Fisher, of Yale; Prof. Frank D. Graham, of Princeton; and Prof. Willford I. King, of New York University. Their letters follow:

MARCH 20, 1939.

Hon. JERRY VOORHIS,
House Office Building, Washington, D. C.

MY DEAR MR. VOORHIS: I am very much delighted with your bill, No. 4931, as I have been with its predecessor, the Binderup bill, upon which yours is a decided improvement. I do not need to say that I highly approve of the bill, as it is so largely in tune with, and largely founded on, the program for monetary reform, of which I was a signer.

Very sincerely,

IRVING FISHER.

MARCH 22, 1939.

Hon. JERRY VOORHIS,
House Office Building, Washington, D. C.

MY DEAR MR. VOORHIS: Professor Fisher was kind enough to send me a copy of H. R. 4931, which you have introduced. It seems to me that its provisions are in general sound.

Since the Federal Reserve Board says that it cannot and does not wish to control the price level, I feel that it is important to replace it with a group which will undertake the functions which ought to be vested in such a body. Your bill does this.

Very sincerely yours,

WILLFORD I. KING,
Professor of Economics.

MARCH 24, 1939.

Hon. JERRY VOORHIS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN VOORHIS: I want to express my enthusiasm for your bill H. R. 4931, which seems to me to propose a thoroughly sensible reorganization of our monetary system and to offer a prospect of improving, rather than disrupting, business stability by our monetary institutions. There is only one point on which I have any serious reservations. That is the paragraph which makes obligations of the United States discountable at any Federal Reserve bank at the market price of such obligation on the day of discount, but, in my general approval, I am not disposed to insist upon this point at this time.

Very sincerely yours,

FRANK D. GRAHAM.

A couple of months ago a group of economists, headed by Professor Fisher, prepared and sent to leading professors of economics throughout the Nation a program for monetary reform. The proposals advanced in that program are almost identical with the provisions of H. R. 4931. To date, of 320 replies received from these economists, 274 have approved the program for monetary reform and only 40 have done so with even minor reservations.

ROBERT L. OWEN'S LETTER

Probably so far as America's statesmen are concerned, none has contributed quite so much to the education of his country with regard to monetary matters as has Senator Robert L. Owen, author of the original Federal Reserve Act. I am proud, indeed, to include here a letter recently received from Senator Owen:

JUNE 23, 1939.

Hon. JERRY VOORHIS,
House of Representatives.

MY DEAR MR. VOORHIS: Answering your inquiry with regard to H. R. 4931, I am in accord with the objectives which the bill broadly contemplates—the regulation of the volume and value of money by Congress under a legislative mandate and congressional control of the Board of Governors and the Federal Reserve System.

There have been some changes made in the bill with which I am not very familiar, but I am certainly greatly appreciative of the great interest you have shown in working out this problem. Without the public control of the volume and value of money through the control of currency and demand bank deposits this country cannot have any dependable security for business contracts.

It seems to me of the most urgent importance that the Congress should immediately, regardless of any other demand whatever, solve this problem. For upon its wise solution depends the future stability and prosperity of not only the United States but of the whole world. For America is in a position to establish a system which will enable other nations, as well as the United States, to double their productive power, to the welfare of the people of all nations.

By a proper solution of this matter poverty can be abolished and world peace put upon a sound foundation. We have the means now of talking to the whole world over the radio, and the truth can be made manifest so that people everywhere can understand it.

The Committee on Banking and Currency could easily, without delay, take the bills before the committee and, by giving concentrated attention to the points which have been presented, arrive at a correct determination of every principle involved, and can perfect a bill without any unreasonable delay whatever. They have all the facts and testimony which is necessary. In Senate Document No. 23 of this Congress I attempted to collate for the Con-

gress the principles and the facts which are necessary to a complete comprehension of this question. I am hopeful that my efforts may be useful to you and to others who are really studying this matter from a high and patriotic standpoint.

I congratulate you heartily upon your sincere and devoted work in trying to bring this problem to a wise solution.

Yours very respectfully,

ROBERT L. OWEN.

SUPPORT FROM VARIOUS GROUPS

In addition to those who have made a scientific study of the monetary questions there is a surprising and most encouraging amount of support for the bill being shown by every sort of American citizen and every kind of organization and group.

For example, the president of a large bank in one of the major cities of the Nation, whose name for obvious reasons should not be used, writes as follows:

MARCH 20, 1939.

Hon. JERRY VOORHIS, M. C.,
House Office Building, Washington, D. C.

DEAR MR. VOORHIS: Would it be possible to obtain a copy of House bill No. 4931, which has been introduced by you?

In a letter from Dr. ——— on this subject this morning, he tells us that he could not avoid opposing your bill principally because of two factors: "First, it destroys the earning power of the demand deposit department of banks. Second, it ties up the money-expanding program in large part to the price level of 1926."

We think that he has told you of our criticism of this "first" feature he criticizes. In our opinion, divorcing money from debt, under the 100-percent plan, would be of so much greater benefit to the country than increased earnings for the banks could possibly be, that the matter of income from the demand-deposit side should be of minor consideration. Certainly, any consideration would have no effect on the antagonism with which the bankers will oppose the entire bill. Best wishes.

Sincerely yours,

——— ———.

An official of the Midland Cooperative Wholesale, probably the largest consumer cooperative organization in America, whose members are largely northwestern farmers, has this to say:

MIDLAND COOPERATIVE WHOLESALE,
Minneapolis, Minn., May 31, 1939.

Hon. JERRY VOORHIS,
House of Representatives, Washington, D. C.

DEAR MR. VOORHIS: We have read and carefully studied H. R. 4931 proposing to revamp our money system in conformity with economic needs at the present time, and we are in agreement with the provision of the bill and only regret that we will not be able to attend the hearing on it before the Banking and Currency Committee.

If you deem it advisable, I will be glad to circulate additional copies of this petition, as we would like to see Congress take some definite action to control the monetary system now in the hands of the private bankers. Any legislation which will have a tendency to reestablish confidence in investments and put the enormous sums of money now on deposit in the banks back into circulation will certainly benefit the agricultural northwest area.

Very truly yours,

MIDLAND COOPERATIVE WHOLESALE,
By A. N. HOWALT,
Director of Personnel and Public Relations.

And from the point of view of religion, I am especially proud to quote a letter from the director of the board of Christian education of the Presbyterian Church:

BOARD OF CHRISTIAN EDUCATION OF THE PRESBYTERIAN CHURCH IN THE UNITED STATES OF AMERICA,
PHILADELPHIA, PA., *May 17, 1939.*

Hon. JERRY VOORHIS,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN VOORHIS: I have been reading and thinking about your address in Congress on March 10, 1939, and H. R. 115 and H. R. 4931 which you kindly sent me. It seems to me that you have, in H. R. 4931, reached to the very heart of our whole economic problem. The idea that the banks in the control of credit have practically usurped the congressional power of coining money and regulating its value had never occurred to me before. I have favored the general idea of the commodity dollar and a managed currency but have not had the technical training to know how this can be brought about. Your bill seems to accomplish this purpose in a most businesslike and effective way, and I shall follow further developments with the greatest possible interest.

Very sincerely yours,

CHARLES J. TURCK.

Finally, there have been received to date over 11,000 signatures on petitions requesting hearings on this bill and consideration of it by the House. These petitions have come simply as a result of such very limited efforts as one congressional office can put forth coupled with the earnestness of people who, believing in this cause, have given of their time and energy in every part of the United States. These petitions I am laying on the Clerk's desk today in the earnest hope that the time may speedily come when the Congress of the United States will undertake in earnest its primary task of establishing for the United States a monetary system which will accord with the needs of this great industrial Nation and of modern technology.

TEXT OF H. R. 4931

A bill to restore to Congress the sole power to issue money and to regulate its value as provided in article I, section 8, of the Constitution of the United States; to improve the banking system; to aid in restoring and maintaining full employment and production; to reduce the public debt; and to provide a stable currency

Whereas article I, section 8, of the Constitution of the United States provides that "The Congress shall have power to coin money, regulate the value thereof, and of foreign coin"; and

Whereas there has developed in the method of conducting commercial banks in the United States the custom of lending the private credit of such institutions under the guise of lending money; and

Whereas such credit, transferable from one depositor to another by the check or order of the depositor or any other person in his behalf is now generally accepted in payment of private debts, thus in effect providing an uncontrolled and privately created circulating medium of exchange which performs the functions of money in disregard of article I, section 8, of the Constitution of the United States; and

Whereas the uncontrolled alternate expansion and contraction of this synthetic medium of exchange induces recurrent periods of uncontrolled and disorganizing inflation followed by disastrous periods of equally uncontrolled deflation, bankruptcy, and distress; and

Whereas it has become necessary to the safety and welfare of the Nation that inflation and deflation alike be prevented and that a stable buying power be maintained in the dollar; and

Whereas these aims and purposes can only be accomplished if Congress acts to end the existing dependence of the United States upon a privately created and destroyed bank credit medium of exchange, and to substitute therefor a dependable medium of exchange, not based on debt, but put into circulation without increase in the public debt in accordance with the provisions of the Constitution: Now, therefore,

Be it enacted, etc.,

PURCHASE OF FEDERAL RESERVE BANKS BY GOVERNMENT

SECTION 1. (a) The Secretary of the Treasury of the United States is hereby authorized and directed forthwith to purchase the capital stock of the 12 Federal Reserve banks and branches, and agencies thereof, and to pay to the owners thereof the book value of such stock at the date of purchase.

(b) All member banks of the Federal Reserve System are hereby required and directed to deliver forthwith to the Treasurer of the United States, by the execution and delivery of such documents as may be prescribed by the Secretary of the Treasury, all the stock of said Federal Reserve banks owned or controlled by them, together with all claims of any kind or nature in and to the capital assets of the said Federal Reserve banks, it being the intention of this act to vest in the Government of the United States the absolute, complete, and unconditional ownership of the said Federal Reserve banks.

(c) After the date of passage of this act all earnings of said Federal Reserve banks shall be paid into the general fund of the Treasury on the last day of each fiscal year.

BOARD OF GOVERNORS AS MONETARY AGENT OF CONGRESS

SEC. 2. (a) The Board of Governors of the Federal Reserve System (hereinafter referred to as the Board) is hereby constituted the monetary agent of the Congress of the United States to regulate the value of the money of the United States in accordance with article I, section 8, of the Constitution of the United States, and for this purpose the Board shall have sole power to issue all lawful money of the United States, to regulate the exchange value of all foreign currency and coin, and to control the volume of demand bank deposits, and shall be fiscal agent of the Government of the United States.

(b) The Board shall be composed of seven members, appointed by the President with the advice and consent of the Senate. The Secretary of the Treasury shall be ex officio, one of the seven members of the Board. Members of the Board shall be selected on the basis of their qualification by experience, knowledge, and ability to formulate monetary policy.

(c) Members of the Board shall receive the same salaries as members of the Cabinet.

(d) Any member who has served 14 years or more shall, upon his retirement, receive annually for the remainder of his life a retirement salary or pension of two-thirds of the annual salary received during his active term of office.

(e) The terms of office of members of the present Federal Reserve Board shall expire 30 days after the date of passage of this

act, whereupon a new board shall be appointed in the manner prescribed in subsection (b) of this section, except that members, with the exception of the ex officio member, shall be appointed for terms of 2, 3, 4, 5, 6, and 7 years, respectively. Upon the expiration of the term of office of each member so appointed, his successor shall be appointed for a term of 7 years. Members of the present Board and of all future Boards shall be eligible for reappointment.

(f) Any member of the Board except the ex officio member may be removed from office by the passage of an appropriate resolution by the Senate and House of Representatives.

(g) Upon the death, resignation, or removal from office of any member of the Board, a successor shall be appointed to fill the unexpired term of such member in the manner set forth in subsection (b) of this section.

(h) Upon the passage of this act the terms of office of the Federal Reserve Advisory Council and of the Open Market Committee shall terminate and thereafter the functions of such Open Market Committee shall be exercised by the Board.

(i) Within 1 year after the passage of this act, the terms of office of all officers and directors of the 12 Federal Reserve banks and their branches and agencies shall expire, and thereafter the operation of each bank shall be conducted by a manager selected and appointed by the Board and such assistant managers as they may deem necessary, under such rules and regulations as they may from time to time prescribe: *Provided, however,* That salaries of managers are hereby limited to $12,000 per annum, those of assistant managers to $9,000 per annum, and those of department heads to $6,000 per annum.

(j) The Board shall purchase at a price to be from time to time fixed by it any or all gold which may be offered in the domestic market. The Board, with the approval of the President, may purchase or sell gold, silver, foreign exchange, and instrumentalities and/or obligations of foreign governments, at such times, at such prices, and in such quantities as in its discretion may appear to be necessary to promote stability in the buying power of the dollar, to protect foreign commerce against the adverse effect of depreciated foreign currency and/or to carry out the purposes of this act. The Board may sell gold or silver at the current selling price fixed by it in such amounts as may be necessary to permit the settlement of payments arising out of the legitimate and normal business and financial requirements of international trade and/or reasonable traveling and other personal requirements in connection therewith. The decisions of the Board as to all questions relating to the purchase and sale of foreign exchange and the exchange of currency for gold or silver in such international transactions shall be absolute and final. The Board shall prescribe, with the approval of the President, such rules and regulations governing banking transactions involving foreign exchange or deposits owned by citizens or institutions of foreign countries as may be necessary to carry out the purposes of this act. All laws or parts of laws in conflict with this subsection are hereby repealed.

(k) The Board shall have and exercise all powers relating to the purchase of silver conferred by law upon the Secretary of the Treasury of the United States.

(l) Sections 43 and 44 of title 3 of the Agricultural Adjustment Act approved May 12, 1933 (48 Stat. 51), as amended, are hereby repealed.

JURISDICTION AND AUTHORITY OF THE BOARD—DEMAND DEPOSITS TO BE HELD IN TRUST

SEC. 3. (a) All individuals, firms, associations, or corporations in the United States, or Territories and possessions thereof, receiving deposits of money or credit or any other substitute medium of exchange withdrawable or payable upon the check or equivalent order of the depositor upon demand or within 60 days and transferring such deposits or title thereto to other banks or individuals, firms, associations, or corporations, in the United States, its Territories, or possessions, or foreign countries, shall be deemed to be commercial banks engaged in interstate commerce, and as such are subject to Federal jurisdiction and to the authority of the Board of Governors of the Federal Reserve System, according to the terms of this act.

(b) Within 1 year after the passage of this act, all commercial banks shall be required to hold all deposits which are subject to check and/or payable on demand or within 60 days (hereinafter referred to as demand deposits) in trust for their demand depositors, in lawful money of the United States on hand or on deposit in a Federal Reserve bank: *Provided, however,* That commercial banks which have a portion of the funds of their demand depositors invested in interest-bearing bonds and/or notes issued or fully guaranteed by the United States Government 3 months after the date of passage of this act may hold such interest-bearing bonds and/or notes in trust for their demand depositors in lieu of lawful money or deposits in a Federal Reserve bank and such commercial banks may continue to receive the interest thereon and retain same for their own benefit: *Provided further,* That any such direct or fully guaranteed obligations of the United States shall be discountable at any Federal Reserve bank, at the market price of such obligations on the day of discount as determined by the Securities and Exchange Commission, but in no case at less than the par value thereof: *Provided further,* That no commercial bank shall sell any bonds or notes issued or fully guaranteed by the United States held in trust for its demand depositors without permission of the Board: *Provided further,* That no commercial bank shall at any time use any part of the lawful money or deposits in a Federal Reserve bank held in trust for its demand depositors for the purchase of any bonds or notes of the United States, except that such lawful money or deposits in a Federal Reserve bank as may be received by any commercial bank in redemption of bonds or notes of the United States held in trust for its demand depositors may be reinvested in other bonds or notes of the United States.

(c) Within 1 year from the date of passage of this act, any solvent commercial bank as defined by this act, which has an insufficient total of cash and balances with the Federal Reserve banks and bonds or notes issued or fully guaranteed by the United States, to comply with section 3 (b) of this act, may sell to the Reconstruction Finance Corporation and the Reconstruction Finance Corporation may purchase so much of its other assets as may be necessary to bring its total holdings of cash and bonds or notes as herein specified to the total of the demand deposits of its customers as of the effective date of this act, or such bank may at its discretion increase its capital stock by the sale of additional common or preferred stock to the Reconstruction Finance Corporation and the Reconstruction Finance Corporation is hereby authorized to purchase the stock so offered.

(d) All demand deposits shall be held in trust for the benefit of the depositors and shall not be merged with or become a part of the assets of the bank nor shall they be liable for its obligations.

(e) The Board shall set maximum limits to the service charges which may be made by commercial banks of the several districts against their demand depositors.

(f) The Board shall establish and enforce uniform rules and regulations for the withdrawals by depositors of funds from the savings- and time-deposit departments of all banks subject to its jurisdiction.

MISCELLANEOUS PROVISIONS

SEC. 4. The Treasurer of the United States is authorized to accept for custody and safekeeping for the Federal Reserve banks deposits of gold or silver bullion or lawful money of the United States or gold or silver coin or bullion of foreign countries deposited with the said Federal Reserve banks. The Treasurer, under the direction of the Board, shall keep books of account in which shall be entered all deposits of the said Federal Reserve banks and all withdrawals. Said books of the Treasurer shall show at all times the lawful money held for the account of the said Federal Reserve banks, and the Treasurer shall, at the request of the duly authorized officers of the Federal Reserve banks, and under regulations prescribed by the Board, deliver said lawful money to whomsoever the said Federal Reserve banks may direct, or transfer the title to said money by proper entry upon the Treasurer's books of account.

SEC. 5. (a) The Chairman of the Board shall be ex officio a member of the Board of Directors of the Federal Deposit Insurance Corporation.

(b) Beginning 1 year from the date of passage of this act, the Federal Deposit Insurance Corporation shall insure the full payment of all deposits in all banks subject to the jurisdiction of the Board under the terms of this act (and all such banks shall be deemed to be "insured banks" as defined in section 101 of the Banking Act of 1935), but after this subsection becomes effective no assessment shall be made upon any bank as to its demand deposits.

(c) The Federal Deposit Insurance Corporation is hereby authorized and directed to act as an agent of the Board and, under such rules and procedure as the Board may prescribe, to examine all insured banks without charge. Banks thus examined shall not be subject to examination by any other Federal agency.

(d) The powers in respect to supervision and liquidation of banks now exercised by the Comptroller of the Currency and the Board are hereby vested in the Federal Deposit Insurance Corporation, and such Federal Deposit Insurance Corporation shall add to its existing staff such members of the staff of the Comptroller of the Currency and the Federal Reserve Board as may be necessary to carry out the purposes of this section.

MANDATE TO THE BOARD

SEC. 6. (a) The Board is hereby authorized and directed to use any or all of its powers to bring about and maintain full employment and a stable buying power in the dollar.

(b) The Board is authorized and directed to purchase with lawful money or deposits in the Federal Reserve banks direct or fully guaranteed obligations of the United States, including, but not limited to, obligations issued for the purpose of financing employment of the unemployed, the rehabilitation of agriculture, the provision of low-interest credit to farmers, home builders, and small industry or other recovery purposes. The Board shall carry forward this policy until such time as a condition of practically full employment has been attained or until the buying power of the dollar has been restored to the average level held by it in the year 1926.

(c) Whenever the Board shall find that there is practically full employment or that the buying power of the dollar has been restored to the average level held by it in the year 1926, then the Board shall so announce and shall thereafter use any or all of its powers to maintain the buying power of the dollar as of the date of such announcement and to promote the balanced expansion of production, distribution, and consumption, and full employment therein.

(d) If the Board shall find that the exercise of all its powers is ineffectual in maintaining practically full employment at the stabilization level of the buying power of the dollar provided for in subsection (c) of this section, then the Board shall promptly advise the Congress and the President with recommendations for appropriate legislation and/or Executive action.

(e) The Board is hereby directed to develop a dependable index which shall adequately represent the average buying power of the dollar.

(f) The Board shall supply itself with and publish such statistical and other information as will at all times keep it fully informed in respect to economic conditions in the United States and impending changes therein. Such information shall include, among other things, monthly statistics of (1) the volume of means of payment and its velocity of circulation; (2) production, wholesale prices, sales, orders, and inventories of consumer perishable goods, consumer durable goods, capital goods, agricultural raw materials, industrial raw materials; (3) the volume of savings and investment; (4) the volume of long-term and short-term debt by consumers, business, industry, and agriculture; (5) wages, employment, and unemployment; (6) national income; and (7) such data regarding foreign trade and international capital movements as affect the national economy.

METHODS OF EXPANSION AND CONTROL UNDER CONDITIONS OF STABILITY AND FULL EMPLOYMENT

SEC. 7 (a) It is hereby declared to be the policy of Congress to provide, in an orderly manner and without increase in the public debt, such expansion in the actively circulating volume of lawful money and demand bank deposits subject to check as may be necessary to compensate for the annual increase in population of the Nation and in the productive capacity of its industry, agriculture, and commerce. In order to carry out this policy the Board shall from time to time in return for obligations of the United States, establish deposits in the Federal Reserve banks in favor of the Secretary of the Treasury of the United States in amounts sufficient to maintain a stable buying power in the dollar under conditions of expanding production, distribution, and consumption; and the Secretary of the Treasury shall forthwith apportion such deposits to the accounts of appropriate Federal agencies for prompt disbursement by such agencies in accordance with congressional enactment for any or all of the following purposes: (1) For the payment of pensions or social dividends to such citizens of the United States as shall have been made eligible to receive any such payments by act of Congress; (2) for the making of loans at low interest rates to farmers to assist in the rehabilitation of agriculture and the reduction of farm tenancy; (3) for the expansion of public works, including conservation and development of our natural resources, slum-clearance, low-cost housing construction, and similar activities; (4) for retirement of the public debt of the United States; (5) for payment of the ordinary expenses of the Federal Government.

(b) If at any time after the announcement provided for in subsection 6 (c) above the Board shall find that the volume of lawful money and demand bank deposits in active circulation is not so balanced by the volume of goods and services flowing through the markets of the Nation as to prevent a sharp and inflationary rise in prices, then the Board shall cause the Federal Reserve banks to sell to the public obligations issued or fully guaranteed by the United States Government in amounts sufficient to maintain a stable buying power in the dollar.

SEC. 8. All laws or parts of laws in conflict with this act are hereby repealed.

SEC. 9. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act or the application of such provisions to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 10. This act shall take effect immediately upon its passage.

SEC. 11. This act shall be known as the Binderup-Voorhis Monetary Control Act of 1939.

Sam D. McReynolds

EXTENSION OF REMARKS

OF

HON. WIRT COURTNEY

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1939

Mr. COURTNEY. Mr. Speaker, as the newest Member of the House save one, it would not be fitting for me to appraise and speak of the work of Judge MCREYNOLDS in this body. From what I have learned, however, since my recent coming, and what I have heard today from the lips of Members old in point of service who worked with him through the years, I have no doubt that his achievements in this body and in the great Foreign Affairs Committee that he headed will be a monument to his memory, eternal and everlasting.

I love to think of him as when I first knew him in the prime of life as a circuit judge in our State, a circuit in which I was privileged to appear as a lawyer at times. As has been said by the gentleman from Wisconsin, there never was a fairer judge and there never was a judge more just. His court was always a model of dignity and decorum, but he found time to be patient and lenient with the younger and untried lawyers who appeared before him. His record of affirmations in our appellate courts was brilliant. In his score of years of service in that capacity his learning and personality left a marked stamp upon the legal history and the jurisprudence of our great State.

Judge MCREYNOLDS succeeded in every relation of life. As a husband he was tender and devoted; as a father, loving and indulgent; as a friend, fine and firm. He was an able lawyer, an outstanding judge, a statesman tall in statue. But above and beyond it all he was simple, kindly, and understanding—a God-fearing, Christian man.

We who mourn his loss today may comfort ourselves in this paraphrase of a modern poetic thought:

Somewhere tonight among the hills of heaven
He'll walk with all God's stars around him;
And we who lost him here on earth
Grow happy knowing God has found him.

The Preservation of American Independence

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ADDRESS BY HON. BENNETT CHAMP CLARK, OF MISSOURI, JULY 4, 1939

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the RECORD the able and patriotic address delivered by the distinguished Senator from Missouri, the Honorable BENNETT CHAMP CLARK, at the American Legion outing at Cape Girardeau, Mo., on July 4, on the subject The Preservation of American Independence.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My comrades of the American Legion and ladies and gentlemen, we meet again to celebrate the most sacred of all of our holidays—the birthday of the Republic. It is naturally the dearest of all of our occasions for patriotic thanksgiving. It is the anniversary of the day from which stem all of the liberties and blessings which we enjoy today—the Constitution and the Bill of Rights and those inestimable privileges which have followed from those great documents.

It is the anniversary of the day upon which a little group of willful men "with ropes around their necks," as one of their number suggested, well knowing that they would be held personally responsible if the great venture failed, bravely hurled the gage of battle of the American colonists in the face of the tyrannical King of England and his corrupt and tyrannical Parliament.

It is the anniversary of the day 50 years later when within a few hours of each other there died Thomas Jefferson, the matchless penman of the Declaration of Independence, and John Adams, the invincible champion of its adoption upon the floor of the Continental Congress.

That these events so vital and so sacred in our Nation's history have imparted a peculiar significance to this day is natural and in keeping with the eternal fitness of things.

In my own lifetime there has been a great departure in the observation of the day. When I was a boy and indeed when I was a young man before the World War, it was the custom on the Fourth of July for orators, both young and old, to "twist the lion's tail and make the eagle scream."

None of us wishes to do that today, particularly none who remembers the fact that amid the greatest carnage of history American doughboys, and British Tommies, Scotch Kilties, and the big boys from Canada went up to the charge together to smash the Hindenburg line and win decisive victory in the most tremendous war of all time.

Today we prefer to emphasize the wisdom and the courage of those fathers of our Republic who risked their lives to set up in this continent a government dedicated to the principle that men are fit to govern themselves rather than to dwell upon the faults of the English King and courtiers whose tyrannical acts drove our forebears into revolution.

It is rather for us upon this day to rededicate ourselves to the immortal principles upon which this Republic was founded and to pledge ourselves to the principle that the system of government set up by the fathers shall be preserved and we will not permit

our own liberties to be jeopardized by allowing the United States to drift into alliance with any nation in the world or into a situation where we may become involved in the power politics of the other hemisphere.

I speak feelingly upon this question and to no one could I speak with more frankness or more confidence than to my comrades of the American Legion, that great organization of men who have worn the uniform of the United States in time of stress and have learned through hard reality what war is.

Upon you, my comrades of the World War, members of an organization especially dedicated to the preservation of American institutions, I urge the proposition that the greatest contribution which the United States can possibly make to the preservation of democracy in the world is to preserve democracy in America, to maintain intact our own constitutional institutions, and to resolutely refuse to be drawn into the quarrels or rivalries based upon the trade or territorial aspirations of any other nation in the world.

It is a fact, lamentable but true, so plain that he who runs may read, that today, more than two decades after the conclusion of the "war to end war" and to "make the world safe for democracy," war clouds are again darkening the horizon.

The post-war era has definitely passed and the world is once again wallowing in a pre-war situation—that precarious condition where jealousies and hatreds between nations have been fanned to such a pitch, where international suspicion has been so acutely aroused, where excessive competition in armaments on every side has so set the hair trigger of calamity, that the bad temper of a dictator, the ineptness of a diplomat, or the crime of a fanatic may loose irradicable disaster upon the world.

One does not need to be an alarmist to recognize the threats of war in portions of the world that makes the danger of far-flung combat more imminent than it was at this season of the year 1914. Who of us that remembers back to that tragic autumn will ever forget the shock with which we learned that hostilities on a major scale, so long prepared for, had actually begun? Who would assert that the skies are not now much more threatening than in July of 1914?

Far worse and far more tragic in its implications, so far as the welfare of the United States is concerned, is the fact that already we are much farther along the road to actual involvement and active participation in the next European war, even before it develops, than we were even 3 months before our own entrance into the last war after 2½ years of carnage abroad.

Already the effort is being made to have us choose sides and commit ourselves to one set of prospective belligerents before so much as a single gun is fired in the war. Already the effort is being made to bring about commitments on our part which will again set our feet upon the path which inevitably leads to war. Already while we are still talking about our obligation to make the world safe for democracy there is being made the suggestion of our responsibility to participate, if necessary, in another "war to end war" in which we will again send the best and bravest of our youth to die on foreign fields in Europe or Asia, thousands of miles from home in quarrels which do not in any degree whatever concern us—questions of power politics; questions of the British prestige in the Orient and their right to hold Hong Kong, which they took by force from China in the infamous Opium War; questions of the conflicting claims of France and Italy to Tunisia, in which neither has any rights except those acquired by force; questions of who shall have Danzig; questions of disputes between Germany and Poland, both of which actively collaborated within the year in the rape of Czechoslovakia with the benign approval and connivance of Great Britain and France as well as Italy.

This is in line with the blunt suggestion made within the week by Foreign Minister Bonnet of France that it is the duty of the United States to now enter into alliance with France, Great Britain, and Poland and possibly Communist Russia and to promote peace by joining one power group in Europe to insure its preponderance over another.

Incidentally, most of those in this country who are so eager for our involvement in war would fight the war in editorial sanctums or in clipping coupons in counting houses or in indulging in fervid oratory in the safe precincts of the United States Congress.

Already some high Government officials, including some eminent Senators have contributed what they could toward bringing us into conflict by consistently thumbing their noses and making faces and shaking their fists at certain nations abroad. Already while they still owe us nearly a score of billions of dollars from our advancements to them in the last war, the nonpayment of which is largely responsible for the continuance of our 10-year period of economic depression, plans are already afoot to permit these European nations to make so-called token payments; that is an insignificant portion of their old debts and in return be permitted to make new raids upon the Treasury of the United States, either in preparation or for the prosecution of a new and even more dreadful war. Already while there is talk of our efforts being limited to "measures short of war" the effort is being made to commit us to policies which must inevitably lead us not only into participation in war but into bearing the financial burden of the whole war and in all probability a large portion of the military burden as well. More than a year ago I charged in the Senate on my responsibility as a Senator that the Nation was to be subjected to a deliberate, amply financed, ably lead propaganda participated in by high officials of the Government, including high-ranking officials of the Army and Navy to make this country war-minded and to prepare public opinion for another costly adventure abroad. That prediction has literally come to pass and we have had in the public press, over the radio, and in the utterances and writings of high public officials the effort to lash our people into the pre-war frenzy which will ultimately lead to our being called upon to offer up hundreds of thousands of lives and billions of dollars of our national wealth in quarrels with which we have no direct concern.

The desire to keep the United States from involvement in any war between foreign nations is still very strong today—well-nigh universal in spite of all of the efforts of all of the propagandists to involve us in war. But we cannot forget that there was an almost equally strong demand to keep us out of the last war. In August 1914 no one could have conceived that America would be dragged into a European conflict in which we had no part and the origin, ramifications, secret commitments, and aims of which we did not even understand. Even as late as November 1916—after more than 2 years of carnage in Europe—the American people re-elected Woodrow Wilson "because he kept us out of war," and yet 5 months later we were fighting to "save the world for democracy" in the "war to end war."

To those who participated in that struggle how hollow those slogans seem tonight.

In the light of that experience it is high time that we seriously apply ourselves to the hard practical question of just how we propose to avoid war if war comes again. No one who has made an honest attempt to face the issue will assert that there is any easy answer. No one who has studied the history of our participation in the World War will tell you that there is any simple way out. There is none—no simple panacea, no magic formula. But if we have learned anything at all we know the inevitable and tragic end to a policy of drifting and trusting to luck. We know that however strong is the will of the American people to refrain from mixing in other people's quarrels, that will can only be made effective if we have a sound, definite policy from the beginning. No lesson of the last war is more clear than that such a policy cannot be improvised after war breaks out. It must be worked out in advance before it is too late to apply reason. I say with all possible earnestness that if we want to avoid participation in another war we must have a definite policy beforehand based upon an understanding of the problem confronting us.

I frankly confess that I make no pretension of knowing of a policy which can provide an absolute and infallible guaranty against involvement in war. Certainly there is no such policy which can be written into law or enacted as legislation. The only sure way to avoid involvement in another war is for another war not to break out. I have advocated preventive measures and I have supported disarmament and settlement of disputes by peaceful means. But if these fail, or if nations insist on arming to the teeth for conflict and that conflict comes, then I insist that we must do everything in our power to stay out. And I believe that the United States can stay out of the next war if it wants to and if it understands what is necessary to preserve neutrality and is willing to pay the price for peace. Such a policy means the sacrifice of the transitory profits which come from war mongering and trafficking in death. It will be far, far cheaper for us in the long run in blood and treasure and in the perpetuation of our most sacred institutions. It will cost us millions, but it will save us billions. It will save us from footing the bills for other nations whose aims are not our aims and whose democracy is not our democracy. It will save us from sacrificing the flower of our youth—your boys and my boys—in quarrels in which we have no interest.

Most people realize that some sacrifices must be made if we are to do this. Certainly all who have thought about its possibilities do.

To accomplish it we must cheerfully sacrifice the chance for quick and big profits, the possible temporary expansion of our exports and resulting employment at good wages for persons who might engage in making war exports. We must deprive American ships of cargoes that would pay excellent freight rates. We must deprive American bankers and investors of profitable commissions and high-interest investments. (The Morgan firm alone drew down $30,000,000 for acting as purchasing agents for the British Government in the last war.) We must not permit American insurance companies to underwrite war risks, no matter how attractive the rates.

But in the long run I am sure that it will cost us far less—that everyone concerned in America will be better off, even financially, to say nothing about human suffering, loss of life, and the other horrible consequences of our being dragged into another war.

It was profitable exports, the high interest loans, the war-risk insurance, yes, even general employment at high wages and high prices for our farm products which dragged us into the World War in 1917 and is also largely responsible for the depression and agony from which we are still struggling to emerge.

We want something which is very real and very dear to our people—peace—and we must be willing to pay the price for it; though we can be comforted by the fact that the price represents a real bargain. The quick profits of war exports and other unneutral activities inevitably come home to roost.

In line with this policy and with the overwhelming sentiment of the American people, Congress has in the last few years passed and the President of the United States has signed three measures which, taken together, embody the neutrality law of the United States. I am proud to have been one of the authors of the original resolutions upon which the first Neutrality Act was based.

The present act is by no means perfect. It represents much less than the proponents of the original law advocated and sought to provide. But, imperfect as it is, the present neutrality law does take the American flag off of munition ships. It does prevent loans and credits to belligerents, resulting in pre-war inflation and tend-

ing to involve us in the affairs of other nations. It does prevent us from entering upon the fake, spurious prosperity which depends upon the ghastly trade in munitions and instruments of death. It does prevent the American flag being used as a shield to protect a handful of American adventurers in their pursuit of the tear-rusted, blood-stained gold to be made by trafficking in the agonies of other people.

The present Neutrality Act, passed by an almost unanimous vote of both the Senate and House and signed by President Roosevelt, is now under vicious attack in the press and in the Congress. As I predicted would happen more than a year ago, a most serious effort is now being made to break it down and to destroy our theory of neutrality.

Let me say at the outset that the remark frequently heard that the Neutrality Act has been proved a failure and therefore should be changed is fallacy pure and simple and takes no account whatever of either the law or the facts. The Neutrality Act could not have been proved a failure, because the Neutrality Act has never been invoked. On the other hand, the President has flatly disregarded the plain terms of an act which he signed himself and has flagrantly disregarded the specific provisions of the law which required him to put the Neutrality Act into effect in the case of existing war between Japan and China.

The excuse is made that there is doubt as to the application of the Neutrality Act to undeclared wars. But there is nothing in the act itself which makes possible any such construction. Nor is there anything in the act which leaves any discretion in the President, after he has made a simple finding of fact based upon ordinary evidence. The law does not mention declarations of war. The law says, and I quote: "Whenever the President shall find that there exists a state of war between or among two or more foreign states, the President shall proclaim such fact, and it shall thereafter be unlawful to export, or attempt to export, or cause to be exported arms, ammunition, or implements of war from any place in the United States to any belligerent state named in such proclamation or to any neutral state for transshipment to or for the use of any such belligerent state." Here is no delegation of discretionary power. Here is only the imposition of the simple duty of ascertaining facts with, of course, the implication that the task of finding the facts will be diligently pursued and the finding of facts honestly made.

Certainly I would not so far reflect upon the intelligence and information of the President of the United States as to suggest or intimate that he does not know that a state of war exists between Japan and China. Everyone in the world knows that. But if such a state of war does exist, then the obligation of the solemn public statute of the United States is upon the President, and has been upon him, to impose an embargo on munitions. Yet, despite a universally recognized fact the United States has gone ahead supplying Japan with the instruments of death. The Chinese-Japanese situation does not represent a failure of the neutrality law but a failure of the executive department of our Government to enforce the plain provisions of a public statute.

Furthermore, I should like to point out that the application of the Neutrality Act to Spain had nothing whatever to do with the principles or provisions of the original Neutrality Act and proceeded upon an entirely different and diametrically opposite theory. No such provision was contained in the act as originally introduced by Senator NYE and myself. That provision was contained in a special resolution introduced by Senator PITTMAN at the urgent request of the State Department and rushed in for passage under whip and spur under the excruciating wail that a sudden emergency existed. Even if the noble PITTMAN and the distinguished experts of the State Department are now prepared to repudiate their own brain child—with which I am in entire agreement—it has nothing on the face of the earth to do with the real Neutrality Act, which, I repeat, has never been tried, which has never even been invoked.

The present Neutrality Act was not only signed by the present President of the United States; it drew its original inception from him. Without violating the rule against quoting the President, I think that I may say with all propriety that the inception of the present neutrality law was in a conference between President Roosevelt and the full membership of the Senate Munitions Committee, followed a few weeks later by a conference at the White House between the President, Secretary of State Hull, Senator NYE, and myself.

At the present time there are several major proposals for amendment of the present Neutrality Act before the Congress. As soon as I finish this speech I am going to drive to Memphis to catch a plane for Washington in order to attend the meeting of the Senate Foreign Relations Committee to begin the consideration of these proposals.

The principal suggestions which will be before our committee tomorrow may be briefly summarized.

First, there is the proposal by Senator THOMAS of Utah for returning to the old League of Nations theory of sanctions, the failure of which was notably exhibited by the complete failure of the proposed Hoare-Laval sanctions against Italy. To choose any aggressor nation and impose sanctions is to choose sides and commit an act of war. It commits us to a war without the people of the United States knowing that we are doing it. It takes us down the path of foreign entanglements against which Washington and Jefferson, Monroe, Madison, and the Adamses solemnly warned us and prayed over us.

There are in the United States perfectly honest and intelligent people who conceive that it is our destiny and our duty to act as policeman for the world, to send American boys to die on foreign fields, to protect Great Britain and France and Russia in the far-flung dominions which they have taken by ruthless force throughout the years. Those who hold such a view should support the Thomas amendment. I do not, and therefore I shall oppose it with every vigor at my command.

There are those who regard war in the world as inevitable, and who conceive that in the event of such a war it will be inevitable or may be desirable for the United States to be drawn into the war, to bear the principal burden of the war, and to make the major sacrifices both of men and money. Those who adhere to such a view should logically support the Thomas amendment. Some of us who hold no such view will resist it to the utmost limit of our mental and physical endurance.

In brief, the Thomas amendment is a proposal for us to choose up sides, even in advance of war, and to commit ourselves once more to a foreign war. Against it I solemnly protest, and I promise that no such policy will ever be enacted into law as long as some of us are able to stand upon our feet in the United States Senate and discuss the issue. Another proposal is that of my friend, the distinguished chairman of the Foreign Relations Committee, Senator PITTMAN, of Nevada. His bill contains certain very meritorious features. It makes mandatory the operation of the Neutrality Act in the case of an undeclared war as well as a war following a formal declaration. I favor this, although I do not believe it to be necessary if the President could be brought to carry out his plain duty under existing law. He reinstates and makes permanent the so-called cash-and-carry provisions of the old act which expired by limitation on May 1. I favor that. But the Pittman bill wipes out the embargo now imposed by law upon the exportation of munitions to contending countries. It puts us again into the category of a nation building up a spurious prosperity by the sale of death-dealing agencies to one set of belligerents as against another set. It puts our feet again on a path which must lead inevitably to war. In its original form, Senator PITTMAN'S bill makes us the ally of Great Britain and France in the Atlantic and of Japan in the Orient. For if we are to sell munitions on a cash-and-carry basis that is the unescapable result. When the result of his own measure was pointed out to Senator PITTMAN he introduced a new resolution imposing sanctions upon Japan. I do not like Japan. I do not like its ideology or its conduct. But I am not willing to send American boys to fight 7,000 miles from home in order to back up Senator PITTMAN'S hatred of Japan.

The third proposal is a bill introduced by Senators NYE, BONE, and myself. It is very simple. It simply continues the existing law with a few simple amendments. It makes the duty upon the President apply to an undeclared as well as a declared war. And in case the President does not perform his fact-finding function as to the existence of a state of war, it permits Congress, by concurrent resolution, which does not require the approval of the President, to make the necessary finding of fact.

If the United States actually desires to keep out of war this seems to be the way. It provides by processes recognized by our Constitution the means of doing it.

The measure which will probably be before the Senate committee for consideration tomorrow morning is the Sol Bloom bill, recently passed by the House in very modified form, favored by the State Department and introduced into the House by Representative SOL BLOOM, of New York, the man who made George Washington famous.

In its original form the Sol Bloom antineutrality bill accomplished only two major changes in the existing law.

First. It would permit any President of the United States to mark out fictitious zones on a map into which American ships and citizens could not enter. In other words, if a President ever chose to do so, which, God forbid, he would have the power under this act to put one belligerent out of bounds and another in bounds. A proposition more calculated to get us into war can hardly be conceived.

Second. It repealed the present provision of the law imposing an embargo upon "arms, munitions, and instruments of war."

This is the crux of the whole controversy which will be taken up for consideration by the Senate tomorrow.

The issue bluntly stated is this: Shall the United States choose sides by agreeing in advance to act as the arsenal and purveyor of arms to one set of prospective belligerents as against another or shall we let the world know that we propose to stay out of foreign entanglements?

No one who has studied the tragic course of events which led to our participation in the World War can doubt that the great involvement of the United States in the munitions trade with its accompanying tremendous inflation and the huge investments of capital on behalf of one set of belligerents led us into the World War. It seems to me inconceivable that to again indulge in the practice of putting our money on one horse could result in nothing except our own final involvement.

Let us remember the words of Washington:

"Europe has a set of primary interests which to us have none, or a very remote, relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore it must be unwise for us to implicate ourselves by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships and enmities.

"Our detached and distant situation invites and enables us to pursue a different course * * *."

I appeal to my fellow citizens and particularly to my comrades of the American Legion for the old American way, the way under which our fathers and mothers have lived, the way of the American Constitution. And to perpetuate that way I am certain that it is necessary for us to avoid entanglements with the quarrels of any nations whatsoever. Let us preserve democracy in the world by preserving democracy in the United States of America.

Net Weight and Cotton Bagging Versus Gross Weight and Jute Bagging

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

Mr. FULMER. Mr. Speaker, under leave to extend my remarks on the net-weight cotton bill, I want to give some concrete information as to just what the selling of cotton on a net-weight basis will mean in the way of savings from many angles, which, as stated in my speech on the floor of the House in behalf of H. R. 57 some days ago, would go into the pockets of the producers of cotton.

It is pitiful to hear any sensible man stand up and make the statement that farmers are paid for the 21 pounds of bagging and ties placed on a bale of cotton when sold under the present gross weight selling of cotton.

Listen to a statement made by Mr. John W. Clark, Wardman Park Hotel, Washington, D. C., in communicating with me about the net-weight bill:

I would like to generalize on the burden which is being placed on the cotton industry due to the improper covering of cotton bales and the tare (bagging and ties) basis for trading in cotton. These calculations are based on a 15,000,000-bale crop a year and 10-cent cotton and are, of course, approximated estimates:

Unnecessary freight expense due to excess bagging weight	$1,500,000
Cotton damage from tie rust and stencil ink stain	----------
Labor at mill picking cotton from bagging and fibers from cotton	9,750,000
Loss of cotton left in bagging which is impossible to remove, average 1 pound per bale	1,500,000
Decrease in insurance premium expense and loss by fire not covered by insurance through better bale protection	3,750,000
Total	16,500,000

Listen to the Department of Agriculture, taken from a booklet entitled "American Cotton—Tare, Practice, and Problem":

ADVANTAGES AND DISADVANTAGES TO MARKETING AGENCIES

Marketing agencies are concerned with the tare on the gin bale as purchased from growers and with changes that are made at interior or port compresses. Any economies or added costs resulting from the standardization of tare would directly affect the operating margins of such agencies.

Possible advantages to the cotton trade that would result from tare standardization are: (1) Savings in freight costs; (2) simplification of trading practices that would result from the removal of uncertainty as to weights, including the elimination of (a) cost of taring, (b) unfair price competition, and (c) controversy between buyer and seller; (3) savings in customs duties; (4) savings in insurance; and (5) sales advantage of a neater package.

It is my understanding that patching on bagging after it leaves the farmer to bring the total amount of bagging up to the trade-practice requirements in selling to various cotton mills and for export, those who do the patching make at least a 50-cent profit on each bale.

Listen to this statement coming from the Department of Agriculture, which they state would operate against the cotton trade, and certainly the farmer is not a member of the cotton trade:

Elimination of profit in patching: If transactions were conducted on the basis of net weight, the patching of cotton would be a direct charge against the shipper, and the possibility of selling such patches at the price of cotton would be completely eliminated.

CUSTOMS DUTIES ON WASTE

In my speech some days ago I did not call to your attention a very important matter in connection with the selling of our cotton in certain foreign countries, and the savings which would accrue to the cotton industry, which, as usual, comes out of the farmer's price, on account of customs duties on excess tare, jute bagging.

Listen to this statement coming from the Department of Agriculture:

Savings in customs duties: A number of foreign countries that use American cotton levy import duties or special taxes on imports of raw cotton. In the case of Italy, Poland, Spain, and France these levies are based on the gross weight of the shipments so that excessive weight of bale coverings is penalized.

Since American cotton exported to foreign markets now carries approximately 6 percent tare, whereas most foreign bales carry less than 3 percent, the duty on the additional 3 percent tare, amounting to about 15 pounds per bale, places American cotton at a disadvantage in competition with cotton of other growths. The extent of this competitive disadvantage depends in each case on the amount of the import duty or special tax. At present rates of exchange these duties on the extra tare of American bales amount to about 40.4, 27.5, 6.4, and 0.3 cents per bale for Poland, Italy, Spain, and France, respectively. These amounts may appear insignificant, but they totaled approximately $250,000 for the American cotton exported to those four countries during the season 1931–32.

Take, for instance, Poland. The 15 pounds of surplus bagging, which includes the 9 pounds patched on by the exporter because of the rate of duty, amounts to 40.4 cents per bale.

When we talk about savings to a great many people who should be interested in cotton, they do not stop to think that this duty paid on the American disgraceful bale, according to a statement of the Department of Agriculture, amounts to $250,000 annually.

I am wondering if the jute interests would deny the fact that this amount of money actually comes out of the pockets of the people who produce cotton in the United States. Certainly the exporter does not pay it out of his profits; if so, his profit could stand for a cut and same could be added to the farmer's price.

WHO IS MR. CLARK?

I feel sure that someone in reading these remarks, after looking the figures over submitted by Mr. Clark, especially those who oppose this legislation, will ask, "Who is Mr. Clark?"

Well, to back up Mr. Clark's figures, I am submitting the following, which came from the Department's Bulletin of 1933, page 51.

You remember Mr. Clark's statement in connection with the items of stripping and picking cotton from the jute bagging amounted to a total of $9,750,000.

Listen to the Department as to real facts secured from 347 American mills distributed through the various mill centers:

Estimated damage to cotton from faulty methods of packaging square bales, season 1930–31

Source of damage	Quantity of cotton damaged per bale
	Pounds
Ink stains	0.35
Oil and paint stains	.38
Rust stains	.28
Weather, and other	.99
Total	2.00

Average losses as reported by 347 American mills distributed throughout the various mill centers.

On a crop of 15,000,000 bales of cotton selling at 10 cents per pound, the quantity of cotton damaged per bale of 2 pounds according to this statement would amount to $3,000,000 annually, and as stated these are actual figures submitted by the cotton mills who do the stripping and picking of this cotton.

I am wondering if there is any Member of Congress, or of the jute interests, who will stand up and state that this

$3,000,000 comes out of the cotton buyers and the cotton mills of the country instead of the farmers, who produce this cotton.

No wonder thousands of our farmers annually are losing their farms, and these organized, monopolistic groups are growing richer.

I wish that you would get a copy of this booklet from the Department of Agriculture, dated April 1933, so as to get additional information, and, especially, concerning State laws relating to cotton tare; that is, the amount of bagging and ties allowed in baling cotton in the various States.

TRADE RULES AND REGULATIONS

Listen to some of the trade rules and regulations by various State cotton exchanges governing the tare—bagging and ties—allowance in connection with gross-weight selling:

Galveston Cotton Exchange and Board of Trade: Trade rules (effective Sept. 5, 1932):

"Rule III. General trade rules governing 'factors' terms, 'f. o. b. shipside, Galveston' terms, 'landed or to arrive,' and 'guaranteed through terms'

"SEC. 22. The cotton shall be pressed or packed in what is commonly known as square bales, covered or wrapped with one layer of sound bagging, and, in case of uncompressed bales, bound with six flat, metallic bands of regulation weight and size that have not been spliced, the combined weight of bagging and ties not to exceed 22 pounds."

Georgia: Park's Annotated Code of Georgia, 1914, volume 1, thirteenth title, chapter 3:

"ARTICLE 1. Deduction from gross weight may be mutually agreed upon, but it shall not be more than 24 pounds if the bale is covered with jute bagging and not more than 16 pounds if covered with cotton bagging, except in the case of any bale or package of cotton not fastened with iron ties nor with ropes, in which case the deduction shall not be more than 10 pounds if it is covered with jute bagging and not more than 5 pounds if it is covered with cotton bagging.

"SEC. 558b. It is unlawful to deduct any sum for bagging and ties when their weight does not exceed 6 percent. Only the excess over 6 percent may be deducted."

Atlantic Cotton Association: Trade rules:

"Rule 2, clause 1 (d): Cotton shall be packed in square bales and covered with one layer of sound bagging. Uncompressed bales shall be bound with 6 flat metallic bands of regulation weight and size which have not been spliced. The combined weight of bagging and ties shall not exceed 22 pounds per bale."

California-Arizona Cotton Association: Trade rules (1931):

"Rule C 2, clause 1 (d): Cotton shall be packed in square bales and covered with one layer of sound bagging, preferably jute. Uncompressed bales shall be bound with 6 flat metallic bands of regulation weight and size which have not been spliced. The combined weight of bagging and ties shall not exceed 20 pounds per bale."

Oklahoma State Cotton Exchange: Trade rules (amended to November 1931):

"Rule II, clause 3: Cotton must be covered with one layer of sound jute bagging and bound with 6 regulation flat metallic bands, total weight of bands not to exceed 9 pounds. Total weight of bagging and ties must not exceed 21 pounds per bale, any excess to be deducted at invoice price of cotton."

Louisiana: No laws found.

You will note from these trade rules that the tare allowance—bagging and ties—varies in the different States, all of which brings about considerable extra expense in the buying and selling of cotton, which, naturally, comes out of the producers of cotton.

In other words, we have 7 States with a 22-pound allowance; 1 State, 19½; 2 States, 24 pounds; 1 State, 24¾; and 1 State with 22½-pound allowance. What a mess.

If only we had net-weight selling under my bill (H. R. 57), which provides for the establishing of tare standards, with the actual weight of bagging and ties marked thereon, all of which would eliminate all of this stripping, weighing, and the making of claims, which amount to a considerable sum of money annually, this expensive mess would be eliminated.

Listen to the Department of Agriculture in connection with what I have just been talking about:

In all of these markets weight of tare is determined by actually stripping and weighing approximately 10 percent of the bales in each shipment. The weight of ties for the total shipment is calculated in each case by multiplying the average weight of ties tested by the total number of ties for the entire lot.

The total weight of bagging and patches is calculated somewhat differently in the various markets. In the Liverpool and Milan markets the weight of bagging and patches for the entire shipment is calculated on the basis of the exact relative proportion of the weight of the bales stripped to the total weight of the entire shipment. For all other European markets the total weight of bagging and patches is arrived at by multiplying the average weight of these materials for the bales tested by the total number of bales in the shipment.

It has been estimated that approximately 80 percent of all shipments of American cotton to European markets are tested for tare at an average cost of 15 cents per bale. Data are not available concerning the extent to which these shipments are overtared or undertared.

You will note from this statement made by your Department of Agriculture that approximately 80 percent of all shipments of American cotton to European markets are tested for tare at an average cost of 15 cents per bale.

According to the number of bales we export you will note that this 15 cents per bale will amount to from $750,000 to $1,000,000 annually.

Is there a Member of Congress or any other citizen in this country who believes that those who handle our cotton for export pay this amount? Oh, no; as usual, it comes out of the pockets of the producers on account of the wasteful and disgraceful method of baling and the selling of our cotton on a gross weight basis.

Here is a most interesting statement of facts contained in the agricultural booklet as to how the exporter buys and sells American cotton:

The American export shipper buys his cotton in this country gross weight, but must sell it abroad net weight, hence in buying he must consider the weight of bagging and ties in his price calculations. He does this by adjusting his buying price downward to make allowance for the weight of covering materials for which he must pay the grower but which will be deducted when he in turn sells in the foreign market. If the exporter can get 10½ cents per pound net for cotton and the tare is 24 pounds per bale, the equivalent value would be 10 cents per pound gross weight, while if the bale carries 30 pounds of tare the value would be 9.87 per pound. In other words, buyers in the primary or farmers' markets of this country have to purchase cotton from the producers on gross weight at prices which will enable them to sell the same cotton in foreign markets at a profit on the basis of net weight. They are forced, therefore, to pay lower prices than would be the case if purchases were made on net weights. Thus the grower does not receive a greater return per bale on the gross-weight basis because, in the final analysis, price calculations are based on the net weight of the cotton contained in the bale.

The Department plainly states that the exporter buys his cotton in this country on a gross-weight basis but must sell it abroad on a net-weight basis, because all cotton bought and sold in foreign countries is based on net weight.

This statement should certainly satisfy any Member of Congress, as well as any other citizen, who has in the past been laboring under the false belief that cotton farmers are actually paid for bagging and ties when selling their cotton on a gross-weight basis.

I realize that there are many farmers today who believe, because of the propaganda that has been put out by the jute interests and the handlers of jute bagging, that they actually get paid for their bagging and ties, and I regret exceedingly that we have some Members of Congress who, while they understand that this belief on the part of farmers is absurd, continue to vote against net-weight legislation on the grounds that they may not be able to fully explain this situation to thousands of innocent and helpless cotton producers.

In other words, it is much easier to join with the jute interests, taking the road of the least resistance, rather than voting conscientiously in the interest of those whom they represent.

The Department will also tell you that definite agreements were entered into by the cotton-exporting interests of this country and foreign buyers in 1932 whereby settlement for cotton exported would be made on a net-weight basis after deducting bagging and ties, amounting to 30 pounds per bale.

Now, if this is true, why proceed to put on 30 pounds of tare, in that 15 pounds of this amount is useless, wasteful, and expensive, in the way of the purchase price of this material and excess freight on same?

COTTON INSURANCE

I have made the statement all along that the American bale carries the highest-price insurance of any bale of cotton packed anywhere in the world.

To prove this, I am quoting the Department of Agriculture:

Comparisons between insurance rates in European markets on American cotton which is usually covered with wide-mesh jute bagging, and on Egyptian cotton which invariably is covered with closely woven burlap, show that rates on American cotton are considerably higher. Rates reported for cotton stored in fireproof warehouses in Liverpool in June 1932 were 8s. 0d. ($1.44) percent for American cotton and 5s. 0d. ($0.90) percent for Egyptian cotton. This difference in rates may be attributed largely to differences in the nature and condition of the baggings, but the relative densities of the bales (approximately 32 pounds).

To further prove my contention, and the complaint on the part of foreign buyers and millers about the type of the American bale, I am going to quote at this point a letter addressed to the Chamber of Commerce of the United States, Washington, D. C., signed by the American Chamber of Commerce, Robert Dollar Building, P. O. box 357, Shanghai, China:

AMERICAN CHAMBER OF COMMERCE,
Shanghai, China.

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA,
Washington, D. C.

GENTLEMEN: American insurance interests in Shanghai have brought to the attention of the chamber the unusually heavy losses suffered by insurers as a result of cotton fires on Shanghai wharves during this year and have requested that steps be taken toward improving the packing of American cotton, which is considered a prime factor in the recent disastrous experience.

It is pointed out that there have been three serious fires in American cotton cargoes in the short period of 14 weeks.

The first fire occurred on December 25, 1931, and involved baled American cotton which had just been discharged from the steamer *Forthbank* onto the Shanghai & Hongkew Wharf Co.'s west wharf. A total of 5,575 bales was destroyed with a net loss of 642,000 taels to insurance companies after salvage had been completed. The cause of this fire was never ascertained, but the flames spread from end to end of the warehouse with great rapidity.

The second fire occurred in January and involved the one-story brick-built godown No. 7 on the east wharf of the same company, damaging 1,650 bales of cotton, as well as other cargo with it, and causing the insurance companies the net loss after salvage of 217,000 taels.

The third fire, which took place on April 5, involved the remnants left from the second blaze and caused a net loss to insurance companies of 28,000 taels.

In August last, a fourth fire occurred on the modern, concrete, fire-resisting wharf of the Robert Dollar Co. at Shanghai. Final figures of the loss on this occasion have not yet been computed by the adjusters, but it is estimated that the loss to insurers will not be less than 55,000 taels.

It is pointed out that in several instances the flames spread with great rapidity and that within a comparatively short time of the discovery of the fire, the whole of each warehouse seemed to be in flames. The speed with which fire runs through bales of American cotton is attributed by insurance men, adjusters, and shipping men at this port to the inferior packing of the American commodity and the fire hazard inherent in the condition of the bales when they arrive here. This is obvious to anyone who has watched a cargo of American cotton being discharged at Shanghai. Out of any lot of 100 bales, selected at random, the majority will have many broken hoops and the gunny bags covering will be so badly torn that the cotton is exposed at both sides and the ends of the bales, whilst there are always trailings of loose cotton around the edges. It is this which causes heavy losses through rapid expansion from the seat of the fire, whereas the blaze might have been confined to a small area had the cotton been properly packed. It is pointed out by the competent underwriters that a few hundred bales of American cotton in a godown constitute a risk just as serious as if the warehouse were stacked with loose cotton. In this connection, attention is drawn to the fact that in the first fire not one package in a shed of 270 feet long escaped damage.

Shanghai is not the only place to which American cotton is exported and it is felt that any efforts toward correcting the situation created by inferior packing at home would be a real service to the American exporter as well as to American insurance and transportation firms.

Your assistance in bringing this matter to the attention of exporters at home would be greatly appreciated.

Yours very truly,

AMERICAN CHAMBER OF COMMERCE,
D. K. KING, *Secretary.*

DISGRACEFUL BALE

In my efforts to improve the American bale of cotton by bringing about a uniform tare standard and net-weight selling so that we could compete with the neat package from every other cotton country in the world, I made the charge that the American bale is the most disgraceful of any bale of cotton on any market in the world.

In connection with the hearings held before the Agricultural Committee of the House on my net-weight bill, Mr. Holt, a foreign representative of the Agricultural Department, appeared; and to back up my statement about the American bale being the most disgraceful type of bale entering any market in the world, I want to quote Mr. Holt at this time:

Mr. JONES. Then, in order to make the remedy complete, you would not only need to have the same amount of bagging and wrapping but would also need to have a net-weight basis of sale in this country, would you not?

Mr. HOLT. Yes; that is what I refer to particularly.

Mr. JONES. It would take both plans to compete the remedy?

Mr. HOLT. Well, yes; I think so; to get it on a proper basis. One of the strongest indictments, I think, against the present method of handling American cotton is that in scarcely no two markets are the tare requirements the same. You take the three big futures exchanges—New York, Chicago, and New Orleans—and the tare requirements in no two of those markets are the same. Then you take your local State exchanges, which refers to the gin bale, and there is a variation right straight through almost in every spot market, showing no uniformity with regard to tare allowed. And that leads to all kinds of trouble in the cotton business. When the crop is moving in the early part of the year, compresses frequently become congested for want of space, and they will ask shippers to compress their stock and hold it for shipment, and the shippers will have to tell them they cannot do that, because they do not know what will be the ultimate destination, and if it goes to an eastern mill it will take one patch, and if it goes for export it will take another patch.

* * * * * * *

Here is an item I might mention in this connection. I have before me a statement of the American, Egyptian, African, and East Indian cotton, and the amount of tare put on the American bale is at least double that put on any other bale, practically, and more than double some of it. And they are all better bales; all of those other foreign-grown cottons are infinitely better than our American bale.

Mr. FULMER. Right at that point, Dr. Holt, I would like you to tell these people about the condition of American cotton when it arrives. You have been over there when they have unloaded this cotton and noticed it on the platform, and you know the condition in comparison with the other cottons.

Mr. HOLT. The American cotton, the condition of it when it arrives in Europe, is really considered a disgrace. It is far below the condition of any other cotton. I have talked to European merchants in my work about a better American bale, and they will agree it should be better; but I think anything that is done about it will have to come from this side.

You will note that Mr. Holt states that the amount of tare used on American bales amounts to just twice the number of pounds of tare used on foreign-grown cotton.

He states also that the condition of our cotton when it arrives in Europe is really considered a disgrace by foreign buyers and spinners, referring to the manner in which the bale is packed and the type of bagging used, and so forth.

DO FARMERS GET PAY FOR BAGGING AND TIES?

The Department of Agriculture, in making an investigation about selling cotton on gross and net weight, as to the question of whether or not farmers actually secure pay for their bagging and ties, I am submitting the following facts and figures:

PRICES TO AMERICAN COTTON MILLS

Similarly, the American spinner who buys cotton in competition with the exporter, as a matter of fact, does not pay the same price for bale-covering materials as he does for cotton. Any given bale of cotton would be purchased at the same price per bale whether on a net or on a gross weight basis, but the price per pound would be an entirely different figure in each case. For a bale of 500 pounds gross, the equivalent values per pound for the gross and net weight bases with various weights of tare would be as shown in the following tabulation:

Gross weight of bale	Weight of tare	Net weight of bale	Price based on net weight	Price based on gross weight	Value per bale
Pounds	*Pounds*	*Pounds*	*Cents*	*Cents*	*Dollars*
500	15	485	10	9.70	48.50
500	18	482	10	9.64	48.20
500	19½	480½	10	9.61	48.05
500	21	479	10	9.58	47.90
500	22	478	10	9.56	47.80
500	24	476	10	9.52	47.60
500	26½	473½	10	9.47	47.35
500	30	470	10	9.40	47.00

You will note from this statement that a 500-pound bale of cotton, sold at 10 cents net weight, would bring $48.50, while the same bale of cotton, with 21 pounds of bagging and ties, the usual amount now put on by farmers, when sold on a gross-weight basis, would bring only $47.90.

In other words, according to the information gathered by your Department of Agriculture from cotton mills and exporters, if they were buying cotton on a net-weight basis, they would figure their price in this instance at 10 cents per pound.

However, if they were buying on a gross-weight basis on the same day and the same market, their price would be figured so as to take care of the tare—bagging and ties—as stated by me over and over again, at 9.58 cents.

This statement clearly and definitely proves my contention, and not only do they figure this difference, but you will note that in selling that same bale of cotton there is 60 cents difference in favor of net weight.

Those who are interested in jute would immediately state: "Well, this 60 cents perhaps would not pay the difference between the cost of jute bagging and bagging manufactured cut of cotton."

This may be true, and this saving is not as important as the tremendous saving in waste, freight, insurance, and so forth, as clearly proved by the facts that I have given you in these remarks.

I am trying my best to get over to you perfectly good evidence bearing cut my statement that cotton producers do not receive any pay for their bagging and ties, in that, as stated, it is deducted when the price is made by the manufacturer of cotton.

Listen to Mr. J. M. Locke, a representative of the American Cotton Shippers' Association, who appeared before our committee:

Mr. FULMER. Then the mill in making their price to you, they take into consideration the tare, and therefore you do not have anything to do with that?

Mr. LOCKE. Mr. FULMER, my point was specifically directed to the point that the cotton merchant does make a profit on his tare, but it is a profit that is absolutely essential, since it is necessary to put a patch on the bale.

Answering the point that you bring up, I quite agree that in the final analysis, when the mill buys a bale of cotton they know that they are not going to consume the tare and they figure accordingly.

Mr. FULMER. And when the farmer gets a gross price, naturally he is getting a price less the amount figured off by the mill for the tare.

Mr. LOCKE. Yes, sir.

You will note that not only does Mr. Locke agree with my statement but he states emphatically that the buyers who patch on additional bagging do so for the purpose of making a profit.

I am sure that you will agree with me that none of this profit goes to the producers of cotton and that it is an extra burden on the cotton industry amounting to millions annually.

I am quoting also Mr. Jenkins, who is a cotton buyer residing at Norfolk, Va., and you will note from his statement that where a cotton mill buys locally from a farmer the price is higher than the mill would have paid had the mill purchased this cotton with additional bagging patched thereon.

This certainly, it would appear to me, should convince anyone that the belief that farmers are really paid for worthless baggings and ties is simply a joke. I think the following was a slip of the tongue, but should convince any "Doubting Thomas":

Mr. JENKINS. Yes; but we will ask you to consider a cotton mill of North Carolina, buying cotton in the field, pays more for their cotton, with no patching on it, than the man who buys cotton at a mill, where he knows he is going to get compressed-bale cotton with patching on it.

In this statement you will note mills take note in making their price for lint cotton the amount of bagging patched on. Surely, then, you would not contend that mills do not take into consideration bagging and ties as a whole in making their price for lint cotton.

JUTE PROPAGANDA

Some days ago, when we had the net-weight bill up for consideration, the Members of the House were flooded with telegrams from the manufacturers of jute and those who have alined themselves with the jute interests urging them to defeat my bill, H. R. 57.

The thing that is amazing to me is that Members of Congress will fall for this organized type of propaganda and vote against legislation which would mean millions to cotton producers, who are annually losing thousands of their farms, and which would tend to consume annually a considerable amount of our surplus cotton, as well as give to the producers of cotton their own markets for their own products.

Now that the bill has passed the House and gone to the Senate, listen to this article, which was taken from the Waste Trade Journal of June 17, 1939:

FULMER BILL NOW PENDING BEFORE SENATE BODY

The Fulmer bill, known as H. R. 57, which has been introduced by Representative FULMER, has been passed by the House of Representatives and is now before the Senate for vote.

This measure, if passed, will eliminate the use of jute covering for cotton bales.

Francis T. Blissert, secretary-treasurer, National Jute Burlap Bag Dealers' Association, Inc., urges that all members of the trade write their Senators immediately to have this bill killed.

This is the usual manner in which these associations, representing all of these well-organized, monopolistic groups, proceed to get what they want in Congress or to hold down the passage of any bill which would be in the interest of the great masses of the people if they have any reason whatsoever to believe that the bill would infringe upon their selfish interests.

This association is composed of jute-burlap bag dealers and not jute bagging dealers. However, when you mention the word "jute" the various associations representing the various jute interests in any line immediately get on their toes for the purpose of killing off any legislation affecting jute in any line. They do not want their selfish line broken in any way for the present. They fear that the importation of jute, amounting to around 2,000,000,000 pounds annually, might be cut out and cotton substituted for jute.

With over 11,000,000 bales of cotton stored with the Government under the loan program, costing $45,000,000 annually for storage and interest charges, I cannot understand how anyone should be willing to permit India, a large cotton-growing country, a country that is taking a considerable part of our export market, to flood this country with jute products, taking away from our cotton farmers their own perfectly good American markets to the extent of around 2,000,000 bales annually.

It is my firm belief that the only reason this is permitted under a definite tariff policy that was established over a hundred years ago is because it is a matter that definitely concerns the South.

It is also my firm belief that if the importation of jute affected the people of New England, where they have all of these years had the benefits under a tariff policy at the expense of the South, that they would not stand for it for a minute.

When we had the bill up the other day those opposing the passage of the legislation—in other words, representing the jute interests—offered an amendment proposing to strike from the bill the provision setting up the maximum tare allowance by the Secretary of Agriculture in establishing tare standards.

This, of course, would bring about net-weight selling, but it would not eliminate the using of this old, heavy, disgraceful jute bagging; therefore we would have to continue to pay these millions of dollars for losses in the way of extra freight, insurance, waste, and so forth.

Certainly, the jute interests would be perfectly willing to have this type of net-weight bill passed by the Congress for the reason that they know that they can offer this type of jute on a 21-pound basis, just what we have at this time, and the Secretary of Agriculture would have to accept same; and, as stated, we would continue to use the same type of bagging that we are using at this time.

In connection with this statement just made, some days ago I called upon the Department of Agriculture to ascertain whether or not with just simply net weight the Secretary would be forced to accept the standard requested by the jute interests, and was told that this would be the case.

While I am for preserving our own markets for our own people, and while I am for using cotton for cotton bagging, especially in that we have perfected this type of bagging to the extent that it would better serve the purpose of covering cotton than this old, wasteful jute bagging, the main thing that I am concerned about is the provision carried in my bill which is actually the heart of the bill, setting up a maximum weight in establishing a tare—bagging and ties—standard, which would absolutely bring about the saving of millions annually in freight, insurance, waste, and so forth, as clearly brought out in the various statements that I have been making on this most important subject.

I have been asked: "What is the Senate going to do about your bill?" My answer to this question is: "Only the Lord knows."

You will note from the report submitted with my bill to the House that we have the unqualified endorsement of the secretaries of agriculture of the Southeast, farm organizations, cotton manufacturers; in fact, everybody interested in cotton except the jute interests.

If these endorsements, and the statements made by me today, backing up same with definite proof that every statement made by me is true, do not have any weight with the members of the Senate Agricultural Committee or the Members of the Senate, if and when my bill is reported, then those of us who are actively interested in doing something constructive for farmers and something which would tend to reduce the large cotton surplus might just as well give up and tell these various monopolistic, selfish groups, who today absolutely have our country by the neck, to go ahead and continue to rob the people, all of which I am sure will be corrected some day by a concerted effort on the part of the people.

Brotherhood of Locomotive Firemen and Enginemen

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ADDRESS BY ROLLAND BRADLEY

Mr. SHEPPARD. Mr. President, I submit for publication in the RECORD an address delivered by Hon. Rolland Bradley before the tri-State meeting of the Brotherhood of Locomotive Firemen and Enginemen on June 9, 1939, at the Rice Hotel, Houston, Tex.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a real pleasure to be with you this morning and respond to your invitation to address the convention. I am especially glad to be here because labor can do so much to further the cause of the people in America today. Labor's interest in this field is served, first, by our unions, and next by labor law based primarily on legislation.

The interests of the workers require these two safeguards today more than in earlier generations in America in part because of changing economic conditions. Formerly, during a depression, men could take their families to the frontier and settle on good land almost for the asking. Today we have reached the Pacific coast and the Rio Grande, and there is no longer a frontier or any public land that will support men by crops or known minerals. So the picture has changed and men must use these other means; that is, organization and legislation, in securing equality of opportunity.

It is suggested by the new president of the University of Texas that education must help solve this problem. We must educate for citizenship in our democracy. We must not train high-school boys to overcrowd the trades and so force wages down. Instead, let us see that these boys have equal opportunity to learn history, political science, economics, and the other things that will aid them in protecting and preserving American democracy.

For all Americans, including labor, the great cause of the common people implies rule by the majority and local self-government. It also includes our cherished southern doctrine of States' rights—a doctrine now endorsed by both Democrats and Republicans, but too often violated by either party when in power in Washington. Today especially that cause of popular government insists on the reign of law rather than of men or the rule of any one man or dictator.

I am glad that the president of the Canadian Trades and Labor Congress in Toronto, Canada, before the convention of the Brotherhood of Railway Clerks, recently said that trade-unionists in North America must join in the fight against dictatorship. We can do much to make this fight a success by causing our democratic institutions to meet the problems of our times. In adjusting our economic system here in America to current domestic and international problems, let us be very sure of our loyalty to the democratic principles. This requires an alertness and aggressive action, and I would illustrate this attitude by a local experience. The city of Houston has just recently determined to preserve the democratic principle in its city charter by refusing to adopt the so-called city manager plan. As chairman of the committee that led the successful fight against this plan, it is my hope that the citizens here will be diligent to preserve their direct control over the chief executive of our city in future administrations as at present. I am not criticizing any of the incumbents, but at some future time a city council may become described as the "floundering five," partly at least because of a weakness that still exists in our city charter. The charter was amended a few years ago, and this resulted in uncertainty as to responsibility of some officials of our city, so that at times difficulties have arisen in taking care of municipal business. If these weaknesses are corrected in the near future, we may avoid another campaign for the city-manager plan based on the erroneous claim that the people of Houston are not capable of self-government.

There is another thing that democracy must do to preserve itself. We must guard against dictatorship, despotism, or tyranny (and they all mean the same thing) by guarding well against a serious danger even under the rule of the majority. For the majority may be just as despotic and tyrannical as any one man. We must safeguard the rights of minorities "to know, to utter, and to argue * * *." The majority must rule, but the minority should be heard. (Cf. our former alien and sedition laws and present legislation, Journal of the House of Representatives, regular session of the 43d Legislature of the State of Texas, pp. 1828–29.) This may be done by making proportional representation a part of representative government. This reform may be the next great step that democratic government must take in the political field. It is not a new or half-baked theory, for proportional representation was advocated in the last century by no less a man than John Stuart Mill.

Turning now to the economic field, let me discuss for a few moments one of the great laws that recently has been enacted by the Congress in the interest of labor. The National Labor Relations Act is misunderstood by some and misrepresented by others because of the fact that it is a vehicle for improving the condition of labor. But our very organizations here represented are for that purpose, and these things are necessary in our world because of the fact that justice does not reign in the economic field. Generally laws are based on a conception of balancing static interests; but the National Labor Relations Act is charged with the responsibility of offering a means by which the underprivileged may improve their conditions. On this account it should be as it is—a pro-labor act. In this regard it differs from the static conception of justice and is dynamic and progressive. Furthermore, it is this constructive and progressive statesmanship that must assert itself in America in the interest of democracy and as the only means of securing justice for the underprivileged and disorganized ranks of labor in a lawful manner.

You will be interested to know that so far this field of labor law has developed without a serious mistake on the part of organized labor. One of the fundamental principles of the National Labor Relations Act is the right of the workers to organize themselves. This principle of law was announced in a decision by the United States district court here in Houston and upheld by the Supreme Court of the United States, when one of the railway companies was required to make way for the legitimate labor organizations of its employees (*Texas and New Orleans Railroad Company et al.* v. *Brotherhood of Railway & Steamship Clerks et al.*, 281 U. S. 548; 74 L. ed. 1034). The principle was carried forward under the National Recovery Administration in section 7 (a) of the National Industrial Recovery Act. But that statute did not provide for certain things that were later written into the present law. For instance, although it was proposed at one time that proportional representation be provided for employees so that different unions with varying affiliations, including the company union, would be allowed representation in collective bargaining, the American Federation of Labor properly condemned this policy as breaking the ranks of labor's organization in its struggle for social justice. We must recall that labor has a cause to serve, and that it cannot be handi-

capped by even certain principles that do have their proper place in a political democracy today. Let me restate parenthetically that politically democracy is ready for proportional representation as I explained earlier, but economically labor is not ready for that step. Let me add that in political science today we must make the same careful distinctions that a surgeon must make between tissues of the human body. Senator WAGNER wisely protected labor against this ill-advised proposal in the National Labor Relations Act. Furthermore, I do not believe that this safeguard will be tampered with if organized labor is alive to its interests.

We should also follow the Senator in his opposition to the proposed amendment that would authorize employers to influence employees concerning their union affiliations. It is now a part of our jurisprudence, and should be continued as such, that it is not legal for the employer to interfere here, just as it is not proper for him to concern himself with the religious affiliations of his employees. Oh, I realize that some misguided labor leaders feel that they can secure an advantage by letting the employer favor one union against another. But they should look ahead and see the danger of having company unions organized at the instigation of these same employers. Let us hope that whatever internal conflict labor may have will not be reflected in unwise legislation that later will be damaging to all of the labor movement and a curse to those who toil.

On the other hand, I believe that the American Federation of Labor is right in wanting to prevent the National Labor Relations Board from determining what units shall elect representatives for collective bargaining. This is giving too much power to the Board, for the provision permits the Board to favor trade unionism or industrial unionism. This is a vital question for labor in America at the present time, but it should be no concern of the public officials who administer this act. We must trust the employees to determine these questions in a democratic manner and must find an equitable basis for holding elections for the employees in the various industries.

In conclusion, let me touch on a broader field in which labor is vitally interested, for either directly or indirectly it affects the wage scale of those who do the world's work. I speak of that gravest domestic problem—unemployment, or reemployment. It was not provided for in the Constitution of the United States, for the founding fathers were not called upon to meet the issue. I believe that if the problem had been with them, as it is with us, they would have placed some provision in the Constitution granting limited powers to the Congress to aid unemployed individuals to secure openings in industry on some basis such as shorter hours with protection against wage cuts.

Heretofore, statesmanship has been too much engrossed with problems such as the tariff and other measures that constitute privilege to the business element of the community. The present generation is witnessing a change. Already in other countries attention is being turned to the more fundamental problem of the welfare of humanity generally. This is well illustrated by proposed treaties that have been promulgated under the International Labor Office of the League of Nations in Geneva. These treaties are worked out between representatives of employers, employees, and the governments concerned. They relate particularly to hours, wages, and working conditions of labor, and are of especial value to the western nations, including the United States, because they protect our standards of living against those of cheap Asiatic labor. One of the great difficulties in this program is that in the United States the treaties at present would be ratified by 48 States and the Federal Government. This is almost an impossible task. If we would amend the Constitution to authorize Congress to have the limited additional power to protect labor both in intrastate and interstate commerce in the matters of hours and wages, it should be possible for these treaties to be ratified by the proper agencies of the Federal Government for the whole Nation. This would promote higher standards of living and increase employment for labor over the world, and in this manner we would eliminate one of the causes of war.

The amendment is also needed to meet our domestic problems. The present Federal law is inadequate because it cannot protect labor in intrastate commerce and is unfair to interstate commerce so far as competition is concerned. Furthermore, in merely scratching the surface by affecting the employment of a few hundred thousand employees and possibly by increasing employment in this field in terms of not over five figures, how can we expect to meet the problem of reemployment of 13,000,000 American citizens? The answer is a proper Federal amendment. This would allow private industry to reabsorb the unemployed—it would in this manner protect our Nation against its most serious danger. It would preserve the Constitution (ibid., pp. 2157–2158). For the Federal Government will find some way of meeting this problem before it destroys the very Government itself. In other words, necessity knows no law. By granting the needed power to the Federal Government and by a strict construction of our Constitution, we would be preserving the fundamental law of the land, including the cherished principles of local self-government, States' rights, and the rule of law and not of men.

Let labor take an active part in meeting these problems. You have a serious responsibility to the labor movement not only as trade-unionists but also as citizens. In fulfilling that responsibility you may rest assured that you are only performing your duties as American citizens.

Neutrality and Foreign Policy

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

STATEMENT BY LOUIS B. WARD

Mr. REYNOLDS. Mr. President, I ask unanimous consent to insert in the RECORD an extremely interesting and informative historical statement relating to the problems of neutrality made by Hon. Louis B. Ward before the Committee on Foreign Relations of the United States Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NEUTRALITY, PEACE LEGISLATION, AND OUR FOREIGN POLICY

Mr. Chairman, for the record my name is Louis B. Ward, my business is that of a business counselor, with offices at 708 Fisher Building, Detroit, Mich. I appear here representing myself alone.

Since 1910, or for 29 years, I am fairly familiar with the so-called efforts at international peace, starting with the Carnegie Foundation some 29 years ago and following through the War-to-End-Wars, the League of Nations, and the World Court.

May I say to the committee that over a quarter of a century ago I was studying international law in the schools and that 25 years ago I started teaching American history to the largest classes ever assembled in this country, which classes I taught for some 7 years. That I know a little about war, having served overseas in the World War. That I married an army nurse, not a Red Cross nurse. That I am a Democrat who cast my first vote for Wilson in 1912, my second vote in the Presidential campaign for Wilson in 1916, and my third vote in a Presidential campaign for even Harding, so thoroughly disillusioned was I at the imbecilic idealism, the arrogant hypocrisy, and the diabolical treachery that underlay the 14 points of the Wilsonian philosophy which protested peace and intended war.

By way of introduction I will say further that I am the author of the little pamphlet entitled "Name the Aggressor," which was distributed among those of the United States Senate who requested it and was published as a contribution to the deliberations of the United States Senate so that they would know in a short monograph the place aggression had held in world history, so that no one of the 96 would be deceived by a new name "The Aggressors."

I come before you to make five short points on the subject of your deliberations, namely, neutrality, peace legislation, and our foreign policy. To those members of the committee who have good will, who truly wish in their hearts to eradicate war, they will, of course, realize that first we must know the causes of modern war. I name these causes as five: (1) Exaggerated nationalism, (2) economic imperialism, (3) militarism, (4) the secret treaty, (5) propaganda.

PART I. EXAGGERATED NATIONALISM

The meanest student of the philosophy of history will realize that between the individual and humanity there lies the fundamental fact, the nation.

Long before the dawn of history, mythological characters determined a natural, national spirit in an Egypt, a Babylonia, a kingdom of Medes among the Persians, in Greece, and in Rome. A handful of names come down from the Hebrews, and yet from inspired genius of ancient days there was transmitted through the medium of the nation the priceless heritage of Leviticus, Deuteronomy, and the other books.

Only 50,000 freemen dwelt in Athens—the equivalent in a modern, municipal ward—and yet through the spirit of nationality there came down to us, with few names left, the priceless heritage of Grecian grandeur.

With perhaps a hundred thousand freemen in Rome, and a handful of names in recorded history, there comes down through the centuries the institutions that effected a civilized world, Ireland excepted and unconquered. The glory that was Greece and the grandeur that was Rome have been transmitted through the fact of nationality.

My point is that from the mythological heroes down to the statesmen of modern Europe, the vehicle of transmission has been the nation.

In more modern days, empires have been stopped cold in their historic tracks when they sought to violate the principle of nationality and transmit any good or permanent gift by way of empire. Take, for example, Britain, with her offspring the Thirteen American Colonies. The genius of these American colonies

would no more be transmitted by the vehicle of British imperialism than could any divine gift be transmitted by a diabolical medium of enslavement. The genius of colonial America, with its Sam Adams and Patrick Henry, its Washington and John Dickinson, its Gouverneur Morris and its Alexander Hamilton, its James Otis, its Gerry, its Randolph, would strangle for want of breath if it attempted to express itself in the imperialistic idiom. The very spirit of freedom of the newborn or embryonic Republic needed nationality for its expression.

The point I want to impress upon the committee is this, that nationality is a God-given gift.

The second point with which I want to impress the committee is that an exaggerated nationality is always a cause for war. Our freedom came in 1781. By 1848 we had expressed this exaggerated nationality, after a short 65 years of freedom.

President Polk issued his Doctrine of Manifest Destiny. The young Nation looked with longing eyes upon the rich lands of the southwest, and Polk wrote a diabolical doctrine when he pointed out the superiority of young America as against the inferiority of a peaceful people that lived to the southwest of the Republic. Virtually, he taught the Nation that eventually we would grow and would absorb these inferior beings of Spanish blood—and if so eventually, why not now?

So we had our first war here in America, which grew out of the spirit of exaggerated nationality. It was the third war that we had fought. I need but call this principle to the attention of this distinguished Committee on Foreign Relations and ask you to develop it in your own minds, with your own applications, out of your deep and widespread knowledge of world history.

I want you to take the principle abroad and apply it to the Russia in the days of Peter the Great, when he wanted a window to the sea; through the days of pan-Slavism, pan-Germanism, Italia Iredenta, the Polish corridor, the lost colonies of La Belle France, and so on through the nations and the years till you see through modern history the frightful force of exaggerated nationality as a cause for war.

PART II. ECONOMIC IMPERIALISM

I step hastily to the second great cause for war, which I happen to term "economic imperialism."

It must be understood that since the industrial revolution in England there was a well-recognized school of thought, represented as the Manchester school, with such names as Hobbs, Ricardo, Spencer, and the apostles of free competition, preaching the doctrine that life in all its phases was strongly competitive; that victory went to the strongest and failure to the weakest. It was a harsh, cruel, and depressing doctrine, from Ricardo with his iron law of wages, to Malthus in his control of population. Its day was short, for free competition no longer exists in modern nations. Its place has been taken by the philosophy of economic domination.

The great masses of humanity are divided by a deep and wide chasm. On the one side of this chasm are the real producers of wealth—the underpaid farmer producing the food and fiber for all, and the underpaid laborer processing the food, the fiber, the homes, and all the material things of a civilization.

On the other side of a deep and wide chasm are a little group of wealthy men, and every capitalistic system under the sun is perfectly satisfied with things as they are within the state, and yet not satisfied that their economic domination of the state is enough. This little group strives perpetually for the control of the state itself, and the state itself, forgetting its majesty, yields to the control of the few.

Let me be specific and not pussyfoot. Here before this committee, I think it was November 1929, Mr. J. P. Morgan gave one of his rare public statements to the press. As I recall the statement, and without referring to it, it read somewhat as follows: "I have taken a position in the utility field, from Maine to Georgia."

In 1934 the St. Lawrence treaty was before the Senate of the United States. We have seen the Muscle Shoals development, the Boulder Dam, and the Grand Coulee. And I remember the words of J. P. Morgan, "I have taken a position, from Maine to Georgia, in the utility field."

The treaty needed a two-thirds vote. There were at least 28 votes at stake in the empire of the Morgans on the St. Lawrence treaty. At least 26 of those 28 votes were cast in solid block against the same principles of power development that were applied in favor of the people in the other great sections of this Nation.

That is a specific example of free competition giving way to economic domination where the majesty of the state is degraded and the state that should reign supreme becomes a partnership of special privilege. It is a small step from the economic domination of the majesty of the state to the use of the state in economic aggrandizement of the world. Thus the state comes in conflict with other powers and we have the most frequent cause for modern war. This I define as economic imperialism, and I borrow unabashed this philosophy from the late Pius XI, who preached it to the world from 1931 on in the encyclical "Quad Regesimo Anno."

I instance in our own country, therefore, the greatest recognized financial power asserting an economic hegemony over certain States, and I instance the vote of those States on the power question as contrasted to the vote on the power question in the other three-quarters of the Nation.

Abroad we remember 1907, when national economic dictatorship programmed the Berlin to Baghdad railroad, opposed by both France and England, boycotted financially in the exchanges of the world, and recognized as that irritating as to be regarded by many as an event leading to war.

I instance on the part of the British Empire the parallel case of the Cape to Cairo railroad, opposed by German and French influences.

I instance, above all, the Morocco affair, involving Spain, France, Germany, and England, and carrying in its wake the occasions for those secret treaties that bound on the one hand the Triple Alliance and on the other the Triple Entente.

PART III. MILITARISM

The third great cause for war I define as militarism, and, of course, include in the generic term all exaggerated preparations for hypothetical wars.

There is no member of this committee who does not recall the days when the press of America protested militarism and navalism throughout Europe. Between the years 1904 and 1908 the British Navy had been reorganized and strengthened by Sir John Fisher, while the German Navy was just beginning to grow in power.

England acknowledgedly was supreme on the seas and her approach to Germany on naval limitations was recognized as the same old appeal to status quo that the superior always urges against the inferior.

The Second Hague Conference was called for 1907. The navy laws of Germany in 1898 and 1900 laid the foundations for a strong German navy. Germany, of course, argued that her fleet should be comparable to her growing commerce and her growing colonial interests. She also argued that she must be strong enough to protect against a blockade from food and raw materials in case of war. Behind these arguments she wanted a German navy to back her diplomatic arguments in her struggle for colonial and commercial advantages under the economic imperialism principles I have just presented.

In 1904 had come the great change. England had introduced the dreadnaught. This obsoleted all foreign types of naval armament. Germany commenced to build the dreadnaught. English superiority on the high seas was threatened, for great numbers of lessor things may not equal a few greater things.

England authorized the laying down by 1908 of 12 dreadnaughts, Germany of 9. This was the ratio of 4 to 3. Of the obsoleted types, England had 63 to Germany's 26. Roughly this is the ratio of 7 to 3.

While America was criticizing the militarism of Europe England was stepping into the next phase of militarism, the recognition of staff superiority to civilian inferiority. This is one of the most dangerous psychological moments in the history of nations.

If there is anything in our reputed historic institutions, the superiority of the civil over the military is a recurrent fact in both British and American constitutional history. We recognize that principle when we put a President, under our Constitution, commander in chief of our Army and Navy.

We remember when the great Theodore Roosevelt was criticized up and down this land for wearing a pair of khaki pants when he visited the military camp at Pine Plains, N. Y.

The change is coming in America today as it came in Britain and Germany between 1904 and 1908, when under the pretense and guise of defense—national defense, the umbrella of militarism—Members of both Houses of Congress are listening in awed respect to what General Necessity or Major Cement are demanding in armament bills. We are aping the militarism of 30 years ago.

Militarism enters its third phase when the tacticians of one nation decide upon a potential enemy and work out a system of defense or attack in conjunction with a hypothetically friendly power. It is this joint collaboration that breeds the pooling of intelligence services, the trading of military secrets, and the resultant basis for propaganda—all leading, not to secret alliances, for they are within other provinces, but to what Sir Edward Grey once called "conversations," needing no expressions in treaty, yet so deeply involving a nation that in the event of war so-called "honor," God save the mark, leads nations into conflict they never dreamed of.

Currency Management

EXTENSION OF REMARKS

OF

HON. ELMER THOMAS

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ARTICLE BY WILLIAM TRUFANT FOSTER

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "A Competently Managed Currency Is the Answer," written by William Trufant Foster, director of the

Pollak Foundation for Economic Research, and published in the Rotarian for July 1939.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Rotarian for July 1939]

A COMPETENTLY MANAGED CURRENCY IS THE ANSWER

(By William Trufant Foster, director, Pollak Foundation for Economic Research)

What we need, and have never had, is money which meets two major requirements. The first has to do with value; the second has to do with volume.

The first requirement is stability of purchasing power. Our greatest monetary need is money whose value will stay put.

Whether prices are high or low matters little. With prices twice as high, consumers can buy just as much as ever, provided wages and other income are twice as high. And business can proceed just as well on one price level as on another, once prices have become stabilized on that level, just as a ship can sail as serenely and swiftly on Lake Superior as on the lower level of Lake Huron, once the ship has passed through the locks. It is the process of changing levels and the frequency of the change that retard progress.

In short, the first requirement of the dollar is that it shall be a true standard of value.

Unfortunately, the gold basis of money never has made it and never can make it a standard of value. However hospitable we may feel toward the United States dollar, however glad we may be to let it work for us, we must admit that it always has had one failing. It is not "the same yesterday, today, and forever." At least it is not the same in purchasing power; and that, after all, is the only trait of money about which we care a continental. It is disappointing, to say the least, to lay away a dollar in the pink of condition only to find, when we take it out, that it has lost half its ability to carry home a basket of groceries.

As as matter of fact, the gold basis of money in the United States has never made it a standard of value. In 1896 the gold dollar would buy twice as much as the gold dollar would buy in 1913; but in 1920 the gold dollar would buy less than half as much as it would buy in 1913. At one time carpets came nearer than gold to being a standard for measuring purchasing power, in the sense in which the yardstick is a standard for measuring carpets—that is to say, the exchange value of carpets, in terms of boots, barrels, bread, and commodities in general, varied much less than the exchange value of gold.

Money on a gold basis is a standard of purchasing power for only one commodity—namely, gold. That is an advantage to dentists; they always know precisely how much gold a dollar will buy. But, unfortunately for the rest of us, it is almost always something else that we want to buy.

Why, in any event, should we expect gold to prevent fluctuations in the value of the dollar? In many periods the production of gold has not kept pace with the growing needs of business. At no time does the annual production of gold bear any known relation to the changing monetary needs of the world. The yearly output has always been subject to accidental discoveries and to various other unpredictable influences.

In short, gold has failed to insure a stable monetary unit in the past; and in the future its failure may be even greater.

Sir Henri Deterding was right in asserting that at one time the demand for gold was artificially increased. As a matter of fact, the mere adoption of gold as a monetary base artificially increases its value. The whole system is entirely artificial.

All that applies with even greater force, and for the same reasons, to the use of silver. The stores of silver which have been kept by the United States Government so expensively and so solemnly for generations have no more to do with the purchasing power of a silver certificate than the monkeys in the Washington Zoo. The amount of silver which the Government buys, supposedly for monetary purposes, is determined by the pressure exerted by representatives of silver-producing States.

Speaking of gold, how absurd seems to us the custom among certain savages of wearing gold rings in their noses. Why doesn't it seem absurd to the savages? Partly, perhaps, because they don't know they are savages. But more certainly because they are used to the custom. That is the only reason why the people of the United States cannot see the absurdity of paying dearly for most of the monetary gold supplies of the world by arbitrarily fixing a high price for gold and then burying the gold in costly vaults and there keeping it, at great expense, for no purpose whatever. As we have seen, these huge stores of metal, theoretically worth so many billions of dollars, would not keep our paper money stable in value even if the paper were redeemable in gold on demand. As it is, what the world is now doing with its treasures of gold is merely a comedy of errors. The monetary gold in the United States would serve the country's monetary needs just as well if half of it were used to put rings in the noses of all the wild men and women of Africa.

Sir Henri Deterding seems to be in error when he says that the standard of money has to be a material. Since the United States abolished the gold standard and substituted no other material standard, the value of the dollar has been more stable than in several former periods when the gold standard was in use.

To meet the second requirement of money, the volume must be such that consumers buy the available output of commodities and services at individual prices which leave the general price level about where it is. The needed volume is not guaranteed by the gold basis. This is proved by the official statistics of every country which has ever relied on the gold standard. In the United States, when all its money was on a gold basis, billions of dollars were added to the circulation when more money was harmful, and billions were lost from circulation when more money was sorely needed.

How could we expect anything else in the future, if our currency were on a gold basis, or a silver basis, or a basis of gold combined with silver? Or, for that matter, on any other kind of commodity basis? The supply of circulating purchasing power in the United States is determined now chiefly by the action of individual banks in creating bank credit, since, as everybody knows, over 90 percent of the circulating purchasing power of the United States is in the form of checks on bank deposits and not in the form of coins or printed money.

Under this system the volume of purchasing power expands quickly, to a large extent automatically, and sometimes riotously and dangerously, when there is general optimism about the future of business; and the volume contracts just as quickly and automatically and just as dangerously whenever the bankers and borrowers are pessimistic. In short, the supply of money, with or without the metal basis, is left subject to the action of individual bankers, who could not, even if they would, carry out a collective policy aimed to enable the flow of money to keep pace with the flow of commodities and services.

"Why do we have hard times?" wrote a lady reader to the editor of the Brunswick Pilot.

"Lady," answered the editor, "hard times is a period when people quit feeding the cow and wonder why she gives less milk."

There are learned treatises on business depressions which say less than that. It sometimes seems as though scholars, by close and persistent study, finally contrive to see everything except what is perfectly plain. Nothing seems plainer to the plain people than the fact that they cannot keep on feeding dollars to business unless they have the dollars. And without the dollars business cannot keep on producing wealth. The dollars will flow into the right channels fast enough, and not too fast, only when competent authorities manage the currency solely for that purpose.

Why all this fear of a managed currency? Every currency is a managed currency. It does not just happen. The only question is whether currencies shall be managed intelligently, or as we have managed them throughout the world for many generations. But isn't it possible under a managed currency to have disastrous inflation? Certainly it is possible, just as it always has been possible, when nations have relied on gold or on silver. The choice before each nation is between a system which certainly has gone wrong, over and over again, and one which possibly might go wrong.

In the United States the present waste of men, money, machines, and materials is such that we can no longer rely on the gold standard or the silver standard without risking all that our form of government holds dear. We should create, by collective action, enough currency and credit to enable consumers to spend enough to enable producers to operate machines and employ workers. We should not weakly delay action because there is a possibility that if we created enough money for the purpose, we might create too much. The cows of commerce are now suffering from monetary malnutrition.

The Church and American Democracy

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ADDRESS BY DR. OSCAR F. BLACKWELDER

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an admirable address delivered Sunday afternoon, July 2, 1939, over the blue network of the National Broadcasting Co., by Dr. Oscar F. Blackwelder, pastor of the Lutheran Church of the Reformation, Washington, D. C., under the auspices of the Federal Council of the Churches of Christ in America.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Tuesday of this week we celebrate the one hundred and sixty-third anniversary of the Declaration of Independence. In the spirit of that day and of that document I come to speak with you this afternoon on the Contribution of the Church to the Problems of American Democracy. By the word "church" I refer to organized Christianity of all types. By the term "democracy" I mean our constitutional form of representative government.

There are four conceptions of the relation of church and state. First, that the church is above the state, as in ecclesiastically dominated countries. Second, that the church is alongside the state, as in state-church countries. Third, that the state is above the church, as in totalitarian countries. Fourth, that the church is separate from the state, as in our country—a free church in a free state. Both being free institutions, they may make free contributions to each other.

Listen to a moment of history. The logic of Aristotle and the moral power of Christianity were much more influential in the minds of those who wrote the Declaration of Independence than French political theory of that day. Without a like moral, religious, and altruistic outlook among the leaders of our generation, the principles which were laid down 163 years ago and which have guided us from liberty to liberty can neither be grasped nor upheld. With ethical and moral training increasingly subtracted from college and university, the role of the church has expanded tremendously in the future of democracy. There are at least four contributions which the church should make and which many among us believe the church alone can make.

First, the church must be the spear point in the struggle for human freedom. We hear much today and we probably will hear more tomorrow, about freedom of speech, freedom of press, and freedom of worship. These three mutually defend each other, but freedom of speech and of press are safeguarded ultimately by freedom of worship. When freedom of worship goes, the final bulwark of social liberty has departed—that spirit which inspires a bill of rights.

Cardinal Newman is quoted to have said, "Not a man in Europe now who talks bravely against the church but owes it to the church that he can talk at all." Elbert Hubbard hardly can be accused of religious favoritism, but in writing about Martin Luther and his contribution to modern civilization, he uses these words: "He fought freedom's fight with all the weapons God had given him; and for the liberty we now enjoy, in great degree, we are debtors to Martin Luther." Hear the words of Prof. Albert Einstein, "Being a lover of freedom, when the revolution came in Germany I looked to the universities to defend it, knowing that they had always boasted of their devotion to the cause of truth; but no; the universities immediately were silenced. Then I looked to the great editors of the newspapers, whose flaming editorials in days gone by had proclaimed their love of freedom; but they, like the universities, were silenced in a few short weeks. Then I looked to the individual writers, who as literary guides of Germany, had written much and often concerning the place of freedom in modern life; but they, too, were mute. Only the church stood squarely across the path of Hitler's campaign for suppressing truth. I never had any special interest in the church before, but now I feel a great affection and admiration, because the church alone has had the courage and persistence to stand for intellectual truth and moral freedom."

How is the church to be the spear point in the struggle for freedom in our country? Let us see. The Declaration of Independence asserts that all men are created equal. That obviously cannot mean physical nor intellectual equality. I suppose it means equality before the law. But is that fundamental?

The only essential equality, of which an oath in court may be a symbol, is equality before God. In a Washington, D. C., church, among the members received one Sunday morning were a Chinese laundryman and Charles Evans Hughes, who was then Secretary of State. In welcoming them the pastor said, "The ground is level at the foot of the cross." The church has called this basic democracy the universal priesthood of believers. Because men are equal before the Supreme Judge of the universe, they have the right to equality before the laws, courts, and judges of men; they also have the right to education, so they may move toward equality of opportunity; they have the right to freedom of conscience and speech, because they are sons of God.

The essence of personal freedom is not the right to do what you please; that may be slavery. Personal freedom is the power to do what you ought. Social freedom is the environment and atmosphere to make this personal freedom more largely possible. Social freedom, therefore, means equality of opportunity.

When the conviction of equality before God departs from the popular mind or that conviction grows dim, the basis of equality before the law and the reason for equality of opportunity are gone. It is the church's business to keep this conviction steadily to the forefront today.

How is the church to be the spear point in the struggle for human freedom? By using freedom of worship to call men to enter this democratic priesthood of belivers. By laying the mind of Christ radiantly alongside this distorted earth until men, tortured by the difference, rise up to build the kingdom. By bringing problems that crush human life under the searching light of Jesus and at the same time keeping the splendor of the Eternal God in the souls of men no matter how long our social hopes are frustrated or delayed.

But observe now, as a second consideration, that the church only can be the spear point of freedom as it interprets the mind of Christ and there can be no freedom without justice. So the second contribution of the church to American democracy is to keep the mind of Christ infused in the minds of men so that their sense of justice may be sharp and dependable.

The practical expression of justice for the average man is known as the Golden Rule, "Do unto others as you would have them do unto you." Few influences have troubled men morally more than that statement. Yes; Jesus taught it—but to His disciples who knew Him and thus had the way opened and the power provided by which to live on the higher levels of life, not the lower or the average. You see, this Golden Rule can be applied on all levels in life—even by dope fiends and gangsters.

This rule can be most selfishly followed. Why do persons of comfortable circumstance so frequently become cold and indifferent to others? I think the answer is simple. They don't want much back from men, and so they give little of themselves to men.

This rule puts a man and his own wishes at the center of all his thinking: "Do unto others as you would have them do unto you." So a man himself becomes the measurement and the yardstick of all he wants and gives.

Principles are higher than rules, so I propose to you the Diamond Principle. No dope fiend can practice that. It takes a man out of the center of his thinking and provides a higher measurement than his own so easily influenced conception of what is right and wrong. This Diamond Principle reads: "Do unto others as Jesus would have you do unto them." There's a measurement that lifts a man out of himself into ageless principles.

An American newspaper recently commented editorially that the only appeal beyond the United States Supreme Court is the appeal to the future, where new conditions bring new duties. But there is an appeal beyond that, namely, to the past, present, and future. That is the ultimate. That is God.

A man who is only just will soon be less than just. A man who is only square will soon be less than square. Justice does not have the power to keep its own tools sharpened. Who shall say what justice is? Who really knows? Love and God are emphatically necessary in one's consciousness in order to keep alive the desire for justice and to keep one's mind alert to what justice is. Love and God meet in Jesus and climax in His cross. There is, therefore, one basic social need in the world—justice through Jesus.

For only Christ can set men free
And give them vision new;
Grant us our fairest dream to see,
O land where dreams come true.

If the church is thus the prophet of freedom and the promoter of justice, it follows that the church, when true to her mission, holds the key to the functioning of a democratic society. So her third contribution to America is to offer the cement to hold society together and make possible government by the people.

I use just here an illustration I proposed last summer in this service for which I am indebted to a discriminating friend. He suggests a little word of five letters by which to describe the present world situation. That word is "s-p-l-i-t." The world is split vertically into nations; nations are split horizontally into races; races are split obliquely into classes; within classes homes are split as the increasing divorce rate indicates; within homes are what the psychologists call split personalities. In other words, we have been leaving out a kind of cement necessary to hold life together.

So every conceivable device is being used around the world to hold nations together within themselves. Maintaining national unity in most nations today is a difficult procedure. Possibly this largely accounts for the use of propaganda.

No government can succeed long without social unity and the task is how to achieve it. Can it come by the use of physical force? Or by putting an increasing number on the public treasuries? Or by inciting one nation's feeling against another? Or arousing fears against all others in order to awaken loyalty to home government?

Many among us believe that whatever governmental measures are imperative, the cement also necessary to hold society constructively together and make government possible is religion. The word religion, which has often been made a cause for human division, really means a bond or tieback, uniting a man to God, to his fellow men everywhere, and becoming his inward tie, his integrating principle, sustaining his own life to prevent a split personality. Such religion is more than a principle, a thesis, a set of rules, abstract righteousness, or social tradition. Religion at its best centers in a person—Jesus Christ, who, with His uniting and transforming spirit of brotherhood, is able to hold men together of varied backgrounds and make possible the very existence of society. Christ is the undergirding reality which makes the world real.

George Washington saw this as he confessed to the Constitutional Convention: "There can be no government without morality; there can be no morality without religion; there can be no religion without God." But George Washington saw more than that, for he was a vestryman of a Christian church. I believe he felt what we feel—that the problem is how to make God real, vivid, vital, or, if I may dare use the word, how to make God practical. There's where Jesus comes in. He is as practical as it is possible for God to be. So He is God's word to man in every area of man's life.

I wish I had the power both of thought and of expression to make you see and feel deeply this afternoon what Jesus and the kingdom of God could do for our broken and harassed world. Here is the greatest social conception that ever entered human history, by which the nations of the world may conserve their best traditions and cultures but find a way and a spirit to transcend all that now divides and alienates them. Here is the loyalty strong enough, intelligent enough, moral enough, great enough to overcome racial bitterness, national narrowness, and economic jealousies. Here is society's cement.

And now, as I close for today, I suggest that the church's fourth contribution is to produce men and women of dependable character, capable of self-government, able to think not only technically but morally on public questions. Freedom does not rest upon law but upon men, for men make, obey, or break laws. Justice is not the foundation of society—men who do justly are that foundation. Men of great genius may be admired; men of great wealth may be envied; men of great power may be feared; only men of great character are trusted—for upon them democracy rests. Government of the people, by the people, and for the people will perish from the earth unless the average man has a larger degree of moral dependability. The church's greatest contribution to democracy is to produce men and women of character.

What are some of the moral and spiritual principles which enter the making of dependable men?

Democracy rests upon cooperation and mutual confidence, which, in turn, rest upon the decrease of human selfishness. A recent President of the United States is supposed to have used these words, "When a majority of the people move selfishly in the same direction at the same time, democracy is doomed." Many within hearing of my voice this afternoon may be amazed to know that they are living, probably unconsciously, on the doctrine of economic determinism, taught by Karl Marx. I ask you, do you have any social interests beyond your own income and comfort and giving a bit of charity? Do you belong to any civic association, any educational association, any church? A man who is only stirred when his own income and comfort are at stake is building his life on the principle of economic determinism no matter what his political label may be. Such persons take out of society more than they put in and are making it very difficult for democracy to work. The cross of Christ in a man's life is the only real method to reduce selfishness in his life. Unchanged people can wreck the values of the finest social system in the world.

A leader of a point of view against the one I am now pleading for has said, "As for us we were never concerned with priestly and vegetarian prattle about the sacredness of human life." And I answer, it is impossible to build character except upon the conviction of the sacredness of human life. If man is made in the image of God, for the purpose of achieving sonship with God, then man is a spiritual personality—not cannon fodder for dictators; not a tool of some type of collectivism; not an adjective to modify something else; not a unit in a totalitarian state. Any depreciation of human life is a false theory, and structures built upon it must fail. Another political leader has used these words: "Great problems in the lives of nations are solved only by force." That suggests military revolution, tremendous armaments, international brutality. The Christian principle in this issue seems to be: Forces which undervalue the meaning of life are doomed; nothing physical is final; brute force has within itself the seeds of its own destruction.

Speak, History! Who are Life's victors?
Unroll thy long annals and say.
Are they those whom the world called the victors
Who won the success of a day?
The martyrs or Nero?
The Spartans who fell at Thermopylae's tryst
Or the Persians and Xerxes?
His judges or Socrates?
Pilate or Christ?

Labor Conditions in the Philippines

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ARTICLE BY H. FORD WILKINS

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an illuminating article by H. Ford Wilkins, of the Manila Bulletin, showing some of the difficulties being encountered by the Commonwealth government of the Philippines.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of July 9, 1939]

PHILIPPINE LABOR SIGNS PEACE PACT—QUEZON TRIES TO UNITE MANY FACTIONS IN UNITY POLICY UNDER GOVERNMENT RULE—UNREST HAS BEEN GROWING—"SOCIAL JUSTICE" PLAN PROVED NOT UNMIXED BLESSING—TENANCY IS SORE SPOT

(By H. Ford Wilkins)

MANILA, June 30.—President Manuel L. Quezon is making a brave stab at securing actual government control of recalcitrant Philippine labor. He has accomplished it outwardly already by an amazing sort of political decree, combining dissident factions in a "unity of labor" under government auspices through the department of labor.

Labor's reaction to the idea is beset with lingering doubts about a government-guided and politically salted combination of labor unions and radical societies. In a try-anything-once spirit representative leaders of about 30 factions representing various sections of the country and shades of opinion actually signed a pact on June 5, expressing allegiance to the flag and government and promising to get along together under the guidance of a labor commission composed of government officials and labor and business representatives. The commission was appointed, not elected.

The signing of the pact was accompanied by a big labor demonstration in Manila. It was a government party. Between 80,000 and 100,000 marched in a parade.

QUEZON MAKES ADDRESS

There were speeches and ceremonies designed to fill up a government-decreed half holiday. Mr. Quezon himself gave the main address, informing labor that he, meaning the government, placed the rights of labor above those of capital because "the rights of labor are human rights while the rights of capital are property rights." He went on:

"Labor is more important than capital. Labor is the original producer of wealth, whether individual or national. Without labor wealth cannot be produced, and the already accumulated wealth will be consumed and disappear. Without capital labor can't produce wealth and in time accumulate it.

"Property rights, however, must be maintained and recognized not only for the benefit of the already property-owning class but in the interest of the workingman himself, who would be deprived of the fruit of his own labor beyond that which he needs for his own immediate essential daily requirements if the rights of property should be abolished."

The labor leaders liked that line of thought, and so did the workers. None expressed doubt about the President's sincerity, but they did wonder whether the government would be able to hold together labor factions that have been unable to reconcile their differences for 10 years. Within the week there were rumblings of discontent among former warring factions but no real split-offs.

The President's trump card was his firm control of one of the tightest political machines under any democratic system in the world.

RESTLESSNESS INCREASED

Philippine labor has been increasingly restless since long before the advent of the Commonwealth. The causes of it spring from the same root as causes of labor unrest the world over, the United States included.

Some of it is caused by deliberate labor agitation from imported or local leaders ranging from communistic and subversive to humanitarian in scope. Some is caused by economic and social conditions producing an underprivileged section of humanity which is learning to shout for its rights.

The results of it have included a growing national unrest which has occupied a large portion of the Quezon administration's time and thought. There were 125 strikes in 1938 reported to the Labor Department in industrial, manufacturing, transportation, and general labor fields, while in the agrarian sections of the country, especially among Filipino sharecroppers in the sugar-growing and rice-growing sections of Luzon and the central islands, violence broke out in a dozen spots, requiring constabulary emergency measures.

Borrowing from measures practiced both in the United States and in Mexico, Mr. Quezon embarked his administration upon a program of social justice, which really was a policy of appeasement of labor dictated by necessity. In its broader implications it is a battle against a deeply rooted system of agricultural feudalism. Mr. Quezon's critics see in it also a not unwise political move, for favor among the masses brings votes.

GOOD PARTLY COUNTERACTED

In its actual working out the social-justice policy opened up a Pandora's box of evils that partly counteracted the actual good it was intended to accomplish. Mr. Quezon attempted to set up a minimum wage of a peso (50 cents) a day and found there were many industries and circumstances of employment that simply could not, or in some cases would not, bear the traffic.

Getting an inch, some sections of labor attempted to take the usual ell, and a wave of strikes and violence ensued that made necessary a $250,000 special appropriation for more constabulary forces in trouble spots. The trouble centered chiefly in the ranks of agrarian labor, especially on the so-called friar estates, which are huge land grants dating from Spanish times and still owned by the Catholic Church.

Tenants numbering from several score to several hundred farm these estates and live on them, donating half the harvested crop to the landlord or lessee. Burdened by long-standing indebtedness to their "cacique" bosses, they have reached the point of rebellion in some sections of the country, resorting to sabotage of cane fields and mills, harvesting against court orders, refusing to deliver the landlord's share of the crop or actual mass theft from warehouses and fields. When armed conflict results the constabulary steps in.

Mr. Quezon recently attempted a legal remedy for this situation in the form of a so-called tenancy law which passed the assembly and became a law with the president's signature in the presence of a large delegation of planters who had come to protest. They had found that the law prohibited them from discharging a tenant for any cause without the express permission of the government through a department of labor representative, or, if contested, through a special industrial court. This meant red tape and weeks of delay, they pointed out.

In answer to their protest, Mr. Quezon pointed to the broader aspects of the national problem involved. He wanted to do away with the tenant system entirely, he said, and have farm workers paid daily wages. This step was taken in the direction of securing legal rights for underprivileged farm labor.

Then he signed the bill with a flourish. Incidentally, he said it was his intention later to apply the same principle of government control of hiring and firing in all industry and business, both native and foreign.

Meanwhile, the various factions of labor, from the conservative National Federation of Labor and the Congreso Obrero de Filipinas and its affiliates to the liberal Confederated Workers Alliance and leftist, Collective Labor Movement, are closely watching developments on the government-unified labor front with at least outward signs of getting along peaceably under government auspices and control—probably the only attempt of its kind ever made in a democracy.

The World of Tomorrow

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

ADDRESS BY GOV. GEORGE D. AIKEN ON VERMONT DAY AT THE NEW YORK WORLD'S FAIR, JULY 2, 1939

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address made by Gov. George D. Aiken, of Vermont, on Vermont Day at the New York World's Fair, July 2, 1939.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is pleasing to Vermont that we are able to take a small part in this great exposition depicting the world of tomorrow. Perhaps the part we take here is small even in proportion to our resources and to the importance of our State, but I make no apologies for that. What we are doing is well within our means and our ability to support.

In the world of tomorrow is involved the happiness, prosperity, and the security of our people—just as in the world of today. The degree to which these objectives are attained will depend upon the foundation of that future world, which is the present. When we build a highway or a building we must look well to the foundation on which we build, and so each era in history is in itself the foundation on which the successive eras to come must rest and depend.

Our forefathers founded well with their brawn and courage and self-reliance. They carved the foundations of a mighty nation from the wilderness of this continent. By their sacrifices, typified by Valley Forge, they have perpetuated that nation for 163 years and created a spirit that will endure.

We today are building the foundation upon which the world of tomorrow must stand. In Vermont we are keenly conscious of the necessity for building that foundation right.

That is why we have persisted, in the midst of a nation of unparalleled public spending, in doing without those things we could not pay for. We don't believe in building the world of tomorrow on a foundation of debt.

Also we have steadfastly refused to delegate the authority and responsibility for our personal and local affairs to an all-powerful central government. We don't believe in building the world of tomorrow on a foundation of dependency or subservience.

We believe in the self-reliance and self-respect of the individual, in the duty and privilege of each to work to be self-supporting, to own his own home and to endure hardship if necessary to preserve these rights. We do not believe that time will ever dim the desire of our people for these things.

The part Vermont is taking in this exposition is small, but we are keeping within our means. It is our belief that by general application of this principle that the world of tomorrow will find its foundation securely laid and ready to receive the weight of our future progress.

The Plight of American Agriculture

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

RADIO ADDRESS BY MORRIS ERICKSON

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Morris Erickson, of North Dakota, a director of the National Farmers Union, over the National Broadcasting Co.'s system, on June 24, 1939. He spoke on the agricultural situation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

For many years the plight of American agriculture has been discussed from every conceivable angle and by practically every person who could secure an audience. Conditions in rural America have been pictured in colors almost as dark as the gloom which actually exists. Remedies have been suggested varying from the dangerously ridiculous to the eminently practical.

In the perpetual forum on agricultural problems, three types of speakers participate. They include the thoughtful individual who expresses a philosophical interest in the subject, ever prepared to accord consideration to the views of others, and advocating no immutable formula; the irresponsible orator representing no one but himself or a handful of hypnotized followers, vociferous in his self praise, and vicious in his intolerance of the views of others; and the responsible leaders of nationally recognized farm organizations, democratically elected and answerable to their constituents for definite action of democratically devised programs.

Those who fall in the first category deserve our respect and our audience. Those who fall in the second category, having demonstrated their inability to work through democratically organized farmers among whom no individual's views are considered all-wise, speak only for themselves and their intolerant following. Their irresponsible outbursts usually follow a set pattern. First, they work themselves into an oratorical frenzy describing, in lurid phrases, the sad conditions which exist out at the crossroads. Next they pour out their wrath against everybody and everything not associated with their own petty group nor in strict accord with their own warped views. Then they describe in inspired terms their own patented formula for economic bliss, preferably named with a respectable, borrowed slogan, and dressed with such glittering oratorical tinsel that few bother to examine what lies behind the curtain of hot air. And, finally, they launch into the phase which delights them most. It consists of an unrestrained and detailed description of the speaker's own sterling virtues, leaving out nothing which might convince the listeners that here, at long last, is the example of human perfection for which the world has been waiting.

The order may vary slightly, but the contents will vary only the slightest degree. Without responsibility, these egotistical, comic-strip, would-be leaders of agricultural thought are free to play the demagogue. Answerable only to themselves or a noisy, deluded handful of followers, they may rant and declaim without fear that an intelligent and alert constituency will trip them up when they are called to their annual accounting. They constitute clownish American copy of swashbuckling, egotistical, sawdust Caesars across the water, consulting only with themselves as the fountainhead of unsullied wisdom, and offering to those who will give them ear only their own infallible formula for economic bliss.

Fortunately, the number who fall into this second category is small and their following too slight to have much more than a reasonable amount of nuisance value.

Most farmers refuse to be enchanted by the oratorical magic of the self-announced Messiahs. Those who are honestly and intelligently interested in solving their problems have the good judgment to organize with their neighbors, compromising their differences in drafting their program of action, pooling their collective wisdom in selecting leaders to represent them, and drawing upon their courage and determination to stay with their organization until the victory is won. In such a group there is no room for those who cannot abide by decisions arrived at through democratic processes.

In this third category will be found the representatives of the Farmers' Union, owing allegiance to no individual, but pledged wholeheartedly to the principles and ideals established by those who democratically elected them to positions of leadership.

In the Farmers' Union we believe that the collective judgment of our members, democratically expressed at their annual conventions, is superior to the dictates of any self-proclaimed prophet, regardless of how long or how loudly he proclaims his own virtues. We

who compose the elected officialdom of the Farmers' Union are proud to serve an organization of actual working farmers with 37 years of honorable history. We propose to continue as members of our organization regardless of whether we continue in office or whether our personal views are accepted by the members. We expect to serve our cause and our people faithfully. We know, and we heartily approve, the principle that we shall be rejected by our people if we fail to have sufficient regard for their wishes. So it has been in the past; so it will be as long as democracy exists in the organization. We will not play the ingrate in attempting to ruin that which we cannot rule with our own individual views.

The time will never come when the Farmers' Union will sell its birthright of democracy for a mess of political pottage, regardless of how guileless and enchanting may be the name with which the pottage is christened. Neither will the time ever come when the Farmers' Union will be the pliant tool of any individual, regardless of his self-announced virtue. The Farmers' Union is bigger than any man in it, the pooled strength and the pooled intelligence of farmers organized in their community locals from coast to coast.

We would be doing our people little service by retinting the agricultural picture and chanting over and over again a recital of the conditions with which they are thoroughly familar. Neither would we be doing our people any service by squandering our time denouncing conditions and castigating those who, sincerely or with malice, oppose our views. And, finally, we do not propose to simply prolong agricultural agony by dangling before our people high-sounding objectives without proposing workable, practical, democratic methods by which those objectives might be attained.

Not long ago an outstanding agricultural authority made the statement during a national broadcast that while farmers constituted more than 24 percent of the population of the United States, they received less than 11 percent of the national income. These brief figures sum up, to a great degree, the cause of the numerous problems which beset agriculture.

All who honestly champion the cause of stricken agriculture agree that the flow of the national income must be adjusted to accord to farmers their just share. The members of the Farmers' Union have, for 37 years, conducted a program of education among themselves and their neighbors designed to develop understanding and action in accomplishing the proper division of the national income and preserving our dearly won democratic rights.

Out of these many years of struggle the members of the Farmers' Union have developed two devices with which to attain their objective. They recognize, first, their duty to help themselves in the market places by establishing their own business institutions, cooperatively owned and democratically operated. They know that it is futile to denounce a business system, owned by somebody else and operated for private profit, which has historically failed to give farmers a square deal. Consequently they have slowly but steadily built their own cooperative business structure through which they may purchase their needs and through which they may market the products of their labor. Only the slovenly and the irresponsible refuse to use their economic power.

They recognize, secondly, the necessity of seeking, through legislative action, those things which can be secured only by such action.

We became practical enough long ago to realize that a program which does not include both economic cooperation and progressive legislation will fail. We know that by legislative action our cooperative business enterprises can be destroyed overnight by those who are the beneficiaries of the profit system unless we are eternally vigilant. We know, on the other hand, that it would be silly, impractical, and utterly tragic if we staked everything on the turn of a legislative card.

We have come to realize that what one political Congress may give another political Congress can take away. We recognize, too, the great danger that lies with relying upon Government to do for us the many things we can do for ourselves.

The countries of the world wherein a balance has been achieved between the people's cooperative economic action and the people's progressive legislative action enjoy the greatest degree of economic well-being and stand in the least danger of dictatorship from either the right or the left. The countries of the world in which the people have relied solely upon government for their economic salvation have witnessed the destruction of democracy and the regimentation of the people in a strait jacket of beaurocratic oppression from which there is no appeal. Refusing to regulate their own economic and social life, depending upon demagogues to do for them what they should have done for themselves, one-third of the people of the world have fallen into a trap of their own making.

Those who issue tirades advocating one or more legislative proposals as the certain and only path to an agricultural paradise, consciously or unconsciously are laying the ground work for a repetition of the scourge which destroyed democracy in a dozen countries of the world. Consciously or unconsciously they ape the formula which modern history describes as the death knell to freedom.

The Farmers' Union prefers the middle course, relying too much on neither legislative action nor cooperative enterprise, yet employing both so as to advance safely and steadily on both fronts. We shall do for ourselves in cooperative business those things which we are capable of doing; we shall ask of Congress those things for which society as a whole is responsible.

In order to clarify the Farmers' Union stand on agricultural legislation, it is necessary that we repeat our position at regular intervals so that none will be misled by those who seek to becloud issues and create harmful confusion.

While there has been general agreement as to the objectives to be attained through legislative efforts, various slogans have been coined to express those objectives. The Farmers' Union has, for several years, rallied around the slogan of "Cost-of-production prices for agricultural commodities." The slogan has an interesting origin. During 1923–25, more than 40,000 farmers in the North Central Wheat States, members of the National Producers Alliance, coined the phrase "cost of production" to express the aim of their organization. On May 24, 1925, representatives of the alliance attended a meeting of all farm organizations in the Middle West, called by Charles Barret, who was then and had been for many years previous to that date, president of the National Farmers' Union. The representatives of the National Producers Alliance brought their slogan with them and convinced others of its merit. It later was adopted by the Corn Belt Federation, and, finally, when the National Producers Alliance merged with the Farmers' Union, "cost of production" became the stated objective of the Farmers' Union.

The slogan was not the invention of a single individual handed to him out of a burning bush, neither is it the property of any single individual who may use it to dress up his own patented formula. It was conceived by a democratically organized farm movement and should be used to describe an objective, not a particular set of mechanics.

No one argues the justice of granting to farmers prices equal to cost of production, provided, of course, that they operate their farms with a reasonable degree of efficiency. Disputes arise, however, in determining how cost of production is to be secured.

The Farmers' Union has sponsored several sets of legislative mechanics, each differing in some degree from its predecessors. It has had the courage and the wisdom to modify its methods to meet changing conditions without losing sight of the ultimate goal and without surrendering its long-time principles.

A good general does not use one plan of battle time after time if that plan always results in defeat. Neither does a good general use the same plan of battle under all conditions; he knows that a plan which might work well under one set of circumstances would fail miserably under others. Keeping in mind the objectives of winning the war he varies his battle plans to suit varying fighting conditions. He is fired if he wastes his time boasting about the superiority of his one plan of battle but turns in nothing but a dreary succession of costly defeats. He is a worthy leader if he has the wisdom to devise effective battle plans to cope with changing circumstances. He owes allegiance to a cause, not to a particular blueprint of his own invention.

The Farmers' Union will continue to be realistic in developing legislative mechanics. It will ignore the discredited generals who boast of their own genius, promise much, but deliver nothing but defeat.

In its quest for sound farm legislation, the Farmers' Union is rigidly committed to certain definite principles.

(1) The Farmers' Union will never consent to placing within the hands of any one man, be he President, Secretary of Agriculture, or self-proclaimed genius, the power to fix the prices of agricultural commodities. It will never consent to placing the destiny of the American farm population in the hands of any individual or any set of individuals anywhere.

Those who advocate Fascist farm measures are given to splitting hairs by presenting the pointless argument that the responsibility of fixing prices presents the individual concerned with a duty, not a power. Such strained reasoning is not a compliment to the intelligence of its author. Surely it would be senseless to charge a man with a duty unless he were also given the power to carry out that duty.

To the greatest possible degree all agricultural legislation should be developed out of conferences of actual farmers democratically represented, and should be administered by actual farmers democratically elected. The Farmers' Union will vigorously oppose individual day dreams, spun out of the fertile imaginations of agricultural quacks, and embodying the principles of totalitarian bureaucracy.

(2) The Farmers' Union will oppose to the limit of its strength any agricultural legislation which does not specifically afford protection for the family size farm as opposed to the corporation farm.

A vertical increase in farm prices will not alter the advantage currently enjoyed by the multiple-farm operator in an increasingly mechanized agriculture. A vertical slash in acreage or marketing allotment will fall heaviest upon the operator of the family farm unit. Cost-of-production prices should be paid to farmers, not to farms. Many thousands of family unit operators, even under normal circumstances, cultivate acreage and market a volume of products too small to provide a decent standard of comfort and security even under a cost-of-production price structure. If cuts in acreage or the imposition of marketing allotments are to be used in raising the level of farm prices, such acreage cuts and such marketing restrictions should fall heaviest on the corporation farm and the multiple farm operator.

If the land of this Nation is to be held in large tracts and operated by expensive machines, we prefer that the land and the machines be owned cooperatively by the farmers themselves instead of by absentee landlords or corporate interests.

(3) The Farmers' Union will never sponsor an omnibus measure offering the same mechanical cure for every farmer regardless of the commodity and the conditions involved. We will never be found guilty of bad generalship in proposing the same plan of

battle for every set of circumstances. Neither will we follow the practice of the old-time doctor who, being unable to diagnose the patients illness, gave him a concoction containing medicine for every ailment mentioned in his medical library, hoping that one of the ingredients would have the desired effect. The patient died.

Each commodity should be considered on its own merits. Each commodity should be given treatment suited to the peculiar conditions under which it is produced, marketed, processed, and distributed to the consumer. Correct treatment for one commodity group might be fatal to another.

(4) The Farmers' Union will never support agricultural legislation which would require farmers to turn over their total production to the pirates of the market place. It will always advocate the retention of surplus production on the farmer's farm or in his own cooperative facilities, under his own control.

(5) Finally, the Farmers' Union will neither sponsor nor support legislation which will put a strait-jacket of bureaucratic control around our cooperative marketing agencies, thus limiting and crippling our economic freedom and our right to build a business world cooperatively owned, democratically operated, and pledged to service for the many rather than profit for a few.

In furthering its legislative program, the Farmers' Union has caused to be introduced in the current session of Congress a number of important bills. First and of great importance to those of us who come from the wheat country, is the wheat bill, commonly known as the Farmers' Union wheat-income certificate plan. The Farmers' Union wheat bill will achieve cost of production or parity, whichever is higher, on that portion of our wheat domestically consumed and our fair share of the world market. It embodies the principle of protection for the family-size farm. It guarantees at least a partial income to farmers year in and year out as long as they honestly attempt to produce, even though natural calamities may destroy crops, such as has been the case in my State for several years. It accomplishes these things without imposing a strait-jacket on the marketing system, without costing the Federal Treasury a penny except for administrative costs, without surrendering democracy and without requiring an army of secret police to enforce its provisions. Our measure has been introduced in the Senate by Senator BURTON K. WHEELER, of Montana, and in the House by Congressman MARVIN JONES, of Texas, chairman of the House Committee on Agriculture.

Under the sponsorship of Senator JOSH LEE, of Oklahoma, the Farmers' Union has caused to be introduced its cotton bill, employing a similar income-certificate plan. The same basic principles as outlined for the wheat bill apply to the cotton bill.

Under preparation or already introduced is the Farmers' Union dairy bill employing different mechanics because of the differing factors involved, but adhering to the same basic principles previously outlined.

Of equal importance and perhaps of even more far-reaching significance is the Farmers' Union debt-adjustment measure introduced by Senator WHEELER. The debt-adjustment bill aims to protect the farmer whose farm bears a mortgage held by any Federal credit agency. The measure provides for scaling down the debts owed by farmers to Federal agencies to the ability of the farmer and the farm to pay. It will, if enacted into law, halt the present foreclosure policies of the Federal land bank and the current collection policies of the seed- and feed-loan agencies.

Copies of these measures may be secured by writing to the individual sponsors.

Other measures involving other commodities and other situations will be introduced as rapidly as our committees have agreed on a formula and have drafted into proper form their recommendations.

The Farmers' Union will continue to advocate and build toward a better world than the one which presently exists. It will not be intimidated; it will not surrender a single one of its cherished principles; it will not be vanquished. It will have sufficient vision to see a world free from exploitation, and it will have sufficient wisdom to devise the practical steps which must be taken to reach that world. Its members will shun the honeyed proposals of America's "sawdust Caesars" who boast of a following which does not exist, and as our Farmers' Union creed so well states it, "We will always remember that, greater than any man in it, worthy of any sacrifice, deserving of all faithfulness, is the union itself, built for us and by us, our own organization."

Purchase of Foreign Silver

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11 (legislative day of Monday, July 10), 1939

EDITORIAL FROM THE NEW YORK TIMES OF JULY 11, 1939

Mr. TOWNSEND. Mr. President, I have been gratified by the support of our great American newspapers in my efforts to bring about the termination of the purchase of foreign silver by the United States Treasury. I ask leave to have inserted in the RECORD an editorial from the New York Times of this morning, July 11, 1939, as an example of editorial comment on this subject.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of July 11, 1939]

THE FOLLY OF FOREIGN SILVER

One of the most significant facts about the recent controversy in the Senate over the monetary bill was the willingness of many Members of the "silver bloc" to let the whole plan for purchases of foreign silver go into the discard, provided only that a sufficiently high price was set for their own precious metal—and pegged there by act of Congress. Yet, after all the skirmishing, we find in the monetary bill as finally passed by both Houses and approved by the President no suggestion of any change in the status of foreign silver. It is still the official policy of our Government to keep on buying foreign silver, for which we have no earthly use, until one of two unlikely things happens—until one-fourth of our monetary reserve consists of silver metal or until the price of silver reaches $1.29 an ounce (compared with a present figure of 35 cents in a falling market).

There is no justification whatever for the foreign silver purchase program. Considered as economics it amounts to a policy of deliberate self-impoverishment, a method of transferring purchasing power from the hands of Americans to the hands of foreigners, a business of giving away, as far as our balance of payments is concerned, cotton and copper and automobiles and other useful domestic goods almost literally for nothing. Considered as politics, it may be a convenient instrument in Mexico and China, but it is no instrument to be proud of. If the American people believe that they owe any foreign government their financial support, they can give that financial support directly and not under the subterfuge of doing something else.

Senator TOWNSEND, of Delaware, has introduced a bill which would stop this folly. It ought to have the support of every intelligent Member of Congress, and it ought to be passed at this session.

Neutrality

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 12 (legislative day of Monday, July 10), 1939

STATEMENT BY LOUIS B. WARD

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD the second and final installment of that most informative and interesting statement made by Hon. Louis B. Ward before the Foreign Relations Committee of the Senate pertaining to the subject of neutrality.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PART IV. THE SECRET TREATY

Mr. Chairman and members of the committee, of all the causes of modern wars I beg you to study, the greatest is the system of secret alliances or treaties, secret agreements, secret understandings, unknown to the Constitution of the United States, likewise unknown to the unwritten constitution of Great Britain, but existing, nevertheless, in utter defiance of both world powers.

For 3 or 4 minutes I want to take you back to August 1914. On the 3d of August the German "white book" was issued, showing, by 27 telegrams carefully selected, that Germany was fighting in self-defense against Russian aggression.

Three days later, and on August 6, 1914, the British "blue book" was issued, showing 159 selected documents proving that Great Britain was for peace, but Germany and Austria prevented it.

One day later and on August 7, 1914, the Russian "orange book" was issued, showing by 79 selected documents that the war guilt was on the Central Powers.

In October the Belgian "gray book" was written, showing by 79 documents that Germany violated international law.

On November 18, 1914, the Serbian "blue book" was presented, showing by 52 documents that Serbia was the victim of Austrian aggression.

On December 1, 1914, the French "yellow book" was issued, showing Germany was the aggressor.

And on February 3, 1915, the Austrian "red book" was issued, showing by 69 documents that the Triple Entente—England, France,

and Russia—had encircled the Central Powers and were the aggressors.

Mr. Chairman, I commend the rereading of the seven compilations of documents. They are all the same. All protest the virtue of their cause, all depict the vice of the enemy. They remind me of Tom Moore's poem, memorized many years ago, with the famous couplet:

"On our side is virtue and Erin,
On theirs is the Saxon and guilt."

We recall Robert Lansing's commission on the responsibility for the war. We recall that he refused to look at any evidence except that which showed the Central Powers guilty.

Behind the variously colored books of the European powers protesting their virtue and disclaiming their guilt were the secret treaties which I will merely record, as they formed an amazing background for the World War:

(1) The League of the Three Emperors, in 1872, between William of Germany, Alexander of Russia, and Francis Joseph of Austria, pitted monarchical solidarity against international socialism. It was a secret treaty that half a century later was to see Alexander's czaristic power in the hands of the Communists, William of Germany's monarchy communism saved by dictatorship, and Austria awaiting the new hegemony of Hitler's Europa.

(2) The Austro-German alliance of 1879 secretly broke the tripartite agreement between Russia, Germany, and Austria and was the initial historic fact which drove France and Russia together in an alliance which ultimately would defeat Germany in the World War.

(3) Two years later the German-Russian secret treaty of 1881 temporarily repaired the wire from Berlin to St. Petersburg.

(4) The alliance of the three emperors, from 1881 to 1887, reunited Russia, Germany, and Austria.

(5) The secret treaty of 1887 between Russia and Germany was written to parallel the German-Austrian Treaty of 1879, but still the three powers could not trust each other.

(6) The triple alliance of 1882, between Germany, Austria, and Italy, left Russia out and became the second step in uniting France with Russia.

(7) The Austrian-Rumanian pact of 1883 was a secret pact against Russia, called defensive, of course. Germany endorsed it the same day, and Italy in 1889, thus making it a quadruple agreement. It was finally renewed February 5, 1913, and was in existence as legally extended to July 8, 1920, throughout the days of the World War, when Italy was our associate and Germany was everywhere blasted for regarding her treaties as scraps of paper.

(8) Franco-Russian secret alliance, 1890. France financed Russia to the extent of 2,400,000,000 francs in 1888, and supplied her with Lebel rifles in 1889. They entered a secret alliance in 1890 and reinforced it in 1894 to the extent of cooperation in case of aggressive attack. It was absolutely unconstitutional for France to have a secret treaty, yet the pact was signed to the effect that if the triple alliance mobilized, it meant the mobilization of France and Russia, and its duration was coextensive with the triple alliance.

(9) England deserts "splendid isolation," January 19, 1898, attempts treaty with Russia.

At Alfred Rothschild's house, May 29, 1898, Joe Chamberlain met Count Hatsfeldt. Chamberlain asked for an Anglo-German defensive alliance. He wanted a publicly approved treaty with Germany, because a secret treaty would not bind future cabinets. England sought this treaty for seven reasons: (1) Friction in central Africa with France; (2) friction on the upper Nile with France; (3) friction in Sudan with France; (4) friction in South Africa with the Boers; (5) friction in Kiauchau, New Germany; (6) friction in Manchuria with Russia; (7) Russia had taken Port Arthur and threatened England in the Far East.

Result: The Kaiser told the Czar of England's offer and attempted to form the continental league.

(10) The Continental League—Russia, Germany, Austria, Italy, and France.

(11) England and the United States. The Boer War had made England hated on the continent. In November 1899 the Kaiser visited England. Joe Chamberlain at Leicester publicly proposed an alliance of the Teuton and the Anglo-Saxon races. He proposed the union of the United States, England, and Germany, races that differed so slightly in character, as a triple alliance of the two great branches of the Teutonic race. Germany turned it down. The King and Queen are now renewing the offer.

(12) 1901, Joe Chamberlain opened negotiations for an alliance between England, Germany, and Japan. 1902, England and Japan sign an alliance.

(13) 1904, England and France sign a treaty, the beginning of the Triple Entente.

(14) Italy stays in the Triple Alliance with Germany and Austria, and then makes a secret treaty with France, between 1900 and 1902.

(15) The Anglo-French entente of 1904. This was a broad arbitration treaty, signed October 14, 1903, when Edward VII visited France. Two months later President Loubet returned the visit.

On April 8, 1904, the Entente Cordiale was signed. It covered the Newfoundland fisheries dispute, the Senegambia dispute, the sovereignty over Siam, Madagascar, the New Hebrides; and England was given a free hand in Egypt in exchange for a free hand given France in Morocco.

In this connection, it is extremely important to note that King Edward VII was a new King in 1903, who knew how to make a tactful speech, with flattering appreciation and hearty personal good will. Here is the speech of Edward VII in 1903 in France. We may expect its repetition here in the United States. I quote in part:

"The days of hostility between the two countries are, I am certain, happily at an end. I know of no two countries whose prosperity is more interdependent. There may have been misunderstandings and causes of dissension in the past, but that is all happily over and forgotten. The friendship of the two countries is my constant preoccupation, and I count on you all, who enjoy French hospitality in their magnificent city, to aid me to reach this goal."

(16) The Kaiser and the Czar signed the Björkö Treaty of Alliance, canceled when the Czar withdrew, 1904.

(17) Germany, by stopping partition of Morocco by France and England, forced England to the side of France, 1905.

(18) The Anglo-French conversations: These were not treaties, but informal alliances with military arrangements and independent military plans. Under these conversations, by 1911 Sir Henry Wilson was riding Belgium on a bicycle covering every road for the attack on Germany. By 1911 General Dubial was able to assure his Russian colleagues that the French Army was able to take the offensive against Germany with the aid of the British Army on its left wing (Belgium).

(19) The Anglo-Russian Entente, 1907: England and Japan had been allies since 1902. England now formed an alliance with Russia in 1907. The Russo-Japanese treaty was signed in July 1907. It provided the open door for the Far East and the status quo, yet behind it was the secret agreement on spheres of influence in Manchuria in a supplemental treaty signed between Japan and Russia, who pooled their interests after their bitter war, to the exclusion of third parties.

Japan and France had a treaty for the Far East.

The Anglo-Russian treaty provided for the partitioning of Persia, with Russia taking the northern half and England the southern half.

From 1907 on, Russia, France, and England were referred to as the Triple Entente.

While Russia, England, and France formed the Triple Entente, Germany, Austria, and Italy formed the Triple Alliance. From 1907 to 1914 came the armament race.

(20) In 1909 came the German-France treaty settling the Morocco affair.

(21) In 1910 came the Russian-Italian secret treaty.

(22) In 1912 came England's secret naval treaty with France.

(23) On March 3, 1912, Russia revealed to Poincare that a secret Balkan League agreement was drawn by Russia in the preceding winter. Then came the Balkan wars.

I quote, that no man on this committee may ever mistake the duplicity, the hypocrisy, the lack of sincerity, the downright treachery of foreign relations, as I picture our own beloved United States in the spring of 1914, with the Triple Alliance and the Triple Entente, standing not side by side but face to face, Colonel House going to Europe and writing back in the midsummer of 1914, a month before the assassination of the Austrian archduke—and I quote:

"The situation is extraordinary. It is militarism run stark mad. Unless someone acting for you can bring about a different understanding, there is some day to be an awful cataclysm. No one in Europe can do it. There is too much hatred, too many jealousies. Whenever England consents, France and Russia will close in on Germany and Austra. England does not want Germany wholly crushed, for she would then have to reckon alone with her ancient enemy, Russia; but if Germany insists upon an ever-increasing navy, then England will have no choice. The best chance for peace is an understanding between England and Germany in regard to naval armaments, and yet there is some disadvantage to us by these two getting too close."

PART V. PROPAGANDA

Mr. Chairman, what I term the fifth and greatest cause for war is foreign propaganda.

I know of nothing more stupid than American propaganda, than that of the German, the Italian, the Japanese, the Chinese, the Central European, the South American, Central American, or the Mexican powers.

I know nothing more brilliant than John Bull and his Northcliffe Press. Pastmasters at propaganda, they started soon after America declared her independence, with songs and verses in the American schoolbooks of three-quarters of a century ago.

A few years ago a great Irish friend of mine dug out from a grammar-school textbook a little verse, actually studied in an American classroom:

"I thank the goodness and the grace
That on my birth did smile
And make me choicest of the race,
A happy English child."

There isn't 1 percent of the population in America that knows the words of the third verse of the Star Spangled Banner.

In our public meetings we are prone to sing America with the identical tune of God Save the King.

Years ago Cecil Rhodes drafted the will that took two boys annually from each State of the Union over to Oxford under the name of scholarships, with the object of bringing back English propaganda to denationalize the Nation.

Andrew Carnegie dedicated the fortune made in America to proselytizing our freeborn, to dedicate them to a re-United States.

Shamelessly did the British Treasury leave $150,000,000 and 10,000 foreign agents in America to whip us into the World War.

You could buy college professors by the hundred, as you can buy them today, to prostitute their feeble mentalities for the British Crown.

Now come the King and Queen. It was 1497 when John Cabot landed, and from 1497 to 1939 no British monarch ever laid foot on America. There were characters in those days—Gosnold and Raleigh, Drake and Frobisher, and a hundred others. With their Blackbeards and Morgans they laid off the Spanish Main, parasitic vultures on the wealth of that far-off day.

There were colonizers, from Smith in Virginia to the Pilgrim Fathers, to the Calverts and Carterets, the Penns and the Oglethorpes. There were patriots in later days—James Otis and Patrick Henry, the Adamses, the Randolphs, the Washingtons, and on down through the line.

But not an English King, much less a Queen, from Cabot's voyage in 1497 until the last sailing of the *Queen Mary* in 1939.

If you are studying neutrality, peace legislation, and a foreign policy, for God's sake rid the nation of the rats of foreign propaganda that would bring upon us the bubonic plague and the black death of war.

Keep the freedom of the press, but make it register the foreign sources of the paid propagandist.

Keep the academic freedom of the schools, but let them record the vultures from foreign shores or the domestic agents, the professors, who take foreign cash for prostituting the American mind on the altar of foreign propaganda.

CONCLUSION

I suggest, in conclusion, five definite steps to those of you who honestly and sincerely desire to prevent America's inclusion in the next great world war:

1. Under penalty of heavy fine and imprisonment register, with his assumed name and true name, every resident of America, including editors, employees of newspapers, radio commentators, magazine writers, special feature writers, syndicate writers, professors, public speakers, Members of Congress, civilian and military employees of the United States, Cabinet members—all—directly or indirectly in the pay of any foreign government, as propaganda agents in America, and be not satisfied until 10,000 names appear.

2. Question carefully the military, the naval, and the air forces concerning "conversations," for that is the name given the English-speaking world by Sir Edward Grey to denote those practical military and naval alliances between the international military egotists who now, as in the years before 1914, work out joint military operations—informally, of course—only to find their understandings binding their nations in "honour."

3. Beware of secret treaties. Obviously these are as unconstitutional in this Nation as they are in England or in France. Yet, why deceive ourselves, when Edward Grey denied their existence on August 3, 1914, only to admit that the Empire was bound in honor on August 8, 1914?

Why deny them when France, which prohibited them by law, found herself enmeshed in illegal treaties since her defeat by Germany in 1870?

In this country the great danger is the stabilization fund, operated by Henry Morgenthau, Jr., in conjunction with Leon Blum, of France, and Sir John Simon, of England. Abolish this secret cause for distrust among the nations, that we shall not enter through the financial door, the $2,000,000,000 golden door of stabilization, the secret understanding and pact.

Fourth, beware economic imperialism. Its only cure and defense is social justice. Legislate for the great masses with the understanding that the rich have ample means of providing for themselves and need not your protection.

Lastly, beware an exaggerated militarism that tempts men in high place to consort with kings and the great of this world, forgetting that no state ever rose to true and lasting power except on the prosperity of the average man.

Mr. Chairman, I do not care to be dogmatic, but rather definite and factual. I have covered only a few phases of modern world history in 60 minutes of allotted time. The attempt to present the causes of war is meant to be inclusive and not exclusive. Frankly, the outline is of necessity sketchy, leaving to the keen students of history of this committee suggestions only which their own good minds will follow with the detail necessarily omitted.

I thank you.

Cornerstone Laying of Doctors' Hospital

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 12 (legislative day of Monday, July 10), 1939

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO, JULY 11, 1939

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD the able address delivered by the Senator from Ohio [Mr. TAFT], on July 11, on the occasion of the laying of the cornerstone of the Doctors' Hospital at Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It gives me the greatest pleasure to say a few words at the laying of the cornerstone of the Doctors' Hospital here in Washington. Almost unique among similar enterprises of the present day, this building is being constructed entirely from private resources, without Government assistance of any kind whatsoever. It is designed to provide 250 additional hospital beds for the District of Columbia, of a simple but efficient character, designed to reach patients who can pay approximately $6 a day either from their own resources or as members of the hospital associations, which have been extended so widely in the District. It has been organized, and the money raised by doctors, to meet the local need for hospitals, in a city which is perhaps growing faster than any other city in the United States because of the increased activities of the Government departments. I enjoy the opportunity of praising the initiative of the medical profession of the District in working out its own problems without lying down on the Government.

To some extent the medical profession is subject to the same criticism which is often directed at members of the legal profession. The abler members of the profession are likely to become so busy in their own practice that they pay too little attention to the question whether the profession as a whole is covering adequately its whole broad field of public service. Because their own task is well done, they are likely to feel no great concern about the question whether the administration of law or the administration of medicine is serving the public and the country as it should. Of course, this is only a generalization, for countless reforms in the field of law have been initiated by lawyers, and countless reforms in the field of medicine by doctors. Here today we see how constructive enterprises are carried through to success if a few men are willing to devote their time and energy to the task.

We have before us in Congress today the National Health bill introduced by Senator WAGNER proposing to extend vast Federal assistance throughout the field of public health and medical care. It appropriates, out of our growing deficit, approximately $100,000,000 of Federal money the first year, and gradually increasing sums thereafter, until in 10 years it will cost the Federal Government more than $400,000,000, and require the States to supply approximately the same amount. This money is to be distributed to those States which have adopted State plans in various fields of medical work. In general the character of the plan is left to the State, but the appropriation of money collected from all the States to those States which go along with the program forces all the States as a practical matter to adopt some plan in each one of the fields covered by the bill. Six categories of State activity are provided for, namely, maternal and child welfare, handicapped children, public health work, hospitals, general medical care, and sickness insurance. The bill has been strenuously attacked by many witnesses from the medical profession, and is not likely to be pressed at this session, but I believe that in 1940 a Federal medical program of some kind will be adopted. What form it takes depends largely on the medical profession. I am most hopeful that the doctors determine what comprehensive program can be adopted to improve the health of the American people, and that they propose a practical measure to assist that program.

The present bill seems to me needlessly complicated. Its administration will take place under three different Federal Departments. Every State must adopt at least six separate plans, and for each plan there is an advisory committee, so that the bill will create approximately 300 different boards, largely composed of laymen. Surely the Federal health program ought to be consolidated under one head, and each State program ought to be worked out as far as possible under a single State department. The doctors feel very strongly, and I think justifiably, that while the Wagner bill does not itself contain specifically a program of socialized medicine, it is proposed by those who favor socialized medicine, and is open to the suspicion that it will afford a vehicle through which they may put their State-controlled medical care into effect. I feel confident that proper amendment of the bill can prevent such a result. We should be, above all, concerned that every patient retain the right to select his own physician, so that the personal relationship may not be disturbed and the success of the individual physician may depend on his real ability instead of his political connections. We should be concerned that no great proportion of the doctors ever become employees of government. I see no reason why the present condition of individual service should not be preserved, even though we adopt the principle of Federal financial assistance.

Undoubtedly the deficiency in medical service in many parts of the United States has been exaggerated in the report of the sponsors of the bill, but nevertheless there is a lack of such service, resulting principally from the poverty of millions of American citizens. Unable to pay for medical service, they find no service at all in some rural sections; or they find the free service supplied by their cities or States inadequate or ineffective; and they may not be fortunate enough to receive any of the tremendous amount of charitable service provided by physicians themselves. Of course, nothing is more important than health in meeting the

problems of the average family, and, if possible, it is even more important to those unable to pay for assistance than it is for those who are better off financially.

There are those who question the wisdom of any Federal assistance in the health field, but, as in the case of relief and old-age pensions, we have found that the States and localities have practically exhausted their financial resources in dealing with the established activities of government—like schools, roads, and city services. They were unable to push on into the new field of assisting those classes which receive inadequate income through relief and old-age pensions. Most localities and States have undertaken health work, but do not have the funds to make it universally effective. Some localities have never been able to undertake it at all. Assistance from the Federal Government in some fields is essential, and such assistance seems to me justified in the field of public health, providing it is in a reasonable amount to meet real needs in a sensible and economic manner.

The sponsors of the present bill seem to grossly exaggerate the lack of hospital service in the United States. Disregarding all private hospital service, they apparently plan a vast system of public hospitals to take care of everybody who would like to go to a free hospital. Any hospital plan should certainly encourage the construction of private hospitals and their use by public and private patients to their full capacity. It should encourage private plans of hospital insurance, which will assist the success of private hospitals and reduce the expense of operating public hospitals. The construction of this Doctors' Hospital here in Washington shows that a large part of our problem may be met without the pouring out of more millions from the Federal Treasury and without turning over to some State or Federal official the entire determination of who shall receive hospitalization and when he shall receive it; and the hospital plan ought to be worked out deliberately to encourage philanthropic persons to invest their own money in the extension of private hospital service, as they have so liberally invested it during the past 50 years.

There is hardly a field in which there has been more sensational and continuous improvement than that of medicine in the United States. That improvement has been due to the brilliant, unselfish, and industrious work of thousands of physicians. It is not their fault that incomes are unequally distributed, and that efforts by local government to cover the entire field of health have been restricted by lack of resources. But now I hope they will take an active interest in seeing that the unequaled medical service received by most Americans is extended to the entire population. Their own interest and participation in the program will make it certain that it is not dominated by half-baked theorists, or by those who believe in a totalitarian state, directing the lives and caring for the health of all its citizens through the mechanical and usually careless action of Government bureaus. I believe a Federal-aid program can be worked out. I believe it can be much simpler and much more economical, and much more likely to preserve the essential independence of the doctors than the present Wagner bill. I believe it can be worked out with the assistance and cooperation of the doctors themselves.

The Roosevelt Administration

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, July 12 (legislative day of Monday, July 10), 1939

ARTICLE BY GEN. HUGH S. JOHNSON

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Gen. Hugh S. Johnson relative to certain phases of the Roosevelt administration.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ONE MAN'S OPINION

(By Hugh S. Johnson)

It is worth noting how new verbal gadgets are given little rides by administration spokesmen of the inner circle and then dropped. The rise, decline, and fall of the 60 families in administration speeches is an example.

Now the story brought by repetition to a point of absurdity by Senator GUFFEY is that Mr. Roosevelt has had no terms because his first was frustrated by the courts and his second by the Tories.

That is about as silly as it can be, because, except for a few slight hindrances, Mr. Roosevelt has been permitted to dose this sick country just about as he desired for going on 7 years—and now look at the darned thing!

Yet there is no doubt that Mr. Roosevelt has been frustrated. I have never wavered in my opinion that he is potentially one of our greatest leaders. Recalling his first "hundred days," I doubt if there is a similar period of so short duration in all history where so much was accomplished so brilliantly. As Mr. Raymond Moley has pretty well established in his recent memoirs, the so-called "brain trust" of those early days was no steering committee of government, no palace janissariat in the later sense. Mr. Roosevelt was rolling his own so far as fundamental policy was concerned. I know, because I was there. I worked hard to prepare stuff for him, but it was always on some special assignment from the boss.

It never occurred to me to suggest political policies. I vividly recall hearing him say to B. M. Baruch, "Now, Bernie, I take your judgment on economics and need it badly. But I think that, both on experience and record, I am better on the political side—that's my profession." So it always seemed to me. I regard him still as a political genius—as long as he paddles his own canoe.

But Mr. Roosevelt who spoke so bitterly and blusteringly at Madison Square Garden after the election was overwhelmingly in the bag, or in his second inaugural, was a very different Roosevelt from the one I talked to when I decided to go out and support him in 1936 with everything I had. Then I thought that he had decided to make his place in history, by consolidating his gains, ushering in an "era of good feeling" and bringing this country out of this depression.

Later it was very clear that someone had sold him the feared idea that he "had a mandate" and that the election proved it to be better politics to revolutionize this Government on an extreme formula of "reform before recovery"—that he hadn't yet gone half far enough.

As I think, it was one of the greatest of human tragedies—like Napoleon's march on Moscow. In January 1937, Mr. Roosevelt, using the political methods of personal leadership, charm, and compromise which are native to him—which he had practiced all his life and had put him in his high place—could have had anything within reason that he wanted.

Of far greater importance, he could have rallied this country and restored its cohesion and confidence to go forward to the greatest prosperity of our generation. But no—he surrendered his professional judgment to political amateurs. He was persuaded to try to dragoon Congress, the courts, and the great middle strata of our country by purges, attacks, and reprisals, and by appealing to class hatred, prejudice, and resentment—to become a President of fierce factions rather than a President of all people.

The resulting chaos ruined his second term and threatens now to rob him of everything he and the country could have had. If it were not for his fiery pride, his intense personal loyalty, and a stubbornness rarely equalled, I would wonder why he doesn't look around him at these architects of his own and his country's misfortune and say: "God save us from our loving friends." Of course, he is personally responsible—but it could have been so different—and so much better.

Comments on the Pope Memorandum Entitled "Has the Tennessee Valley Authority Injured the Coal Industry?"

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

STATEMENT BY HERBERT S. SALMON

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Herbert S. Salmon, of Alabama:

The Pope memorandum deals with the consumption of coal and the generation of electricity in the States of Alabama, Tennessee, Mississippi, and Georgia.

The statement in the first paragraph that the increase in coal used by the utilities is largely because of increased demand for power begs the question. Such reasoning presumes that the T. V. A. is responsible for the increased demand for power, hence is due the credit for the increased demand for coal, a conclusion which is not supported by the facts.

In this connection, reference is made to table IV of the Pope memorandum. More coal was consumed in generating electrical energy in each of the years 1925, 1926, and 1927 than has been

consumed in any year since 1934, when T. V. A. began operating. The figures are:

Alabama, Tennessee, Mississippi, Georgia coal consumed in generating electric energy

[From table IV of Pope Memorandum]

Year	Tons	Remarks
1925	1,360,000	Wilson Dam placed in service 1925.
1926	860,000	
1927	897,000	
1934	159,000	First complete year of service by Tennessee Valley Authority.
1935	213,000	
1936	357,000	
1937	695,000	
1938	677,000	

The effect on the coal industry of the substantial displacement of steam-generated energy in the four States by energy from Federal water-power plants is shown by a regrouping of figures from tables II and IV of the Pope memorandum, and the addition of another column showing coal which would have been required to supply the generation otherwise produced in Federal water-power plants. This tabulation follows:

Year	Total electric energy generated (millions of kilowatt-hours)[1]	Electric energy generated at Federal water-power plants (millions of kilowatt-hours)[1]	Estimated coal required if energy from Federal water-power plants had been produced by steam plants[2]	Coal actually consumed in generating electric energy (thousands of tons)[3]
1925	2,796	45	33	1,360
1926	3,247	439	325	860
1927	3,552	566	419	897
1928	3,682	223	165	478
1929	4,044	172	127	334
1930	3,876	306	227	228
1931	3,673	346	256	269
1932	3,475	287	213	134
1933	3,731	288	213	128
1934	4,009	207	158	159
1935	4,456	395	293	213
1936	5,347	778	575	357
1937	5,991	502	372	695
1938	6,391	1,289	954	677

[1] From table II of Pope Memorandum.
[2] Computed at 1.48 pounds coal per kilowatt-hour.
[3] From table IV of Pope Memorandum.

From the foregoing table, it is obvious that coal consumed in generating electrical energy declined steadily after 1925, when Federal water power first became available, and has subsequently failed by a large margin to attain the levels of 1925, 1926, and 1927. Moreover, a study of the foregoing tabulation shows that if the power supplied in Federal water-power plants were supplied in steam plants the earlier levels of coal consumption would in 1938 have been substantially exceeded.

The electrical load and the revenue of the companies in the four Southern States referred to in the Pope memorandum are largely dependent upon industrial activity—over 60 percent of kilowatt-hour sales to ultimate consumers are industrial—and to a lesser extent upon the residential and commercial use of electricity. The total energy sold by these companies follows closely the trend of business activity; indeed, it may be regarded as an index of industrial production and business.

In the fourth paragraph on page 1 and the first paragraph on page 2, the Pope memorandum draws attention to the fact that the generation of electricity in 1938 was 22 percent greater in the Nation as a whole than in 1929 but that the increase in the four States under discussion for the same years was 58 percent. Without in any way proving the assertion, this increase is ascribed to the stimulus of low rates "initiated by the T. V. A. and followed by privately owned public utilities." Coal-consumption figures for the generation of power in 1929 and 1938, respectively, are then quoted, showing an increase from 334,000 tons in 1929 to 677,000 tons in 1938. The reader is left to infer that the increase in coal consumption was due to the increase in electric load, and that the increase in electric load in turn was due to the low rates "initiated by T. V. A. and followed by privately owned public utilities"; therefore, that the foregoing increase in coal consumption was due to the blessings of T. V. A. The premise is incorrect, so the conclusion is erroneous. It can hardly be argued that the increase in power supply in the four Southern States was due to the stimulus of new and lower rates. In depressed times, when the products of industry cannot be marketed, the use of electricity in industry cannot be appreciably stimulated in any manner—not even by giving the electricity away. Cost of power is only one element in the cost of manufacturing, and usually a small one. Factories will not make products which they cannot sell merely to use cheap power.

It is thus absurd to say that the increase in electricity in the States of Alabama, Georgia, Tennessee, and Mississippi has been to any appreciable extent due to T. V. A. policies and rates. The use of electricity in private utility systems in these States has followed the ups and downs of business. It fell off rapidly in the fall of 1937 and spring of 1938, and recovered in the latter part of 1938. The real reason for the increase in coal consumption during 1937 and 1938, which the Pope memorandum neglected to disclose, was that during those years practically no energy was taken from T. V. A. by the privately owned public utility companies operating in the four States, thus greatly increasing the generation in southern steam plants. During 1938, the southern operating subsidiaries of Commonwealth and Southern Corporation used 587,000 tons of coal.

As mentioned above, the Pope memorandum draws a comparison between the generation of electricity in the four States between 1929 and 1938. Of course, T. V. A. did not come into full operation until 1934, so no one could successfully contend that T. V. A. had very much to do with either an increase or decrease in electric generation between 1929 and 1934. Furthermore, it is of course well known that general business reached its lowest ebb in 1933, and since that time has staged an erratic come-back, with a major set-back in the fall of 1937 and the early part of 1938. It would be much fairer, therefore, in considering the growth of electric load of the period of T. V. A.'s activity, to start with the year 1934, and end with the year 1938, taking notice of the industrial and business activity in the 2 years.

In this connection, the influence of T. V. A. upon the increase of electric consumption may be illustrated by comparing what happened in the territory of Alabama Power Co. and in the territory of Consumers Power Co. (in Michigan), respectively. In 1934 the output of Alabama Power Co. was 1,719,798,000 kilowatt-hours, and in 1938, 2,132,738,000 kilowatt-hours—an increase of 24 percent. For the same 2 years the output of Consumers Power Co. increased from 1,067,120,000 kilowatt-hours to 1,509,917,000 kilowatt-hours—an increase of 41.5 percent, notwithstanding that Consumers Power Co. territory is remote from T. V. A. activities.[1] It is also interesting to observe that the total production of electricity in the United States by privately owned electric utilities increased from 82,079,000,000 kilowatt-hours in 1934 to 104,090,000,000 kilowatt-hours in 1938, or 26.8 percent.[2] This was more than the increase on the Alabama power system.

The Pope memorandum minimizes the utility industry as a market for coal and quotes from table 4 of the memorandum, which expresses the tonnage of coal consumed in the utility industry as a percent of the total coal produced. It appears that the total tonnage figures include the coal produced in captive mines. By including captive-mine tonnage, the percent figures are distorted, because captive-mine tonnage has no relation to coal used in the utility industry. Nor does the Pope memorandum meet the issue of the future. The coal industry is vitally concerned with its existing market of coal to the utility industry and with the progressive development of that market. Were it not for the Federal water-power program, there would be an enormous increase in the consumption of coal in the utility industry in the four States during the coming years, as the hydro developments of the industry are substantially completed, and steam plants would be required to supply the growing power needs of the territory. If the coal industry is to be deprived of this opportunity, one of its most important outlets for coal will have been taken away.

Reference is made to the statement in the Pope memorandum that between 1925 and 1929 Alabama Power Co. completed four hydroelectric plants with a total installed capacity of 324,000 kilowatts and only one steam station, of 60,000 kilowatts capacity. In the first place, the facts are not correct. There were only three hydroelectric plants completed between 1925 and 1929 on the Alabama Power Co. system with a total installed capacity of 231,000 kilowatts. These were:

	Kilowatts
Martin Dam (completed 1927)	99,000
Upper Tallassee (completed 1928)	32,000
Jordan Dam (completed 1929)	100,000
Total	231,000

No mention was made of the fact that today Alabama Power Co. has a total of 414,500 kilowatts installed capacity of hydroelectric plants, and 164,000 kilowatts of steam-plant capacity. Nor does the Pope memorandum bring out that "installed capacity" in a hydroelectric plant is not synonymous with firm capacity when used in a utility load, the latter depending upon the vagaries of stream flow; whereas the installed capacity of a steam plant, after allowance for spare capacity, is generally equal to the installed capacity. Moreover, the Pope memorandum does not bring out that the best hydroelectric sites in Alabama have been already developed, so that future capacity added to the Alabama Power Co. system would probably be steam capacity, provided there were no further loss of markets to T. V. A.

It is pointed out that with the acquisition of the T. E. P. system and after purchase of North Alabama and North Mississippi, the T. V. A. will have acquired a market for substantially all its firm power, that further growth outside the T. V. A. area will have to be met by private generating plants, and that coal may be expected to share in the growing power needs.

[1] Figures above from Supplements to Electrical World, May 7, 1938, and May 6, 1939.
[2] Data on United States total production of electricity from Electric Power Statistics, 1938, Federal Power Commission.

Inherent in the development of water-power sites there is required the installation of generator capacity greatly in excess of firm capacity requirements. This surplus generating capacity is capable of producing large quantities of so-called secondary or dump energy, which because of its variable and unpredictable availability can find a market only as replacement of steam generation in utility systems.

In 1940 the T. V. A. is scheduled to complete an installation capable of producing 480,000 kilowatts of firm power at utility load factor. This is less than one-half the firm power in the ultimate development as outlined by T. V. A. in its plan for "The Unified Development of the Tennessee River System," March 1936.

According to testimony of Prof. E. L. Moreland before the Joint Committee investigating the T. V. A., November 1938, the ultimate 11-dam system of the T. V. A. when completed will produce 10,000,000,000 kilowatt-hours per year, as compared with three and one-half billions (according to T. V. A. estimates) required to supply demand for T. V. A. power during the first year following the transfer of the T. E. P. Co. system.

It is apparent that the threat to the coal industry will prevail until the five and two-tenths billion kilowatt-hours of firm power[3] in the ultimate development—over five times the present requirements of the T. E. P. Co. system—is absorbed. Furthermore, there is four and eight-tenths billions kilowatt-hours of secondary energy,[3] only a portion of which is suitable for certain types of chemical industry, and the remainder, because of its intermittent availability, must find an outlet as steam replacement energy in utility plants.

Price of Cottonseed and Cottonseed Products

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

LETTER FROM T. J. KIDD, OF BIRMINGHAM, ALA.

Mr. HOBBS. Mr. Speaker, under the permission granted me by the House, I wish to append a few introductory remarks to the thoughtful and thought-provoking letter from Mr. T. J. Kidd, of Birmingham, Ala., a friend with whom I have had the pleasure of working for several years in the interest of the farmers of the United States.

In the summer of 1937 the price of cottonseed was less than half the cost of picking and ginning the cotton. This tragically low price was so disastrous as to have been one of the potent causes of the recession in national business. I inaugurated then the movement to strengthen the market for cottonseed, enlisting the aid of the entire Alabama delegation in the Congress and of the delegations from all the other States of the Cotton Belt, as well as the Governors and commissioners of agriculture of those States. I came to Washington, and in collaboration with Col. C. C. Hanson, the secretary of the Association of Southern Commissioners of Agriculture, and other friends, finally succeeded in getting the Federal Surplus Commodities Corporation to go into the market and buy cottonseed oil for distribution as shortening to those on relief. But this purchasing was not begun until November 12, by which time the cottonseed was out of the hands of the farmers, so that the producers did not receive any benefit from the strengthening of the market which ensued. However, the principle was approved as sound, after full investigation. This is said not in any sense as a criticism of the Federal Surplus Commodities Corporation. The entire staff of that organization was extremely sympathetic and cooperative. The necessary preliminary research probably made it impossible for them to act more quickly. I am exceedingly grateful to the entire personnel of this great organization, particularly to Mr. J. W. Tapp, at that time Assistant Administrator of the Agricultural Adjustment Administration.

This year the outlook is even worse than it was in 1937, and with the lard carry-over and the flood of surplus lard in immediate prospect, it is certain that the prices of other fats and oils will be disastrously affected by the low price of lard which is inevitable unless some remedial measures are undertaken at once. This is a national problem—its threat is not limited to any one region.

Therefore, the letter of Mr. Kidd is both timely and statesmanlike. It is my pleasure to call the attention of every reader of this extension to this letter and to request the aid of all who agree that the challenge of Mr. Kidd's letter should be answered in the way he advocates.

FARMERS & GINNERS COTTON OIL CO.,
Birmingham, Ala., July 11, 1939.

The Honorable SAM HOBBS,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The Alabama cotton farmers in their most poignant distress have never looked to you in vain for help. It is, in recognition of your unflagging efforts in their behalf therefore I am writing to direct your particular attention to the conditions which prevail in the sale of what is, in truth, the sole cash crop remaining to our southern planters.

As you know, only too well, our cotton crop is virtually mortgaged before it is harvested, the cottonseed itself remaining today the sole unpledged product of our soil and our toil. Sometimes I am constrained to believe with our present development in chemurgy, that the day is not far distant when our planters will sell our cotton solely on the basis of its chemical content, that when that day comes the staple will itself be the byproduct of the crop, while the cottonseed with its content of oil, and complement of feed will become the primary cash crop of our great southland.

It is because of these facts, which bear so heavily upon us, that I am writing you this letter. In so doing, I want particularly to direct your attention to the pitiable and distressing condition which today besets us in the sale of that one sole remaining unpledged commodity.

Remember, Congressman HOBBS, that the price of cottonseed oil is ever, and has always been, directly proportionate to the price of the hog lard produced in the great north country and the Mississippi Valley Corn Belt States. Furthermore, that the present decline in the value of our cottonseed oil is not, nor has it ever been, due to a question of the oversupply of that commodity, but, rather, it is the inevitable result of an oversupply of hog lard.

That, and that fact alone, is the causation of the present distress shortly to be reflected on every hand in our national and domestic agricultural oils and fats industry.

Every sign points to the fact that price conditions are sure to become worse before any hope can be had for betterment. In corroboration of that statement let me quote from the Washington Post of today, July 11, 1939:

COTTONSEED OIL

"Cottonseed-oil futures toppled to 5½-year low levels today when liquidation ran into only small buying on recessions. Final prices were off 6 to 20 points on sales of 267 contracts.

"Effects of lower hog and lard quotations offset steadiness of cottonseed oil.

"July closed 6.25 bid, September 6.29 bid, October 6.33 bid, December 6.41 bid, January 6.44 bid.

"Crude oil was quoted at 5¼ cents nominal in the Southwest and Valley, and 5⅛ cents nominal in Texas."

That you may the more closely sense the economic distress present on the American farm side today, largely due to the constant decline in the price of these agricultural commodities, I am appending hereto an excerpt from a report by the United States Department of Labor illustrative of the average yearly price for the past few years on several of the domestically produced agricultural oils and fats:

"The downward trend in fats and oils prices, which obtained in the latter part of 1937 continued, with some fluctuations, in 1938. Average annual prices in the latter year were substantially lower than in 1937."

The following tables illustrate the average yearly prices for the past few years on several leading fats and oils.

[Per pound]

Year	Cottonseed oil	Coconut oil	Soybean oil	Peanut oil	Margarine	Lard	Butter	Tallow, edible	Tallow, packers' prime	Oleo oil
1935	$0.104	$0.047	$0.096	$0.096	$0.151	$0.145	$0.296	$0.086	$0.070	$0.123
1936	.098	.053	.089	.088	.153	.115	.330	.079	.066	.105
1937	.092	.063	.098	.086	.156	.117	.343	.086	.082	.124
1938	.079	.034	.069	.071	.146	.086	.278	.061	.056	.087

Authority, Bureau of Labor Statistics.

With "hog lard" retailing in the chain groceries of the District of Columbia at 2 pounds for 15 cents, the market has now reached the lowest point in the history of the last 72 years. The future is no brighter.

With an increase of 15 percent in the pig census over the previous year's production, with a much heavier weight of marketed hogs, the lard production in the United States for the year 1938 attained a total production of 1,162,000,000 pounds, or an

[3] From testimony of Prof. E. L. Moreland before the Joint Committee Investigating the T. V. A., November 1938.

increase of 166,000,000 pounds of lard over the production of the year 1937.

It is self-evident that this carry-over, as well as the attending constantly increased production, will continue to cause an ever-increasing distress to the American producers of agricultural oils and fats. That fact is made even more evident when one considers that the lard stocks of December 31, 1938, as shown by the Census Bureau at 109,000,000 pounds, represented a 95-percent increase over the 1937 stocks of 56,000,000 pounds.

Mr. Congressman, it is because of the foregoing that I am addressing this letter to you. I am doing so, however, not only in the interest of the cotton and the peanut planter of the South, but in the interest of every sheep, hog, and cattle raiser in the country whose agricultural production of oils and fats are used not alone as food products but also in the manufacture of soap, paint, varnishes, linoleum, lubricants, medicines, and miscellaneous industrial uses.

Every American producer of cotton, corn, soybeans, peanuts, lard, butter, milk, fish oils, and tallows are subject to even further depletion of their income this year by virtue of the present stocks, anticipated crop, and the present low and distressing price of "hog lard."

In a recent address, Mr. E. C. Lund, of the Bureau of Foreign and Domestic Commerce, United States Department of Commerce, on May 10, 1939, declared:

"World production of cottonseed has grown from an annual prewar average of about 11,000,000 tons to nearly 19,000,000 tons in the 1937-38 season, the latter including the record eight and one-half million tons produced in the United States.

"Lard was our principal cooking fat up to the time of the World War. The necessity of shipping vast quantities to our foreign allies greatly diminished the supply available for domestic consumption, and competitive shortenings gained a foothold, which they have held even after it became possible to get lard. The low lard production since 1934 was directly responsible for the greatly increased output of vegetable shortenings, which commencing in 1935, has exceeded federally inspected lard production, and in two of those years exceeded the total estimated lard production, including the farm and local slaughter, of the United States.

"* * * For many years we have been net importers of very large quantities of those fats and oils used in soap, paints, varnishes, linoleums, lubricants, medicines, etc. Prior to 1935 the United States was a substantial net exporter of those fats and oils used principally for edible purposes.

"Imports of 1938 decreased from the high levels of the preceding 3 years, principally because we produced more cottonseed, soybean, corn, and peanut oil; also more lard, butter, and tallow.

"This increased production, plus the heavier inventories entering 1938, met with a lower price level on all products in this group compared with the higher values of the preceding 3 years.

"At the present time we (the United States) are on our normal surplus basis on edible fats and oils, and in fact are faced with a lard production this year equal to that of years when exports were two or three times our probable shipments abroad in the present year. * * * Our domestic production of edible animal and vegetable fats and oils in 1938 is estimated at nearly six and one-half billion pounds. * * *

"Lard production this year will have increased more than 300,000,000 pounds over 1938, more than offsetting the expected decrease in cottonseed-oil supplies.

"Some increase also is probable in butter, soybean, corn, and peanut oils, so that the total supplies of domestic edible oils and fats should be about the same as last year.

"If crop production is about the average this year and next, it may be that the total domestic production of fats and oils in 1940 will be the largest on record."

Thus spoke America's foremost authority on the marketing of fats and oils. Let us now look behind the statement of that eminent authority and see the factual basis for that dire prediction as to this year's production.

The Bureau of the Census reports that as of December 31, 1938, factory and warehouse stocks of all fats and oils (including the oil equivalent of oilseeds) amounted to 3,118,000,000 pounds, an increase of 160,000,000 pounds, or 5 percent, over the stocks at the 1937 year end, and 26 percent more than the December 31, 1936, inventory.

Factory and warehouse stocks, Dec. 31, 1938

[In thousands of pounds]

Product	1936	1937	1938
Vegetable oils	1,062,101	1,449,572	1,524,653
Fish oils	216,156	200,614	256,352
Animal fats	402,244	262,696	312,725
Greases	60,731	74,913	61,276
Other products	213,168	261,014	312,403
Oilseeds (reduced to oil)	525,363	708,964	650,723
Total	2,479,763	2,957,773	3,118,132

Authority: Fats and Oil Trade of the United States in 1938, U. S. Department of Commerce, Bureau of Foreign and Domestic Commerce.

Affecting as it does practically every agricultural producer in the United States the whole of America's agricultural farm side is vitally interested in this matter.

The tremendous importance of the price of these products to American agriculture is made more evident when we consider the fact that the oils and fats industry, inclusive of agricultural, marine animal, and fish oils, constitute the tenth most important industry in our national economy.

Following is a selected list of the most important of the agricultural oils and fats which go to make up the annual domestic production:

	Pounds
Butter (maximum average crop)	2,200,000,000
Lard, including farm production	1,500,000,000
Cottonseed oil	1,500,000,000
Tallow and grease	800,000,000
Soybean oil	225,000,000
Peanut oil	75,000,000
Linseed oil (domestically produced)	27,750,000
Fish and marine animals oils	300,000,000

It has been conservatively estimated that the decline in income from the sale of these products suffered by the farmers in the last 4 years are already in excess of $200,000,000, and, furthermore, that on cottonseed oil alone the losses which will be suffered this year, based on 1935 prices, will amount to a sum approximating all the benefit payments made by this Congress to all cotton farmers on this year's cotton crop.

Surely, Mr. Congressman, your colleagues in the Congress of the United States will see that something is done, and done at once to insure this industry from impending destruction and ruin.

I feel it totally unnecessary to enter into any discussion whatever of the facts concerning the matter of imports, to elaborate upon tremendous stocks of oils and fats on hand today in our country, nor to enlarge upon the decline of our normal exports of these products.

I would, however, take this opportunity of advising you, sir, that we have not alone the greatest carry-over of hog lard in our history, but that we now have "on the hoof and wrapped up in hides" the greatest crop of hog lard going into production that our country has ever faced. As a result of this, already lard prices have dropped to a point where lard, a food which built the brain and brawn of our people, is now being fed into the soap kettles of this Nation.

Therefore, I am writing to ask if you would not be good enough to undertake the task of taking up with the appropriate Federal governmental agency a proposal that:

Inasmuch as our exports of hog lard have annually shrunk by approximately 500,000,000 pounds—

(A) The Federal Government proceed at once to acquire by direct purchase 500,000,000 pounds of natural hog lard.

(B) That the Federal Government hold the same off the market until such time as it can be disposed of in export trade and in world markets historically enjoyed by our American producers.

(C) That the Federal Government proceed to dispose of the same in much the manner that it disposed of the 700,000 bales of cotton, taking in exchange critical and strategic materials, such as rubber, tin, nickel, chromium manganese, and other critical and strategic material, of which we have a national deficiency.

Believe me, sir, when I say that in this manner and in this way only can you even hope to save our domestic producers of agricultural oils and fats from one of the most distressing price situations which has yet confronted our agricultural economy.

Believe me further when I say that unless that be done that the losses now being made by the producers of America's agricultural oils and fats will be reflected manyfold in the national income for this coming year.

It is because of all of the above that I urge upon you, in behalf of the Nation's welfare that you address your every thought, talent, and power to achieving the purpose outlined.

Confident as I am that you will not fail us at this momentous time, and in this undertaking; with every appreciation of your every past help, believe me,

Very truly yours,

T. J. KIDD,
President, Farmers & Ginners Cotton Oil Co.

Farm Prices—Then and Now

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

EDITORIAL FROM THE STEUBEN REPUBLICAN, ANGOLA, IND.

Mr. GILLIE. Mr. Speaker, after 6 years of costly experimentation by the New Deal, with nothing constructive to show for it, the farmers of my district are beginning to entertain serious doubts about the farm policy of the present administration. In the light of this ever-growing sentiment,

I wish to insert here an illuminating article and table on comparative farm prices under Republican and New Deal administrations, taken from the Steuben Republican, of Angola, Ind., one of the outstanding weekly newspapers in northeastern Indiana. This paper is published by Raymond E. Willis, Republican candidate for Senator in 1938, and the most likely nominee for 1940.

[From the Steuben Republican of June 28, 1939]

SURE, WHY NOT?

When the economic fallacies of the New Deal farm policy are pointed out, the New Dealers, unable to make logical refutation, attempt to hide their confusion by crying: "Do you want to return to conditions which existed before the policy was inaugurated?"

But even this question-begging device affords the New Dealers no comfort. For the statistical record, compiled by New Deal agencies, bears out the farmers when they unhesitatingly answer "Yes."

The Bureau of Agricultural Economics reports that the average annual gross farm income for 1933–38 was $8,278,000,000, exclusive of Government subsidies, compared with $10,223,000,000 for the previous 6-year period.

Add to the gross income for the last 6 years the $2,287,000,000 the farmers received in subsidies, and the annual average is $8,659,000,000, or $1,564,000,000 a year less than in the preceding 6-year period.

As to actual farm prices, the story is told by the following table of averages for leading farm products during the Republican period 1921–32 and during the New Deal period 1933–37.

Commodity	Unit	Average price, Republican period, 1921–32	Average price, New Deal period, 1933–37	Percent change
Wheat	Bushel	$1.017	$0.855	−16.2
Corn	Bushel	.724	.693	−4.3
Oats	Bushel	.386	.363	−6.0
Barley	Bushel	.543	.548	+.9
Rye	Bushel	.737	.603	−18.2
Cotton	Pound	.167	.109	−34.7
Butterfat	Pound	.381	.273	−28.3
Chickens	Pound	.192	.133	−30.7
Eggs	Dozen	.281	.205	−27.0
Beef cattle	Hundredweight	6.43	5.33	−17.1
Veal calves	Hundredweight	8.93	6.48	−27.4
Lambs	Hundredweight	9.65	6.75	−30.1
Hogs	Hundredweight	8.31	6.99	−15.9
Potatoes	Bushel	1.01	.743	−26.9
Wool	Pound	.297	.243	−21.2

P. W. A. Primes Many Pumps—Industries of Eighteen States Benefited by $30,000 Swimming Pool Project at Holstein, Iowa

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

LETTER FROM WALTER E. BUELL, OF SIOUX CITY, IOWA

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I include herein a letter written to the Public Works Administration by Mr. Walter E. Buell, an engineer of Sioux City, Iowa. Mr. Buell was the contractor on a $30,000 swimming-pool project at Holstein, Iowa, made possible by a $13,000 P. W. A. grant. After the job was completed, he analyzed the sources of the materials used and found that industries of 18 States had benefited from this little project. But that is not all. He points out that the swimming pool contributes to the improved physical and moral health of the community, and concludes that this modern and wholesome improvement in a small town like Holstein would have been impossible without the assistance of the Public Works set-up.

BUELL & WINTER ENGINEERING CO.,
Sioux City, Iowa, July 3, 1939.

Docket: Ia.–1658–F, swimming pool, Holstein, Iowa.

PUBLIC WORKS ADMINISTRATION,
Washington, D. C.

GENTLEMEN: The above project is all completed at a cost of less than $30,000, of which the Public Works Administration paid about $13,000 as a grant. In going over this project it was interesting to note that 18 different States furnished equipment and materials for this small project. We thought possibly you might be interested in having such a list, which is as follows:

Cement, Iowa.
Sand and gravel, Iowa.
Steel, Illinois.
Steel windows and doors, Michigan.
Filter equipment, Indiana.
Baskets, Texas.
Copper, Montana.
Chlorine equipment, New York and Illinois.
Glass, Pennsylvania.
Paint, Ohio.
Floodlights and other electrical equipment, New York and Illinois.
Valves, Minnesota and Iowa.
Cast-iron pipe, Alabama.
Asbestos shingles, Wisconsin.
Diving boards and equipment, Indiana.
Lead and jute, Missouri.
Plumbing fixtures, Tennessee and New Jersey.
Lumber, Washington, Oregon, and California.
Brick and tile, Iowa.
Sewer pipe, Iowa.
Hot-water heater, Iowa.
Fencing, Illinois.

This project was dedicated yesterday, and the writer attended this dedication.

Holstein is a prosperous Iowa town of 1,300 people. During the entire day there was anywhere from 200 to 350 bathers in the pool at the same time, and at least 90 percent of these were young people between the ages of 5 and 25 years. The majority were probably of an age from 10 to 17. Grouped around the outside of the pool there were from 300 to 1,200 people all day. The entire town of Holstein and the surrounding territory had turned out to dedicate this improvement.

Without the P. W. A. aid it would not have been possible to finance an improvement of this kind in Holstein. The pool is strictly modern and sanitary in every respect, and without doubt will have a good, wholesome influence in keeping the young people of Holstein and the surrounding country occupied with good, clean fun during the vacation period of every year. This will reflect in better citizenship on the part of these young people, and the Public Works Administration are to be congratulated upon having had such an important part in the building of this fine improvement.

Yours very truly,

BUELL & WINTER ENGINEERING CO.,
By WALTER E. BUELL.

Private Utility Expenditures, Valuations, and Rates

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. PIERCE of Oregon. Mr. Speaker, on page 5660 of the CONGRESSIONAL RECORD of May 17, my esteemed friend, the gentleman from Michigan, offered two tables covering the financial construction record of the electric-utility industry. Based on this tabular presentation, conclusions were drawn which appear to me to be misleading and inaccurate. I believe it may be advantageous to a clearer understanding of the power situation to offer another interpretation of the figures and facts he presented. This I now propose to do and to supplement the discussion by additional collateral information. My endeavor is to present something constructive, as I realize that this debate on the method of furnishing electric power to the public will continue for some time.

I have great admiration and respect for the sincerity of the gentleman from Michigan, but the footnote appended to his tables shows that the source of this information was the Power Trust, from whose periodical organ he quoted. The leaders of this private-utility industry have grossly deceived and wronged the American people. Their methods have been exposed time after time. Shortly after the Federal Trade Commission investigation was started the leaders of the electric industry promised the American people that they would desist from antisocial tactics. This promise has not been kept. The dishonest tactics are being continued and are now in process of acceleration, looking

toward a repetition of the great period of manipulation which began about 1920 and terminated in 1932.

The gentleman from Michigan, in interpreting these Power Trust tables, failed to consider the history of the industry, and what took place during each epoch of the development period. He failed to relate expenditures with consumer growth. If he had made this comparison the reason for the drop in construction expenditures would have been evident.

Prosperity cannot be restored by false and deceptive propaganda. It is not a question of prosperity versus backdoor socialism. All that is involved is the principle of giving the people a fair deal and differentiating between what constitutes manipulation and what constitutes sound operation.

It seems to me the gentleman from Michigan is entirely wrong in his inference that one company overstepped and the entire industry is being penalized. What happened in the Insull companies happened in every State. Passing on to the people benefits from the use of resources belonging to the people or from privileges granted by them, and requiring the private utility companies to live within the law is not a penalty.

Public confidence in private utility management has been badly shaken. It is not due to Government action but to enormous losses, heavy overcharges, and antisocial methods. Prosperity in this industry cannot be restored until public confidence in private utilities is restored. Public confidence can be restored if the industry will apply the principles governing constructive operation and rate-making, stay within the law, get out of politics, desist from corrupting, antisocial tactics, and free the industry from the clutches of the financial manipulator and overlord who has no interest in decent management and good service.

At the outset I wish to make a general observation. In checking the tables on page 5660 of the RECORD, I find a 6-percent difference in the new construction tables for the period from 1923 to 1932, as given by the gentleman from Michigan, and similar figures given on page a32 of the 1938 edition of Moody's Manual. So slight a difference is to be expected and is of no great consequence. The electric companies are also engaged in the gas and transportation business. The submitted unscrambled statistical data from this triple business differs from time to time. It is impossible under these conditions to expect exact statistical reconciliation. However, long ago in my studies, I gave up the idea that exact internal statistical agreement can be reached with figures presented by this industry. Happily there is a twilight zone of differences and if we stay within this zone, we are on safe ground. My personal experience has been, as I have previously pointed out, that a difference of 6 percent or less in rates, bills, or charges cannot be detected by the public. It takes a 10-percent or greater difference to be felt. Therefore, a 10-percent difference—5 percent either way from a mean—can be considered as the twilight zone, and figures falling within this zone can be considered accurate for the purposes at hand. This general statement applies both to the data I have presented and will hereafter present and to the tables inserted by our esteemed colleague. If there was only a 6- to 10-percent difference in results, there would be no power problem. However, differences in the order of 50 to 100 percent create a problem of substantial proportions.

HISTORY OF ELECTRICAL INDUSTRY

This industry had its genesis in 1882 with Edison's perfection of the incandescent lamp and the construction of the initial generating station on Pearl Street, in New York City, From 1882 to 1902, the year of the first United States census of the industry, the growth was slow, as this was the period of transition both in technical development and the habits of people who reluctantly accept new inventions which add to living costs. During these times electricity was scarce and sold from 15 to 20 cents per kilowatt-hour. Alternating current, the technical instrumentality of the modern development, came with Tesla's perfection of the induction motor from 1888 to 1890.

Water power was first converted into electricity in 1882 at Appleton, Wis. The first transmission of such electricity followed in 1889, when power was transmitted from Oregon City 13 miles into Portland, Oreg. This notable semicentennial anniversary has just been celebrated in Oregon. I recall seeing the first transmission line. Up to 1902 the development of this industry was along purely local lines. The people who then owned and managed the properties were in daily contact with their customer friends and associates. During this period I developed the Grande Ronde Electric Co. This company had 100 miles of high-voltage transmission serving about 15,000 people. This was the period of good feeling, and also an epoch of competition between gas and electricity, and competition in a number of cases between two electric companies serving the same area. The holding company was practically nonexistent.

The next 12 years, the period before the World War, might be called the steam-turbine age. This was a period of great and beneficial technical development. Urban centers started to grow rapidly creating the urge for a profitable electric service. Holding companies came into being in this era as a result of apparent profits. The object of the holding companies was to absorb the big profits of the operating companies, also to make it possible to control large investments with a few dollars. The combination of local companies to erase competition then followed. At first these consolidations resulted in lowering costs. Profits then became attractive and mounted with expansion. As a result of such an evolution, competition could no longer be counted upon to control prices. The regulatory control in this era rested with the municipalities. Such control was ineffective. It was charged, and shown in the investigations which followed, that such control led to corruption and a total disregard of the people's rights.

In 1902 Mayor Seth Low of New York City raised the issue of monopolistic control. Out of this issue came a public demand for the 1905 utility investigation, conducted by Charles E. Hughes. The Hughes investigation reported: "A gross abuse of legal privileges, overcapitalization, and the manipulation of securities for the purpose of uniform control, eliminating all possible competition." State regulatory control was the natural result of the Hughes investigation. The first State commissions having jurisdiction over the electric properties came in 1906 and 1907. This control later proved to be just as ineffectual as the former municipal control, and subject to the same abuses. It is futile to hark back to this era of corrupt control of State commissions, but those who knew how easy it was constantly advocate a return to that system.

In order to hold monopolistic control, these great financial interests sought out and secured all the favorable and easily accessible water-power sites. These interests also petitioned Congress to enact special dam legislation, giving perpetual vested rights to the power companies. The inevitable abuses were early foreseen by Charles E. Hughes and Theodore Roosevelt. This trend toward taking the people's resources was stopped by the memorable veto messages of Presidents Theodore Roosevelt and William H. Taft in the period 1908 to 1913. These messages, together with the pronouncements of Gov. Charles E. Hughes, in New York State, started the evolution of the principles and policies needed to protect our people from the evils of monopoly and to retain the people's resources in their own possession. The gentleman from Michigan, who sits on the other side of the aisle, should ponder the principles announced by the leaders of his party during that period. He will then realize how far afield in law and fact the Power Trust has strayed.

From 1914 to 1920 the interest of the American people was centered on the World War and its immediate problems. The utility question was secondary, but the leaders of the industry were preparing for the "great racket." In evaluating the good and evil of this industry, this preparatory period should not be ignored.

The era from 1920 to 1932 should be called the era of the "great racket." Theoretically, this era ended in 1929, but was carried over until 1932 by the forced completion of the

program of President Hoover. This program grew out of the memorable Washington Conference in December 1929 between the President and the leaders of the industry. The years from 1932 to date constitute the readjustment period. Properly to survey this situation, and to determine facts, it will be necessary to detail the happenings in the last two decades. When this is done the mistaken conclusions of my colleague will be apparent.

THE PERIOD OF THE "GREAT RACKET"

The "great racket" started in 1920 with a publicity campaign to influence public opinion. This well-managed and far-reaching campaign was controlled and supervised by the National Electric Light Association. Every available avenue was utilized to spread misrepresentation and propaganda. Millions upon millions of the rate payers' funds were used in this effort. This campaign was started with the statement of the director of the National Electric Light Association: "Don't be afraid of expense; the public pays the expense."

National trends now favored an outstanding growth for this new industry. The concentration of urban population had been accelerated, due to the World War. This condition permitted high density, with easy concentration of facility resources and control. During the previous epoch national wealth had increased nearly fourfold. The automobile had been developed into a practical and low-cost instrument of transportation, adding multiple sources of electric consumption. The radio and the refrigerator were being marketed, adding the desirable characteristic of long-hour use to the load curve.

Merchandising of energy-consuming devices was initiated. Every trend stimulated new electric-facility construction. However, this stimulus also created an accompanying destructive influence. Holding companies competed with each other in the purchase of operating companies at any price, knowing that with their propaganda machine working, the excess costs could be saddled on the public in flimsy securities and the supporting high monthly tolls. To overcome the handicaps of the closed mortgage, and to facilitate free control by a few, financing was partly accomplished through the sale of customer-ownership securities, and pyramiding one holding company on another. The investment bankers and local banks joined with the manipulators, and placed in the hands of innocent, trusting purchasers millions of dollars of questionable issues.

Such a propaganda machine, coupled with pegged finance, and a release of security sales-resistance following the Liberty Loan drives, created a national speculative craving. The ease of selling securities fostered and encouraged manipulation. If it had been more difficult to sell securities in these times, and the State regulatory bodies had called public attention to the situation, the industry today would be in a far better condition. Commissions earned on securities sales also tempted investment bankers and company employees to create further deceptive propaganda. Employees were forced to sell securities. Holding company after holding company appeared in Wall Street and La Salle Street. When the chain of these holding companies became too numerous, investment and security companies were organized and superimposed on the top holding company. The base of this artificial pyramid was the operating company. This company provided the only source of revenue, and was the only owner of physical property. The cruel farce which victimized so many of our people was created on the myth of future enhanced equities.

The attending danger was early foreseen by wise men within and without the industry. In 1927 Senator Walsh, of Montana, introduced his resolution for the Federal Trade Commission investigation. The leaders of the private power industry fought this resolution with every resource at their command and spent well over a million dollars of the ratepayers' money in this one fight. The private electric leaders testified before the Senate committee. They stated that the resolution was not necessary, as State regulation was so successful that dishonesty, misconduct, and evils were impossible. They ignored the fact that State regulation could not reach the holding companies. One who reads these Senate hearings and compares the statements with the recent pronouncements of the utility barons realizes that we are getting ready for a repetition in utter defiance of Federal regulation.

HOLDING COMPANY PYRAMIDING

The holding company pyramid was an artifice created to provide control by a few men, with a small or no actual cash investment. The needed cash was siphoned from the public through the sale of bogus securities and the maintenance of high rate levels. Generally, up to 1928 the operating companies were financed largely by bonds. In some cases bonds totaled 75 percent of the outstanding securities. The average for the operating company was about 30 percent common stock, 15 percent preferred stock, and 55 percent bonds.

The promoter was able to secure voting control of, say, 20 percent of the common stock by organizing a holding company. This common stock of the operating company was sold to the holding company. This company then issued and sold notes, debentures, and preferred stock. The funds secured from these sales paid, in a large measure, for the common stock of the operating company. The procedure was then repeated. Additional holding companies were organized and further security sales made to the public. For example, I have on several occasions cited the fact that Mr. Harrison Williams, with a one and a half million dollars cash outlay, made over $27,000,000 in cash for securities sold after the crash, and secured stock control of utilities with an asset value around one thousand million dollars. Mr. Williams still controls most of these properties, owing a debt of gratitude therefor to the Federal S. E. C. The investors, very naturally, feel strong resentment toward the S. E. C.

Such holding companies, investment trusts, security companies, and subholding companies created an enormous quantity of securities. Such offerings required monumental sums for yearly fixed charges.

An examination of the annual statements of a series of top holding companies in Moody's Manual shows a "compounding earning effect" between the earnings of the operating company and the earnings of the top holding company. This examination indicates that for every 1-percent change in the earnings of the operating company, the top holding company realized a net earning change of about 8 percent. With the poorer holding company this compounding ratio was much greater than 8 to 1. Judge Haley, when in the Federal Trade Commission, cited the consolidated earning statement of 10 holding companies where a drop of 11.7 percent in the gross earnings of the operating companies produced an earning drop of 90 percent in these holding companies. This "compounding earning effect" explains why the operating companies were forced into unsound rate policies, and security values crumpled when the operating companies in the United States encountered the small decrease of 12 percent in their gross earnings from 1930 to the low point of the depression. During this same period industrial production in the United States dropped 50 percent and factory pay rolls were reduced 65 percent.

This comparison shows clearly that, from an earning standpoint, the private operating utilities were better off than most concerns. This favorable condition results from the fact that residential and small-business consumers constitute the backbone of the power market. Yet with such a favorable operating showing and high-class engineering the industry slipped in the eyes of the public because of manipulation and antisocial tactics. Many operating companies were forced into bankruptcy by the demands of their holding-company overlords.

THE WRITE-UPS

In addition to pyramiding, the private power companies resorted to writing upward the assets on their books in order to create a semblance of justification for securities sold to the public and to cover up balance-sheet manipulations.

The Federal Trade Commission uncovered various devious devices to counterfeit values. It also uncovered the fact that these mark-ups were made in most cases without legal, governmental, or regulatory authority. In this investigation the

Federal Trade Commission covered 18 top holding companies, 42 subholding companies, and 91 operating units—a small percentage of the total. This sampling examination revealed write-ups of around $2,000,000,000, if we include the write-ups later reversed by some of the larger holding companies. According to the Electrical World of February 27, 1932, the Electric Bond & Share Co., with operating affiliates in nearly every State of the Union, wrote down their assets $449,100,000. The Niagara-Hudson, Commonwealth & Southern, and the Appalachian Power Co. also later marked down, in whole or in part, assets previously written up. An examination of the balance sheets given in Moody's Manual for these four companies indicates a write-down of $730,600,000.

Such write-ups and write-downs have victimized innocent investors in every section of our country. This examination indicates that the process of write-ups and write-downs has resulted in investment losses from around one and one-half to two billion dollars. The present lack of confidence is clearly due to such holding-company practices. The losses have been spread among small investors of the Nation who had pathetic faith that they would share in earnings resulting from the marvelous growth of the industry. They are now on relief or W. P. A., and it is indeed surprising that they do not more openly show resentment against those who so ruthlessly deceived them.

RISE AND FALL OF CONSTRUCTION EXPENDITURES

To understand and interpret the figures submitted by the gentleman from Michigan, it is necessary to analyze earnings, consumption, growth-rate, and saturation divided among each class of consumers. The residential, farm, and small-business consumers contribute 64.8 percent of the industry's revenue, with only 37.1 percent of the total kilowatt-hour use. The wholesale power customers pay 28.2 percent of the revenue and consume 53.8 percent of the kilowatt-hours. From this statement and the fact that the home owners increased their consumption during the depression when industrial activity dropped to low levels, it is obvious that the home owners and the small-business men are the backbone of the business.

The following table shows the growth statistics of the home consumers:

Home and farm electric-consumer data

[Expressed in units of 1,000. Applies to entire continental United States]

	1920	1930	1932	1935	1937
Total population of United States	105,711	122,775	124,680	127,521	129,257
Total number of families	24,273	29,905	30,400	31,034	31,455
Home electric consumers	8,100	20,530	19,850	21,235	22,939
Percent of total families served	33.4	68.5	65.3	68.0	72.7
Total dwellings (estimated)[1]	21,400	25,205	25,450	26,000	26,300
Percent of dwellings served	37.8	81.5	78.0	81.5	87.2

[1] Moody estimates (pp. a10—1938 edition) that over 86 percent of nonfarm families are served and 19.8 percent of the farm families. The above table (composite of both classes) shows 87.2 percent of all dwellings in the United States served. In 1937, 19.8 percent of farms were served; in 1920, 3 percent were served; in 1930, 10.3 percent; 1932, 11.3 percent; in 1935, 12.6 percent. This table is indicative for the country as a whole and cannot be used as a gage for any particular section.

From this table it is apparent that the largest number of home consumers were connected to the lines between 1920 and 1932. This large number of new consumers required new extensions. Out of seven and eleven one-hundredths billion dollars expenditures by the industry between 1923 and 1932, five and sixty-one one-hundedths billion dollars were used in the construction of transmission lines, distribution systems, and facilities connected with distribution. (See Moody, p. a32, 1938 edition.) In these years population was increasing at the annual rate of 1.62 percent, whereas domestic electric consumers increased at the annual rate of 12.4 percent, or seven and seven-tenths times faster than population growth. This divergence in growth rates gives evidence that a saturation point was being approached. Henceforth distribution extensions will depend largely on population growth, and reaching the small percentage of available unconnected urban prospects and the remaining available rural consumers, who are widely scattered, the thickly populated sections having been reached. The great expansion period is over. The industry cannot spend as it spent before.

From 1920 to 1925 population in the United States increased at the annual rate of 1.73 percent; from 1925 to 1930 the rate was 1.38 percent; and from 1930 to 1935, 0.77 percent. This declining rate has significance for the electric industry, which also feels the tendency toward centralization in cities.

The number of domestic consumers dropped from 1929 to 1932 resulting from families doubling up and disconnecting service during depths of the depression. The 1929 level was again reached, beginning with 1934. From 1934 through 1937 the increase in the number of domestic consumers was at the annual rate of 3 percent. People again had jobs. This reversal largely explains the increase shown in the gentleman's table for 1937 and 1938.

The growth in number of rural consumers from 1920 to 1928 was only 306,000 for the whole United States, and by 1932 this increase was 509,000 as compared with 1920. During these years the policies of the private companies impeded rural growth. However, the advent of the R. E. A. accelerated the number of rural connections, and by 1937 the number had reached 1,241,000 out of the possible three or four million available farms. Threats of public power had forced companies to put on high-pressure campaigns for rural extensions. As a result, customers found themselves hog-tied when a really advantageous opportunity for public development was offered.

The growth statistics of the small-business consumers illuminate a phase of changing business conditions not always realized. From 1920 to 1928 the increase in number of such consumers was 1,830,000. In the latter year the growth curve flattened out and remained practically horizontal until 1935. From 1935 up through 1937, the number increased only from 3,710,000 to 3,890,000. The small-business-growth curve stopped and the sharp upward rise about 1927, indicating that conditions were changing and the brakes were going on early. This situation, compared with population growth, indicates that the small-business man, with his employment possibilities, was being crowded out of the picture as early as 1928.

Wholesale power consumers, chiefly factories, dropped from 368,000 in 1929 to 260,000 at the beginning of 1938, indicating again that the little fellow was being crowded out. These growth statistics, covering the four principal classes of service, together with the station statistics and financial practices which I will hereafter cover, fully explain the drop in expenditures cited by my friend.

The total new business extensions of all classes in the industry from 1922 to 1932 were, in round numbers, 11,700,000 or a 7,000,000 million growth rate for a period of 6 years. In the next 6 years cited by the gentleman from Michigan, this extension increase was 2,500,000, or 35.7 percent of the consumer increase rate, from 1923 to 1932. The new construction average annual expenditures of the industry cited by my colleague during the past 6 years was 39.6 percent of the expenditures of the earlier period. The close agreement of these two percentages definitely ties together cause and effect. The consumer saturation point was being approached. Businessmen do not make extensions unless business is in sight. The business increases from new consumers will be small from here on, and to infer that such expenditures as were encountered in 1923 to 1932 would continue is dangerous reasoning. Such statements are being made to reconstruct falsely or without reasonable foundation a base for practices of frenzied finance which existed in the racket era. The industry cannot again spend at the previous rate for new lines. Future expenditures must be for replacing obsolete equipment. The great expansion period is over; but companies have not amortized and built up reserves. The companies alone are responsible for the fact that they have outstanding debt on dead equipment.

GENERATING PLANTS

The tabular presentation which follows indicates the situation as to installed generating capacity of the private companies in the United States.

Installed generating capacity, private electric utilities of United States

[Expressed in units of 1,000]

	1920	1930	1932	1935	1937
Total installed capacity, kilowatts	12,022	30,285	32,033	31,820	31,958
Percent total hydro capacity [1]	26.3	26.3	26.6	27.2	28.5
Percent total fuel capacity [1]	73.7	73.7	73.4	72.8	71.5
Capacity factor hydro, percent [2]	48.0	42.4	39.9	45.6	48.3
Capacity factor fuel, percent [2]	29.5	29.6	21.3	25.9	33.5
Capacity factor all private plants, percent	34.7	33.2	26.4	31.7	38.8
Millions of kilowatt-hours produced, private utilities	37,716	86,114	74,488	89,330	110,464
Millions of kilowatt-hours produced, all plants	43,334	94,652	82,377	98,464	121,837
Tons of coal used, all plants	42,938	42,910	30,296	34,164	44,766
Barrels of fuel oil used, all plants	10,466	9,263	7,967	11,378	14,143
Millions of cubic feet of natural gas used, all plants	21,861	120,297	107,840	125,239	71,268

[1] Private plants: Utilities, mining, and railroads.
[2] All plants in United States.
The capacity of all Federally owned hydros at the end of 1938 was 1,124,200 kilowatts out of 11,053,063 kilowatts installed in United States or one-ninth of the total. Eight-ninths of the hydros were then, as they are now, owned by private utility companies. Federal capacity was only 3 percent of the total of hydro and fuel capacity.

The conclusions to be drawn from this presentation are:

First. The increase of installed capacity from 1920 to 1932 was at a rapid rate, and additional capacity was not added from 1932 to 1937. Industrial inactivity had reduced capacity factor to 26.6 percent, and no reason then existed for additional capacity.

Second. The private companies have appropriated most of the good accessible hydros, having seven and seven-tenths times as much hydro as the Federal Government.

Third. The capacity factor, which is a term to designate the percentage of the time the investment dollar is working, is low. In 1920 the investment dollar was idle 65.3 percent of the time; in 1930, 66.8 percent; and in 1937, 61.2 percent. Interest, amortization, and depreciation charges continue 100 percent of the time. In the Ontario hydro the investment dollar is idle only 35.2 percent of the time. A high idle time ratio makes high rates, and idle time results from unsound rate forms.

Fourth. Coal use per unit has been materially reduced since 1920 by increasing mechanical efficiency. The salvation of coal-producing regions lies in increasing long-hour use by cheap rates. Instead of banking the fires, keep them going 24 hours a day. This, together with increased use of natural gas, has curtailed coal production. The use of natural gas represents 6.5 percent of the electric production of the private companies.

Nearly three million kilowatts of generating capacity of the private utilities is old and obsolete, having an age over 25 years. This equipment needs replacing and would represent new construction expenditures of at least $300,000,000. Normally this construction should be financed out of retirement reserves and not from new securities, if sound business practices had been followed.

The accumulated retirement reserves of all the private companies in the United States amounts to about 8 percent of the property and plant account. The six best private systems in the United States have in such reserves an average of 18.7 percent of their fixed property, while the total Ontario Public Hydro has 40.5 percent. Public plants protect investments because the speculative feature is absent. If adequate reserves had been set up, instead of making payments to holding companies, this construction could proceed without any outside financing. Here we have a concrete example of the evils of manipulation holding up necessary construction. The operating companies have created this situation by malpractices. This should be corrected, and adequate reserves set up. To urge that Federal Government agencies should make rehabilitation loans to utilities is to make a confession of incompetence as to management. If they could not set up reserves in the expansion period of great profits, they can never operate successfully until holding-company practices are changed.

FAVORS GRANTED A PRIVILEGED CITIZEN

My friend stated, in effect, that, because one company overstepped and did wrong there is no reason why the entire industry should be penalized. Such a statement gives a totally incorrect impression. Investment losses or wrongdoing has been spread by the utility manipulators to every State in the Union. Space does not permit listing all such cases. The printed record of the Federal Trade Commission's investigation, which by no means covered the entire industry, would occupy a sizable bookcase. For the purpose at hand I will cite only a few cases.

Those who have some lingering faith in the processes of democratic governments may find the faith badly shattered after studying the public career and record of Harrison Williams, utility magnate.

The Detroit Edison Co., which services my colleague's district, is controlled in part by the Harrison Williams interests. I have previously pointed out how Mr. Williams kited the securities of his companies by stock-pegging methods to a market price of $680,000,000 with acknowledged stated "written up" assets of only 38 percent of such a market price. Mr. Williams' St. Louis property is now under fire for alleged corrupting tactics and concealed political donations. This situation was exposed by the St. Louis papers a few months ago. The charter of this compay—the Union Electric Co. of Missouri—in one locality is now being attacked in the courts for violation of the State Corrupt Practices Act. How his interests recently flimflammed owners of forty-four and a half millions of preferred stock, in the Middle West States, can be found on page 1793 of the CONGRESSIONAL RECORD of February 22, 1939.

The Williams organizations have been using the Klau-Van-Piertersen-Dunlap propaganda agency of Milwaukee. This agency at the present time is re-creating the well-known utility misrepresentation propaganda of the early twenties. The 95 street-lighting contracts secured by the Williams company within the last 2 years in Illinois strongly suggest irregular methods. If the State capital lobbying practices of his companies were exposed, the people would drive from public life all their elected representatives working with the Williams agents. Illinois and Missouri utility legislative lobbies would shame the worst of the emperors of ancient Rome. There is always an influx of evil forces into each capital. How a former Williams employee engaged in such practices has been planted in one of the Government's regulatory agencies in Washington, having jurisdiction over securities, was cited at length by the Chicago Tribune last March. This same henchman piloted the Williams employees through this department on a security reclassification scheme in the spring of 1937. Later, high-pressure stock salesmen misrepresented facts to the security owners in order to secure sufficient proxies to give this reclassification proposal the requisite authorization, thus defrauding thousands of innocent investors while the company came out with all they wanted. Even Federal regulation generally fails. The only way this matter can be controlled is by public operation of generating plants and the yardstick competition of publicly owned distribution systems.

Here in Washington, D. C., the Williams company, which operates the local electric utility, is guaranteed by the Federal Government a 75-percent stock return, through manipulation, in violation of the Utility Commission Act of 1913 while the needy of the city are being reduced to starvation. The Federal and District Governments are contributing annually $460,000 in excess charges toward this extortionate return. A just utility payment to the District might offset some of the bitterness of the new income tax. Two years ago, on this floor, I fully explained the utility rate and tax situation in the District. Nothing has been done by the District Committee. The Williams record is far from "lily white," as he is pictured by his associates in the utility business. If our democracy is to survive, these practices must be stopped. The responsibility must be fixed and the guilty punished.

Electric consumers in all classes in the State of Michigan are paying in excess charges $47,000,000 annually as compared with rates under the well-known Tacoma system. If the Ontario public rates were in effect in Michigan, the Michigan-rate payers would save annually $51,900,000. The Detroit small-residential user—25 kilowatt-hours per month—pays 59 percent more than his Windsor neighbor when the tax equivalent is added to the Windsor rate. The larger Detroit residential consumer—250 kilowatt-hours per month—pays 79 percent more than he would pay if he lived in Windsor. In Detroit, the composite small-business consumers pay 60 percent more than the like small-business consumers in Windsor, when taxes in both localities are equalized.

VICTIMIZED INVESTORS

The Middle West Co. story, involving nearly one and a half billion dollars of indebtedness for the holding company and its subsidiaries, is well known. Often told, also, is the story of how its security affiliate sold $115,000,000 of notes and stocks to the public when the holding company was insolvent. Middle West Co. security holders lost 93 cents out of every dollar invested, recently recovering the 7 cents on the dollar.

Judge Haley, who conducted the Federal Trade Commission investigations from 1928 to 1935, has pointed out that the market value of the securities of 25 holding companies dropped from $19,250,000,000 in 1929 to $2,250,000,000 in 1935—a drop of $17,000,000,000. Just think of it, 17 times the assessed valuation of all Oregon. This astounding declaration shows how large the losses were to the American people from kiting and pegging manipulations. The millions of losers, and their friends, will never forget, and should never forget nor again trust those who defrauded them. The relief rolls are today full of old people who have had their life's savings taken from them by security pegging operations of holding companies.

The Electric Bond & Share, the Commonwealth & Southern, the Appalachian Power Co., and the Niagara Hudson Co. have written down, within the last few years, their combined assets in the amount of $730,600,000.

I have been able to find that 90 companies with total liabilities of $1,933,000,000 have taken bankruptcy through the 77B route of the Federal bankruptcy law. Forty-one companies, with liabilities of $1,744,000,000 have either defaulted on part of their issues or are offering security readjustment or reclassification plans. Of these 131 companies, 53 are operating units and the balance are holding companies. This summary does not pretend to include all of the private companies in the country.

Cities Service of New York, a $1,250,000,000 holding company, owning over 150 subcompanies, covered the Nation just before the break of '29 with security salesmen and security dealers, handling highly pegged and manipulated securities. This stock was daily sold on the basis of the previous day's pegged market price. After the stock market break, the price of these securities dropped to extremely low levels, with enormous losses. The objective of the security affiliate of Cities Service was to spread the issues as widely as possible to prevent the possibility of dumping. Such a planned objective resulted in effecting the maximum number of victims. In the Cities Service manipulations it was found that purchases were made by the security affiliate to elevate the security market price.

If the gentleman from Michigan would look into the records covering the Standard Gas & Electric, the Associate Gas & Electric, the Utilities Power & Light, the Foshay Interests, and the Peirce Cos., he would find a further record of large, widespread investment losses. One of the manipulators had time for contemplation in a Federal penitentiary where his stay was all too short.

OREGON INVESTORS ALSO VICTIMIZED

It would be absurd for me to relate the doings of Insull and Harrison Williams, those glamorous figures of the utility world, and to omit the story of what a private utility company is doing in Oregon today. Our company is smaller in size but not less adroitly manipulated.

Oregon, at this moment, is having a repetition of a utility-security manipulation which took place a few years ago. The Portland Electric Power Co. is taking bankruptcy after a previous security adjustment not long since. The previous adjustment grew out of the purchase of the Seattle Gas Co., at a ridiculously high price, by the holding company which controlled the Portland operating company, and other transactions of a similar nature.

Oregon papers now report that the company's 25,000 security owners are organizing to protest this last procedure, and will refuse to pay their light bills until their interests are protected. The organizers of this movement allege that the company has earned sufficient sums to pay interest and dividends, but that the earnings have been used for large official salaries and expenses, and corrupt political work.

A few days ago a meeting of Pepco security holders was held at the Marion Hotel in Salem, Oreg. The press reported that this was a pitiful gathering. The average age of those present at this meeting was approximately 65 years. A few years ago these people were considered to be in comfortable financial condition, and well prepared for old age, after a life of labor and self-denial. They had invested their savings in these securities on being assured by the company's soft-tongued salesmen that the company's earnings would provide comfort in their declining years. This was a hopeless, deceived crowd. The market price of their securities was only 2 cents on each purchase dollar. What comfort can these old people receive, when they realize that they must go on relief, and over $100,000 annually of their funds are going to a small, select crew in Portland, profiting from this receivership. They also know that, though being on relief they still must pay light bills to the company which is indebted to them, or have their electric service discontinued. With such irreparable injuries coming to light, how can the power industry expect to have the confidence of the people? Such performances kill the desire of investors to place their savings in electric securities. If the Portland Electric Power Co. had been properly managed, these innocent people would not be suffering today. With proper management, the debt would have been amortized, and the equities and earnings of the so-called investors protected. I understand that no dividends have been paid for years. This bankruptcy has probably been entered into by the company so it may get out from under the burden resulting from its own manipulations. Can such people be trusted to pass along to the public through their distribution systems the benefits of cheap Bonneville power, as the law contemplates?

These practices cause unrest and account for the feeling of insecurity and lack of confidence which pervades our country. The worst part of this story is that it was deliberately planned and conceived through a campaign of misrepresentation. The Salem, Oreg., meeting is typical of what has happened, and is still happening throughout the country. Will we allow continuance of such operations? Will those with savings ever forget past experience and again entrust money to private utilities which are but creatures of absentee holding company owners?

These widespread great public losses have inspired distrust in most electric securities. Before the security sales level of 1923 to 1932, cited by my friend, can be reached, public confidence in the industry must be restored.

HINDRANCES TO PUBLIC POWER

The real hindrance to public power, even the amount necessary for yardstick purposes, is the present manipulation by the same aggregation of plunderers who robbed the American investor of billions of dollars through the sale of pyramided and counterfeit securities.

They, today, no doubt have the upper hand in Oregon politics and are a potent influence in national politics. Through their news disseminations they tell the people that politicians corrupt business, when the reverse is actually the fact. This type of business, with its unlimited resources,

gains the sought objective through corrupting the politicians. It is only the vast accumulations of funds that makes corruption possible.

These plundering manipulators organize local fake tax leagues or protective associations under the guise of rendering a public service whenever their privileges are threatened. Unsuspecting, high-class citizens are enlisted in the movement, and when this backing is secured the field is open for a campaign of misrepresentation. So-called institutional advertising in the press is the next step, and further misinformation is supplied to unsuspecting reporters and run as news items. Canned editorials abound. Paid workers then circulate through the community spreading the final dose of misrepresentation. The people are seldom able to secure the facts, even from State utility commissions supposedly instituted for their protection. If they could secure accurate information, the power question would cease to be a problem. I need only to cite as an example the very recent campaigns in Clark and Yakima Counties in Washington and Hood River County, Oreg. Responsible citizens of Clark County protested to Federal agencies here in Washington, claiming that the Portland electric companies spent over $100,000 in that county last November to defeat a power district election.

Back-door methods are another hindrance. Just recently the city of Spokane renewed a long-term franchise of the Washington Water Power Co. which had some years to run. This was an advance move to prevent the people of Spokane from receiving full benefits from Coulee Dam. As far as I have been able to find out, the renewal was accomplished without requisite publicity. The Washington Water Power Co. is, like the Northwestern, a subsidiary of the Electric Bond & Share. The president of this subsidiary company appeared before a Senate committee recently, urging the curtailment of Bonneville appropriations, and it was evident that the statement presented was prepared by a Washington lobbying agency. The perverted methods of this agency in dealing with the old Federal Power Commission were exposed by Senator Couzens some 9 years ago. Thus the old faces, under a different mask, continue to appear in the role of deception.

A BENEFICIAL COMPARISON—PUBLIC AND PRIVATE POWER

In spite of an approach toward the consumer saturation point, the entire power industry has a bright future if it travels the road of safe, fair, and open operation. To indicate such a direction I will now briefly present an interesting comparison. Throughout this comparison it is well to repeat and remember that the domestic and small-business consumers are the backbone of the industry.

The publicly owned Ontario Hydro started in 1913 serving 14 municipalities. At that time the average domestic rate both in Ontario and the United States was a trifle under 9 cents per kilowatt-hour and the domestic consumption 265 kilowatt-hours per year. By 1923 the United States average rate was 7.4 cents and the consumption 360 kilowatt-hours. At the start, the Hydro cut their rates in two, using the conventional form of rate. After an intensive study, the Hydro next introduced a cheap load building rate form in 1916. This form is still in force. From 1913 to 1923 the average Ontario town trebled its domestic consumption and approached a 2-cent-average rate—nearly one-quarter of the then average United States rate.

From 1923 to 1930 the United States average domestic rate dropped only from 7.3 to 6.3 cents per kilowatt-hour with an increase in annual consumption of 132 per kilowatt-hour per consumer per year. In Ontario, by contrast, the increase was four and five-tenths times as great under an average rate of 1.6 cents, or one-quarter of the then average United States rate. The need for holding company earnings, and the compounding earning demand of the holding companies previously cited, prevented the United States operating companies from adopting such a promotional rate, and benefiting its domestic, rural, and commercial consumers, as well as increasing earnings.

At the end of 1937, the 14 original Ontario municipalities had an average rate of 1.3 cents per kilowatt-hour with a yearly consumption of 1,835 kilowatt-hours. Under this same average rate, Toronto had a consumption of 2,180 kilowatt-hours; Ottawa had a consumption of 4,080 kilowatt-hours under an average rate of less than 1 cent. In 1937, the United States average rate was 4.4 cents and the consumption 780 kilowatt-hours.

During the World War the gross revenue per customer dropped both in the United States and Ontario, and it was about 1921 before the 1913 earning levels were recovered in both countries. Since this date, the gross earnings per customer in the United States have increased 35 percent and in Ontario 100 percent. In Ottawa, with its still lower rates, the revenue per customer was tripled. In no year after the war did the revenue drop from rate reductions. Sound rate reductions increase gross earnings.

From these lowered rates, long-hour use resulted. The public Ontario Hydro is able to work its plant investment dollar 64.8 percent of the time compared with 38.8 percent for the private United States plants. The Hydro has set up reserve funds of 40.5 percent of its property account, whereas the private United States companies have reserves of only about 8 percent.

PLANT COST COMPARISONS

The entire book plant cost of the Ontario Hydro is about $333 per kilowatt of plant installation, whereas the similar figure for the United States private plants is around $565, and if the junk plants were eliminated, this figure would be at least 10 percent higher. In this connection, I have found the average book plant account per kilowatt installed, of the six best private systems in the United States to be $403. Due to the pressure of actual, potential, and possible competition from public plants, the private companies serving these investigated areas have not resorted to frenzied finance, and the property account per kilowatt installed is much lower than the American average. For example, in Cleveland, Ohio, this comparative figure for the private company is $292 and in Washington, D. C., $323, both lower than the Ontario Hydro, showing that it is easy to accomplish this result under comparatively low rates. The Detroit company has a book plant account about the same as Washington, and there is no reason why the Detroit rates should be as high as they are.

There is nothing new in these principles, which I covered diagrammatically on this floor 2 years ago. Steinmetz long ago pointed out this rule. The motor industry was built on this principle, and today has little or no funded debt. Nearly 14 years ago Henry Ford told the world that "the real profits in power generation are to be earned through giving it cheaply," and that "as compared to these profits, the profits of financial juggling are petty."

TAXES

The propaganda agencies of the power trust are overworking the tax displacement question. The taxes paid by the private companies do not represent sacrifices by the owners. These payments are included in all the light bills and are met by every user of current. The electric consumer is the only actual taxpayer connected with the electrical business.

Taxes of every nature paid by the private electric industry in the United States in 1936 amounted to $275,192,350. Thirty-four and a half percent of this amount represents Federal taxes, and the balance is State and local taxes. This national tax bill equals 2.7 mills on every kilowatt-hour sold, and 13.2 percent of the industry's gross earnings. A large part of these taxes rightfully belong to the distribution systems. In Oregon, these representative figures are total taxes of $2,991,479, being 2.78 mills per kilowatt-hour sold and 15.8 percent of the gross earnings.

The power companies in the United States re-collect $83,688,000 from municipalities for street-light current. This street-light current is sold to municipalities for the high

average figure of 3.57 cents per kilowatt-hour. Water pumping and light and power for public buildings are not reported separately by the utilities but are generally combined with the reported figures covering the total commercial light and power revenues. The best evidence available indicates that the revenue from these services is 57 percent of the street-lighting revenue. It then follows that the private companies re-collect $130,000,000 from Government agencies, or 47.4 percent of the total tax bill they pay. This re-collected amount exceeds the total Federal tax bill by 37 percent.

The private plants in the United States contribute only an insignificant amount in the form of cash contributions, payments for privileges, and free service. The total tax payments, cash payments, and free service of all private utilities in the United States amount to 13.2 percent of their total gross revenues.

Public plants make cash contributions to municipal and State governments, principally to municipalities. These contributions go into the general and special funds for uses other than those applicable to the electric business. These contributions reduce the over-all tax collections of the numerous subdivisions of government.

The Federal Power Commission reports that the national tax and net cash contributions of the public plants amount to 17.3 percent of their gross earnings. This is a higher rate than the private plants pay for all kinds of taxes. In addition, the public plants donate to governmental agencies for street lights, pumping current, and service to hospitals and charitable institutions. The private plants do not make such service contributions. This free service has been evaluated by the Federal Power Commission as 8½ percent of the gross earnings of these public plants. Public plants therefore contribute 25.8 percent of their gross revenues to Government, compared to the 13.2 percent of the private companies.

If a number of smaller municipalities were investigated, it would be found that the private utility re-collects a large share of the taxes collected by the municipality. In such cases, they re-collect more than they pay. This is especially marked when the private companies also own the water systems. Conversely, in a comparatively small number of cases, the private companies have large generating plants in thinly populated counties and therefore pay a larger part of the total taxes collected in such localities. Private power uses two sets of values—one for tax purposes and the other for purposes of rate making. The tax valuation is universally low whereas the rate valuation is universally high. When Governor of Oregon I waged an unsuccessful battle to maintain the same valuation for both purposes. I found the power companies so firmly entrenched this could not be done, but I did succeed in raising their assessed valuations many millions of dollars.

When a cooperative or public agency takes over a private plant, there should and can be tax equalization. The public power district should not become a burden to other beneficial, non-revenue-producing governmental operations, neither should the nonrevenue agencies penalize the rate payer by using the public power plant as a source of general revenue.

With lower rates, the public plants of the United States make a 96-percent greater proportionate contribution to government than do the private plants. Under such conditions, obviously no difficulty should exist in equalizing taxes or preventing tax displacement. The most equitable method of electric taxation is to place a fair gross revenue tax on all the current sold. The total amount so collected can be distributed to the governmental agencies according to plant values. Recent remarks of Mr. Franklin T. Griffith of the Portland General Electric Co. before the East Side Club of Portland indicate that he needs to study the 1939 report of the Federal Power Commission, comparing actual taxes paid by private industry and public-power contributions. The tax problem is a bogey created by private-power propaganda. This propaganda is continuously being worked to keep the people from securing the benefits of low-priced electricity. Such benefits can be secured without injury to any interest. It is good business for private power to provide such benefits.

THE PATH TO VICTORY

Under such a heading an editorial appeared in the Electrical World of May 20, 1939. Mixed with the desire for a private-utility victory, and the defeat of those who have fought the people's battles, the editorial gave some unpretentious advice to the leaders of the industry. This advice was of a general nature. It can stand repetition but needs detailed explanation and definite pointers. These leaders were told (1) to stay clear of politics, (2) place all the cards on the table for the people to see, (3) keep the record clear, and (4) correct the weak spots in the system. So much, so good, but not enough. Staying clear of politics should mean to stop using the rate-payers' money for political contributions, political work, and pay-offs. When a contribution is made or political work performed, a favor is expected, and the favor is universally adverse to public interest. A pay-off is the wage of corrupt practice. If these funds be used instead for dividends to the security owners and the rate payer, a real start to better public relations will be made.

The industry up to this very moment is playing its cards vertically. To play horizontally necessitates a complete reversal of previous financial practices. The symbols on the upturned cards should signify a definite rate, amortization, depreciation, and publicity policy. Our people are fair. If the industry can offer a fair and sound long-range formula for rates, amortization, and depreciation, the people will deal fairly with private power. If it cannot do so, power will be nationalized. After such an offer is made, the formula must be controlled. Regulation alone will not control. Regulations must be checked by competition; not competition from duplicated systems, but competition from public-informing yardstick plants.

The previous neglect of depreciation reserves may prevent isolated companies from making such offers. In such an eventuality the people will have to decide whether they desire to suffer or set up municipal or public district power. This decision should be controlled by facts rather than fiction. Keeping the record clear can signify nothing else than freeing the industry from the manipulations of financial jugglers, from antisocial methods, and stopping false propaganda.

There can be both physical and financial weak spots in a utility. Twenty-five years ago most of the complaints to State commissions arose from service. Since that time engineering advancement has been outstanding and represents a monumental achievement. Credit for this rightfully belongs to the apparatus manufacturers and the operating men of the line. Poor service is now almost nationally unknown. The status of depreciation reserves will control the future maintenance of the high service standards that our people have been taught to expect. However, the industry presents the absurd situation of having a remarkable physical structure standing on weak corporate and financial structures. These latter structures should be founded on actual costs and not on appraisals.

Regulatory bodies have permitted the manipulators to misapply the doctrine of the Supreme Court decision in Smyth against Ames. The trend of recent decisions is definitely away from such misapplication. When the minority opinion of Justice Brandies in the Bell case becomes the majority opinion, as it will, then balance-sheet values will fall to prudent values. The danger signal has been flashed. Deception cannot prevent the day of reckoning for juggled values. Innocent investors of previous issues can be protected only by immediate amortization. Prudent values will insure low compensatory rates.

Victory will come to the people in the form of fair rates and fair security values, or nationalized power will result. Final victory for the manipulator is impossible. The destiny of the industry rests with its leaders. In the meantime, public power must go forward as its competition is the per-

manent key to successful utility operation and the only protection of the consumers and security owners.

THE NIAGARA POWER CO. AND THE FEDERAL POWER COMMISSION

The remarkable hearings on Niagara, now taking place before the Federal Power Commission, have been practically ignored by the Washington press.

Because of my interest in the subject, and as supplementary to my speech on Niagara, in the RECORD of June 15, I submit these comments.

The Water Power Act of 1920 (40 Stat. 1063) provided that the control over the power resources of navigable streams be vested in the Federal Power Commission. The Niagara Falls Power Co. and its predecessors had, for years before the enactment of this legislation, endeavored to perfect a title claim to the Niagara power through Federal and State legislation. Not being successful in this endeavor, the company in 1920, after passage of the Water Power Act, applied for and received a license for the use of 19,725 cubic feet of Niagara water. This license covered all the allotted American share save 275 cubic feet.

The Water Power Act as originally enacted was a compromise measure. Conservationists, during the consideration of this legislation, contended for full, effective Federal control, whereas, the private-power interests urged an ineffective control. In the original act full authority was not given to the Commission to regulate rates, service, or security issues. During the early years, the Commission adopted a sympathetic attitude toward the private companies. The first annual report of the Commission stated that the cooperation between the Commission and the National Electric Light Association was the expression of a definite policy. From the start, the operations of the Commission were hampered because of the compromise features written into the original act, and a lack of proper administration. The private companies early took advantage of this situation and seemingly influenced the policy of the first Commission.

The laxity in carrying out the provisions of this original compromise act led to a Senate investigation. This investigation disclosed the ineffectiveness of the previous regulation. The charges and countercharges developed during this investigation demonstrated a lack of strength in the Federal agency and the influence of the private companies in the decisions of this Commission. President Hoover, therefore, sent a message to Congress in the latter part of 1929, recommending that the water-power law be broadened and that the Commission be reorganized and granted extended powers.

The 275 cubic feet previously noted represented water licenses granted originally to 11 power users on Seventeen Mile Creek and near Lockport, N. Y. The Niagara Falls Power Co., some 15 years ago, purchased these licenses for $1,750,000, and have since endeavored to have these licenses reissued in their name and the $1,750,000 taken into their capital structure. It is understood that the power company was informally advised through one of the officers of the old Commission that they could accomplish this objective. However, the disclosures of the investigation covered by Senate Resolution 80, Seventy-first Congress, second session, resulted in hearings on this license change being set for 1930 and 1932. Nothing was accomplished in these hearings.

The present Commission took up the Niagara matter again in 1936, and after a long and detailed investigation and endless delays manipulated by the power company, opened hearings on March 15, 1939. These hearings have continued since this date, except for recesses granted on the motion of the applicant. The hearings are now in recess and will reconvene on August 8, 1939. Although the original hearings were on the 275 cubic-foot license and its purchase cost, the investigation of the Federal Power Commission disclosed violations of the Water Power Act, especially the antitrust section of the law. The hearings were therefore broadened to include both licenses. The Commission has been placing in evidence factual testimony showing violations of the law. If this evidence stands, it should result in the largest antitrust suit ever attempted in the United States and will be the first case of its kind directed against the Power Trust.

The testimony presented to date shows what monopoly has done to Niagara power. The Commission's counsel has insisted that the power company should not be given a license for this additional water because—

First. The power company has abused a public-power resource and has violated the antitrust laws and the Federal Water Power Act, under which it derived its water rights. The Niagara Power Co. is giving extremely low-priced power to a few favored companies, while charging home owners rates three to seven times higher than existing rates on the Canadian side of Niagara.

Second. The power company is controlled by "four big happy families." These families are connected through corporate and interlocking directorates with practically all the large financial, railroad, industrial, and utility corporations in the United States and Canada. This colossal monopolistic combine has already been given too much power. The Federal Government should proceed fairly to recover for the people the benefits of this great water resource which belong to them. The Niagara picture is that of the mass power of organized capital which can rule or ruin America. These four families who control the Niagara Power Co. control practically every major privately owned hydro in the United States and Canada. The Mellon Corporation of Canada owns 53 percent of the Saguenay Power Co., which, with their associates, controls the privately owned Canadian hydro developments. These same interests control the major eastern railroads, the steel, metallurgical, and mining, the oil, food, finance, and insurance corporations.

The testimony shows that 16 New York, Pittsburgh, and Buffalo law firms act as agents for these interests in the capacity of a holding company in order to evade Federal regulation. This type of operation gives these subrosa holding companies a claim of immunity from investigation.

The evidence shows also that the same interests which control the power companies also control the industries. The power company has refused to sell power to any customer who would enter into competition with its favored consumers. Over 500 contracts in the restraint of trade have been presented in the hearings showing how the power company dictates who shall use this power and the purposes for which it shall be used. Some of the contracts forbid the power company from selling power to anyone but to the favored customers in each class of industry. Contracts between the power company and industrial consumers who are outside the combine forbid the use of Niagara power in the manufacture of products which would enter into competition with the favored group. The foreign customers can manufacture only those products definitely named in the power contracts. This system explains why no unaffiliated company can secure power in the United States or Canada for the manufacture of aluminum, liquid chlorine, and other chemicals. I have met their influence in my efforts to establish a Government sodium chlorate plant at Bonneville to help farmers in their great weed campaign. There is no question about the charge of monopoly and violation of the Water Power Act. The Commission has full authority to revoke the existing licenses, which will not expire until 1971. The struggle before the Federal Power Commission is one involving the most powerful financial and industrial group in America. The press has generally ignored the evidence presented in these hearings, and the average American is totally uninformed as to the damage caused by the monopolistic use of Niagara power. Credit is due to Mr. Caso March, attorney of the Federal Power Commission, who is doing a great work in investigating and presenting the facts brought out in these hearings. Credit should also be given Mr. Albert H. Jenkins, of Labor, for examining and briefing the testimony and making it public. This investigation confirms the conclusions of the study I have made, and I feel the country owes a debt of gratitude to these gentlemen.

The Key to the Economic Riddle

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

STATEMENT FROM THE RAW MATERIALS NATIONAL COUNCIL

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I want to call attention of the Members of Congress to the excellent work being done by the Raw Materials National Council in the field of economic research. This is an organization set up in the Middle West originally to get at the grass roots of our farm problem. Research developed that the agricultural riddle was part and parcel and, in fact, the key log in our general economic jam. From this research has evolved a program, nonpartisan, nonpolitical, which, in my opinion, offers the cure for our economic ills.

Accordingly, I include herein a statement from Mr. Carl H. Wilken, secretary of the Raw Materials National Council, entitled "The Key to the Economic Riddle":

THE KEY TO THE ECONOMIC RIDDLE

(By Carl H. Wilken, secretary, Raw Materials National Council, Sioux City, Iowa)

We are setting out the key to our economic riddle, and by the aid of simple mathematical facts that are borne out by the historical record of our economy, pointing out the accuracy of our deductions and the simplicity of the solution.

The key to our economic problems is the stabilization and equalization of raw-material prices, and especially basic farm prices. The point of stabilization and equalization of raw-material prices naturally falls at the point of parity, meaning equal exchange values between the raw-material producer, industry, and labor.

An examination of the historical record of our economy as regards the income of the raw-material producers, factory pay rolls, and national income show that our maximum consumption of goods per capita have taken place at parity. Periods of dislocation of the price relationship between raw materials and manufactured goods have resulted in periods of underconsumption when below parity and inflationary periods when above parity which have eventually resulted in booms and busts.

REASONS OF DISLOCATION

The reason for the dislocation of our economy with the fall and rise of raw-material prices can be attributed to the fact that the amount of money drawn out of our capital structure by the production and sale of raw materials, determines the flow of money or exchange medium in our business channels.

This relationship of money received by the raw-material producer is a direct and average mathematical percentage of factory pay-roll income and collective or national income.

Using the grass-farm income as a base, the relationship to factory pay rolls and national income can be stated in the mathematical ratio of 1–1–7 or meaning that for every dollar of gross farm income, there will be $1 of factory pay rolls and $7 of national income.

As proof of this relationship we call attention to the last 2 years of gross income and national income.

Farm income (gross):	
1937	$10,000,000,000
1938	9,000,000,000
National income (earned):	
1937	70,000,000,000
1938	63,000,000,000

Farm income is derived from the number of units of each commodity times the price per unit. Therefore an example of one crop will show the effect of a price drop on our economy. A normal crop of corn is 2,500,000,000 bushels and the parity price approximately 80 cents. The income from the crop and the resulting income for factory pay rolls and the Nation as a whole is shown by the table below.

Price per bushel, 80 cents. Number of bushels, 2,500,000,000.

Gross farm income	$2,000,000,000
Factory pay rolls	2,000,000,000
National income	14,000,000,000

Price per bushel, 40 cents. Number of bushels, 2,500,000,000.

Gross farm income	$1,000,000,000
Factory pay rolls	1,000,000,000
National income	7,000,000,000

As a result of the drop in corn prices from 80 to 40 cents the farmer loses a billion dollars, the men on factory pay rolls lose a billion dollars, and the Nation loses $7,000,000,000 of business turn-over.

The reason for this turn-over is the duplication of the use of money, a simple fact that our economists have not taken into consideration. For example a $10 bill when it is passed from hand to hand duplicates itself in purchasing power. Ordinarily this turn-over is about two and one-half times in each rural community. The income of the farmer when spent in the local stores creates an equal amount of income for the businessmen and when spent for labor, taxes, etc., is respent in the purchase of goods and things.

With this relationship of 1–1–7 we are forced to the conclusion and it is borne out by the facts, that with farm income at 70 percent of parity, our factory pay rolls will be 70 percent of parity and industrial production will be at 70 percent of parity, or normal capacity. The percentage of farm income below the parity price level is constantly reflected in an equal percentage of drop in factory production.

ALL RAW-MATERIAL INCOME

All raw-material income has a constant relationship to the national income of 1 to 5, or meaning that for every dollar of income from the sale of raw materials there will be created $5 of national income or business volume.

The gross farm income is the governing factor, and the use of other raw materials is in direct ratio to gross farm income. The heavy industries, such as building materials and steel, are nonessential to actual existence and in case of low prices for farm products suffer a larger drop in physical production. It is interesting to note that production of flour, textiles, and other food products remain fairly constant in physical volume even in depressive periods.

SURPLUSES OF TWO KINDS

Surpluses are the result of two principal factors—underconsumption and seasonal overproduction. With our domestic market $25,000,000,000 below that of a normal parity income for the Nation, and with overhead practically a fixed charge, it should be apparent that with full parity prices our domestic consumption would be at least 35 percent greater in all lines with prices stabilized at parity.

Seasonal production cannot be controlled, but the law of averages and adequate reserves can be used to level off production cycles. Our principal problem therefore is to maintain the prices of our basic food and fiber crops which have a yearly production cycle every 12 months. Products which are produced daily and marketed daily will automatically be stabilized from the supply-and-demand factor and the law of averages during the 12-month period will level off the price received.

For example, the farmer producing one crop of corn per year must be protected as to price. He cannot sell today and produce tomorrow, and if forced to sell at less than parity, the effect on our economy will be felt during the entire 12-month period. On the other hand, he can adjust his production of dairy products, poultry, etc., to the base established by feed grains. A low price one month can be offset by higher price the next month, or, in other words, he can get the benefit of average prices.

FOREIGN TRADE

Foreign trade is based fundamentally on need and purchasing power and will automatically take care of itself from the supply and demand factor with parity prices and parity tariffs. Parity prices cannot be maintained unless the farmer has equal or parity tariffs with other groups.

Parity tariffs would not prevent foreign trade but instead would increase our foreign trade. Our imports are in direct proportion to the national income or collective buying power of the Nation. With a full parity income resulting automatically from full parity on our basic farm crops, our foreign trade would increase in direct proportion.

With our domestic market approximately one-half of the world market, the greatest contribution that our Nation could make toward world peace, would be to solve our own economic problem by stabilizing raw-material prices at parity. The increased demand for foreign products created by our increased buying power would help to solve world economic problems.

The rest of the world could adjust their basic farm crops to our parity-price level in the same way that they adjusted their price of gold when we increased the value to $35.07 per ounce. The increase of world prices on basic farm crops would create an increase in the circulation of money in the same way as it would in our domestic economy. There is no danger of world surpluses of goods and things because with the same buying power a sour domestic level for the rest of the world they would have to increase their production 12 times to furnish the goods that they could consume if they had the purchasing power.

HOW CAN FARM PRICES BE STABILIZED AT PARITY?

Only three steps are necessary to stabilize and maintain farm prices and other raw-material prices.

1. Parity prices on basis farm crops (using the 1922–29 commodity index as the base of 100) to be maintained by means of commodity loans, storage of reserves, and effective parity tariffs.

We wish to call your attention to the fact that parity prices and parity tariffs are equal prices and equal tariffs with other groups and regardless of whether you advocate high or low tariffs, the mathematical law that governs your economy requires that the farmer must have equality in both prices and tariffs. You cannot deny that he has that right.

2. Establish confidence in the building of new industries to consume farm products by an incentive tax or by subsidizing their operation until such time as technological improvements make it possible for them to operate at the parity level.

3. A proper realization that our economy consists of trading real wealth, goods, and things rather than money and that our medium of exchange consists principally of credit dollars based on the return from production of raw materials, the processing and distribution of the finished product and the services performed by labor. The relationship of the credit dollar can and should be maintained at the point of parity or a 100-cent dollar.

The use of the commodity loan for such purposes is provided in the Constitution which gives Congress the right to issue money and set the value thereof. The commodity loan is nothing more than an issue of credit dollars against the commodity and if the call date is based on parity price as a yardstick the value is automatically set at 100 cents between groups.

Our failure to use the commodity loan properly has resulted in stabilizing corn and cotton at less than parity on the domestic market and our national income has naturally been less than parity, thus forcing us to borrow money for the various methods used to create buying power that should result normally from the sale of raw materials.

LEGISLATION REQUIRED

The necessary legislation to bring about actual parity prices has already been introduced in both branches of Congress. H. R. 6159, by Representative HARRINGTON, of Iowa, and S. 2481 by Senators BURKE and GILLETTE. These bills would lay the foundation and could be supplemented by simple measures to subsidize new industries as is contemplated in S. 552 by Senator GILLETTE, of Iowa.

They provide adequately for the necessary base for stabilization, reserves, parity tariffs, etc. Although simple in wording, their effect would be to increase our domestic income at least $25,000,000,000, restore prosperity, reemploy our labor, and make it possible to balance the National Budget.

CONCLUSION

We wish to point out in closing that our problem is entirely monetary because there is no reason why we cannot consume more goods in 1939 than we did in 1928–29, with the additional increase of population since that time.

The economic problems of the entire world can be righted if we will take the lead and establish a sound economy based on the actual production of goods and things. We of course must remember that we use our medium of exchange to settle balances between different types of goods and that the annual production of real wealth must create enough money to pay all cost of government, production, processing, and distribution of our raw materials.

And finally, it is our contention that regardless of who is elected President or what political party has control, we will be forced to borrow money to the point of bankruptcy unless we establish the parity-price relationship between goods and services.

Just as 2 times 2 equals 4, our economy is based on the simple multiple of 1 times 7. If we wish to operate our Nation solvently, the number of dollars drawn out of the capital structure through the production and sale of farm products multiplied by 7 must give us a national income sufficient to pay all the bills. We must use arithmetic rather than theory and recognize the definite mathematical ratio that exists. We have the wealth and if we maintain the price level at parity we will automatically have the income. The only time that we ought to have a depression is in periods of drought and if we provide for adequate reserves we need never have a depression.

In the last 9 years we have lost $250,000,000,000 in national income because we did not recognize the importance of farm income. We will lose another $25,000,000,000 in 1939 and be forced to borrow $4,000,000,000 to feed and clothe the Nation. Let's use some common sense and arithmetic and stop this loss in the midst of plenty.

A man once said "The world lost 4,000 years of progress because no one took the 20 minutes to learn how to lay bricks properly." In the same way it may be said "Our Nation has lost billions of dollars of income, suffered privation and despair because no one took the time out to analyze our economy and the operation of money in our economy." We failed to realize that for every dollar taken off the farm income, regardless of cause, the Nation has suffered a loss of $7 in collective income. We have operated our domestic economy without a sound foundation. Let's stop patching the roof and fix the foundation. Then our economic house will help preserve the democracy which we value so highly.

Further Views on Mining Problems

EXTENSION OF REMARKS
OF
HON. JOHN R. MURDOCK
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

Mr. MURDOCK of Arizona. Mr. Speaker, under leave to extend my remarks, I wish to include a copy of a letter which I recently sent to the small-mine operators' associations in Arizona, and also a short editorial from C. C. Beddome, in the Brewery Gulch Gazette, of Bisbee, Ariz., under date of June 29, this year. These call attention to some of our mining problems as the mining men of Arizona view them. First is the letter to the small-mine operators' councils, of which there are 50 in Arizona, and following it is the editorial.

JULY 8, 1939.

Secretary of Small Mine Operators' Association.

DEAR MR. SECRETARY: You have probably already been notified through the press of recent action in Congress pertaining to mining, but I want to add a word concerning certain measures in which I have interested myself in your behalf. Such measures, or proposed measures, are (1) a mining moratorium; (2) an extension of time for assessment work; (3) a continuation of a price of $35 per ounce for gold; (4) securing a better price for silver; (5) continuing the 4-cent duty on foreign copper; (6) developing our strategic materials; (7) modifying S. E. C. regulations to increase investments in mining; and (8) extending R. F. C. loans to further mining development. Of these eight items, we have been successful entirely or in part in regard to six of them—that is, from (2) to (7), inclusive—and have fallen short somewhat in regard to the first and last as numbered above.

Having said that we fell short or failed in regard to No. 1, I ought to explain a little further. When I came back to Washington in January this year it was with the idea that no annual moratorium would be expected, and therefore I did not introduce a bill this year, as I did last. In the House, Congressman JAMES O'CONNOR, of Montana, did early introduce such a bill, but consideration of it was blocked by previous action of the Senate on a companion bill. Your association in Phoenix suggested a compromise bill, but I could get only a few Members of the House to accept it and saw no chance of getting it through. Therefore, I tried the only thing possible, and that was an extension of time. Western Congressmen suggested a 60-day extension, and I put it 90 days in my bill, expecting it to be cut down if and when it passed the Senate. It passed including a 60-day extension, and was signed on June 30.

The six items named above have been written into law, though not all of them as we might wish. All legislation here is a compromise and one is lucky if he gets 20 percent of what he aims for. Mining legislation has more than usual hard sledding because of the small number of Representatives from the mining West, and for other reasons.

The seventh and eighth items named above are yet to be worked out. They are of vital importance and it is going to be very difficult, if at all possible, to get adequate and satisfactory legislation and administrative action on S. E. C. or R. F. C. participation. I shall keep at it.

Sincerely yours,

JOHN R. MURDOCK.

The following is a part of the Gazette's editorial:

Once again the western delegation in Congress scores a smashing victory. The hike in the price for domestically produced silver from 64.64 cents per ounce to 77.57 cents means so much to the West that it is hard to realize the benefits that will accrue.

NOTE.—This was later fixed at 71 cents per ounce.

Men will go to work, money will go to work, new small properties will be developed, materials and supplies will be sold by the dealers, new tax rolls will be created, and a general upturn in business will result.

It was the last mentioned item that finally changed the minds of some of our hitherto deaf Senators from the East to come to the realization that the East and the West had something in common. For how could the West buy the manufactured products of the eastern factories unless the East aided in the development of the mine resources of the West? This argument bluntly told by our blunt-speaking westerners finally convinced the eastern objectionists that cooperation and harmony would produce unity for everyone concerned.

If something can be done for the manganese industry now, after a 15-year shutdown, then Congress will have scored again. Our

Army and Navy procurement departments state that their annual requirements exceed 800,000 tons of ferromanganese ore. The fabricating plants use a similar amount annually, yet this metal is imported from Bolivia, Brazil, South Russia (Georgia), Straits Settlement, and so on, while here in America we have millions of tons of this ore available. The Emma Mine at Butte, Mont., can produce 70,000 tons annually at present, and with the assurance that they could dispose of more of this metal they could step that production up to 400,000 tons per year. West Virginia and the Carolinas are producing high-grade manganese and there are 28 States throughout the Nation that could be put on production if the owners were assured that the money invested would be returned. Cuba likewise is a producer of manganese and could supply in the neighborhood of a quarter million tons annually if they were given a chance at the American market.

Other strategic and critical war materials can be produced within these United States, but our dear public servants in Washington have repeatedly given these purchases to the American capitalists who have sent their money into the foreign field to return the finished product home to compete against our own factories that are nearly all idle; then they boast that United States factories and producers are unable to provide the requirements. It is high time that the Washingtonians come to the conclusion that they are being watched and that no more nonsense of this sort will be tolerated. We have the natural resources, we have the factories, and we have the trained men that can fabricate and market the finished product. Therefore, why go to the foreign field for the things that lie in our own back yard? It's high time that something be done about it.

In conclusion, Mr. Speaker, I wish to say that in addition to the problems indicated heretofore, the mining men of the West are very jealous of their rights under the mining laws and are fearful of encroachment by citizens engaged in other industries. For instance, mining men feel that there is always danger that mineral areas which may not be fit at all for agriculture, and only slightly fit for grazing, may be closed to mineral entry, or that there is a tendency in that direction. They view with great concern any legislation, or policy of the Government, which would restrict their mining operations or limit their enterprise in mineralized areas wherein they have formerly been free to operate.

It is a well-known fact that vast areas of the West are fit only for mining or possibly mining and some grazing. Other nonmineral areas are suitable only for grazing while still other nonmineral areas in fertile valleys may be suitable for reclamation and homesteading. Too often in the history of our past there has been a conflict, a clash of interest among mining men, livestock men, and homestead settlers. It would seem that a wise national policy would exclude none, but would foster and protect the interest of each of these classes of our citizens in due proportion and so shape the law, and our administrative control, that each class will prosper and contribute to the country's prosperity.

The Interest of the Farmer in Water Transportation

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. HARRINGTON. Mr. Speaker, for the past several years this Nation has been struggling with the perplexing problem of trying to increase the national farm income. The national farm income has been distressingly low and it has had a depressing effect upon our national economy as a whole.

Producers of farm products have many items of expense in the production and marketing of their crops, and one of the most important of these is the cost of transportation. A rise or a fall in transportation costs is reflected back to the farm, for it is the farmer that pays out of his own pocket the cost of transportation when he markets his products. In many cases farm products must be transported long distances to consuming markets in this country and to tidewater, preliminary to shipment to markets abroad. The cost of transportation on farm products in this country adds up to a huge sum and, in the main, the burden of this falls upon the producer of these products. Transportation, therefore, has always commanded the interest of the farmer, and he and his representatives have been continuously active in seeking to obtain the lowest rates possible, for in the trying times of recent years he has been obliged to use the lowest-cost transportation available in order to survive.

Our State and National Governments have always evinced great interest in transportation costs on farm products. Railroad and warehouse commissions of States in the farm sections have been alert to see that transportation costs are as low as reasonably can be made, for these commissions recognize the tremendous importance of cost of transportation to the farmers of these States. Our National Government has also recognized the necessity for maintaining reasonably low transportation costs for products of the farm. The Hoch-Smith resolution passed several years ago, and still on the statute books, endorses that principle.

Notwithstanding the efforts of State and National Governments on behalf of the farmer, transportation costs by rail have been maintained at relatively high levels—there have been many increases throughout the country during the last 20 years in rail rates on farm products—despite the increasing distress in farm sections of our country. So we have a condition where the farmer's ability to pay is much less than it was several years ago and the rail carriers requesting and demanding higher and higher rates for the transportation of farm products.

Every student of transportation knows that certain bulk commodities such as grain, coal, ore, and petroleum products can be transported by water at substantially lower costs than by rail—and this is particularly true where long distances are involved, such as shipments from the head of the Great Lakes to Buffalo, Oswego, and the Atlantic seaboard, and also on long-distance shipments on the Mississippi and Ohio Rivers and on the New York State Barge Canal. Cargoes of bulk grain can be transported by water from Duluth, Minn., to Oswego for a few cents per bushel and the lake carriers are able to make a profit, even though it may be small, for themselves at this low rate. Rail carriers can never expect to compete with water transportation of this character for grain cannot be shipped a distance of 10 miles by rail as cheaply as it can be transported this long distance on the Great Lakes. The inestimable benefits of water transportation on the Great Lakes and connected waterways have been reflected back to the producing farmers of the Northwest in better prices for their grains and it cannot be denied that without the benefit of low-cost transportation on the Great Lakes, many sections of the Northwest would have to give up farming.

The National Government has recognized the value to our people of waterways and it has been consistently active in its efforts to make these great and vital channels of commerce accessible to the people of this country. Low-cost transportation has been and will continue to be one of the most important needs of this country. The farmers are in desperate need of it.

It, therefore, seems a backward step to endorse the Wheeler-Lea bill. The intent and purpose of that bill is to apply the same destructive rigidity to water rates as has contributed to the confusion in rail transportation. Water carriers are getting along very well—they want to be let alone—they are doing a good job and deserve to be let alone. The Wheeler bill because of its injurious effect on water transportation—by either raising rates to unjustifiably high levels or by destroying it—will increase enormously the transportation bill of this country when the country can ill afford to pay it. I am sure the farmers of the country cannot afford it. I am sure, also, that when they find out that their transportation bill has been increased needlessly there will be loud and vigorous protests.

This bill is an anachronism—it belongs to the Dark Ages. Instead of considering measures to increase the cost of dis-

tribution, we ought to be giving our time and attention to measures that will decrease the cost of distribution in this day and age. I repeat, the passage of this bill will be a backward step—and a costly step—for the great mass of citizens in this country who are struggling to survive.

Can We Hold the Richest Land on Earth?

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ARTICLE BY W. B. COURTNEY

Mr. DINGELL. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article by W. B. Courtney, which appeared in Collier's for July 1, 1939:

[From Collier's of July 1, 1939]

CAN WE HOLD THE RICHEST LAND ON EARTH?

(By W. B. Courtney)

It is the richest country on earth. And competent observers declare that its riches are not yet really touched. It is a country lying fallow, waiting for people with the shrewdness and the gumption to take advantage of it.

The American flag flies over this rich land now. But it is going to be hauled down soon. The work of two generations of American businessmen and administrators and teachers, the developments paid for by American taxpayers, will be tossed into the international grab bag. That isn't the intention or the idea. But everyone in the Orient believes it will be the upshot.

When the United States took over the Philippines their riches were only suspected. Today, enough is known to drive mining engineers balmy with dreams. Enough is known to give pause to world economists. Enough is known for responsible leaders to estimate that the natural resources of the Philippine Islands are adequate in all save one element—tin—to supply the whole needs of the United States in case of wars, long or short, independent of world raw-material markets.

FOR MEN WITH ENTERPRISE

"Enough is known," an official American Government technical expert told me, "to furnish abundant proof that with the resources of the Philippines honestly exploited, the United States could really become that enviable thing which every major power on earth longs to be and which not a single major power actually is—entirely self-sufficient."

He doesn't mean that everyone in the Philippines is rich. There is misery and failure there. Worse, there is virtual peonage, all the wretched inequalities of a system that draws its heritage from both European medievalism and oriental despotism.

In spite of the efforts of the United States, the humbler people of the islands are still more than 40 percent illiterate culturally; more than 90 percent illiterate economically.

What is meant is this: That to men with initiative and enterprise the Philippines are uncommonly, incredibly bountiful. If the Philippines were a State of the Union they would stand fifth in land size. They are 10 times bigger than Holland or Palestine; much larger than the British Isles; nearly twice as large as old Austria-Hungary. Yet they have a population of only 15,000,000, barely exceeding that of New York State. Japan, slightly bigger, has a population of 80,000,000. Italy, almost the same size, has 45,000,000.

In a world of striving nations, hungry for raw materials, the Philippines, alone of vast and fertile areas, remain virgin.

Their very physical appearance, their geography, their throat-choking beauty under all conditions of season and weather, seem to thrust forward a guarantee of wealth untold.

There are 7,083 of the Philippine Islands, and it is doubtful there is a man alive who has laid eyes on all of them. They hang like a rocky triangular brooch down the western chest of the Pacific, for more than a thousand miles.

Nearly 5,000 of the islands are unnamed; less than 500 have an area of one square mile or more. Yet, such is their infinite variety, that Luzon, the largest island, is a few miles bigger than Ohio; Mindanao, the second, is bigger than Indiana. Eleven of the Philippines are larger than Rhode Island plus the District of Columbia.

LAND OF BOUNDLESS WEALTH

The impression of a land of boundless natural wealth increases, rather than diminishes, when you get nearer, more intimate, views. The tao in his nipa shack really seems a fellow to envy. There is lushness on every hand; tangled slopes, rushing overhung jungle rivers, single plantations that unroll from your toes to as far as vision can reach. Dense forests, the most valuable known to mankind, with more than 1,000 species of trees and plants that have commercial uses (although less than a fifth are yet brought to market). Everywhere is the stately palisading of the coconut palms.

Your money, as an American taxpayer, helped to bring these resources out of rumor into reality. Your money and efforts paid for roads and communications and education that made them available.

You ought to know just what we are giving up when we give up the Philippines.

An economist of the staff of one of the American Government officers listed the major items:

"The natural resources of any land, of course, fall under grouping of forestry, agriculture, minerals, fisheries, water, health, and enlightenment of the inhabitants.

"More than half the land area of the Philippines is forest; 80 percent or more of it has commercial value, much of it rare and priceless hardwood, some used in airplane manufacture. There are about 500,000,000,000 board feet of standing timber here. That's more than in Oregon, the greatest timber State; and one-fourth as much as in the whole of the United States.

"More than 40 percent of the land area, apart from the forests, is available for agriculture. Only a third of this is actually used—but it's there, waiting and fertile. In other words, almost 100 percent of the area of the Philippines is available for the uses of man, to support and enrich him.

"One trouble with the Philippines in world economics is they are too rich, too productive. Coconuts you know about. Sugar, rice, tobacco, pineapples, tropical fruits—all these things the Philippines can grow so abundantly that they upset the world markets, and various restrictions have had to be imposed. But we are not concerned with tariffs and competitions now—only with the fact of pointing out the growing power of the Philippines as a natural resource which could be permanently added to our own.

CORDAGE, RUBBER, AND QUININE

"Abaca—or manila hemp—is perhaps the showiest of the Philippines' agricultural products. It makes the finest rope and cordage known; strongest, lightest, and most durable. It gives the Philippines a monopoly. It ties up the ships and the packages of the world.

"Years ago a great American rubber company experimented in the southern islands, found out that rubber could be grown there limitlessly. But local politicos and politics frightened it away. It is definitely known that the islands could grow all the rubber that American companies now grow in Liberia and in South America.

"The Dutch have a world monopoly on quinine. We could manufacture enough quinine to control all the malaria in our South, supply any possible war needs, and break the Dutch monopoly.

"Other experiments by American medical and agricultural scientists show that we could grow here virtually all the essential herbs and plants which are the basis of Chinese pharmacopoeia. That, in turn, is the basis of world medicine.

"The British have a world monopoly on tannic acid. This can be obtained from mangrove bark, and enough mangroves now exist in the islands to break the British monopoly—if they were exploited.

A VAST WEALTH IN MINERALS

"I am just trying to help you get a true picture of how the resources of the Philippines suggest endless possibilities for progressive and adventurous businessmen, provided they knew they wouldn't be left out on a limb, deserted by their flag, at the mercy of oriental politicos. Fabulous fortunes are still lying all around out here, in the ground, literally on the trees, waiting to be picked up.

"Size for size, the Philippines contain more gold than any other part of the earth's marrow. Listen, the truth about the mineral resources of the Philippines is simply this: You can stick a shovel down in your back yard any place, and you are bound to turn up pay dirt of some kind if you aren't splashed by an oil gusher, or a coconut doesn't drop on your head.

"Government and private mining experts say that the true whacking extent of all the mining range of the Philippines is still virtually unknown.

"Iron and manganese, for example, two of modern life's most vital necessities, are being produced faster and faster here each year, and Japan takes all of both. At the rate the manganese production is going up, in another few years the Philippines will be supplying all of Japan's requirements. Think what that will mean to Japan's steel industry—its whole supply of manganese right next door, whereas now much of it has to be transported thousands of miles from various British colonial ports.

"And there are copper, asbestos, chromite, lead, platinum, zinc, oil. But nobody is going to invest much in a land that might become a battlefield, or be confiscated.

"Maybe we could buy elsewhere the raw materials needed for war, in time of war. Maybe ally politics, or enemy forces, would

cut us from those markets. The important thing is that here in the Philippines we would have the necessary sinews under our own flag, independent of world markets."

JAPAN HELPS HERSELF

On the inaccessible coasts, under the mountain fastnesses of northern Luzon, the Japanese are boldly and frankly helping themselves today to the natural resources of the Philippines—without payment. Japanese fishermen net in Philippine harbors. Other Japanese ships anchor, send crews ashore, build logging camps, and steal millions upon millions of board-feet of the best Philippine hardwoods each year.

This is known to the authorities. Because it happens in areas so remote it is difficult for constabulary patrols to reach them; because word of the activities is withheld by bribed provincial officials; and because the Commonwealth has not yet enough armed vessels to establish an effective guard—nothing can be done about it.

The Japanese Government "officially" knows nothing. But you continue to read in Manila papers of fights in lonely barrios in which natives are killed by Japanese lumber or fish pirates.

These are small affrays, which can suddenly grow into large ones.

The confused status of Philippine-American relations, the uncertain political future of the islands, makes them a danger spot.

The richest land on earth, they stand as a ready-made colonial prize for any one of the inflamed nations that have been scrabbling recently for deserts, for arid and undeveloped wastes of problematical values.

"It is a tree-ripened plum," said a French official in Shanghai, "with dictator nations standing around like a lot of little bullies in an orchard awaiting its imminent fall—each hungry lad hoping against hope that some unforeseen shake of the branch might bring it into his fist."

Three courses are open to the United States to end this suspense—and this hazard:

First, to extend permanently the present economic cooperation and trade preferences. Remain, in brief, the benevolent "Uncle."

Second, to cut loose absolutely and let the Philippine Republic take its chances economically and politically among the family of free nations.

Third, hold onto them, frankly and boldly. Repeal the Tydings-McDuffy Act; annex the Philippines.

The first course, most everyone who knows anything about the islands agrees, is the most perilous. Under the Tydings-McDuffy Act, which provides complete independence for the islands at the end of the Commonwealth period in 1946 we end gradually our old reciprocal free-trade relations with them. A joint commission has recommended that Uncle Sam not button his pocket until 1960. The Commonwealth with a lobby of its most astute and charming big shots, is striving desperately to have the free trade extended for all time.

A GUARANTY OF WAR

This would give the United States the responsibility for the Philippines without the authority. It would complicate our national military policies, increase our armaments budget. It would give us much expense but little profit. It would permit unwarranted competition to some domestic products. Its "preferred nation" trading privileges would inevitably bring friction with Japan, the best foreign customer of the Philippines. Justifiably the Japanese could ask for the same privileges we got. It would make us the "cop" of the Orient; forced by mutual interests to police and safeguard the decaying chestnuts of France and England, as well as our own.

The second course, washing our hands completely of the Philippines, would be less dangerous. Provided we take home all our soldiers and sailors from the Orient. Provided we resolutely shut our eyes to subsequent events in the Philippines, no matter what happened there, no matter which nation snapped them up. Provided we close our ears and turn our backs upon the inevitable calls for help.

The third course is to hold onto the richest land on earth. Frankly, to develop and exploit and enjoy the wealth in the way the British and French and Dutch draw treasure from their colonies.

To give the Philippines up, Ford Wilkins, an American in Manila suggests, is as though some foreign nation conquered us after we had kicked loose from Britain in 1776, improved and developed us to modern times—and then handed us back to the Indians.

THE FLAG IS PROTECTION ENOUGH

The great fear of Americans at home seems to be that if we do not clear out of the Philippines we shall get into war over them. Americans on the spot, who should know, say this is a misunderstanding; that quite the contrary is true.

We are far more likely to have a war with Japan over the Philippines if we give them up than if we hold them.

We do not have to expend enormous sums, build huge armies, to hold the Philippines. Our flag over a territory—if other nations know we are not fooling, and will back it up—has greater effectiveness than cannon.

Neutrality

EXTENSION OF REMARKS

OF

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. JONES of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

Last evening my 7-year-old son and I rode on one of the great transcontinental trains from my district in northwestern Ohio to Washington. The distance of 500 miles would embrace the heart of Central Europe where the eyes of our press headline hunters and the ears of our radio commentators have been turned for months. Through the night we glided securely in our berths, well knowing we would not be disturbed by any officers of the States of Ohio, Pennsylvania, and Maryland as we crossed their borders.

Had we been traveling a like distance in central Europe, we would have been yanked from our sleep by the strong arm of every country we entered during the night. As many times our bags would have been searched. As many times our money would have been worthless and necessarily traded for that of the country we lately entered. In Germany, we might have been questioned by youthful officers born since the war, who were yesterday children of a German Republic long since bled dry by reparations payments to France and other former allies under the Versailles Treaty.

Reparations payments, like high taxes, mean less food and fewer jobs. This is the reason many Aryan and Jewish children in Germany never knew the luxury of daily milk at the front door until 15, 16, or 17 years of age.

Overnight boundaries have changed in central Europe. These boundaries know no family lines, affections, filial obligations, and mother's hearts. They tie sons to the soil on one bank of a boundary river in sight of hearthstone lights in the old family homestead on the other side of the river.

From both sides once children came in joyful glee and their voices resounded upon the water happy understanding of their forbears who tilled the soil on either side. From childish pranks to romance, to marriage, to homes, to families, they moved freely from one side to the other in one great country of common blood, common traditions, and common understanding. The rigors of war, the will of princes and potentates unknown to America, so well known to Europeans, take shape in entangling alliances, putches, marches on capitals, and the river changes from a peaceful stream of trade and commerce to a treacherous torrent of hate, splashing the waters of distrust against either shore and setting father against son, brother against brother as inevitably as the sweeping flow of the water.

If we Americans get into another war, one reason will be that our memories are too short. We must remember the policy of England with reference to her colonies. Every time England establishes a colony she sets up a trading post and imposes a heavy tax to maintain the British Isles. On the other hand the United States, in her colonies, provides schools to educate her provincial citizens. Holland is rich because of oil in the Dutch East Indies. France has vast resources in African colonies.

Germany, pushed by the pressure of increased population, which she encouraged, wants to expand in colonies taken from her at Versailles. She wants revenue from her old colonies for the fatherland. Italy wants the colonies promised to her before she entered the war on the side of the Allies.

So let us understand, my friends, when we talk about policing the world, some of the practical things that cause war must be cut away from the lives of the countries of Central Europe as a surgeon would cut away a cancerous growth from the healthy tissue of one's body. That we cannot do. Let us remember some of the traditions of American foreign policy and the provisions of our Constitution as to who shall deal with foreign countries and who shall determine our foreign policy.

The power of the National Government to control foreign relations of the United States is both complete and exclusive.

In 1793 war broke out between France and England. The brilliant Washington, eminent statesman, successful Executive, astute scholar, capable general, the Father of his Country, ex-surveyor, soldier, author, beloved character, already belonging to the ages, the idol of his fellow men, undaunted by insurmountable tasks with the young Republic, must have possessed a deep feeling of gratitude for the assistance of his friend, General Lafayette, of France. He surely could yet feel the hot breath of the tyrant King of Britain at the point of his defending sword. His heart surely beat in sympathy to the fallen dead in the battles of the

Revolution that set his countrymen free. He surely yet had dammed up inside his magnanimous heart the pity, the compassion for the men who left their bloody footprints at Valley Forge because a tyrant stalked upon our shores.

He must have sensed the stirring hearts of grateful freemen, anxious to pay their debt of gratitude to their benefactor, France. He must have felt the personal ties of love that existed between his countrymen and France.

He loved Lafayette and France none the less because he loved his countrymen more. With the price of liberty, the happy hearts of freemen in a great republic seared deep in his soul, he issued the first neutrality proclamation of these United States of America. The observance of the rules laid down in these few short phrases commanded conduct of the American people so that we avoided that war.

Bear in mind that the first neutrality proclamation was issued by the President under his constitutional authority after war had broken out between France, England, and several European countries.

In the House of Representatives an arms embargo was attached to the Bloom neutrality bill. It is claimed that the arms embargo will be a green light for Hitler and Mussolini to carry on a new European war. Obviously the State Department in approving the Bloom bill without the arms embargo must have meant to leave the door open for shipments of munitions to one side of a great mortal conflict anticipated in Europe.

The American people wanted a bill that would provide for our taking no sides in that proposed conflict.

Any neutrality legislation gives wide and extra constitutional powers to the President, and the people of the United States are already afraid of the bias and the prejudice of the present holder of that office. They have listened to the statements of this President. They have listened to the address of the President before the Seventy-Sixth Congress on January 4 where he virtually invited us to join a holy war. They have listened to his Chicago quarantine speech. Laying this President's statements by the side of the proclamation of neutrality of George Washington, the people do not feel that this President bears the armor of peace in his soul.

Americans look to neutrality legislation to curb the power of any biased officer because they well know that threats demand a backing of force.

What are the constitutional powers of the President that Congress cannot make illegal?

Executive power is lodged by the Constitution in the President of the United States.

The function of managing the foreign relations may be classified into two distinct branches:

First: The power of intercourse, intercommunication, and negotiation.

Second: The power of entering into formal or binding international compacts.

The second power is shared by the President with the Senate, but the former belongs exclusively to the President.

The President is the sole organ of the Nation in its external relations and its sole representative with foreign nations.

The act creating the Department of State in 1789 was an exception to the acts creating other departments of the Government. From the beginning the Senate has never assumed the right to direct or control it, except as to clearly define statutory matters not connected with the conduct of our foreign relations.

The President possesses the whole power of initiating and formulating the foreign policy of the Government.

We have seen the President exercise that power freely. He may refuse to give us any information as to what his foreign policy is. The President, through the State Department, has the exclusive channel of communication between this country and foreign nations. Agents of foreign countries rely upon his word and rely upon Congress to back up its agent.

The President is bound in diplomatic correspondence to discuss the proper construction of treaties. He must formulate the foreign policy of our Government. He must state our attitude upon questions constantly arising.

The people of America do not want the President to commit us to any combination of foreign powers who by treaties and pacts duly consummated among themselves, may bind us by their conduct and alliance, by political intrigue on the happening of a certain event that they have provided for, that we should go to war.

The President possesses the initiative in foreign affairs. He cannot conclude a treaty with a foreign power without the consent of the Senate, but he may secretly guide every step of diplomacy. He can initiate and formulate such foreign policies as he may deem proper, and virtually commit Congress and the country to their execution.

Policies leading to disturb relations with foreign countries and even endangering the peace and safety of the country have been adopted at the will of the Executive.

In 1826 President Adams was about to send representatives to the Panama Congress. Several Senators opposed him because our very taking part would involve us in "entangling alliances" and incur the risk of war with Spain.

No matter what action the Senate or Congress might have taken President Adams still could have constitutionally provided for such a mission on his own authority.

This affair illustrates that the President alone has the power to decide upon a certain diplomatic policy such as this mission presented. It was his exclusive power to determine if the consequences would involve the peace and safety of this country.

The Virginius incident in 1873, the Venezuelan affair in 1895, President Wilson's Mexican situation, illustrate the power of the President both to bring on and to avert diplomatic crises. The Monroe Doctrine, the annexation of Texas, the Mexican War, the Alabama claims settlement, the acquisition of the Panama Canal, the "big stick" doctrine, our entrance into the War with Germany show the Executive leadership in the field of foreign relations.

The President, through this exclusive control of diplomatic intercourse, holds in his keeping the peace and safety of the United States.

It has been suggested by some newspaper circles, and denied by the President, that the President suggested a conference on the high seas between the United States, Italy, Germany, and other European powers.

Whether we have neutrality legislation or not if the President wants to meet upon the high seas with Hitler, Mussolini, Chamberlain, Daladier, or Kaiser Wilhelm, that neutrality legislation will never stop him. He can commit us to war and neutrality legislation will be of as little value as a bucket brigade in the Chicago fire.

Has anyone ever disputed the President's power to recognize the belligerency or independence of new states and governments? Has anyone questioned his right to protect the Czechoslovakian Embassy in the city of Washington against the orders of the German Government?

In 150 years of our constitutional government recognition has always been extended as the exclusive act of the President. New states come into existence often by revolution from an existing state. Recognition is a normal act provided the new community has won its contest and successfully maintained its separate existence and independence, but a proper recognition and a premature recognition are entirely two different things. The President of the United States again can commit us to war, and neutrality legislation will not help one iota.

In 1817 President Monroe, sympathetic with the cause of South American provinces, declined to recognize these new states until he was satisfied that Spain would not resent the act with war.

President Jackson was extremely cautious about a premature recognition of Texas.

The power of recognition belongs to the President. How easily that power may involve us into serious complications with foreign nations when the maps are changed again in Europe.

The President has power to receive and send accredited envoys and the power to withdraw the diplomatic representatives at his pleasure, or dismiss representatives of foreign powers. Suppose he recalls our Ambassadors to England and France. How long can we stay neutral with all news of the conduct of England and France coming through German and Italian diplomatic channels were they at war?

Let us remember that trans-Atlantic cables from the United States to Germany were cut before we declared war against her.

Will proposed neutrality legislation stop a President of the United States who is intent upon placing his bid in power politics in foreign alliances from exercising this power in such a way as to produce an immediate incident with foreign nations?

The President has publicly spoken that he would use methods short of war.

The people of the United States want their President to divorce his personal bias in favor of one group of nations as against another group of nations, as Washington divorced his love of Lafayette and France from the well-being and the peaceable continuity of the Republic of the United States.

The people of America want only a simple, forward, honest neutrality proclamation enforced by the Chief Executive of the United States, as was the neutrality proclamation of the Father of our Country.

The people of the United States resent open letters to foreign governments over affairs that have our personal sympathy and compassion but which are none of our national business. They resent notes of protest from our State Department that infer our personal biases and prejudices.

The people of America resent military flourishes that shadow totalitarian state receptions to indicate our friendship for or against certain sides in a proposed mortal conflict.

The American people await a judicious, carefully guided, sober proclamation of a President of the United States that will guarantee our independence from foreign entanglements.

Share of the National Debt and the New Deal Debt Apportioned by Counties in the State of Massachusetts

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EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. MARTIN of Massachusetts. Mr. Speaker, the following statement shows what Massachusetts' share of national

debt and of New Deal debt will be on June 30, 1940, broken down by counties, according to Budget for which we are now appropriating.

The 1930 United States Census figures were used for the apportionment.

The New Deal debt is that part of national debt incurred from March 4, 1933, to June 30, 1940.

	Population	Assessed valuation of real and personal property Jan. 1, 1938	Share of national debt on per capita basis	Percent of assessed valuation	Share of New Deal debt on per capita basis	Percent of assessed valuation
Massachusetts	4,249,614	$6,243,408,930	$1,538,360,268	24.6	$815,925,888	13.0
COUNTIES						
Barnstable	32,305	99,164,916	11,694,410	11.7	6,202,560	6.3
Berkshire	120,700	139,340,723	43,693,400	31.4	23,174,400	16.6
Bristol	354,590	339,404,032	131,981,580	38.9	70,001,280	20.6
Dukes	4,953	17,286,776	1,792,986	10.4	950,976	5.5
Essex	498,040	623,255,453	180,290,480	29.0	95,623,680	15.3
Franklin	49,612	64,078,691	17,959,544	28.0	9,525,504	14.9
Hampden	335,496	481,284,511	121,449,552	25.3	64,415,232	13.4
Hampshire	72,801	72,779,457	26,353,962	36.2	13,977,792	19.2
Middlesex	934,924	1,336,912,345	338,442,488	25.3	179,505,468	13.4
Nantucket	3,678	12,180,950	1,331,436	10.9	706,176	5.8
Norfolk	299,426	609,818,777	108,392,212	17.8	57,489,792	9.4
Plymouth	162,311	243,051,511	58,756,582	24.2	31,173,712	12.8
Suffolk	879,536	1,662,226,800	318,392,032	19.2	168,870,912	10.2
Worcester	491,242	542,623,988	177,829,604	32.8	94,318,464	17.4

Hatch Bill Opposed by White House

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. BENDER. Mr. Speaker, Senator HATCH, of New Mexico, has been recorded as surprised by the favorable response to his proposed elimination of politics from W. P. A. activities. The thousands of newspaper editorials which have offered their support to the Senator's measure have created an issue which can no longer be ignored.

Nor can the sources of opposition to the Hatch bill be dismissed lightly. It is strange to those who have not thoroughly analyzed the inner workings of the New Deal to find that the Hatch bill is not a favorite with the White House. Rumors leaking out of the Nation's Capital indicate that the President finds fault with the efforts of Congress to eliminate politics from the tremendously diversified activities of our W. P. A.

At the instigation of leaders high in the councils of the administration, the House Judiciary Committee was compelled to revise the Hatch bill drastically, eliminating many of its most rigorous safeguards against corruption in relief. As passed by the Senate, the measure banned all administrative employees of the Government from taking an active part in political campaigns or political management. The House committee struck this vital provision from the proposal.

Senator HATCH was moved to protest violently against this elimination. He took the floor of the upper chamber to declare:

The committee's action kills and destroys that vital part of the bill which seeks to ban pernicious political activity of Federal employees. It has destroyed the substance of the entire bill with relation to the political activity of Federal employees generally. This action of the committee presents an open, direct, and positive challenge to the leadership of the Democratic Party. That leadership, having openly declared in favor of those objectives now is confronted with the opportunity of writing its professed beliefs into law. The issue is clear-cut. It cannot be met by any claim of defective language. Hiding behind so-called imperfections of language cannot excuse or justify the emasculation of the substance of the measure.

Shall Federal employees be permitted to engage in political activities?

Senator HATCH inquired.

Shall they continue to control and dominate conventions? That is the issue. It is definitely drawn. Their challenge must be met. Let it be met openly. If the objectives are to be killed, let them die honorably. Let not faith in the purposes of the bill be betrayed by objections to form of language or structure of words. The further progress of the bill will be watched with interest.

Senator HATCH's protest cannot be brushed aside. The Nation is entitled to a definite statement of policy. If W. P. A. workers are to be coerced through subtle influences, if their freedom of choice is to be restricted by the frequently expressed opinions of their supervisors, if corrupt political organizations are to dominate relief agencies, as they have been proven to dominate them in Kentucky, New Mexico, Pennsylvania, and Louisiana, the electorate of our Nation must understand the consequences. If we are to continue to sanction an administrative policy of "tax and tax, spend and spend, elect and elect," the Hatch bill should be defeated. If we are interested in removing corruption from relief policies, the Hatch bill must be restored to its original strength—and passed by Congress.

The White House opposition is deeply significant. Despite its claims to lily white purity, it is still vitally concerned with the placement of its adherents in posts where they may influence thousands of voters. There can be no doubt that this influence frequently borders on coercion and intimidation. Where these cannot be proven, the factor of fear enters to determine voting records. The Nation will not tolerate a plan by which its independence is utterly undermined.

We know why the Federal administration opposes the Hatch bill. Its reasons make its passage, in vigorous form, all the more imperative.

Veterans' Legislation

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

DIGEST OF CHANGES MADE BY SENATE FINANCE COMMITTEE IN H. R. 5452, WHICH PASSED THE HOUSE MAY 1, 1939

Mr. ALEXANDER. Mr. Speaker, the Senate has made several important changes in the very excellent bills—H. R. 5452 and 2296—which the House had passed earlier in the session. By our action Monday of this week we voted to accept these changes, not because we liked them, but in order to eliminate the possibility of a pocket veto of this needed legislation.

In order to present these changes in a clear and concise form, I submit the following digest of the effect of the Senate changes and their meaning:

1. Would provide that if a man dies from a non-service-connected disability and has a service-connected disability of any degree—even less than 10 percent—his widow and dependents would be eligible for benefits just as though his percentage was 10 or more percent. In other words, this bill, as amended by the Senate, does not benefit the veteran but provides for his widow and dependents.

2. Would provide an increase from $22 to $30 per month for the widow of a compensable man who dies from any cause, and for a widow and one child $38 per month, with the present rate of $4 per month for each additional child.

3. The law would be amended so as to make the changes conform with other sections of the amended bill.

It is estimated that 2,900 new cases would be brought in under amendments 1, 2, and 3, at an annual cost of $1,268,000, and that there would be increases to 14,850 widows already on the rolls at an annual cost of $1,426,000.

4. Would provide for the hospitalization and domiciliary care of retired officers and enlisted men of the Army, Navy, Marine Corps,

and Coast Guard who served during the war period on a parity with other war veterans.

It is estimated 140 officers and men would be affected by this provision, at an annual cost of $37,700.

5. Would raise rates of death compensation to dependents of World War veterans whose death is due to service as follows: Widow under 50 years of age, 38; and a widow aged 50 years or over, $45 per month. This would be an increase over the Public, 304 rates of $8 per month for a widow under 50 years, and $7.50 for a widow 50 to 65 years. It would effectuate no change in the rates payable for children or dependent parents. The total amount of compensation which would be payable to widow, child, or children is changed from $75 as it appears in Public law 304 to $83 (the House bill provides $82.50), such increase conforming with the increases in rates to widows. The section further would change the limitation contained in Public Law No. 304 with reference to receipt of insurance payments, to eliminate United States Government life (converted) insurance from the limitation.

It is estimated that these increases would affect 27,800 widows at an annual cost of $2,628,000.

6. Would raise the present statutory award for anatomical loss or the loss of the use of one hand or one foot or one eye from $25 to $35 per month. This allowance is in addition to other benefits the veteran may be entitled to.

It is estimated that this will affect 9,000 World War and 240 Spanish War veterans, at an annual cost of $1,113,000.

7. Would reduce interest charges on loans secured by liens on Government insurance from 6 to 5 percent.

The second bill reported by the Senate Finance Committee would restore to the compensation rolls veterans who were on the rolls March 19, 1933, suffering from paralysis, paresis, or blindness, or who are helpless or bedridden. As in the cases of service connection under statutory presumption, compensation to these misconduct cases would be at a rate of 75 percent of what is paid in directly service-connected cases. Widows and children in misconduct cases in which the veteran has died since the Economy Act or in cases of misconduct in which the veteran dies in the future would be granted the same allowances as go to widows and children of compensable veterans who die from causes other than those for which compensated.

It is estimated that 1,100 veterans would be restored to the rolls under this bill, at a cost of $1,198,000.

Monopoly, the Real Danger to American Freedom, 1776 and Now

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ADDRESS BY HON. CLYDE T. ELLIS, OF ARKANSAS, JULY 4, 1939

Mr. ELLIS. Mr. Speaker, by unanimous consent granted me by the House, I insert in the record an address which I delivered at Springdale, Ark., July 4:

Mr. Chairman and friends of northwest Arkansas, it would be useless for me to attempt to express my sincere appreciation for the high honor paid me by your invitation to deliver this address. I know of nothing that could be more fitting than that the American Legion should sponsor a program of this kind. Those boys who compose the Legion, whether they went overseas or not, tasted the very same hardships and fought to end the same kind of tyrannical aggression that our forefathers tasted and fought for during the American Revolution. No other organization in America has done more in the past two decades for the cause of peace than has the Legion. To them must go much credit for the prevailing sentiment throughout the States against our becoming involved in foreign entanglements. I join with you, the great mass of America, in bidding these boys godspeed in their efforts.

I have come to you to talk plainly on a few subjects. I sincerely hope that no one will be offended because I have chosen this occasion to discuss some controversial matters. I hope no one will interpret anything I shall have to say as political, for I assure you that I shall tackle no proposition but that has both support and opposition in both of the two major parties. It is impossible to discuss the cause of freedom today without pointing out specifically some of the danger signals and it is the duty of every true American, especially on occasions of this nature, to cooperate to the fullest extent in assisting his fellow man to avoid any of the shackles that may be planted in his path.

HISTORY OF THE DECLARATION

Today we have again assembled to celebrate our country's birthday—to pay tribute to those brave and noble members of the Continental Congress who, in the face of marching British Armies, dared to affix their signatures to what fortunately turned out to be a nation's birth certificate, but which might easily have been their own death certificate.

No other great world power has a definite birthday.

It was 163 years ago this July 4 that the Congress met for the second consecutive day to consider and debate the four-page portfolio document which a young, almost unheard-of country lawyer from Virginia by the name of Thomas Jefferson had laid before them.

THE PICTURE ON JULY 4

That we may more fully understand and appreciate the significance of what happened, let us for a moment recall and repaint the picture as they saw it.

Already the war was on. Washington had taken command. Lexington and Concord and even Bunker Hill were history by more than a year. Already everybody throughout the Colonies was reading and talking of Thomas Paine's little pamphlet Common Sense, which clearly stated the American position and arrived at the inevitable conclusion of independence. Already on May 15 Virginia had instructed the introduction of Richard Henry Lee's resolution of June 7 declaring the independence of the States and renouncing all allegiance to Great Britain.

On June 11 a five-man committee had been appointed to draft a suitable declaration on recommendation on the Lee resolution. Lee himself having been called home by the serious illness of his wife, another Virginian—for Virginia, the largest of the Colonies, had assumed the lead—Jefferson, had been assigned to the committee along with Benjamin Franklin, John Adams, and two others who had ignored their assignment.

Who should draft it? Franklin was the most important man in Congress but he had been sick with the gout. Adams had refused because, he said, he had become too "obnoxious" by his clamor for independence. So they had wished the job off on the 33-year-old Jefferson who had been in Congress only a year, and whom Adams later said that he not until that time heard utter three consecutive sentences.

DECLARATION IS DRAFTED AND PASSED

Although what Jefferson considered more important duties had consumed most of his time he had managed to work at his new task a little while early mornings. At last, and with rare judgment and clever literary skill he had amalgamated "the essence and some of the form of three already existing documents": (1) An article from the Virginia Gazette; (2) a paper which he himself had already prepared hoping to get it incorporated into the Virginia Constitution; and (3) the Lee resolution which he had copied word for word.

Then Jefferson had rolled up the four sheets and taken them first to the 72-year-old Dr. Franklin. Franklin in his own hand had interlined five small changes. Then he had gone to Adams and he had written in two more.

It was in the Gazette that Jefferson had found a statement from the Virginia Bill of Rights which he and Franklin had polished into one of the world's most famous pronouncements:

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness."

How well it would behoove us even today to again revive and reemphasize that great philosophy.

On July 2 the Lee resolution had passed and the next day the Congress began consideration of Jefferson's work of art. To this and to that various Members objected, but Adams always was on his feet in able defense. Jefferson sat helpless, watching the 60 Members in powdered wigs and pigtails mopping their brows and fighting flies, for the weather was hot and the little tormentors from a near-by livery stable were playing havoc with the Members' silk-stockinged legs. Jefferson figured the weather and the flies were on his side.

Among the old letters of John Adams I find one which he wrote to his wife on that first night, July 3, and in it these words:

"Yesterday the greatest question was decided which ever was debated in America; and a greater perhaps never was nor will be decided among men. A resolution (by Lee) was passed without one dissenting Colony that these united Colonies are, and of right ought to be, free and independent States."

Early in the afternoon of the next day, Thursday, July 4, came the climax. Only a few changes had been made—mostly by striking. The eliminations included a bitter denunciation of King George III for engaging in the slave trade among the Colonies and a reference to the King sending over "Scotch and foreign mercenaries to evade and destroy us."

A resolution of adoption was then offered and passed unanimously. The new draft was printed and copies sent throughout the Colonies. On July 8 it was first publicly proclaimed in the statehouse yard in Philadelphia. At noon, by the summons of what now is known as the Liberty Bell, the people were called into mass assembly and the Declaration read. There was wild rejoicing and the ringing of bells continued far into the night—so late that Adams complained about it keeping him awake.

A new nation was born.

Jefferson is supposed to have later explained to Franklin that the reason he was not invited to draft the Declaration of Independence was that they were afraid he could not refrain from putting a joke into it and the Declaration was serious business.

THE DOCUMENT

Jefferson packed this original manuscript away and carried it off to his home in Virginia, where it lay among his files untouched for 47 years "before the country suddenly awoke to the fact that the Declaration of Independence was an imperishable state paper."

At long last, and while he still lived, Jefferson began to receive the acclaim justly due him. I can see him yet, now more than 80, sitting yonder in the shade of the great manse of Monticello, penniless but happy, as once again the newspapers carry "Jefferson" and the "Declaration" in headlines. I can see him proudly fish out once more that little document and deliver it over to his Government to be enshrined forever as one of the masterpieces of the hand of man. And then I can see him once more pick up that old goose-quill pen and feebly revise the wording which he himself had designed for his own tombstone and include therein the words, "Author of the Declaration of Independence."

(Both the original rough draft and the signed copy may be seen today in the Library of Congress.)

And incidentally this recalls one of the strangest coincidences of all time. Of the 56 signers of the Declaration only two of them later became President—Jefferson and Adams—the one who wrote it and the other who steered it through the Congress, and both of these great intellects died on the same day, the 4th of July 1826, the fiftieth anniversary of, as they styled it, "The Unanimous Declaration of the Thirteen United States of America."

THE REVOLUTION—MONOPOLY

Following the signing of the Declaration on August 2 came a great war, for the British would not be convinced. To them it was an economic struggle, their theory being that the colonies existed only for the benefit of the homeland, but to the States it was both economic and political, the American theory being that the people have certain inalienable rights, among which is that they shall have a voice in their own Government. However, both these rights and a flourishing one-sided British trade could not exist simultaneously. One must yield to the other.

The British Crown had merely echoed the voice of the big trading companies. They had in effect driven him to their own destruction, for with the surrender of Cornwallis came the end of their ruthless economic conquest. And with the surrender of Cornwallis and the beginning of a government "of the people, by the people, and for the people" came also agonizing reverberations of the trembling of all the monarchies of the earth.

Neither before nor since, from the dawn of civilization to the present, has there been written such a precious chapter in the constant struggle of common man for his individual freedom and right to happiness. So irresistible was its force that even France and Great Britain soon took their places alongside the United States in the sisterhood of democracies. British Kings learned fast after George III; learned to respect these "inalienable" rights—learned even to respect these early American heroes, for only a few days ago at Mount Vernon we witnessed the almost unbelievable spectacle of King George VI, great-great-great-grandson of George III, laying a wreath on the tomb of Washington.

A NEW ACCOUNTING—NEW DECLARATION

The Declaration was chiefly an accounting—a statement of present deficits in human rights, together with a statement of future balances to be used as the yardstick. Had there been no deficits, there would have been no Declaration.

We of today have accepted this measurement of human standards to the extent that we, too, will fight to retain them. But there is serious doubt whether we have accepted the theory that an accounting is always in order to determine the true status of these rights.

The second paragraph of the Declaration was not only the heart of that document but is the heart of our Constitution and the heart of our system of government. I quote again for emphasis: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness," and that governments derive their just powers from the consent of the governed. It is not out of order that we stand for a little accounting here this afternoon.

AS BETWEEN THE NATIONS

We think in terms of associations, anyway, so let's first do a little balancing as between the nations:

LIBERTIES

Rights of freedom of speech and of assembly and the right to govern ourselves are yet supreme in America. This is not true among the six other major powers, except in the two democracies, Great Britain and France. In Germany, Italy, Russia, and Japan human liberties have practically been trampled to an irreducible minimum.

So on the side of liberty we show a sizable balance.

PEACE

Let's see where we stand as compared with the six other major powers in our hopes for continued peace. Germany, Italy, and Japan are armed to the hilt and have lost all sense of honor as measured by our yardstick of inalienable rights. Their conduct may mean war for their helpless people any day. France and England are being forced to speed armed preparedness in self-defense. Their people, too, must be ready for the worst any moment. America knows no such fear. Only Russia is safe from conquest, and that only by her isolation. But she, too, would likely be drawn into a continental war.

The economic strain in preparation for war occasioned by the European crisis is terrific.

On this side of the Atlantic there is little danger of aggression. We don't know what it means to fortify a boundary or a port.

So on the ledger sheet of peace we score another huge balance.

ECONOMICALLY

Where do we stand economically? A few simple comparisons tell the story best. For instance, we have 52 percent of the world's supply of coal, 48 percent of the world's supply of oil, and the major minerals in about the same proportion.

In all the world there are only 47,000,000 automobiles, and we have 33,000,000 of them.

In all the world there are 38,000,000 telephones, and we have more than 19,000,000 of them.

In all the world there are 55,000,000 radios, and we have 27,000,000 of them.

By every standard yet devised we are by far the richest and most prosperous of all the countries.

So, as a nation we show overwhelming balances on the side of freedom, safety, and economic security.

AS AMONG OURSELVES

But within our own borders who is free, who is safe, and who is rich? As we have set one nation off as against another, let's now do a little offsetting within.

DEFICITS

First let us examine some of our deficits. Let us see if our national household looks as good to us from within as it looks to some of our neighbors from without.

UNEMPLOYMENT—THE LABORER

Over in the producer's column, the column of labor, we find one man out of four, of those ready, willing, and able to work, unemployed. Worse still he or someone in his place has been unemployed for 10 years. And there are those, those who own the household, who complain if the Government attempts to assist this helpless member of our family and yet who tell him in the same breath, "No; I can't give you anything to do."

In fairness it should be noted that there are approximately as many people employed as in 1929, 33,017,000 as of May this year outside of agriculture, but as people have gone back to work our population has grown and the number of employables has increased; but 13,000,000 men and women unemployed, representing families totaling 40,000,000 needy and destitute red-blooded Americans, hoping against hope—a sizeable nation within itself—constitutes a danger far more serious than any threat of European war; possibly more serious even than war itself. No other major power has so serious an unemployment problem.

It matters not what the cause, whether it be replacement of men by machinery, technocracy, or the curse of monopoly, or what, the condition is enough to challenge the best thought of the land and to stir all men to action.

Admitting that our tangible frontiers are gone, are we willing to admit that we are a static Nation?

THE FARMER

Let us glance for a moment at the American farmer. Conceding that his condition is many times improved over a few years ago, thanks mostly to Government loans, Government subsidies, and Government spending, we must admit it is still bad. Experts have taken as a base the price of farm commodities during the years 1909 to 1914 and have compared those prices with the things he had to buy then, and they call that 100 percent, or parity. But today the prices on what he has to sell are only 79 percent of parity, meaning, of course, that to live as he is entitled to live he must "go in the hole" every year. His capital, if he has any left, including his farm, is still diminishing.

The unemployment situation and the farm situation together have stifled production. You notice you don't hear the term "overproduction" any more; it is now "underconsumption."

CAUSES—MONOPOLIES

Why must all this be? What is the cause?

PACKER, TEXTILE, AND RAILROAD MONOPOLIES

Can it be accident or even the result of the law of supply and demand, for instance, that choice hogs were quoted this morning in each of three great markets of Chicago, St. Louis, and Kansas City as of yesterday's markets at around 7.40 cents, that choice steers were quoted at or near 10 cents, and that this happens every morning of the year?

Can it be accident that all the creameries quoted butterfat today at 18 cents and broilers at 16 cents?

No, indeed. Swift and Armour and a few other big corporations control the monopoly, and they tell you for what price you shall sell your livestock, and then turn right around and tell the consumer what he shall pay for the meat. The profit that once went to the farmer, and that ought to go to him now, goes to the Packing Trust.

Suppose you go down here to a store and spend a dollar of your hog money for a shirt manufactured in St. Louis of Arkansas cotton. The Arkansas farmer, according to figures furnished me by the Bureau of Agricultural Economics, received for the cotton in it approximately 6 cents. Cotton prices are held down by still other monopolies. Who got the rest? Your merchant got a little—very little, perhaps a dime. The jobber may have gotten a nickel. But that still leaves 79 cents. Well, the railroads hauled the cotton

and they hauled the shirt. But the manufacturer got most of it, after paying labor a little. Who owns and controls the big factories? The same people generally who own the packing monopoly. They get you going and coming.

The same people generally also own and control the railroads. And herein lies the secret of our abominable freight-rate structure. These are the same people generally who own and control the industrial Northeast, and naturally they are interested in creating and maintaining any possible advantages for that section. This may help to explain why, if it costs $2, for instance, for a factory in South Bend, Ind., to ship a plow to a farmer here at Springdale, it would cost the farmer here, not $2, but $3.50 to ship the same plow back to the factory over the same road.

In a thousand different ways the process goes on and on, continually sapping the South and West of its purchasing power, and thereby reducing the rest of us to a state of economic slavery.

THE POWER TRUST

One of the most intolerable of American monopolies is the Power Trust with all of its pyramided holding companies.

A few years ago, when the first power lines were constructed, electricity was considered more or less of a luxury. It was all right then to grant an exclusive franchise without limiting the price. But today by our present standards electricty is an essential and every man is entitled to have it in his home at a price that he can afford. But that is not the condition. On the contrary, we find the power monopoly in most every section of the country charging the people about three times what they should be charged for current. Particularly is this true in the South. Representative JOHN RANKIN, who, along with Senator NORRIS, is recognized as the best authority on the power issue, has often stated that, by comparison with the T. V. A. yardstick, consumers of electricity are being overcharged $6,000,000 a year in Arkansas—$6,470,500 in 1937—and $1,000,000,000 a year in the United States.

And right here I want to pause to pay tribute to the Northwest Arkansas Times, of Fayetteville, for its far-sighted editorial contribution to the cause of cheap power in its June 22 edition entitled "Cheaper Rates." I quote from the column:

"In every section where electric power is cheap there has followed a great industrial development and increase in wealth. There are certain sections of the country, notably the big industrial sections, controlled by big businesses that want no more industrial expansion. They therefore fight cheaper electric rates in other sections."

That's the point exactly and the Times deserves the salute of every true patriot. It has fired another volley in the never-ending Battle of Lexington. For who owns and controls the Power Trust?—the same people who own and control the other monopolies of the Northeast. Oh, some will say the people everywhere own the stock. Yes, a little of it; but do they ever vote it? No, indeed. Those once in control vote it, vote themselves huge salaries and perpetuate themselves in office and vote the policies of the companies and the high prices which you pay. Check their boards of directors and you will find the same men on the power boards, the packing-house boards, the railroad boards, and the boards of the other great monopolies—all one network of economic dictators.

The day is at hand when we of the South must rise up as one and put a stop to these blood transfusions to the Northeast.

There must be some reason why America, so far ahead in everything else, should be so far behind in the use of electricity. Today the farm homes of France, of Germany, of Norway, Sweden, and Denmark are 90 percent electrified. The farm homes of Holland and Switzerland are practically 100 percent electrified. The farm homes of New Zealand, a sparsely settled country, are 65 percent electrified. But the farm homes of this great, rich United States are only 15 percent electrified and were barely over 10 percent before the advent of Government-sponsored rural electrification. The trouble is all in the rates, another glaring example of big business unwilling to be satisfied with reasonable profits.

INSTANCES—THE NORTHWEST

It is common knowledge that the great Northwest today is prosperous. This is due to no small extent by its low power rates. The big cities are generating their own power. The city of Tacoma, for instance, with a 110,000 population, has an investment of $26,953,292.51 in its power system. All but $4,563,000 of that has been paid off and by 1951 the city will have it all paid. Now what are its rates? The residential consumer pays for the first 20 kilowatt-hours 4.5 cents per hour but after he goes beyond the 20 hours the current costs him only 1 cent per hour, and after he goes beyond 420 hours it costs him only ½ cent per hour. There is a minimum charge of 50 cents per month. This is even lower than the T. V. A. rate. Now, mind you, Tacoma is producing its own power from a great power dam of its own construction. It will suffice to say that these rates average about one-third of the Arkansas rate. Commercial and industrial rates are in about the same proportion.

MONOPOLY ON AN ISLAND

Suppose we have an island of 10,000 families, each with an average capital of $1,000. It is a typical American community except there is no contact with the outside world. One man owns and controls all the manufacturing plants and fixes the prices, not only on what he has to sell but of the raw products which the people produce. Suppose he taken all the profit and each of the families comes out with $100 less capital at the end of each year. In 10 years it is all gone, gone to the one capitalist and industrialist. The families can no longer purchase and of course can no longer consume. There are no new frontiers. The industrialist must lay off his employees and there is chaos. He refuses to reduce prices and he is afraid to reinvest.

Roughly this has been what has been happening to us, especially during the last half-century. Already it is estimated that 4 percent of the American people own and control 80 percent of our wealth and that 5 percent of the corporations own 85 percent of all our corporate wealth.

WHAT IS FREEDOM?

The American people today are propounding the question of whether these inalienable rights include merely rights of speech and of franchise or whether they really include also the right to live, to "life." Just as the democracies are on trial throughout the world in the courts of public opinion, so also is our capitalistic system on trial in America. All of us hope, of course, that it can be saved, but it cannot survive and continue to employ the tactics of King George III and his trading companies.

BALANCES

Now that we have examined the column of man-made deficits in our economic structure let's look for a moment at the man-made balances. For indeed the horizon is not all dark. Let us examine for a moment our internal balance sheet. America has usually been able to prosper in spite of these great handicaps. Possibly it can again.

NEW DEAL

The theory of the present administration has been to assist principally through a vast program of spending and of internal building. Applying the theory to the island, we find the Government saying there is enough wealth on this island for everybody to have an income and enjoy some of the advantages of our modern civilization; and if you, Mr. Capitalist, are not going to reinvest back with the people the money you got from them, we will levy taxes against you and turn the money back to the masses through a public-works and lending program. But the taxes aren't enough. So the Government says, "Well, we can stand more public debt than we have, so we will just issue bonds for the rest of it; and, of course, you, Mr. Capitalist, will buy them, because you want the interest." Suffering is temporarily abated. But the capitalist still refuses to reduce his prices and take a reasonable profit. So the whole thing must be done all over again tomorrow and tomorrow. Only that part of the program which has added to the permanent wealth will be of more than temporary value. And if the system itself remains unchecked, the same capitalist will eventually get all the money back that the Government spends, just as he did the first time. Would he then not own all the money and the Government debt, too? Could he then be taxed to pay himself off? This, of course, is arguing the point to the extreme, but it does emphasize the problems.

One notable example of internal Government building which strikes at the throat of monopoly is the vast flood-control, power, and reclamation program. It was begun by Teddy Roosevelt with the building of the Roosevelt Dam on Salt River in Arizona. It was given new impetus by the construction of Coolidge and Boulder Dams during the Coolidge and Hoover administrations. It has reached its peak of development during this administration in such projects as the T. V. A., Grand Coulee, Bonneville, Fort Peck, and even the Grand River project, which is within an hour's drive from here.

Through this program it is hoped that we can stop the rapid rush of our soil to the sea which is going at the rate of 200, 40-acre farms every 24 hours. It is hoped that we can make the rivers navigable just as far as possible and develop their recreational possibilities; and last, but not least, it is hoped that we can develop all of the Nation's water power as it is needed and thus conserve for future generations some of the other natural resources that are future generations some of the other natural resources that are going into the development of power. We would all much prefer that power lines, especially on the distribution end, remain in the hands of private owners if they would give us reasonable rates, but this they must do and they must serve all of the people, else their fate will be the fate of the British trading companies.

RURAL ELECTRIFICATION ADMINISTRATION AND NORFORK

Within the next few days we will celebrate here in Washington and Benton Counties the inauguration of a vast rural-electrification program, developing a field that should have long ago been developed by the power companies. It is a great step forward. We have worked out during the present session of Congress the beginning of the development of the White River and it is now certain that within 1 year actual construction will start on the Norfork Dam to our east. This will give us the cheap power that is needed for these lines and the cheap power that is needed by our people in the cities if prices don't come down.

OTHER PROGRAMS

The Government is also endeavoring through vast other programs to assist both the laborer, the farmer, and the little-business man, although we of the South don't agree with all of the methods employed, to earn his loaf of bread and then to get it when he has earned it. The Soil Conservation Service, the Farm Security Administration, the C. C. C., the N. Y. A., the P. W. A., and the W. P. A. are all further examples of governmental efforts designed to restore and reestablish an impoverished people. Certain other efforts, notably the social-security program, have been dismal failures thus far. But they are the beginning and something feasible will no doubt ultimately be worked out.

CONCLUSION

In conclusion, friends, and thanking you many thousands from all over the district for the honor which you pay to me by your very presence here, I would quote you from Thomas Paine's Common Sense of more than a century and a half ago, wherein he said:

"Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it."

And so we today through our contribution to public sentiment, through the ballot, and through our chosen representatives, each and every one of us can do a great service both to ourselves and to humanity by keeping alive the never-ending battle for freedom, freedom from both political and economic suppression, and by never yielding from this yardstick of inalienable rights so magnificently portrayed in the Declaration of Independence.

Rear Admiral Mark L. Bristol

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ARTICLE BY LEWIS HECK

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article, which appeared in the July 1939 issue of the American Foreign Service Journal, written by Mr. Lewis Heck in tribute to the memory of the late Rear Admiral Mark L. Bristol:

[From the American Foreign Service Journal of July 1939]

"High Commissioner. Rear Admiral Mark L. Bristol, U. S. N., August 12, 1919." These brief words in the State Department Register have a particular significance for all who had the privilege of coming into contact with the admiral and Mrs. Bristol during their years in Turkey. The record shows the outstanding nature of the admiral's naval career, but only those who saw him at his diplomatic task from day to day, in a period of great stress and change, can fully appreciate what it meant to both the United States and Turkey to have a man of his caliber at the helm of those troubled years.

The Ottoman Empire was in ruins, and present Turkey was in the throes of emerging from them; rivalries were bitter and acute; other conflicting aspirations rendered any sort of neutral attitude next to impossible; the struggle in South Russia had its repercussions on the shores of the Bosphorus; a new war began between Turkey and Greece; a peace had to be made which fundamentally altered the special situation that had existed for several centuries between the Ottoman Empire and the other powers; a majority in the United States Senate was long hostile to approving any treaty with the new Turkish Republic; and Americans as well as other foreign nationals in Turkey had to become reconciled and finally accustomed to their new status without the enjoyment of the extraterritorial privileges of the capitulations. New Turkey also began, in his days, to undergo the deep reaching changes in its national ways of living which have led to such magnificent results.

In all of his manifold tasks, as the commander of the considerable force of naval destroyers based for several years on Istanbul; as the chief diplomatic representative of the United States; as the protector and guide of the many Americans established or operating in Turkey and elsewhere in the Near East, who included some hundreds of Near East Relief and American Red Cross workers in addition to all the others; as the wise advisor of the Turkish leaders, who knew that while they might have to meet his justifiable criticisms they could count upon his sincere and sympathetic councils; as a fellow naval officer and diplomatic colleague; and most of all as a friend, the admiral unfailingly displayed the characteristics of his warm heart and clear-thinking judgment which endeared him to so wide a circle of Americans, Turks, and others of many nationalities and enabled him to represent his country with so great a measure of success. Rarely does a man of such force of character and determination, make so few enemies—if any did not come to love the admiral they could not help but respect him. It is significant that a man of such outstanding fighting qualities as the admiral should have been president of the American Peace Society at the time of his death, for it exemplifies the widely human range of his many interests in life.

Mark Lambert Bristol was born at Glassboro, N. J., on April 17, 1868. On May 19, 1889, he became an ensign in the Navy, attaining the rank of captain July 1, 1913. At the end of the World War he was in command of the United States naval base at Plymouth, England, and after serving as a member of the Armistice Commission in Belgium in November 1918, was ordered to Istanbul in January 1919 in charge of the United States naval detachment in the eastern Mediterranean. Appointed High Commissioner August 12, 1919, and later given the rank of Ambassador, he served in that capacity until 1927, and then for 2 years was in command of the Asiatic Fleet. He retired May 1, 1932, and resided at his home in Washington, 1621 Massachusetts Avenue, until his death. On June 1, 1908, he married Helen Beverly Moore, of Mobile, who survives him. In addition to many other activities since his retirement, Admiral Bristol took an active part in the raising of funds for the American Hospital in Istanbul, and was to have made a trip to Turkey this coming autumn for the inauguration of its new building.

In addition to his diplomatic duties in Turkey, Admiral Bristol was also called upon while in Far Eastern waters, both in the earlier years of the World War and again in 1927–29, to make use of his real ability for dealing with difficult international situations, and his services in that part of the world were only second in value to his better known achievements in the Near East.

Allowances for Veterans' Administration Employees

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 1939

LETTER FROM THE ADMINISTRATOR OF VETERANS' AFFAIRS

Mr. CASE of South Dakota. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Administrator of Veterans' Affairs:

VETERANS' ADMINISTRATION,
WASHINGTON, *July 11, 1939.*

Hon. FRANCIS CASE,
House of Representatives, Washington, D. C.

MY DEAR MR. CASE: This will acknowledge receipt of your letter dated July 5, referring to the matter of allowances for employees, namely, quarters, subsistence, and laundry, with particular regard to making adjustments that would afford relief from charges.

As you know, the Veterans' Administration is interested in instituting policies and in promulgating instructions that will promote better employment conditions.

The optional feature of allowances, as far as employees are concerned, has been given a great deal of study, our objective being to provide for such to the extent permissible. It is considered, however, that the occupancy of quarters should be required to a certain extent. This is not peculiar to facilities of the Veterans' Administration where the nature of operations has caused provision to be made for quartering employees on the station. All of this is understood by an employee at the time he accepts employment with allowances as part of the contract of employment. Nevertheless, it is understood that adjustment will be made as time permits and to the extent provided for.

Effective July 1 employees assigned to nonhousekeeping quarters, who maintain homes in the vicinity of the station for persons wholly dependent upon them, could have the advantage of adjustments, relieving them of the charges for allowances, upon their request. For those in certain positions, however, 40 percent will be required to have quarters assigned to them. According to policy previously in effect 50 percent of the employees in these positions have been subject to this requirement.

In effecting changes under this new policy those who are classified as food handlers will not be relieved of the charge for subsistence, but only for the charge for quarters and also for laundry, if this is provided. It is not felt there is a basis for changing our policy in this respect; it is believed that food handlers should be charged for subsistence. This is the policy followed and accepted in other Government institutions and also in outside institutions.

Further action, however, may provide for changes in the classification of food handlers, which subject is having continued study.

As for the charges for allowances, it is considered that they are equitable. For instance, the rates of $22.50 and $27.50 a month apply to subsistence, for three meals a day with cafeteria and waiter service, respectively. However, as in the past, rates are constantly studied with a view to determine if there should be a revision. In this matter the actual costs are not taken into consideration alone; for instance, besides the actual cost of food, there are service costs, such as preparation and serving of the food, that enter into the charge for subsistence.

It is hoped that the above statements explain satisfactorily the questions that have been raised. I appreciate your interest in the entire subject of allowances, and I will be glad to note your interest in connection with any consideration given the matter.

Very truly yours,

FRANK T. HINES, *Administrator.*

American Freedom—Still Our Most Precious Heritage

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

RADIO ADDRESS BY HON. GEORGE H. BENDER, OF OHIO, JULY 3, 1939

Mr. BENDER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address recently delivered by me over the radio:

Ladies and gentlemen, most of us have forgotten the meaning of the Fourth of July in the pleasant sounds of exploding firecrackers.

Yet the Fourth of July is the greatest national holiday in the American calendar. It is a magnificent day in the history of a civilization which has no equal anywhere in the face of the globe. Though it rain in the prairies, though it storm along the Atlantic, the Fourth of July is still magnificent. For nothing can destroy the enthusiasm and hope which are synonymous with an American freedom.

For the last decade, it has become fashionable for pseudo liberals to laugh at those of us who choose to "wave the flag." We have been derided and mimicked by young men who regard themselves as superior to the feeling of patriotism. But on the Fourth of July, no American, no matter what may be his racial origin, no matter what may be his political views, can escape the truth that he is proud of the United States of America in the year of 1939.

We have our problems. We have our troubles; and it would be a foolish man who sought to minimize their importance. For the last 10 years we have been passing through a series of tremendous economic catastrophes. They have taxed our strength. They have cost us billions in terms of dollars. No one knows how much they have cost us in terms of human suffering. Yet we know that the spirit of America has not wavered in the face of the blows we have received. There is still present in our land the courage, the bravery, the energy, and the loyalty which have made this Nation of ours the greatest in human history.

Look about you in the world today. Everywhere we see darkness and chaos. In Asia savage warfare rages on unknown fronts. The soldiers of Japan make war upon those who are their brothers in blood, skin, and even in their basic cultures. On the borders of bleak and barren Mongolia, Russians battle fiercely in unannounced struggles with the warriors of the Mikado. In the Balkans farmers tend their flocks and look fearfully toward the skies for enemy bombers which may spring from the clouds without a moment's warning. Central Europe is a tinder box, ready to burst into flame at any instant. Danzigers walk the streets with mouths closed, not knowing who may be an enemy tomorrow. The Polish Corridor is alive with bristling bayonets; and the armed machines of Germany and France stare at each other from the doubtful shelters of their Siegfried and Maginot lines. In every town and hamlet of the British countryside young boys and girls are practicing the sickening art of gas drills. Old men and women time their speed in reaching the frightful protection of bomb-proof dugouts. The world has gone mad with fright. Men and women no longer reason in terms of human progress across the seas. They have abandoned all pretense of creating human values which will endure beyond the next day's newspaper. Everyone is tense. Men keep on going, moving about like robots, refusing to think of what the morrow may bring.

It is a harrowing picture. And it is not enough that we in America say to ourselves, "Thank God that we live here in our own country." We are fortunate. We are grateful to Providence for the privilege of living within the protective arms of our great country. But we must learn from the experience of those less lucky than ourselves the lessons of preparedness.

This Fourth of July must be a day of rededication. It must be a day when all the citizens of America rise to their feet to reaffirm their loyalty to the traditions which have made this land of ours what it is. As we look across the seas, we know that it is that we have retained in these United States which our fellow nations have lost. More than any other people on earth, we are free. We are free to think, to act, to speak, to write, to do as we choose to a greater extent than any other band of men living in our generation. Of course we are bound by the necessities of life. We must work. We must earn our livelihoods. We must take orders—all of us, from the wealthiest landowner in the Nation to the humblest worker, must take our orders. In that sense, no man is free. But in the right of freedom of expression, we are more wealthy than the owner of the richest factory in all Europe.

Both of our great political parties have accepted as basic, certain fundamental principles. To Republican and Democrat alike, the Bill of Rights is sacred ground. So long as America remains worthy of its name, those rights guaranteed by our Constitution will continue to remain inviolate. When once a political party challenges the validity of our basic freedom, this Nation will cease to be America.

But by the grace of God, we trust and pray that our people will never alter the human guaranties which form our most precious heritage—freedom for all men.

Our people face a danger on this Fourth of July in the year 1939. Everywhere in the world, the poison of hatred which has fouled the air of Europe and Asia is pervading the atmosphere. True Americans must fight this disease. Whether it call itself fascism or communism, whether it take the form of Berlin or Leningrad, despotism and tyranny are still the same. They crush the human soul. They destroy books, art, music. And with the death of all that has been so painfully created by the minds of men since the dawn of culture, there dies the spark of human kindness which makes life worth the living.

Here in our own Nation we have constructed a household reared upon freedom and anchored in the firm granite of tolerance—tolerance to all men who love our country; tolerance to all men who come to us seeking the right to live in peace and happiness. Live and let live in America means, live and help live. Perhaps we are idealists in this great and abundant land. But our ideals are not the barren abstract ideals of the philosopher. We seek to practice them in the daily activities of our lives.

Those ideals are under fire today. Yet, to me, they remain the most noble element of our American civilization. We must labor to rebuild them, to reaffirm them, to train a new generation which will understand them and revere them as did our fathers and their fathers before them.

Education is the safeguard of democracy, now and forever. It is our solemn duty to educate the rising generation to a realization of the meaning of this democracy. It is not enough to teach the glib externals of American citizenship. Our boys and girls may recite with quick fluency the "names and numbers" of the principal actors in the national drama. We must not, we dare not, stop at this, if we are to preserve the democratic system which we love. Our children, and their children to follow them, must understand the meaning of American idealism. It is our task to convince them that human life is not cheap; to make them understand that each of us, no matter what may be his color, his creed, or his origin, stands in the sight of America as a human being worthy of all that life has to offer. The right to life, liberty, and the pursuit of happiness must not be roughly dismissed by our Nation, if it is to remain the citadel of man's freedom when we are gone.

To the fathers and mothers of today, there comes the opportunity to play a glorious role in the determination of the future. We are destined to aid the process of restoring inspiration to American history. This generation, with its growing temptation to rely upon others for assistance, needs more Abraham Lincolns. We need young men and women who will see visions, who will discover new frontiers of science, research, and invention.

The New Deal, for the past 6 years and more, has destroyed the incentive of our people. Republicans are not alone in their assertion, that huge segments of our population have been pauperized by the program created at Washington. Social workers, who come into daily contact with thousands of families each year, will testify to the creation of a new attitude of shiftless indifference in thousands of young people. They have come to tell us, "Why look for work. I know I can't find any. I'll sit home and let the Government take care of me. If they refuse, we'll vote those who oppose us out of office. We'll put in men who will do what we tell them."

There can be no future for a nation afflicted with this mortal disease of self-destruction. Happily there are in our country millions more who refuse to resign themselves to this fate. They know that if they take heart, if they will it, we shall once more become a nation of busy factories, tremendous industries, the America of tomorrow.

On this Fourth of July there are idle hands in America. But there are brave and free minds, too. There are minds which recall that the problems we face are problems made by men. We know that our factories are the most productive in the world; that our natural resources from the Atlantic to the Pacific are still a vast reservoir of wealth; that we can produce in abundance. Men have created the problem of unemployment and those problems which men create, men of good will and courage can and will solve.

We must be grateful on this holiday of our freedom that we in America still have the right to make our own decisions on the manner in which we shall meet our problems. No dictator seeks to direct our thoughts. No tyrant writes the editorials which all of us must read. We bend no knee to an arrogant overlord; our

good-byes to our friends still mean "God be with you"—we need not hail the superman.

Perhaps someone in the wisdom of a great genius might be able to solve every human problem with a stroke of the pen. Our Nation is committed to the belief that no one man may be trusted with such powers. We prefer to "muddle through" by our own free will. A great student of government once wrote, "It is better to govern one's self badly than to be governed well by a master. When the master governs well, all is good, but his successor may be evil, and freedom is at an end."

Americans, wherever they may be throughout the world, must rally to their flag on this Fourth of July. Ours is not the cause of oppression; it is not the love of conquest; it is not the will to hate. We have might; we have strength. Within our armies lies the potential force of a resolute Nation of 130,000,000 men, women, boys, and girls who thrill to the sound of America. Our cannons can roar. Our planes can darken the skies with their wings. We glory in our power. But we do not trust ourselves upon the earth with marching armies. Men need not fear us; for America knows her place in the sun.

Today it is our duty to lead the world in reestablishing the lost hopes and ideals of those who gave us our Fourth of July. No call to war sounds in our ears.

This great day brings us before the Nations of the earth pleading with them to consecrate themselves once more, as One greater than ourselves consecrated Himself almost 2,000 years ago, to the brotherhood of man and the Fatherhood of God.

The world has forgotten tolerance, kindness, justice, and love today. In America, we must educate a generation which will grow to stalwart manhood courageously and honorably to teach the world these forgotten truths. Let us thank those who founded this Nation for teaching us to be free men; free men who are still able to free our brothers in other lands; free men who still teach the lessons of American liberty.

Independence Day Ceremonies

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ADDRESS BY MAJ. GEN. HUGH A. DRUM, UNITED STATES ARMY

Mr. MARTIN J. KENNEDY. Mr. Speaker, each year this celebration is sponsored by the Society of Tammany and is the outstanding patriotic celebration of its kind in the United States. On the occasion of this celebration we find assembled outstanding figures in the religious, civil, military, and public life of the community paying tribute to the Society of Tammany, in addition to their brilliant speeches on the traditions of Independence Day and the patriotism of our people. This year, before a large and enthusiastic audience, the following address was delivered by one of our distinguished military officers:

ADDRESS BY MAJ. GEN. HUGH A. DRUM, UNITED STATES ARMY

In the history of our country, Independence Day, General Washington, and national defense have become synonymous terms. They exemplify a fundamental national policy in a metaphorical sense for General Washington not only led the forces which secured our independence, but placed in our Constitution, and advocated thereafter, the basic principles of national defenses, which have always appealed to the farseeing of our citizens. The duty of all citizens to participate in the common defense of the Nation, and adequate provisions for standing armed forces with reserves of munitions, and the maintenance of military training schools were embraced in General Washington's primary doctrines for the security of the Nation. Consequently, it is a pleasure and honor for me to represent the national-defense phase in your celebration of the one hundred and sixty-third anniversary of Independence Day and of the inauguration of General Washington.

The basic conceptions of the Society of Tammany or Columbian Order have accorded with General Washington's policy of national defense. Your organization has responded in a specially high degree to all defense demands of the Nation and you have fostered and protected the national principles which insured our people the liberties won by the Revolutionary War and later embodied in our Constitution. The early members of your society fought for these causes and handed down a heritage in this respect which the society has always cherished and maintained. Therefore, there is little need for me to discuss with this audience the cause of national defense. You appreciate its value and necessity. However, in these days of international turmoil—when some nations seek conquest by force, and others are on the brink of war—it is well for us to reflect on Washington's teachings and take stock of our national-defense goods or forces.

During the Revolutionary War some 400,000 men were called to the defense of the Colonies; yet the largest army ever available for Washington's command numbered 17,000. Washington said, "There is every reason to believe that the war has been prolonged on this account. Had we kept a permanent Army on foot, the enemy could have had nothing to hope for, and in all probability would have been willing to come to terms long since."

In 1812 over 500,000 men were mustered into and rapidly out of the American Army, yet the new Republic was barely able to avoid national disaster at the hands of some 20,000 British regulars.

In the two foregoing instances, the short terms for which soldiers were enlisted prevented their becoming trained, and, consequently, they were not effective against the enemy. No well-trained and soundly organized army has anything to fear from a poorly organized and inadequately trained force, regardless of its size. You have but to analyze our Revolutionary and War of 1812 forces, in comparison with the opposition of the Chinese Army against Japanese aggression, and you will realize the truth of this conclusion.

Prior to our entry into the World War, reliable authorities advocated organizing an army of 500,000, claiming the existence of such a force would surely keep us out of the war. Eventually we mustered about 4,000,000 men and suffered great losses.

Notwithstanding our oral acceptance of Washington's advice, advance preparation for defense has always been neglected in the hope that our desire for and the cause of peace would prevail. In the international situation today, involving the creation of the largest armed forces ever known, we are face to face with this same old national-defense question, will we organize and strengthen our defenses in the hope of preventing our involvement in war, or will we, as in the past, drift along with a weakness that invites war? Wisdom and experience of the past have led the administration to face this question, and this Congress has authorized funds for marked improvements in our armed forces. Let us discuss briefly the nature and adequacy of the improvement contemplated by these authorizations.

In the beginning, let us recognize these basic factors which influence our defense considerations: First, our problem is peculiar unto itself and has no parallel in Europe or Asia; and, second, while the main reliance for defense is the manhood of a nation, the munitions of war have been greatly improved since the World War and will play more important roles in another war—they require a more highly trained and skilled military personnel and a greater production capacity than in the past.

In the former consideration we should realize that modern communications and war weapons have destroyed the isolation we enjoyed in the past. While the Atlantic and Pacific are still serious barriers, the modern airplane and fast surface vessels of today have diminished these advantages and drawn us in closer contact with possible enemies. At the same time, those great water barriers resolve our defense requirements into more definite approaches in comparison to those faced by the land-locked nations of Europe and Asia. Therefore, we should not be too prone to adopt blindly foreign solutions and methods, rather to solve this problem in the light of our own peculiar situation.

On the other hand, modern communications and weapons, especially the airplane, have antiquated our old conception to the effect that our defenses can be limited to our shore lines and borders. The field of operations, the area of defense, has greatly broadened and must now be measured by the radius of action of the modern military airplane if we are to prevent serious bombardment of our cities, and so forth.

Germany, Russia, France, Italy, and England, in Europe, and Russia and Japan in Asia are within short air range of each other. Whereas under present airplane development a hostile air force of any of these nations is incapable of reaching us without first securing an air base within the range of a combat military airplane, say, a maximum of 1,200 miles, or approaching our shores in airplane carriers or other forms of floating aviation bases.

However, in the light of recent aviation developments, such possibilities present serious problems in our defense considerations. With 1,200 miles as a radius, draw on your maps arcs of a circle, centering one in western Alaska, one in Hawaii, one in Panama, one in Puerto Rico, and one in our northern and one in our southern Atlantic coasts. You may, then, visualize the possibilities of hostile land air bases.

In these respects, then, are found the fundamental reasons for an important change in our conception of the defense requirements of the Nation. We must discard the old theory of shore line and border defense and accept as our first concern the problem of denying to an enemy land for air bases within operating range of our shores and borders and of preventing airplane carriers approaching within similar range. Failure to provide the forces and means to meet these requirements will expose our people and property to untold hardships and losses and seriously handicap our war industries and the creation of larger armed forces.

However, in considering this situation do not be misled into believing that the airplane alone will defeat this Nation, nor any other nation that is able to put a trained and well-equipped army in the field.

This broader field of defense operations is too complicated for a comprehensive discussion in these remarks. A general picture of a solution is all that I will attempt.

In the first place, an efficient fleet and an adequate Army air force provided with outlying bases in Alaska, Hawaii, Panama, and Puerto Rico, and bases in the North and South Atlantic States, all well defended by an active Army, are essential. These forces would be capable of operating jointly in either ocean. Moreover, the Army air force should be available for operations in one ocean when the fleet is engaged in the other while it is in transit through the Panama Canal. At the same time we must recognize the inherent inability of fleets and air forces to seize and hold land areas. This limitation demands that a well-trained and completely equipped field force be constantly in existence and immediately available to seize and hold any sea, air, or land base from which hostile forces can operate against us. The speed of modern war does not afford time to organize such forces after hostilities are begun. They must be available in peace, well trained and equipped for immediate action. The additional land forces should be Regular Army troops, ready to fight at the "drop of a hat."

Back of these outer defense units there are required forces essential for local interior defense to meet hostile raids—hit-and-run attacks along the shore and borders—antiaircraft and coast-defense units and mobile ground-army elements, composed mainly of National Guard units.

The forces just enumerated are the minimum essential for the initial phase of defense. Under the cover and delaying action afforded by outer defense units, time may be gained for the creation of such larger forces as the special situation may demand. The Organized Reserves will here come into play, provided our industries are tuned to the production of adequate supplies and equipment.

In the last few years, especially this year, such progress has been made in meeting the material-defense requirements enumerated. Our fleet is in excellent shape. Available funds and authorities exist for a suitable expansion of the Army Air Corps, which may be culminated in the next 2 years. Funds have been made available for storage of essential raw materials and to develop industrial mobilization. More modern weapons for the ground army are being produced and the defenses of outlying bases are to be improved, while the National Guard is being supplied additional men and weapons to round out its combat organization. Bear in mind, however, that except for the fleet, most of these improvements have just been started and can hardly be accomplished under 2 years.

These are real advances and reflect great credit on the administration which has had the foresight to get them under way. However, a further step is required to provide the ground forces in the Regular Army, well organized and trained and immediately available, which will be essential to supplement the other outer defense units in denying an enemy land areas from which his air forces may operate against our mainland. The nonexistence of a well-organized and trained Regular Army field force for this purpose is our greatest weakness in this scheme for outer defense units—our primary defense forces.

Potentially, the United States is the most powerful nation in the world. The Army has potential soldiers of high intelligence. The Nation leads the world in industrial efficiency. We are virtually, though not completely, assured an independent source of essential raw materials. If all national-defense plans aim toward securing supplies to arm and equip our potential manpower, and we are given the opportunity to properly train these men, then we stand among the great military powers of the world. To realize this potential, the critical items of munitions must be available in times of peace and men thoroughly trained in their uses. Adequate reserve supplies available from an industry educated in peacetime to the requirements of an emergency, while essential to adequate national defense, are of no avail unless placed in the hands of trained men, led by skilled leaders.

In the air, on the ground, the Nation needs, and should plan to secure, the essential requirements for adequate national defense. These plans should accept one criterion which establishes the general principle of all defense needs. That criterion is—there can be no substitute for security. The principles of American security are established in the basic law of the Constitution. I quote from that document: "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessing of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

Above all other reasons, which support our need for adequate preparedness, stands this definition of our concept of government. And with this purpose no citizen can find just complaint. Within the framework of the Constitution the Supreme Court has announced a far-reaching interpretation of the relations between each American citizen and his Government.

I quote from an opinion rendered by Mr. Justice Butler: "Government, Federal and State, each in its own sphere, owes a duty to the people within its jurisdiction to preserve itself in adequate strength to maintain peace and order and to assure the just enforcement of law. And every citizen owes the reciprocal duty, according to his capacity, to support and defend government against all enemies."

And at no time in our history has the need for mutual understanding of these reciprocal obligations between our citizens and our Government been more evident than it is today. If we are to preserve our democracy, these obligations must be willingly accepted. If we are to have the privilege of immunity from the havoc of war, we must accept the responsibilities to provide adequately for our national defense.

Standing as we do today upon the eminence of 163 years of the growth of our Nation, we can look back the way we have come and see now more plainly than ever before the significance of Independence Day in 1776. The Declaration of Independence changed the front of the universe and set the torch of liberty so far in advance of tyranny that on our shores it shall never be extinguished. Our children are heirs to all that the victory of independence has secured. As we go up the slope of centuries the richer becomes this inheritance. As members of the great American community it is our patriotic duty to appreciate, guard, and defend the heritage that our fathers won and our children shall inherit.

Neutrality and Immigration

EXTENSION OF REMARKS

OF

HON. A. LEONARD ALLEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ADDRESS OF STEPHEN F. CHADWICK, NATIONAL COMMANDER OF THE AMERICAN LEGION, BEFORE DEPARTMENT CONVENTION, SUMMER OF 1939

Mr. ALLEN of Louisiana. Mr. Speaker, the veterans who went to Europe and saw the animosities and hatreds that have been engendered there by over a thousand years of fighting over boundary disputes, minority questions, and similar issues came back determined that America should not again take part in such. These men fully realize that we need less of Europe's troubles, and they are therefore well prepared to speak upon such paramount questions as neutrality and immigration. We should have strict neutrality to keep the United States out of Europe and we should have fewer immigrants from Europe to keep Europe out of the United States.

Under leave to extend my remarks, I quote below a portion of an address by Hon. Stephen F. Chadwick, national commander of the American Legion, delivered at the Twenty-first Annual Convention of the Louisiana Department, American Legion, held at Alexandria, La., on June 16, 1939, on the questions of neutrality and immigration:

My comrades of the American Legion, ahead of me there is the opportunity and the privilege of visiting some 15 of the department conventions before many of us will meet again in Chicago for what I hope may be one of the greatest patriotic demonstrations the United States has ever seen.

By vote of the delegates of this department, and happily by vote of the delegates of all departments of the American Legion, which practically became an acclamation, I was given last fall the serious responsibility of leading the American Legion in one of the most significant years, I think, of its existence. We met in Los Angeles at a time when disaster had struck in the New England States. We met at a time when, in the Old World, Germany was moving upon Czechoslovakia—at a time when persecution was rife in some parts of the Old World. It was then that the thought was suggested that Great Britain might be giving up its mandate in Palestine—a time when the force of the American Legion was sought to be enlisted by many of our own citizens to assert itself on one side or the other side of some of the great problems of the day.

The American Legion, however, followed a different course than that which was suggested by the advocates of intervention on one side or the other. The Legion was imbued with the ideas essential to the perpetuity of this America of ours, and one of them was the idea expressed in our determination to follow the wisdom of our fathers given to us by our first President, George Washington, and given again to us by President Monroe, when he pronounced the doctrine that we have come to know as the Monroe Doctrine, containing as it does two important implications. One was that, as our fathers had come to this continent to establish a new nation, conceived in liberty, we wanted none of the Old World's interference with either our ideologies, philosophies, or even our boundary disputes. Part and parcel of that doctrine, an essential implication of it, was our desire to have Europe avoid interference with the American continents.

We told Europe that we would not concern ourselves with their age-old disputes over boundary lines and political ideologies. The American Legion consists very largely of men who have seen foreign

service—very largely of men who went into a war imbued with a great thought given them by a great leader—"a war to end war" and "to make the world safe for democracy."

In that war, injecting ourselves, if you please, to a degree into the affairs of Europe, we discovered that we could not drive our political philosophies down the throats of other peoples by the bayonet. We entered the war primarily because our rights upon the high seas had been transcended, and we gave a good account of ourselves. But the broader concepts that we took to Europe were lost in the rivalries that existed around the peace table, the desire that existed there to hold advantage and to avoid the nineteenth clause of what was the Versailles Treaty. That clause assured to the nations that they would have an opportunity to come and sit down and readjust any mistakes that might have followed as a result of the peace which was written at Versailles.

We saw those struggles going on. We came home, and we have sought to tell the American children just what these children who appeared before us a short time ago have told us. We sought to tell them of the greatness of America, and how it might continue to be a Nation living in peace if it would not concern itself with Old World problems, ideologies, struggles, and strifes, that have been going on for 2,000 years.

We on this continent have demonstrated that people of every race, religious concept, and circumstances of birth can live together in peace. If we have failed in our demonstration of that fact, then there is only one resort, and that is to surrender the job to someone who still thinks that he can do a better job of it than we can. We do not subscribe to the thought that there is any individual dictator, that there is any class upon the face of the earth, that can do any better job of it than we, the American people, can and will do.

So we have followed a course this year consistent with our mandates, keeping away from every suggestion that was made that we stick our nose into the affairs of Europe, or undertake to advise the people of Europe. Until, out of appreciation of our example, they can come to our way of life, we elect to preserve it and to be successful right here at home.

The mandates given to me by that national convention in Los Angeles have been the subject of some little dispute in some respects among some of our members. A great body of the American Legion has been substantially unanimous in sustaining and maintaining every one of the mandates given me. There are two, however, which required some discussion. When they have been discussed I have found that even those who thought they differed with the American Legion began to realize the wisdom of our course. I refer particularly to those which concern immigration, and those which concern our opposition to the Ludlow amendment.

OUR POLICY ON IMMIGRATION

Let me first discuss with you the position of the American Legion as it concerns immigration. We came back to this America of ours, forming this great organization, at a time when the country was engaged in its greatest industrial development. We saw that the time was present when many of those who had come to America had failed to grasp our concepts and our ideals; had failed to understand and know the genius of the American system of government. Their hearts and their minds were still in the Old World. They were sending their earnings back to the Old World. They were leaving us to go back there and live in affluence. They saw America only as a gold mine, only as a place where they might pan a pocketful of gold and leave us. We said that we wanted a restriction on immigration, and we accomplished it by a quota basis. We were a vital force in accomplishing that policy.

In 1929 we saw a period when the industrial development apparently had got out of bounds, and thousands upon thousands of men who had enjoyed work over a period of years were thrown out of employment. This was a period of depression. Agricultural prices were down. We were told that there were people living and producing on submarginal lands. We were told that an adjustment of our agricultural population would be required, and we have gone on for almost 10 years with millions of our people unemployed.

During the same period, there have been circumstances in Europe which have torn at the heartstrings of every good American citizen, particularly at the heartstrings of those of us who saw foreign service and know that the apparent heart of the ruler is not the heart of the people themselves.

But we have said that we must take care of our own first. We cannot let down the bars of immigration to this Nation of ours while millions of our people who want to work are out of employment. Whatever the condition of the heart may be, the opportunity has been here for 150 years for people to come to America, and now we find a condition in America where we have to readjust our own situation or democracy may fail because of that gnawing of an empty stomach, which knows no reason.

We were approached with the proposition that we should admit 20,000 refugee children. The thoughts and sympathies of our hearts are with those children. But what is in the proposed solution of their distress? It constitutes an opening wedge to a change in our immigration policy by allowing to a most-favored-nation an opportunity to send to us some of those they desire to be rid of. If we start with one, then we must continue with others. If we start such a movement in this instance, we are some 20 years late.

My mind goes back to the waif children of Russia and of Siberia, who were running the alleys, living out of garbage cans like so many human dogs. There was no similar cry in this country to save them. We must, if we adopt that policy, adopt it out of the great American heart, but can we afford to do it at this time?

We, of the American Legion, have been concerned with the welfare of American children for a period of 17 years. We have been concerned that every American child should have a sound body, and in that body, through education, should have an opportunity to have a sound mind. We know, because of our work that has taken us out to the tar-paper shacks on the garbage dumps of America, that there are thousands of American children who are not having that opportunity today. If those who want to make a public display of their largesse want an opportunity to do it among the American children, let them come to the American Legion, and let us, with our auxiliary, take them and show them the opportunity that exists right here at home to give opportunity to an American child.

Washington, D. C.—Its History, Problems, and Its Future

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ADDRESS BY ROBERT V. FLEMING, OF WASHINGTON, D. C.

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following interesting and informative address delivered by Robert V. Fleming, president of the Riggs National Bank and local civic leader, at the Willard Hotel this afternoon at the District Day program of the Rotary Club of Washington, D. C.:

I am sure you will all agree with me that our president and board of directors have selected a most fitting subject for discussion at today's meeting. The Washington Rotary Club, constituted as it is as a cross section of the outstanding business leaders of this community, has a very vital interest in all things pertaining to the District of Columbia.

There was a time when our city was a small village that it did not occur to those domiciled here to take an active interest or part in the affairs of local government. But as we have grown, and in all probability will continue to grow, being one of the largest cities in the United States—and one of the most important, at this stage of the world's history—it becomes increasingly imperative that all of us take a deep and sincere interest in the affairs of our community. In my judgment, it is particularly appropriate that the Washington Rotary Club, in collaboration with other business organizations, such as the Washington Board of Trade, should have a complete understanding of the formation of our Government and its problems. I am quite sure that an organization such as this, with its mottoes, "Service above self" and "He profits most who serves best," is peculiarly well fitted to take a fair and impartial view of the complex problems which, from time to time, confront a community government such as ours, which has no parallel certainly within the United States and, in all probability, in the world.

You will realize that in the short space of 20 minutes which has been allotted to me it is not possible to do more than give you a brief picture of the District of Columbia, its government, and its problems. Therefore, let us first examine a little of the background of the reason for the creation of the District of Columbia and the location of the Federal city here.

When our Nation was an infant among nations and our Capital was in Philadelphia the pressure from the discontented was so great that it became apparent to President Washington that there should be a Federal city, where the Congress could meet and deliberate without interference from State governments and their residents. So, under the acts of July 16, 1790, and March 3, 1791, the District of Columbia was established by authority of section 8 of the first article of the Constitution of the United States.

Subsequently, on March 30, 1791, arrangements were effected to create the District of Columbia, the States of Maryland and Virginia each ceding certain portions of territory on either side of the Potomac River so that 10 square miles were set aside as the seat of the Federal Government. The landowners dedicated property for streets and avenues and certain additional lots which were sold off by the Federal Government; the proceeds, supplemented by cash grants made by the two States, being used to assist in the erection of the Federal buildings.

An interesting feature of the construction of the Capitol, which will be noted by a visit to the Senate and House Chambers (and which I have been told did not occur by accident) is that no provision was made for windows in these spacious meeting Chambers. This was done so that the Congress in its deliberations would not be distracted or influenced by the shouts and clamor of the mob. Of course, at that time our forefathers did not envision the development of the press, the organized picketing, and the dissemination by telegraph and radio of every piece of news concerning every happening in the Congress such as now takes place.

In 1846 Congress retroceded to Virginia that portion of land which had been ceded by it. The District of Columbia, as now constituted, consists of slightly over 69 square miles, and when water is eliminated, slightly over 60 square miles of territory.

We have had several forms of government. First, we had a mayor, appointed by the President of the United States, and a city council, elected by the people of the city. In 1871 our government was changed to consist of a governor and a legislative assembly, at which time the District had a Delegate in the Congress. However, this latter form of government did not last for long; in fact, but for 3 years.

It was in June 1874 that our present form of government was created, providing for three Commissioners, all appointed by the President, two to be civilians, each with actual residence of 3 years, and one an officer of the United States Army with the rank of captain, or higher grade, having at least 15 years in the Corps of Engineers.

Under our existing form of government the Congress of the United States sits as our legislative body. Up to the present time the Commissioners have enjoyed only limited authority beyond that vested in them by specific acts of the Congress. As we have grown we have found that every move that must be made in the operation and management of this community government first must be submitted to the appropriate committees of Congress. It will be noted at once that this puts an undue burden on the Congress, as well as prevents prompt and efficient functioning on the part of department heads in many matters. Inasmuch as we are the seat of the Federal Government, coordination with its activities is essential, but the gentlemen who serve on these important committees in Congress, in addition to their responsibility for legislating for us, have obligations to their own States and communities.

The difficulties incident to handling even the most minor matters have resulted in surveys being made from time to time to see how this situation might be improved. The Commissioners themselves took the initiative by selecting a group of citizens to serve as the Citizens' Efficiency Committee. Recently that body made a careful study and rendered two reports to the Commissioners, and through the Commissioners to the Congress. Still more recently we have heard of another report, known as the Griffenhagen report. All of these efforts have had for their objective the desire to ascertain whether or not our form of government could be brought to a point where it might function more easily and smoothly while keeping pace with our growth.

One of the principal differences between the report of the Citizens' Efficiency Committee and the Griffinhagen report was the question of the commission form of government as against that of the city-manager type. Under the commission form, in effect here for so many years, we have not been troubled with the difficulties and the unhappy occurrences which have taken place in many other communities in the Nation. Furthermore, the Engineer Commissioners have brought to our government a degree of engineering skill which probably could not be obtained otherwise without tremendously increasing costs, for all of the engineering work is handled by the Engineer Commissioner and his assistants, who are appointed from the Army.

In the Griffinhagen report, as originally presented, the concept was that we should abolish the commission form of government and for it substitute a city-manager form. Let me point out that where city managers are functioning in various cities throughout the United States they are accountable to the city council, which, in turn, is elected by the people of the community. If their services are not adequate or efficient, the people have the right to make changes in the council, and through the council to replace the city manager. Under the original Griffinhagen proposal the city manager, while appointed by the President of the United States, could only be removed for cause, and, therefore, would not in any way come under the supervision of the people whose governmental affairs he would be administering. It has been found throughout our government that it is a good thing to have more than one in deliberation before steps are taken in the management of the affairs of the people.

Both the Citizens' Efficiency Committee's and the Griffinhagen reports agree on quite a few points, such as the departmentization of the local government and the vesting of greater authority in the Commissioners in the handling of affairs, without reference to the Congress except, of course, in connection with certain matters where legislative authority of Congress should not be disturbed.

Having served on the Citizens' Efficiency Committee, I am convinced from the personal study I have made of the situation that we would make a grave mistake to change our commission form of government. I do feel very strongly that the Congress should give the Commissioners broad administrative powers in order that they may adequately and smoothly handle the governmental functioning of a great city like ours.

I see no objection to the proposal that an additional official, such as a business manager, be appointed to assist the Commissioners in coordinating the work of the various departments. The ramifications of government have multiplied and become so complex that this additional official would in all probability increase management efficiency and expedite the handling of local governmental matters.

For quite a few years, in one capacity or another, I have had an opportunity of pretty closely observing the high-grade type and the loyalty of our District officials and department heads. They are a fine group of public servants, and we should lend them all support and assistance and cooperate with them in our common problems.

Respecting some of the problems which confront our community, let me touch briefly upon that involved in the cost of running the local government. To begin with, as the District of Columbia was acquired to provide a home for the Federal Government, industry has been discouraged and our main business is that of supplying necessary goods and services to the local population. Private industries are not only restricted as to admission but edifices constructed for business purposes must conform to limitation designed to preserve the beauty and dignity of the Federal city. This brings about an economic condition quite different from that prevailing in communities where industry and manufacturing is encouraged by every means known to their citizens. It has a distinct bearing upon the ability to take care of the cost of servicing a modern community.

Another factor is the problem of tax-exempt property in the District. All Federal property, of course, is exempt from taxation. On account of its being the seat of the Federal Government, large areas of ground are owned by religious and other eleemosynary institutions which are likewise exempt. I am not questioning the justice of this, but I do point out that our taxable area is limited to begin with, and there is a tendency already on the part of people to seek homes in suburban areas, probably accelerated by good roads and cheap automobiles. Again, this has a bearing on our economic position.

For instance, according to latest figures obtainable, taxable and exempt property in the fiscal year ended June 30, 1938, had a total valuation of approximately $1,983,000,000. Eight hundred and twelve million dollars was exempt from taxation, of which total $649,600,000 was owned by the United States, $62,350,000 was owned by the District of Columbia, and slightly over $100,000,000 was owned by others. The Federal Government has been growing rapidly, and its housing needs have resulted in larger and larger areas being taken from that subject to taxation. In fact the total estimated taxable and exempt property has increased in value from June 30, 1930, to June 30, 1938, but 12 percent, whereas the total exempt property has increased in the same period 38 percent. When you take into consideration that throughout the whole United States the largest source of revenue is derived from taxation of real estate, it will be readily seen what confronts us here.

In 1920 the total appropriations were $20,129,000, and for the fiscal year ended June 30, 1939, $49,150,000. Where does the money come from with which to meet these expenditures? First, we must divide the appropriation into two parts—special funds, in which revenues are segregated to meet expenses, and the general fund, from which all other operating costs of Government must be paid.

The special funds are highway, water, and miscellaneous trust fund appropriations, and while the cost of defraying these activities are all arrived at through taxation, these revenues cannot be diverted to meet the general expenses of the District. Therefore, if we eliminate these special funds, taking the fiscal year 1939 as an illustration, we find that the general fund items amounted to $39,340,000, whereas the special fund items amounted to approximately $9,800,000. Assessed at the rate of $1.75, $20,750,000 is estimated to be realized from real-estate taxes, while receipts from tangible-property tax, levied at the same rate, totaled $1,425,000, and from the intangible personal property tax, $2,875,000; from business-privilege tax, including certain license fees, $2,200,000, and from tax on utilities, banks, building and loan associations, etc., $2,600,000. These are the principal items, the remainder being derived from estate and inheritance taxes, personal tax on motor vehicles, and other miscellaneous sources, plus a Federal payment of $5,000,000 toward defraying the expenses of the District.

A word with respect to the Federal payment. Originally, 50 percent of the expenses of operating the District were borne by the Federal Government; later it was changed to 40 percent, and in recent years it has averaged 18 to 20 percent of the general fund. To be more specific, the Federal payment in 1920 was $9,953,000, when the total appropriations of the general fund were $19,000,000, as contrasted with the $5,000,000 payment against general funds of over $39,000,00 in 1939.

When we talk about repealing certain taxes and substituting others, it should be borne in mind, for instance, that when we repeal the intangible tax and the business-privilege tax about $5,000,000 in revenue must be made up. Therefore, you can see how important it is to hold down expenditures. There are many things we would like to have, but certainly we must live within the limits of our ability to raise money, unless greater sums are appropriated by the Federal Government toward the expenses of the District.

I have heard many people say, "Why can we not get rid of this or that tax"? When we do that, we must find something to substitute for it, and we must be careful that in doing so we do not occasion too great a disturbance to our economy. No type of taxation is pleasing to everyone. Nobody likes to pay taxes. But if we want things and want our community adequately and efficiently serviced, we must all bear our share of the load with, of course, proper help and support from the Federal Government in view of the very reason for the creation of the District of Columbia as the home of the Nation's Government.

We hear a great deal these days about the question of substituting an income tax in lieu of other taxes to be repealed. Again, we must examine the economic position of the District when we talk about imposing an income tax. I am satisfied that Congress does not want to dry up this community by having its people seek residence elsewhere. We have no large industries or manufacturing enterprises from which spring revenues that can be tapped. Our main industry is that of the Federal Government and the servicing of the Federal Government.

Dr. Pond and Mr. Stam in their report to the Congress last January, pointed out clearly the difficulty of raising any appreciable sum from an income tax to be imposed here in the District of Columbia. Let me quote from that report: "The effect of Federal salaries on the distribution of incomes in the District is worthy of note. These salaries are concentrated to an extreme degree around the $2,000 mark. Data on 93,047 full-time, regular, and permanent positions in executive departments in Washington for 1937 indicate that 86 percent receive salaries below $3,000. If the line be drawn at $4,000, the percentage rises to 93. Between $1,200 and $2,700 lie 80 percent of all these employees."

Therefore, we must recognize that should the Congress determine to eliminate certain taxes and substitute an income tax in the District of Columbia (apparently not desiring to give consideration to a sales tax, which Dr. Pond and Mr. Stam believe to be an ideal form of taxation for this community, supplemented by an income tax) only a very moderate amount can be raised from this source without occasioning grave consequences to the Federal City and its growth and development.

I have tried to give you a picture of some of the problems confronting this community. Many individuals and organizations, being greatly interested in their particular project (and I say this without criticism) in making appeals to the Congress for appropriations apparently have not examined the entire economic picture and structure before making such requests.

Expenditures must be held down, otherwise the city which we all love so much, and of which every American should be proud, is bound to run into problems which will be very difficult of solution. Our existing problems and those which unquestionably face us in the future are many, but with the proper cooperation between our citizens and the Congress of the United States, I am confident the growth and development of the Nation's Capital will continue.

I am sure that each and every one of you experiences the same feeling I do whenever I arrive in Union Station on my return to the city, and start for my office or my home. It is a feeling of great satisfaction to be once more back in my native city.

W. P. A. Salaries

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ARTICLES AND EDITORIALS FROM THE FORT WAYNE (IND.) NEWS SENTINEL

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newspaper articles and an editorial from the Fort Wayne (Ind.) News-Sentinel, which are self-explanatory:

[From the Fort Wayne (Ind.) News-Sentinel of May 10, 1939]

MARTIN AND GILLIE DEMAND WORKS PROGRESS ADMINISTRATION PAY-ROLL LIST

WASHINGTON, D. C., May 10.—Representative JOSEPH W. MARTIN, Jr., House minority leader, and Representative GEORGE W. GILLIE, Fort Wayne, joined yesterday in demanding on the floor of the House that "the high salaries in Works Progress Administration" be made public.

Speaking in support of a resolution which would force Col. F. C. Harrington, Works Progress Administrator, to withdraw the veil of secrecy surrounding the salaries of Works Progress Administration officials, Representative MARTIN charged that the Works Progress Administration "fairly reeks with inefficiency, corruption, scandalous waste, and un-Americanism."

Taking the floor a moment later, Representative GILLIE asserted that it was "difficult to believe that information of this type, which should be available to the elected representatives of the people, is being withheld by officials of the Works Progress Administration."

Gillie's resolution was referred to the House Committee on Appropriations, which is conducting a widespread investigation of Works Progress Administration activities.

The resolution was inspired by Colonel Harrington's refusal to make public the names of noncertified Works Progress Administration employees in the Fort Wayne district for the reason that "such information subjects the individuals concerned to embarrassment."

[From the Fort Wayne (Ind.) News-Sentinel of July 5, 1939]

VICTORY FOR GILLIE

WASHINGTON, D. C., July 5.—A victory in his fight to force the Works Progress Administration to make public the salaries of W. P. A. bosses has been scored by Representative GEORGE W. GILLIE, Fort Wayne Republican.

Through the combined efforts of Representative GILLIE, Senator RUSH HOLT, West Virginia Democrat, and Representative JOSEPH MARTIN, Jr., House minority leader, a provision was written into the 1939 relief bill compelling the W. P. A. Administrator to reveal the names, addresses, and salaries of all relief bosses earning more than $1,000 a year.

Representative GILLIE first called attention to the fact that such information was being withheld several weeks ago when he introduced a resolution in Congress providing that the salaries of noncertified W. P. A. employees be made public.

The Fort Wayne Congressman had drafted the resolution after Administrator F. C. Harrington refused to supply him with such a list for the Fourth Indiana District on the grounds that it would "subject the individuals concerned to embarrassment."

The resolution was endorsed by Representative MARTIN, House Republican leader, and was included in the relief bill which the President signed June 30.

The salary lists are expected to be made public within the next month.

[Washington newspaper dispatch of July 10, 1939]

SALARIES OF W. P. A. BOSSES BARED

WASHINGTON, D. C., July 10.—While thousands of needy and hungry W. P. A. workers, many with large families, are being discharged from $50-a-month jobs in Indiana because of "insufficient funds," an army of 700 political bosses remains on the pay rolls at salaries totaling around a million dollars a year, according to official W. P. A. figures made public for the first time this week.

Thirty-three of these lucky relief bosses, who share in the juicy political plums scattered throughout the Indiana pay-roll lists, receive salaries of between $3,000 and $8,000 a year. Their average monthly check is about $300—approximately six times as much as the rank-and-file W. P. A. worker receives on a project.

More than 150 of these relief elite, who owe their jobs to political pull, receive pay of $2,000 a year or more.

Three hundred and forty-four draw an aggregate salary of $685,000 a year—or enough to keep 13,700 W. P. A. workers on the job, and off the dole for 30 days, or feed and clothe more than 1,000 W. P. A. families for a year.

SALARIES LISTED

It is interesting to note that in Indiana, which has played a prominent part in the series of State W. P. A. scandals, the juiciest plums were distributed in Indianapolis, stronghold of the McNutt-Minton-Townsend political machine.

Here are a few of the salaries paid to Indianapolis officials:

John K. Jennings, administrator, $8,000; Stanton T. Bryan, deputy administrator, $4,800; Martin K. Madden, director of finance, $4,800; Raymond L. Pike, director of operations, $4,500; Edmund H. Kassing, assistant director of finance, $4,200, and Mildred E. Schmitt, State director, $3,900.

In addition, four Indiana W. P. A. officials receive salaries of $3,600; 1, $3,400; 8, $3,300; 1, $3,200, 3, $3,100, and 10, $3,000.

The salary list was made public only after a long fight in Congress which culminated last week when a provision was placed in the 1939 relief bill forcing the W. P. A. Administrator to publish the names, salaries, and voting addresses of all relief bosses earning more than $1,000 a year.

[From the Fort Wayne News-Sentinel]

SOFT JOBS FOR POLITICAL FAVORITES

That sustained W. P. A. employment of the needy is not incompatible with reduced relief appropriations is well evidenced by Representative CHARLES A. HALLECK'S listing of Indiana W. P. A. employees receiving salaries of $100 a month, or more, as of June 1, 1939. He shows, from Government records, that $685,160 a year is distributed among 344 political favorites running the W. P. A. show in this State, the average salary amounting to $166 a month, a goodly number receiving $275 a month, and not a few receiv-

ing from $300 to $400 a month. The same situation prevails all over the country. And yet when Republicans vote for reduced expenditures, the political masters of the W. P. A. high command answer, not by cutting the pay of their darlings in the fat jobs but by dishing out handfuls of "403" lay-off slips to the destitute rank and file.

Analysis of H. R. 5452

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

LETTER FROM CAPT. THOMAS KIRBY

Mrs. ROGERS of Massachusetts. Mr. Speaker, under the leave to extend my remarks in the RECORD, I am delighted to present the following letter I have received from Capt. Thomas Kirby, national legislative chairman, Disabled American Veterans of the World War. Captain Kirby is always so helpful in making these analyses of veterans' measures. He is always on the job. His long experience in veterans' legislation makes such an analysis a document worth preserving. I was disappointed that the House bill did not go further in its provisions, and my first thought was that it should go to conference, but with adjournment impending it is perhaps better to accept what has been passed, rather than risk a Presidential veto or perhaps deferred action until the next session. Personally, I would like to see Congress stay in session all summer, so that important measures like this one and the neutrality bill might be given the consideration and thought to which they are entitled.

JULY 10, 1939.

The Honorable EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

MY DEAR MRS. ROGERS: This complies with your request that I furnish you with an analysis of H. R. 5452 as passed by the House, amended by the Senate, with the House today concurring in the Senate amendments and with the expectation that the bill as amended will meet with White House approval.

It is estimated that the bill as passed today will bring direct benefits to approximately 55,000 veterans and their dependents at an annual cost to the beneficiaries of $6,500,000.

The broadest section of the original House bill which was eliminated by the Senate would have granted 10 percent compensation to about 85,000 men with recorded wounds but whose disabilities were too slight to entitle them to compensation. However, the bill as passed today grants the dependents of any man with a service-connected disability of even less than 10-percent benefits, regardless of the cause of death. While, of course, there will be no official interpretation of this measure until after it has actually become a law, it would seem that practically all of the tens of thousands of slightly wounded men will be entitled to at least 1-percent disability. Therefore, one of the effects of today's bill would be to grant dependency allowances to the widows and children of slightly wounded men, regardless of the cause of the veteran's death.

Our digest of the law follows:

1. Would provide that if a man died from a non-service-connected disability and has a service-connected disability of any degree—even less than 10 percent—his widow and dependents would be eligible for benefits just as though his percentage was 10 percent or more.

2. Would provide an increase from $22 to $30 per month for the widow of a compensable man who dies from any cause and for a widow and one child $38 per month, with the present rate of $4 per month for each additional child.

3. The law would be amended so as to make the changes conform with other sections of the amended bill.

It is estimated that 2,900 new cases would be brought in under amendments 1, 2, and 3 at an annual cost of $1,268,000 and that there would be increases to 14,850 widows already on the rolls at an annual cost of $1,426,000.

4. Would provide for the hospitalization and domiciliary care of retired officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard who served during the war period on a parity with other war veterans.

It is estimated 140 officers and men would be affected by this provision at an annual cost of $37,700.

5. Would raise rates of death compensation to dependents of World War veterans whose death is due to service, as follows:

Widows under 50 years of age $38, and a widow aged 50 years or over $45 per month. This would be an increase over the Public 304 rates of $8 per month for a widow under 50 years, and $7.50 for a widow 50 to 65 years. It would effectuate no change in the rates payable for children or dependent parents. The total amount of compensation which would be payable to a widow, child, or children is changed from $75 as it appears in Public Law 304 to $83. (The House bill provides $82.50) such increase conforming with the increases in rates to widows. The section further would change the limitation contained in Public Law No. 304 with reference to receipt of insurance payments, to eliminate United States Government life (converted) insurance from the limitation. It is estimated that these increases would affect 27,800 widows at an annual cost of $2,628,000.

6. Would raise the present statutory award for anatomical loss or the loss of the use of one hand, or one foot, or one eye, $25 to $35 per month.

It is estimated that this will affect 9,000 World War and 240 Spanish War veterans at an annual cost of $1,113,000.

7. Would reduce interest charges on loans secured by liens on Government insurance from 6 to 5 percent.

The second bill in which the House today concurred with the Senate amendments (H. R. 2296) would restore to the compensation rolls veterans who were on the rolls March 19, 1933, suffering from paralysis, paresis, or blindness, or who are helpless or bedridden. As in the cases of service connection under statutory presumption, compensation to these misconduct cases would be at a rate of 75 percent of what is paid in directly service-connected cases. Widows and children in misconduct cases in which the veteran has died since the Economy Act or in cases of misconduct in which the veteran dies in the future would be granted the same allowances as go to widows and children of compensable veterans who die from causes other than those for which compensated.

It is estimated that 1,100 veterans would be restored to the rolls under this bill at a cost of $1,198,000.

Deeply appreciative of your cooperation, and with kindest personal regards,

Cordially yours,

THOMAS KIRBY,
National Legislative Chairman, Disabled American Veterans of the World War.

Only One Answer

EXTENSION OF REMARKS
OF
HON. GEORGE S. WILLIAMS
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

EDITORIAL FROM THE WILMINGTON (DEL.) JOURNAL-EVERY EVENING

Mr. WILLIAMS of Delaware. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following editorial:

[From the Wilmington (Del.) Journal-Every Evening of July 5, 1939]

ONLY ONE ANSWER

As Congress reconvenes today after the long holiday week-end and resumes consideration of President Roosevelt's new $3,860,000,000 spending-lending program, there are two facts that stand out in bold relief.

One is that the Federal Government has just ended another fiscal year with a tremendous deficit. The total this time was $3,600,000,000—twice that of a year ago. Altogether, in 9 consecutive years of spending more than it takes in, the Government has rolled up an accumulated deficit of $23,500,000,000.

The other is that Congress, with all of the major appropriation bills now approved, has authorized expenditures for the new fiscal year of $13,110,000,000. This, the largest peacetime total in history, is $1,749,000,000 more than last year's aggregate. It insures that the Federal Government a year from now will be counting up its tenth consecutive deficit and one even vaster than the one just marked up.

How any man or any legislative body could seriously contemplate another spending program totaling nearly $4,000,000,000 in the face of these facts and this record passes all comprehension.

If the Federal Government, in President Roosevelt's opinion, was "on the road toward bankruptcy" on March 10, 1933, after 3 years

of deficits, where does he think it is heading now? Those deficits were small, compared to the ones for which the New Deal is responsible. They were caused, not by a violent expansion of spending, but by a sharp contraction in Federal revenue during the early depression years. If we were still spending at the same rate now, with present revenues we should be marking up surpluses instead of $3,000,000,000 deficits.

There is only one explanation and that is that the Roosevelt administration has no other answer but spending and more spending to the serious problems which continue to confront us. Six and a half years of its policies finds the country still saddled with more than 10,000,000 unemployed. Industry and business still lack their normal vigor after all the billions that have been poured out to prime the pump. The country is anxious and discontented; the next Presidential election is only a year ahead. So the order has gone out once more to speed up spending in the hope immunity from economic and political disaster can be purchased for another year at the expense of the taxpayers and the Government's financial stability.

This is a gambler's choice. If Congress has any sense of responsibility at all it will refuse to be a party to a scheme which leads directly to more debt and deficits on top of the sorry total we already have.

The Railroads Do Not Come Into Court With Clean Hands

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

A DISCUSSION OF THE LEA AND WHEELER BILLS BY RAYMOND G. CARROLL

Mr. CULKIN. Mr. Speaker, the future of America depends upon the continuation of a free press, untouched by sordid or other influences. The influence of the press on the continuation of free government and a sound economic dispensation depends in turn upon the ability and patriotism of those who write for the press. I know of no more useful citizen than the newspaperman who daily tells the public the story of what is going on at Washington and elsewhere, and does so impartially, without fear or favor.

During the last several years of my service here I have been blessed by contacts with several newspapermen of this type. One of the most outstanding of these is Raymond G. Carroll. Mr. Carroll is blessed with a splendid intellect and has been a close student of the passing scene for the last quarter of a century. He has held positions of high trust and importance in the newspaper field; was a war correspondent during the World War; and has been a friend of Presidents, kings, and of all the eminent men in public life and private industry who have trodden the stage for many years last past. Like all real newspapermen, Mr. Carroll is at the same time an excellent economist and historian. His sword knows no brother where vital principles are at stake. This is true of the present unholy attempt of the railroads to take over water transportation, the first and last line of defense of the consumer, farmer, and industrialist in this field. I asked Mr. Carroll to give me a statement of his views on this question, and he has embodied it in the following communication, which I trust every Member of the House who is looking for light on this matter will read and ponder.

Pursuant to the permission of the House, I append hereto Mr. Carroll's communication:

WASHINGTON, D. C., *July 4, 1939.*

Hon. FRANCIS D. CULKIN,
Committee on Rivers and Harbors,
House of Representatives, Washington, D. C.

MY DEAR JUDGE CULKIN: The following résumé of facts is designed to clarify the major issues involved in the controversy of the railroads versus the waterways:

HOW THEY STARTED

Simultaneously with the Federal effort to bind the Union into an unbreakable unit, there came the change in water traffic that brought hope to inland America. Nicholas J. Roosevelt, of New York, sailed from Pittsburgh in the autumn of 1811 in his steamboat *Orleans* (or *New Orleans*) and heralded for the upriver towns the dawn of a new era. Roosevelt's boat was an object lesson and a precursor of an inland trade along the waterways of the Nation. In 1825 the Erie Canal, connecting the Great Lakes with tidewater, was opened.

Ground for the Baltimore & Ohio Railroad was broken July 4, 1828, by a surviving signer of the Declaration of Independence, Charles Carroll of Carrollton. The Baltimore & Ohio and the South Carolina railroads were the first of consequence in the United States. The early railroads, almost without exception, were as local as the turnpikes had been. Where there was already a profitable traffic, it was profitable to project a railroad.

SINS OF THE RAILROADS

Remember this: Antedating and running parallel with the railroads in construction and operation have been the waterways, with a decided difference. The waterways have been honestly built, wisely administered, and have not been touched with the breath of scandal. To pass them to the railroads as is the ultimate consequence of the pending transportation bills (H. R. 4862 and S. 2009) is giving the lamb to the wolf.

For the railroads have a history that reeks with scandalous acts. But, keeping to temperate words, the railroads, as is now generally accepted as truth in all quarters, have suffered extremely in past years through short-sighted or misguided financial control, which has manifested itself in stock bonuses, underwriting commissions, and overcapitalization, all of which have constituted an unwarranted drain upon the railroad operating revenues.

"For I, the Lord thy God, am a jealous God, and visit the sins of the fathers upon the children unto the third and fourth generation" (the Holy Bible, second commandment, Exodus 20: 5).

"The gods visit the sins of the fathers upon the children" (Euripides, Greek philosopher, Phrixus, Frag. 970).

So in both Christian and pagan warning the story of the American railroads is told.

It is of sobering significance that from a sorrowful and soiled past that cries to heaven, the railroads have learned nothing.

To secure new revenue to meet the mounting charges upon an astounding overcapitalization, and for this alone, the railroads, now bolder and more sinful than ever, seek by all means, fair or otherwise, the increase of their revenue, even to the extent of destroying and rendering useless thousands of miles of inland and coastal waterways built with the people's money at a cost of hundreds of millions of dollars.

WASTING $100,000,000

To particularize in terms of the present: The Seventy-sixth Congress has already voted nearly $250,000,000 for the navigation, flood-control, and power development of the Nation's inland and coastal waterways. It is to be chiefly spread over the Mississippi, Missouri, Ohio, Hudson, and Columbia Rivers, with an allotment to the Great Lakes watershed and to the intercoastal waterway system on the Atlantic seaboard.

A justifiable prophesy, based upon events in the past, is that the strictly navigation portion of the current rivers and harbors appropriation, a sum of nearly $100,000,000, will have been thrown out of the window by the same Congress that voted it should the highly objectionable features of the pending transportation bills be retained and made law.

These objectionable features are that part of the bills which puts the waterways of the Nation under the complete control of the Interstate Commerce Commission, that Federal agency made by and exclusively for the railroads and upon which the waterways have no representation.

FATE OF THE ALABAMA RIVER

Lest we forget Lochiel's warning that "coming events cast their shadows before," it is well to recall that Congress not so long ago was making appropriations for the improvement of the Alabama River. The United States Government had expended upon the Alabama River millions of dollars to make its navigation safe and attractive.

There had once been a thriving competition carried on by steamboats on the Alabama River, even as now exists in the various inland waterways of the Nation.

To head off the Alabama River steamboat competition the Louisville & Nashville Railroad made an arrangement with the surviving steamboat company by which the steamboat company advanced its rates to those charged by the railroad and then was paid a certain amount each year as "minimum freight charges," whether it carried any freight or not, an inviting formula for the future of all waterways. It was Montaigne who said, "Whoever has sufficiently considered the present state of things might certainly conclude as to both the future and the past."

However, in this first stage of the navigation suppression on the Alabama River there was public hostility to the river-railroad deal, for after a time a new steamboat company was formed and it began to carry actual freight at actually reduced rates.

The Louisville & Nashville Railroad made short work of this. With its steamboat satellites, it cut rates until the rival had been ruined and then restored the old rates.

Another rival steamboat line appeared, but was more adroitly managed. It allowed itself to be absorbed at the cost of an increase in capitalization, which was passed on to the shippers.

For some years quiet reigned on the Alabama. Then another band of what the railroad termed "troublemakers" started a new competitive line. The Louisville & Nashville found a man ready to put the newcomers out of business and advanced the necessary money to him on his notes. He built some steamboats and ran

them at nominal rates until he had ruined the competitor. Eventually the Louisville & Nashville charged off his notes as worthless and the cost of the killing off of competition went into the railroad's capitalization and was paid for in the stocks and bonds sold to the public.

Thus the Louisville & Nashville Railroad killed navigation on the Alabama and made the expenditures of the United States Government there all waste and useless. Then the Louisville & Nashville Railroad petitioned the same United States Government for leave to increase its rates, having thus destroyed water competition. And the United States Government through the Interstate Commerce Commission granted the rate increase.

Nice work by the I. C. C., the same body which under the pending transportation legislation will secure arbitrary powers over all the waterways in the United States. Only instead of being the invisible "stooge" for the railroads in the waterway wrecking the I. C. C. becomes the visible nemesis of the waterways by raising their rates and thus liquidating them.

NO "ACHIEVEMENT" TO DESTROY

The whole philosophy patter heard from those behind these transportation bills is that the legislation in its practical political aspects will take rank as a "major achievement of national importance."

Note the word "achievement." It is no achievement to destroy or to plan destruction. To arrange for the elimination of low-cost transportation to pay for the past fictitious, fraudulent, or superfluous capitalization of the American railroads is hardly an achievement that Congress will be proud to pass on to coming generations. It is scarcely an achievement to tear down what has been carefully built up since the birth of the Republic. The synonym of achieve is to fulfill or to complete; in short, to carry on in a worthy manner. An achievement or accomplishment is a result or feat attained by meritorious effort.

GOING BACK INTO RAILROAD LORE

It is fitting and proper to state some pertinent examples of railroad methods. The story is not a pleasant one and its telling anything but an agreeable task. Still it is all here in the records of the United States Government, from which a few facts have been taken verbatim with or without quotation marks.

Going back to their infancy, the railroads have been extremely favored, more so than any other industry. This consideration has been repaid by the curious habit of never returning what had been obtained from the public. The entire yield of vast promotions over a century in time is all there now in some form of railroad securities. The farmer and the city dweller alike strive to pay off the mortgage. The railroads never pay back what is loaned to them, except to double or quadruple the indebtedness.

Consider a man who enters a new town, buys a corner lot for $50, and opens a drug store. In 10 years the increase in the population of that town has caused his lot to enhance in value to $500. Nobody would dare to suggest that this man has any right to charge more for his prescriptions, soda water, fountain drinks, or proprietary articles because his lot is worth more.

But in the same decade we will say that the value of some hypothetical land owned by a railroad had mounted from $1,000,000 to $10,000,000, and this $9,000,000 increased value had been floated up into a national capitalization of stocks and bonds.

The railroad appears before the Interstate Commerce Commission and complains that on this increased capitalization it cannot with its present rates and tonnages earn the interest and dividends.

Hence it must increase its rates and absorb other tonnages than it possesses, if that can be arranged. Why not absorb the tonnages of the waterways? The waterways have been built with public money, either State or Nation, and there are no worried stockholders and bondholders to organize lobbies to come to Washington and to protest or to stay home and send telegrams to Congressmen to help save their securities.

For that reason, if for no other, it would appear to be the sacred duty of Congress to defend the waterways, and before authorizing a new control over them at least ascertain whether they are to be passed into safe hands.

"The voice is Jacob's voice, but the hands are the hands of Esau," it might be quoted with respect to the Interstate Commerce Commission. The I. C. C. is the proven front for the railroads. Of this there is no doubt.

But going back into railroad lore.

LAND GRANTS PAID FOR THE RAILROADS

During the 20 years following 1850 the United States Government made extensive land grants to American railroads to aid in their construction—to the amount of 305,114 square miles. This is equivalent, approximately, to all the area east of the Mississippi River and north of the Potomac and the Ohio Rivers with the exception only of the States of Wisconsin and Michigan.

More specifically and in detail, here are some of the railroads that profited:

	Land grant, in acres
Atchison, Topeka & Santa Fe	17,425,300
Central Pacific (Southern Pacific)	9,379,140
Chicago, Burlington & Quincy	3,408,046
Chicago, Milwaukee & St. Paul	4,222,137
Chicago & North Western	4,415,447
Chicago, Rock Island & Pacific	1,228,526
Chicago, St. Paul, Minneapolis & Omaha (Northwestern)	2,645,320
Grand Rapids & Indiana	954,373
Choctaw, Oklahoma & Gulf (Rock Island)	838,400
Illinois Central	3,920,848
Missouri, Kansas & Texas	1,121,784
Mobile & Ohio	3,920,848
Northern Pacific	43,893,728
Pere Marquette	589,290
St. Louis, Iron Mountain & Southern	3,498,578
St. Paul, Minneapolis & Manitoba	3,770,532
Seaboard Air Line	1,034,220
Southern Pacific	14,351,587
Union Pacific	19,144,394
Wisconsin Central	1,232,562

The unfortunate feature of this land-grant policy was that these great subsidies were diverted from their original purpose in many instances to the enrichment of a few financial adventurers.

The values of the extensive area of lands granted were capitalized and distributed in the form of securities to the railroad stockholders. In other cases the values or income-producing power of the land was capitalized. A few railroads, such as the Northern and Southern Pacifics and the Santa Fe, retained very valuable holdings of timber and minerals, despite the stipulation that such lands be sold to settlers in small tracts. They have been distributed to stockholders or are now among the assets of these transportation companies. The Southern Pacific alone in 1914 was estimated to have oil and timber holdings ranging in value from $100,000,000 to $700,000,000, which was reported to the I. C. C. at a book value of slightly more than $40,000,000.

One authority states that at the average price most of the railroads have received for such of these lands as they have sold, the money value of this gift from the United States Government is more than $1,000,000,000, "and amounts to about one-ninth of the actual capitalization of the railroads with the water squeezed out."

STATES ALSO MADE GRANTS

The figures so far given cover only the Federal land grants. They do not include grants made by the States. Texas, which controlled its own public land, has given to the railroads some 32,400,000 acres. Minnesota has regranted from general Federal grants to the State 2,850,077 acres of swamplands to the railroads. Florida received a swamp grant of 20,000,000 acres from the Federal Government, and up to 1910 its regrants to the railroads, canals, and drainage companies and compensation to State agents for selecting lands had absorbed about 12,000,000 acres. Michigan also granted large areas of swampland to the railroads. This is shown in the report of the United States Bureau of Corporations on the lumber industry.

RAILROAD PROPAGANDA OMNIPRESENT

Liberal-minded Congresses have pampered and coddled the railroads from the time of their first construction to date and there is no other business in the world that depends so much upon public-relations men and their propaganda—a recent instance being the claim set up that in return for land grants the railroads gave the equivalent in free transportation to Government officials and others.

While there has been no official inquiry into the total cost of railroad propaganda, an estimate made by a private survey is that it is sufficient to build and equip a new transcontinental line between the two seaboards of the country. No other propaganda is so deftly and subtly handled as railroad propaganda, and it operates 365 days of the year, year in and year out. It is omnipresent and most industrious.

Sins that happened one-half or three-fourths of a century ago must not be referred to, we are being told. The sins of the railroads should be forgotten, is the wail of the propaganda machine.

In truth, because of their continuing and recurring character, the sins of the railroads are as fresh today as flowers just blown. It is on account of these overlapping sins the railroads seek new victims to devour or, in the case of the waterways, old victims to redevour.

It must not be forgotten that in the East the first big railroad promoters did not put their tracks into areas that were without transportation. The railroads reached out along the rivers and canals. The sides of the early canals were hardly carpeted with grass when they were sprinkled with the soot from locomotives. Their first tonnages were taken by the railroads from the untaxed currents of the rivers of the country and the State- and Federal-owned canals.

Before the stationary engine was adapted into the locomotive it was already operating steamboats upstream; in 1807 Robert Fulton's *Clermont* conquered the fall of the Hudson River.

That the waterways have been able to survive rail competition is proof of their worthiness and need to the country, railroad propaganda to the contrary notwithstanding.

WHAT PRICE THE RAILROAD AGE?

From the reports of the United Pacific Railway Commission and the Wilson committee of the United States House of Representatives on the affairs of the Credit Mobilier may be gained a picture of the resourcefulness and ingenuity displayed by the railroads in extending their grasp on the public domain, especially when a scrutiny is made of the procedure followed by certain of the transcontinental companies in the administration of the subsidies obtained from the United States Government. In fact, the methods pursued in the construction of the Pacific railways are typical of the manner in which the bounty of the Government intended for the support, development, and insurance of the financial strength of these corporations was filtered into the pockets of a few favored officers and managers who used their powers as directors and trustees for their own personal advantage.

Between the years 1865 and 1869 the United States Government loaned its credit to six companies forming parts of a great scheme of transcontinental communication. From the act of July 1, 1862, it appears that Congress contemplated that five lines would start from points on the Missouri River, viz: Sioux City, Omaha, St. Joseph, Leavenworth, and Kansas City, and that they would converge on the one-hundredth meridian, forming a trunk line which would be built westerly. It was also contemplated that the Central Pacific line would start from the Pacific Slope and would meet the Missouri railroad near the California line. Subsequently, Ogden was made the point of junction.

It was originally provided that the Government lien should be a first mortgage on the several lines, but the law was subsequently amended so as to allow the companies to issue their own bonds to an equal amount as a first mortgage on their railroads, the Government advance being secured by a second mortgage.

The Government loaned bonds bearing 6-percent interest, payable in 30 years, to the amount of $64,623,512 and stipulated to pay the interest on these loans upon condition that at the maturity of the bonds the aided companies would pay both principal and interest, and that upon completion of the roads the companies would pay annually a percentage of their net earnings and a portion of their compensation for Government transportation on account of these annual advances made by the Government. Congress also gave them over 26,000,000 acres of public lands, upon which they had realized up to December 31, 1886, $39,479,213, with 12,615,087 acres of land, valued at $26,054,270, yet unsold, making the total land grant worth $65,533,483.

As the Government annually paid $3,877,410 in interest to the holders of the subsidy bonds and did not require repayment by the companies until the maturity of the principal, the companies gained a further advantage in the use of such interest money. This advantage was worth $199,790,250 at the time of the grant. The Government gave them a right-of-way 400 feet wide along the length of their lines, the right of eminent domain, and a space for depots and turn-outs.

The report of Robert Pattison, chairman, United States Pacific Railway Commission, further shows that in addition to liberal gifts by Congress some of the States and many counties and public bodies also made large donations in lands and bonds to some of the companies.

The aid given to these companies amounted to $447,729,470. The total loan by the Government in principal and interest payments amounted to $178,884,759 toward the repayment of which the companies in 18 years accumulated only $30,955,039.

In the case of the Union Pacific, the cost of the road was about $50,000,000, which cost was wholly reimbursed from the proceeds of the Government bonds and first-mortgage bonds. From the stock, the income bonds and land-grant bonds, the builders received in cash value at least $23,000,000 as a profit. After all is said, it was the United States Government that built the railroad.

DAYLIGHT LET INTO FINANCING

The Hadley Railroad Commission, 1910, filed with the I. C. C. some interesting unpublished data, and it is also valuable to scan the proceedings of the United States Labor Board, Chicago, 1921, document No. 353, employees' exhibits Nos. 11, 12, 13, and 13a.

Here in musty records, daylight is let into the financing costs of railroads. The study of the securities issued during all or a part of the period 1900–1919 by 21 representative railroads of the entire United States, including eastern lines, shows that the transportation companies considered gave away during the period under review, in the form of bonuses to stockholders and discounts and commissions to banking houses on funded-debt securities, the sum of $498,240,886.

The inquiry also summarized its probe further by the statement that during the period 1910–19 alone 13 railroads distributed to banking syndicates through their methods of marketing securities the sum of $51,663,000, involving an annual loss in revenue of $2,683,150; that special stock bonuses aggregating $233,559,000 were issued by 5 other railroads, representing, at 5 percent interest, an additional annual loss of $11,677,950; that more than $18,000,000 was being disbursed each year on fictitious securities issued by 11 companies alone, and that other losses of $123,000,000 were incurred by 3 railroads, representing an annual loss to these companies of $6,150,000.

In other words, excluding fictitious capitalization, this restricted study of a number of eastern and western railroads during the period 1900–1919 alone showed that their resources were unwisely dissipated to the amount of $408,222,000, constituting an annual drain of approximately $40,000,000 upon their operating performance.

It was also shown that 10 western railroads alone, during the limited period 1900–1910, gave away in stock bonuses more than $250,000,000, and paid underwriting fees and brokers' commissions on a flotation of bonds in the sum of $19,197,000, and that the annual losses to these 10 railroads as a result of these practices was $11,651,000.

As to fictitious capitalization, this study also cited, among other numerous instances, the case of a representative eastern railroad which had been burdened with a free stock distribution of more than $56,000,000 as the result of an early consolidation of its constituent properties. The cash dividend upon this watered stock for 50 years preceding the study aggregated 286.5 percent. This was equivalent to an average of $3,261,993 per year, or a total of $163,099,650 for the 50 years actually paid out by the company on stock which was issued prior to or at the time of the early consolidation and which did not represent any addition to the physical property or earning assets of the company.

CREATED THE "GREAT HOLE"

Other instances of the causes of railroad deficits through sinful deeds of the past might be cited. Put together the stock bonuses and the underwriting commissions made the overcapitalization, which, like the house that Jack built, created the "great hole" through which millions, yes, hundreds of millions, of dollars' worth of railroad revenue poured and is still pouring.

The moral to be drawn from this astounding railroad record is plain: Why should the Seventy-sixth Congress place a new temptation to grab and demolish the Nation's waterways within reach of such organized, extensive, and proven indifference to the public welfare as has been shown again and again by these so-called great railroads?

The tonnages the railroads hope to divert from the waterways through the planned increase of the waterways rates are not required to meet operating expenses, but they are sought to help fill the "great hole" of annual expenditures caused by the overcapitalization of bygone years.

This contemplated raiding of the tonnages of the waterways is most unjustified when one considers that since the formation of the Reconstruction Finance Corporation in 1932, the railroads alone have borrowed from that single Federal agency approximately $650,000,000 of which about $200,000,000 has been repaid. All has been swept down the yawning gullet of the "great hole," and the vast sluiceway will stay there until through ultimate necessity the hole is plugged up—a job in railroad financial surgery awaiting some future Congress.

NONTRANSFERABLE TONNAGES

If the pouring of the revenues of the water-borne tonnages into the treasury of the new railroad monopoly about to be created would accomplish the rehabilitation of the railroads this raid upon the waterways of the Nation might deserve some consideration.

But some products cannot move by rail for less than their value. The waterways provide freight transportation at from one-tenth to one-twentieth of the average rates per ton-mile on the rails. The railways and the waterways are complementary, not competitive. To deprive certain commodities such as ore, coal, oil, and grain of their low-cost water haul would dry up their production.

The bulk of the freight now moving by water is nontransferable to the railroads. All that would be accomplished by an attempt in that direction would be the shutting down of ore and coal mines, the closing of oil fields, the return of grain areas to pasture, and the crippling of factories, to say nothing of creating vast new unemployment along the waterways.

There are commodities which cost more to carry by rail than their production. During the depression it costs 25 cents a bushel to carry wheat by rail from Salina, Kans., to Chicago. On December 15, 1932, the average price of wheat on the farm was 31.6 cents a bushel. Studies made into the cost to a farmer of producing a bushel of wheat ranged upward from a minimum of 40 cents. Obviously, what a farmer cannot market at a profit he will quit producing, and the same is true of everything that comes from the farm, the mine, or the factory.

To protect and continue certain types of inland production from farm, factory, mine, or oil field a special low-cost transportation is provided in the Nation's waterways.

HOW GERMANY UNDERSELLS

Germany was able to undersell rival countries in foreign markets because Germany recognized the necessity of this low-cost transportation and all bulk freight was assigned to the canals and the railroads were given only perishable freight, and such commodities in which time entered as an element of sale and delivery.

Some foreign countries have what amounts to two sets of currencies, recognizing that a portion of the population requires low-value coins suitable to its earning power. For instance, in Egypt there is the big piastre, valued at 1 cent in American money, and the little piastre, worth half of that. But below the little piastre is a tiny coin known as the ashara kordah, valued in American money at one-fourth of a cent. In Holland there is the halve cent, a very small coin that is worth one two-hundredths of a guilder, and the Dutch guilder is 54 cents in American money.

HANDS OFF THE WATERWAYS

The raising of the rates on the waterways bound to come from the passing of their control to the I. C. C. will only smother the movement of freight which requires low-cost transportation. The railroads will not have improved their position for the proposed remedy is no remedy at all. It amounts to the railroads trying to escape for a little longer time from the consequences of their appalling overcapitalization and worse, and the damage done to production cannot but be incalculable.

The whole idea of placing the waterways under what amounts to railroad control appears to be so ill-considered, so fantastic, and so ravaging in its final effects as to constitute an amazing piece of impudence. Rather than take rank as an achievement it is foregone to be everlastingly classified as an annihilation; a cold-blooded assassination of inland industry and agriculture to the detriment of national welfare for all time.

The most vital facts about the American railroads are the facts that are least often heard of when we discuss our transportation problems. Does the past of the railroads gauged on the real facts justify placing the paid-for waterways into the same domain of jurisdiction with them? Do the railroads come with clean hands? Will the public, when it realizes what is being

attempted, calmly accept the rape of the waterways by the railroads, or will it demand a policy of hands off the waterways?

Both a waterway and a railroad in their respective functions are "beasts of burden." The railroad has been likened to the speedy, showy horse and the waterway to the faithful, plodding mule once an indispensable figure upon the tow-paths of the early canals.

Less impatient under the pressure of heavy weights and more capable in resisting sun and rain than the horse, the mule is a model of reliability, patience, and endurance. The mule cannot neigh loudly like the horse but emits a feeble, hoarse noise and depends upon those loyally served for articulation and protection.

To hitch them together under a single set of harness would cramp the usefulness of both animals—the same result as would come from placing the railroads and the waterways under the same control of the Interstate Commerce Commission.

With expressions of esteem to yourself and your associates, I am

Sincerely yours,

RAYMOND G. CARROLL.

Oregon's Record as Sugar-Beet Producer

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

Mr. ANGELL. Mr. Speaker, my State, Oregon, has an enviable record as a producer of sugar beets. The Owyhee reclamation project produced 16.2 tons per acre on 17,000 acres last year, which, I understand, was the highest production record in the United States, with the exception of one area in northern California. The new sugar refinery, erected by the Amalgamated Sugar Co. at Nyssa, in eastern Oregon, on a 112-day record produced 750,000 bags of sugar, which was 100,000 higher than its anticipated production. In addition to this the company fed 8,000 head of cattle from beet pulp as a pulp-feeding demonstration.

Oregon has a great area under irrigation, admirably adapted to the production of sugar beets. The fly in the ointment is that under the A. A. A. crop-control program Oregon growers are not permitted to place this land in production. The regulations under this program even threaten to reduce the Owyhee beet acreage from 17,000 acres to 12,000 this year. This one plant has added a million dollars to the assessed valuation of the Oregon county in which it is situated. Both the company and the growers have operated at a profit, even during these difficult times. I heartily concur in the observations of our colleague the Honorable FRED L. CRAWFORD, of Michigan, when he said recently in the House:

At the outset I want to repeat the answer which I gave to the gentleman from Texas on Monday when he asked how much sugar should be produced by the southern cane- and the beet-sugar-producing States. I claim that the American sugar-beet growers and the American sugarcane growers, including the growers of Hawaii and Puerto Rico and the Virgin Islands, should first be allowed to grow all of the sugar that they can supply to our market. Whatever balance is left and needed to supply our consumptive demands should go to Cuba and the Philippine Islands. I further stated, and here repeat, that as long as our own farmers can grow sugar beets and sugarcane so that the cost of sugar at retail to the consumers in the United States will not exceed the going average retail price of sugar paid in all of the countries of the world, they should be permitted to do so, and I advocate that they be encouraged to do so as a matter of good national economy.

I urge for the consideration of the Members of this body the modification of our existing regulations, so that this thriving American industry may not be hampered, but may be encouraged, to the end that the American market for sugar consumption may be made available to American sugar producers and not thrown away by curtailing our own facilities on the one hand and importing on the other large volumes of sugar for domestic consumption.

The Oregon Journal, of Portland, Oreg., recently published an editorial on this subject, which is of much interest. It is as follows:

OREGON HIGH AS SUGAR STATE

Sugar-beet growers in the Owyhee reclamation project produced 16.2 tons an acre on 17,000 acres last year, the highest production in the United States save one spot in northern California.

The new $2,500,000 refinery of the Amalgamated Sugar Co. at Nyssa set a record, on its first 112-day sugar campaign, of 750,000 bags of sugar, 100,000 higher than expectations. In addition, the company fed beet pulp to 8,000 head of cattle, as a demonstration in pulp feeding for Nyssa-Vale district farmers.

Oregon's cooperative experiment in sugar-beet raising and sugar manufacturing is an unqualified success. Both the growers and the company are in the black in the first year of operation. Four hundred persons were given employment in the factory during the sugar campaign. Almost $1,000,000 in assessed valuation was added to the tax base.

Despite all this, and the fact that America must import a large portion of its sugar from Cuba, the Philippines, and elsewhere, the A. A. A. crop-control program threatens to reduce the Owyhee beet acreage from 17,000 to 12,000 this year.

Actually, on the basis of demonstrated performance and need, acreage in the Nyssa-Vale area should be stepped up to 30,000 and another refinery unit added. If Secretary Wallace reduces acreage instead, Oregon residents can charge an unwarranted interference with a necessary, successful industry.

Totalitarianism and Government

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

Mr. VOORHIS of California. Mr. Speaker, democracy is a form of government which is bound to be both difficult and expensive for the present generation. Any form of dictatorship—and I make no exceptions—is a form of government which is comparatively cheap and easy for the present generation—except, of course, for the liquidatees—but which sows the wind that future generations must reap a whirlwind.

Democracy is expensive because it imposes upon itself certain limitations which the dictator can and does completely disregard. A democratic state exists for the sake of its citizens; a totalitarian government exists for its own sake—or, rather more accurately, for the sake of the clique that happens at the moment to be in control.

Hence democracy must operate within certain prescribed constitutional or traditional bounds and must sometimes even forego taking measures which are evidently in the national interest simply because those measures cannot yet be taken with the assent of the majority or within the self-imposed limitations which democracy sets for itself. This is why I have described democracy as expensive. For illustration the American Government cannot order the farmers of the Nation to take measures to conserve the soil; it must induce them to do so by some such measures as our present Soil Conservation Act or the efforts of the T. V. A. In this particular case I am of the opinion that these self-imposed limitations upon our democracy are both proper and necessary.

There are other fields where such expensive limitations on the action of our democratic Government seem to me less necessary, less defensible from the point of view of national interest, and, indeed, less conducive to democracy itself. The principal one is in the field of finance where, because we hesitate to lay our hands on a monopoly of the power to create credit which has been allowed to grow up in the hands of private finance, Government finds itself in the rather ridiculous position of having to give interest-bearing public bonds to bankers to induce them to create deposits for the Government to spend—even when the funds are to be used to make perfectly secured loans to local governments or to construct self-liquidating Federal projects.

Another respect in which the price of democracy is a considerable one for the present generation is in its inability to provide continuity of policy. The very fact that the more frequently elections are held the closer popular control over Government becomes, means that the extent of such popular

control is to some degree the very converse of the measure of continuity of governmental policy.

A totalitarian government, on the other hand, is limited in the duration of its policies only by the possibility of armed revolt against it. By disposing of political opponents at frequent intervals, the immediate likelihood of such revolt can be removed, even though the certainty of its ultimately taking place is no doubt increased measurably by such tactics.

Finally, and perhaps most important, democracy must, or, at any rate, does, impose certain limitations upon itself in dealing with unemployment. For example, no democratic government can solve the unemployment problem by compelling the unemployed to work for board and bed in a work camp. Neither can a democracy undertake types of work which are not currently regarded as properly belonging to the category of public works as contrasted with the field of private enterprise. Thus, democracy must deal with unemployment, first, by paying out far more, and, second, by receiving far less back than a totalitarian government can do.

Shall we then conclude that democracy is scarcely worth keeping since its price to our generation is so great? No sincere American, no one who believes in human liberty or the worth of the human soul, no one who cares a straw about the generation of the future can answer that question in any way except with a resounding "No." For the cost of any totalitarian system to future generations is bound to be of the heaviest. Children grow up under such a system with their minds nurtured not on truth but on propaganda; they learn the stock prejudices, the stock hatreds, the accepted salutes. They grow up into a world of fear where the safety of the state hangs by the slender thread of the life of a single man. They grow up to be helpless unless they are under direction. And they face in future the certainty of social convulsion and civil conflict.

The best illustration that I know of the differences between democracy and dictatorship is this: Democracy is like a vertebrate animal with its basic body structure within and its vulnerable flesh without. It can readily be wounded, but the wound can heal. Flesh wounds it can endure, and its basic structure can remain untouched. Dictatorship is like an invertebrate with an exo-skeleton. It appears formidable, unassailable, proof against attack. And indeed it is not easy to break through the shell. But once the shell is broken, and the inner flesh left unprotected, life departs, because without the shell there remains nothing but a sort of protoplasmic jelly.

Indeed, at the risk of seeming to be narrow-minded and unwilling to see the good in foreign systems, I am going to say that anyone who says, "Of course I don't like Hitler, but after all—," and anyone who says, "Of course I do not like Stalin's methods, but after all—," has failed rather miserably to grasp the central significance of the times in which he lives. For the significance of these times lies, above all things else, in the struggle to see to it that human liberty does not altogether die in the world. Between a system of force, violence, and contempt for the average citizen on the one hand, and a system of civil and religious liberty, and free, popularly chosen, constitutional government on the other, there can be no compromise and no crossing over. No one can be devoted to both at the same time. Each of us must make a final and definite choice. And this point is of tremendous importance as I shall presently show. For if liberty and constitutional democracy can be made safe in one nation, if free government can conquer unemployment in one nation then these values are safe. For they are dynamic, whereas serfdom and totalitarianism are, in spite of their outward show, static and inwardly dead.

Fundamentally and in the long run I am convinced that neither democracy nor freedom can be destroyed. I can find no instance in all history where a tyrant did not, sooner or later, die; neither can I find any instance where freedom was effectively destroyed. Always man has sought bread and reasonable security and freedom for his spirit. Sometimes when he had to choose he has preferred bread to freedom. But never has he given up the struggle. And this is why the moment the dictator believes he has the liberties of the people done away with is the same moment when those same people begin to value their liberty and to plot and plan for its reestablishment. Time fights with democracy. Happy is that nation, however, where the people realize before it is too late, how precious a thing their freedom is and set about protecting it ahead of time.

I have said democracy was a system of government wherein the present generation goes through increased difficulty and confusion for the sake of the peace and liberties of the future. But the job of people who are responsible for the perpetuation of constitutional democracy into the future has got to be to see to it that the price to the present generation does not become too great for it to bear. I have said that man never gives up the struggle for freedom. He never does, but before freedom must come bread and a reasonable security. In other words, the preservation of freedom implies necessarily the supplying of a solution to unemployment and unnecessary poverty. The solution need not and cannot be perfect—for this is democracy where nothing is perfect, nothing complete, nothing final—but the solution must be at least pretty good.

It is no accident that there is not one example in history where a democratic government transmuted itself into a dictatorship by the process of becoming more and more efficient or more and more effective in meeting economic problems. Such a change in governmental system comes only through a sharp convulsion, a sharp breaking off of old ways, and a new start in a different direction.

Hence to my mind the most irresponsible and dangerous type of demagoguery that is abroad in the land today is the attempt of some people to make the American people believe that constructive attempts to make our Government more effective and better able to reduce inequalities and deal with unemployment, monopoly, and corruption are steps toward dictatorship because forsooth their democracy, to be constitutional, must be synonymous with inefficiency, lack of planning, and governmental ineffectiveness in dealing with economic problems. Such, I am convinced, does not need to be the case.

There are four pillars of democracy and if they are protected and kept in good repair, we need have no concern about the soundness of our constitutional form of government. The first is civil and religious liberty. American democracy is a way of life for the people of the Nation—for all the people. It is a way of life in which no man questions the right of another to speak his mind or to go where he wants to go or—and this is most important—to have any religion he may choose. In American democracy there can be no place for the stirring up of religious prejudice or hatred, and certainly there is no place for a cowardly attempt on the part of any group or person to advance to political power over the prostrate form of the constitutional liberties of others. America affords to every man as much of liberty as he can exercise without depriving his fellow citizens of similar liberties. America always has, and I trust, always will find her inspiration in the religion that sent the first settlers to these shores. That religion is one of brotherhood.

Second, American democracy means the right of the common citizen as well as the uncommon one to own property. It means that the task of government must consist in part in the protection of the small farm and the small business from destruction, the encouragement of home ownership, and the prevention of monopoly encroachment on the rights of the little man. But American democracy also means that property, which by its very nature is of vital public concern, shall be subject to proper control in the interest of all the people. And American democracy must mean that the right to private property in a home, a store, or a farm shall not be confused with the very different question as to whether or not a waterfall, a forest, or the power to create money or credit can properly be claimed as the private property of anybody except the Nation itself.

Third, American democracy means government of the people, by the people, and for the people. It means a government of men chosen at frequent intervals by the people and subject to involuntary retirement without notice at the will of those same people, It means a government wherein

the absolute control of the purse remains in the legislature and where the executive is responsible to the people not only for honest but also for efficient and effective administration of the trust the people have for a brief few years reposed in him. Finally it means government within the framework of a constitution which sets forth basic law and basic procedure for making law and which grows both by interpretation and by amendment with the needs of the people whose forefathers created it, and to assure whose good government it fundamentally exists.

In the fourth place, American democracy means equality of social and economic opportunity. Like the ideals of the Declaration of Independence, so this ideal is one that has never been achieved.

But let just one generation of Americans stop struggling to attain it and the very genius of our democratic way of life will pass away. Dictatorship exists primarily to freeze and perpetuate distinctions between man and man, not only as to political position but also as to economic status. If democracy would be different, then its central task must be to break down barriers that stand in the way of the opportunity of its humblest citizen and to choose, when it must choose, the basic well-being and the right to work of the many rather than the luxury of privilege of the few.

These four elements, personal and religious liberty, the right of all to private property, government controlled by the people, and equality of opportunity, are the four foundation pillars of American democracy. Take out any one of them and the great superstructure of American civilization will totter and maybe fall. Leave them strong and firm and democracy is safe in America.

Now, totalitarianism can exist in any field of human activity. It exists wherever an institution comes to exist for its own sake rather than to minister to the needs of human beings. We have plenty of rather vigorous roots of totalitarianism right in this country.

And, therefore, I do not for one moment believe that these four pillars of our constitutional democracy can be kept in repair without a considerable amount of constructive governmental action. For example, I am afraid we are in another one of those recurring periods when vigilance on the part of government is necessary to hold in check movements which seek to destroy religious and civil liberties. The role of government in this connection becomes that of protecting democracy against totalitarianism.

Again in a speech before the Bar Association of Dallas, Tex., Dr. Joseph E. Goodbar had this to say about totalitarianism in finance:

> Bankers have not ordinarily been conscious of complicity in destructive economic practices. But when they lend money to finance the purchase of a majority interest in any profitable business, and the buyers use these bank funds to hold title until able to sell back watered nonvoting stock to the public at a cash profit—while keeping control in their own hands—they put quick profits into financier's hands and make easy the fleecing of the public.
>
> When banks lend money they haven't got (bank credit), to finance construction of plans and buildings the public does not need, they again produce quick profits, made by selling out to the public. But between existing businesses and the unneeded interloper is produced a battle for existence that destroys earning power and frequently exterminates both. Such destruction of earning power was a major cause of the 1929 smash. And the continuing danger of repetition is a brake that holds back confidence, investment, and recovery. This savings-destroying practice depends almost entirely on the lending by banks of money they haven't got to finance enterprises the public does not need.

And Mr. Walter Lippmann, in his book The Good Society, chapter on the Agenda of Liberalism, says this:

> The evil effects and the dangers of the business cycle need no elaboration. It is clear that social controls are required which will keep the real savings and the real investments of the community equal to each other. The development of these social controls was, until this generation, almost completely neglected by liberal economists and statesmen. They failed to realize that when saving and investment become distinct, the value of money becomes the accidental byproduct of the transactions between bankers and their clients. The principal money of a modern society consists, not of coin stamped in the Government mint, but of bank deposits that expand and contract with the creation of private credit. Thus the money which is the medium of the exchange economy, the standard in which are expressed the prices that regulate the division of labor, was until recent times dependent upon accident. The value of money has fluctuated violently during the century and a half in which the industrial revolution has been under way. Yet the intricate interdependence of mankind is inconceivable without money. For this interdependence consists in countless exchanges of an infinite variety of goods and services made every hour of every day in countless markets. These exchanges could not be made by direct barter; they are possible only because all goods and services are reducible to a common denominator. They are valued, not in relation to each other, say, a bushel of wheat against a music lesson, but in relation to money. They have a price, and insofar as money is not neutral, prices will be unjust and all economic calculation impaired.
>
> The measures which would be effective to maintain a neutral value for money do not concern us here. We are engaged in staking out the field of required policy in an exchange economy, noting the main headings of the agenda of liberalism. It is enough to say here that the experience of more than a century has demonstrated that the automatic gold standard, if in fact such a standard ever existed, does not provide a sufficiently neutral money for a mode of production based on the world-wide division of labor. Monetary reform and what is now called monetary management are therefore necessary.

The very acme of totalitarianism is the dominance of production, exchange, and consumption by totalitarian finance utilizing its monopoly of the power to create money and credit—or not to create it—without regard to national welfare or the requirements of the economy.

For this reason I believe that if we are to preserve democracy and a free economy the function of originally bringing money or credit into circulation has got to be a governmental one. I think the framers of the Constitution intended that it should be that way and that unless we make it so the very increase in productive capacity which is constantly taking place will lead to a continual rise in the value of the dollar, with the inevitable result of continuing foreclosure of the real property of the Nation and its gradual absorption by those who control the manufacture of money.

In the third place, we are continually being warned that T. V. A., Bonneville, and others are the entering wedge of totalitarianism in America. Now, why is there anything totalitarian about the T. V. A., particularly when we contrast its work with that of some of our private utility empires? I have never found one single shred of evidence to indicate that T. V. A. was being conducted for any other purpose than that of raising the standard of living of the people in the region which it serves. If the same can be said of any private utility I do not know the name of that utility. I am convinced that there is all the difference between monopoly and competition in industry that there is between totalitarianism and democracy. Therefore, I am convinced that Government competition in the utility field is a step away from totalitarianism—not toward it—and I believe Swedish experience proves this to be true. By the same token, I would be perfectly willing to see governmental action in the field of marketing farm commodities if that is necessary to protect our system of family-unit farming. Certainly something has got to be done to protect it, and something better than we have done yet. The same goes for retail merchandising and makes me extremely interested in Congressman WRIGHT PATMAN'S chain-store tax bill.

In other words, what I am saying is that as long as you keep religious and civil liberties, widespread private property ownership, freely chosen constitutional government, and reasonable equality of economic opportunity, democracy is safe and that it is nothing but a cheap political tactic to try to get the American people to believe that whenever their Government does anything it is per se a step toward totalitarianism, and that, conversely, to permit private forces to build empires of finance, merchandising, and electricity is the essence of democracy. I am convinced that exactly the opposite is true.

Democracy in America will, in my opinion, not be destroyed by a German army nor saved by a foreign war. It will be destroyed only by a lack of faith on the part of our own people or a lack of patience; and it will be saved only by the taking of such measures here at home as will restore faith in the effectiveness of democracy and take some of the present excessive strain off of our people's patience. I believe every group in this country has got, furthermore, to take a more sincerely patriotic attitude. No government can stand too long continued attack without being to some degree weakened. There is a world of difference between attacking the

policies of the Democratic administration on the one hand and charging it with being a tool of "red" Russia on the other. The first is good and necessary, the second is despicable, and in the end will prove destructive to democracy itself if persisted in long enough.

There can be no question in America of the right of anyone to hold whatever views he may choose to hold, but I think it is important to realize that one of the dangers to our democracy today and one of the most likely vehicles for totalitarianism is the "united front" idea. I say this only upon the most mature consideration. The thing that most people forget is that both sides can have a united front, and that the growth of one begets the growth of the other. It is undoubtedly true that the very presence in the country of organizations of the right which include followers of the Nazi world movement will inevitably drive more and more progressives toward an extreme left-wing position, while the presence of organizations of the left, which include members of the Communist International, will drive more and more conservatives toward an extreme right-wing position. The end result of such a tendency I shall leave you to picture for yourselves. Suffice it to say it is one I do not like to contemplate. The good sense of Americans has broken tendencies like this before in this country's history. We can do it again. The time will come when conservatives who love their country will be ashamed to have given ear to would-be Fascist tin gods who called on them to gird for battle to "keep the Communists from violently taking over the country"; and the time will also come when patriotic progressives will be sorry they have ever listened to Communist appeals to form "a united front" against the "imminent danger of fascism" in America.

What we need in this country is more people who talk about democracy and really mean it—more people who are willing to sacrifice at least some of their pet ideas for the sake of freedom and liberty; more people who will fight as hard against totalitarianism of one extreme as they will against totalitarianism of the other extreme. We need people who will take the trouble to sift truth from falsehood and who will refuse to believe fantastic tales put out for propaganda purposes from sources which seek to spread fear, hatred, and prejudice. We need people who will understand that 95 percent of the people of this country are nothing more nor less than sincere, earnest people seeking, within the framework of our Constitution, to work out their country's problems. We need people who will resolutely determine that the other 5 percent—to whatever group they may belong—are not going to lead the 95 percent into trouble.

Upon such a group—upon those who mean exactly what they say when they speak of defending democracy—the future of America depends.

Playing Fair With the Next Generation

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Saturday, June 10, 1939

Mr. CASE of South Dakota. Mr. Speaker, I am pleased that the committee has incorporated as section 402 of the bill before us (H. R. 6635), a bill which I introduced in the Seventy-fifth Congress as H. R. 6041, and reintroduced in this Congress as H. R. 954.

This is the proposal to place the Federal contribution for aid to dependent children in the social-security program on a 50-50 basis, the same as is extended in the old-age assistance and other parts of the program.

My bill, H. R. 954, proposed—

That section 403 (a) of the Social Security Act is amended by striking out "one-third" and inserting in lieu thereof "one-half"; and section 403 (b) (1) of such act is amended by striking out "two-thirds" and inserting in lieu thereof "one-half."

The committee has incorporated this as paragraph (a) of section 402, reading as follows:

SEC. 402. (a) Effective January 1, 1940, subsection (a) of section 403 of such act is amended by striking out "one-third" and inserting in lieu thereof "one-half", and paragraph (1) of subsection (b) of such section is amended by striking out "two-thirds" and inserting in lieu thereof "one-half."

My interest in this legislation arises from the fact that I believe any government which recognizes a social responsibility to provide aid for its needy aged must recognize an equal responsibility for its dependent children.

The South Dakota Legislature in 1937 felt that way about it, and in setting up authorization for an aid-to-dependent-children program, provided it would become effective when the Federal Government offered its grants and aid on a dollar-for-dollar basis, the same as extended on other parts of the social-security program. Thereupon I introduced the bill in the Seventy-fifth Congress and was pleased to see it receive substantial endorsement from various parties and groups interested in child welfare. Not only was the bill endorsed by those who are working professionally in the field of social welfare, but the movement received support from those who are active in the volunteer child-welfare program of the American Legion and the American Legion Auxiliary.

I am glad now to see this change among the amendments to the Social Security Act offered by the committee, and feel sure that the House will approve it.

Under permission to extend these remarks, I offer the following portion of my testimony from the printed hearings of the committee for March 24, 1939:

The effect of this amendment is simply to provide for an aid to dependent-children program on a program of 50–50, or equal, basis, on the same principle that is embodied and observed in all other titles of the Social Security Act. Particularly I have in mind those of the aid to the aged and the aid to the blind.

Mr. TREADWAY. Are you correct with reference to the aid to the blind? We had a witness here yesterday on the question of blind contribution, and it seems to me that was on the basis of one-third. I may be wrong.

Mr. CASE. I have a copy of the proposed changes in the Social Security Act, constituting the report of the Social Security Board to the President, issued in January 1939, on page 24 of which appears this sentence:

"At the present time in addition to reimbursing the States for 50 percent of their assistance payments to the needy aged and the needy blind, the Federal Government makes an additional grant of 5 percent which the States may apply to administration."

So I take it from that that the 50-percent contribution applies to the needy aged and the needy blind, and, of course, the act itself, which you have available, is further evidence.

Mr. TREADWAY. Let me try to keep the record straight, not that I want to interrupt your statement. But let me read you from the document submitted by the Social Security Board, with reference to the blind:

"Old-age assistance and aid to the blind: At the present time in addition to reimbursing the State for 50 percent of their assistance payments to their needy aged and needy blind, subject to a maximum of $30 per month, the Federal Government makes an additional grant of 5 percent which the States may apply to administration."

It goes on:

"This flat 5 percent does not represent an adequate Federal contribution for a proper administration and the Board therefore recommends that the law be amended so that Federal grants may reimburse the States for 50 percent of the necessary cost of proper administration."

Mr. CASE. Yes; the sentence that I cited is the first sentence of what the gentleman from Massachusetts read.

Mr. TREADWAY. So we are not far apart.

Mr. CASE. The difference is simply the administration. In the paragraph just following the paragraph the gentleman from Massachusetts read, the Board, in its recommendation says this:

"The Board strongly recommends that grants-in-aid to the States for aid to dependent children be placed on a 50-percent matching basis already in effect for the other two programs."

My bill proposes to do exactly that thing; to provide a 50 percent matching basis for the program of aid to dependent children, the same as in effect on the other two programs.

I introduced a similar bill in the Seventy-fifth Congress, which was H. R. 6041. At that time I asked the Social Security Board to give me an estimate of the amount of money that would be involved in doing that. Under date of August 18, 1937, the then executive director of the Board advised me they estimated that the increase for H. R. 6041 would be about $20,000,000.

The need and merit of this proposal, it seems to me, need hardly to be stressed. Whatever arguments there are for the Federal Government making a contribution for aid to the aged, certainly extend to the aid for dependent children, because these children constitute the chief source of our problem children during the adolescent period. If the Federal Government has a legitimate stake, as I believe it has, in providing pensions for the aged, it

certainly has an equal or greater stake in providing proper aid to the dependent children. We have a longer period of expectancy of interest in those children. On the merits of the case and on the recommendation of the Board, I earnestly commend to your consideration the proposal embodied in H. R. 954, to make an equal grant in the aid to dependent children.

Thank you.

A Touching Tribute

EXTENSION OF REMARKS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

RESOLUTION OF DISABLED AMERICAN VETERANS EULOGIZING THE MEMORY AND SERVICES OF HON. BERT LORD

Mr. CULKIN. Mr. Speaker, Chapter No. 60, Disabled American Veterans of the World War, in meeting duly assembled, passed the following resolution gratefully acknowledging the services of our late colleague, BERT LORD. This tribute mirrors most effectually the public service of our former colleague and, pursuant to the permission of the House, I append it hereto:

MEMORIAL CHAPTER 60,
DISABLED AMERICAN VETERANS OF THE WORLD WAR,
Binghamton, N. Y.

MRS. BERT LORD,
Afton, N. Y.

DEAR MRS. LORD: At a meeting of Memorial Chapter, No. 60, Disabled American Veterans of the World War, held June 14, 1939, the following resolution was unanimously adopted:

Whereas the inscrutable will of Divine Providence has removed from our midst a most conscientious and valued public official, Congressman BERT LORD, who was for many years interested in the welfare of the members of Memorial Chapter, No. 60; and

Whereas this organization desires at this time to mark the passing of this most helpful and valued friend, who departed from earthly life on May 24, 1939, in Washington, D. C.: Therefore be it

Resolved, That we do herewith record a brief summation of the character and accomplishments of the decedent, as follows:

Throughout his long public service, BERT LORD merited and was accorded the love and confidence of his associates and friends, and his death comes to us as a most grievous loss and affliction.

His companionship and wise counsel were highly prized by the members of Memorial Chapter, No. 60, as well as by the people of the Thirty-fourth Congressional District and of the fortieth senatorial district where, for many years, he rendered invaluable service as a fearless and capable public official and where his vast knowledge of the needs of the people he so ably represented will long be remembered.

His personal qualities were of that loving nature which wins the warmest attachment. His professional, business, and social relations were characterized by a geniality and courtliness of bearing and conduct which tended to make both official and personal contact with him more than ordinarily agreeable. His work was always faithfully and honestly performed. His devotion to duty was inflexible. He proved himself to be an able and competent public official: Therefore, be it further

Resolved, That we herewith convey to those who were nearest and dearest to him the expression of our tenderest and deepest sympathy in their great bereavement.

Respectfully,

HAROLD B. NICHOLS,
Chairman, Resolutions Committee.

The Neutrality Bill

EXTENSION OF REMARKS
OF
HON. BERNARD J. GEHRMANN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

RADIO ADDRESS BY HON. BERNARD J. GEHRMANN, OF WISCONSIN

Mr. GEHRMANN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I made recently over the radio on the neutrality bill:

Greetings to all listening in on this radio program.

WHAT KIND OF NEUTRALITY CAN KEEP US OUT OF WAR?

Friends, I have discussed five different topics previous to this one, since the Wisconsin delegation of Congress decided to keep the people informed of what Congress is doing. I appreciate the opportunity of being able to express my views to the people of this State on the many important issues that Congress has to deal with. I believe that at no time in the history of this country have the people been more interested in what their chosen representatives are doing than right now. These are momentous times, and I am so glad that apparently most of the people do take an interest in their Government. That is a healthy condition, and it is as it should be. As long as our American citizens keep track of their representatives, our democratic form of Government is safe. I have stated many times that I was worried over the seemingly indifference toward Government which many people indicate when the very life and existence of our American institutions are threatened. I am satisfied that I was unduly alarmed and that the people now, as much as ever in our history, are concerned in the preservation of peace and democracy.

That was proven to me unmistakenly during the debate on Joint Resolution No. 306, commonly known as the Neutrality bill. Every Member stated that his constituents were very active in behalf of peace, and we all received hundreds of letters from the people back home. All the old Members who were in Congress during the World War period stated, during the 4 days of debate, that this was the most important issue before any Congress since the early days of April 1917. The House voted on this bill on June 30, late at night. Of course, everybody voted their honest conviction. I hold no ill-feeling against anyone who voted different than I did on this important issue. We all realized that our beloved country might be plunged into another world war by our action. Many old Members who spoke were choked by tears and emotion, because they realize what another war would mean. So the House remained in constant session from 11 in the morning until long after midnight for several days, debating and voting on this important neutrality legislation.

The Committee on Foreign Affairs held extensive hearings on the neutrality bill. They amended and changed the original draft several times. After the first few hours of open debate, those sponsoring it discovered that there was a great deal of opposition to this type of legislation. The present neutrality law, if properly enforced, seems to me to be ample to meet our needs, unless we want absolute isolation. This bill, I think, gives any one man altogether too much power as well as responsibility. The President, no matter who that may be, has the sole authority to say where and when a state of war exists, who the aggressors are, what parts of the oceans or what areas are to be declared or considered as danger zones and, therefore, to be traversed or traveled by American citizens or American ships at their own risk. I believe that this kind of legislation will get us into trouble much sooner than the present act, or if we had no neutrality legislation at all. I don't care who the President might be, no one individual should be charged with such tremendous responsibility, nor should he have such far-reaching power as this bill attempts to give him. The only way to remain neutral and keep out of war is to sell absolutely no war material, even in the raw state, to any nation even if they have the money to pay for it and the ships to haul it away. That should include scrap iron and similar metals and material like cotton, oils, and many other articles that are converted into explosives. That would include tractors, automobiles, tanks, and planes. I realize that we have many millions of unemployed and that we need to increase our production and manufacturing and thereby put more people to work, but I don't believe that we should do that at the risk of involving us in another world war that most certainly will be much more devastating and destructive than even the World War was.

Take the case of Japan and China. I believe the President did the right thing not to issue a proclamation that a state of war exists there, because it would have aided Japan most. But, on the other hand, I feel that we could bring Japan to her senses by refusing to sell them anything and to place an embargo against everything made in Japan. That would not be neutral, and still, under the pending bill, it is very plain who we wish to help and against whom it is directed. Then why not apply what the President termed "other means than war and perhaps even more effective" to aggressor nations such as Japan? I am afraid we are not willing to pay that price by refusing these orders for war materials and the profit incident thereto.

The committee agreed that certain sections were perhaps far-reaching and struck them from the bill, but even with those eliminated I feel the present act to be much safer for us. If we want to keep out of the war which surely seems to be ready to break out any day now, we must make up our minds to be willing to pay the price necessary. Therefore the question is, Are we willing to pay the price which would preserve peace for America? Everyone says they are for peace. Most Americans will say with great emphasis that they don't want this country to get mixed up in another foreign war, but what we want and what we eventually get are two different things.

Usually what determines the issue is how much we are willing to sacrifice to get what we want. America will not be able to stay out of the threatening world war, nor make her contributions toward world peace unless she is willing to pay the price that will be necessary. That price is to forego profits and employment for the sake of peace and neutrality. If we decide on the policy of continuing war trade by selling arms, munitions, and other war materials, then we will start right down the road

we traveled previous to 1917 which forced us into the World War. Now, as then, our munition factories are being enlarged to meet the foreign demand. When cash gives out, we will have to extend loans to protect our own manufacturers from closing their factories. Soon we will be involved to such an extent that we will have to fight on the side of those who owe us all that money. Our trade in war materials up to the time we entered the World War amounted to approximately $7,000,000,000. A large part of that $7,000,000,000 was considered as easy money or profit previous to the World War, but that war has cost us since then over $50,000,000,000 and we will be paying over $1,000,000,000 a year for more than 50 years to come, to say nothing about the suffering of those who served during the war. So then, I ask you, did it pay us to enter that World War or did we, as a Nation, make any profit from that war or have we made the world safe for democracy? And, even if it would seem to enable the United States to get out of the depression we are in today and again bring back prosperity by selling arms and munitions, is the slaughter of human beings and the suffering incident to a war worth such a price? I don't feel that it is and I, therefore, voted to put the arms embargo in a modified form back into the bill under consideration. The administration did not want the embargo provision. That is why the leaders brought in this new neutrality bill. Under the present law, arms and munitions cannot be sold to belligerents as soon as war is declared, or the President issues a proclamation that a state of war exists between certain nations.

When the House finally got ready to vote on the arms embargo amendment, the leaders, including the Speaker of the House, the majority floor leader, and several outstanding Republicans like Congressmen WADSWORTH and BRUCE BARTON, of New York, fought bitterly and made passionate pleas against adoption of that provision. A teller vote was ordered and the House refused to be stampeded by the leaders. On a nonpartisan vote, those of us who felt that we should refuse to sell arms and munitions to either side, won out by a vote of 181 for embargo and 176 against it. Then a roll call was demanded and those opposing the arms embargo, including the leader of the House, were beaten worse after they made these passionate pleas than before. This time on a roll call, the vote was 214 for embargo and 173 against it. This was a stunning blow to all of those who favored repeal of the present neutrality law—they did not expect to be so decisively defeated. They evidently forgot that all Members heard from back home. They forgot that the people have thus far not been stampeded into war hysteria as they were early in 1917. After that defeat, they gathered their forces and the floor leader and the so-called whips were kept busy to line up the membership against utter defeat of this bill.

A motion was made to recommit the bill to the committee. That kind of a motion, if carried, means that the bill would not come up again this session. That was the closest vote that I have seen since I have been a Member of Congress. That motion was defeated, including the Speaker's vote, by a margin of 2 votes, it being 194 yeas and 196 nays. On that vote a recount was ordered, but the result was the same. On final passage, as amended, the vote was yeas 200, nays 188, or a 12-vote margin. But many voted for the bill after the modified embargo features were added. It now goes to the Senate, where many old and most influential Members will fight against lifting or modifying our present arms embargo.

I must quote a few remarks made by a Member who knows from personal experience that war is hell, he having served during the World War and was wounded so severely that both of his legs were amputated right close to his body and is being pushed around in a wheelchair. He is one of the brightest Members on the floor and on matters of war or peace is naturally most influential. I quote part of his speech that he delivered shortly before the first vote was taken. "We are right down to the one important issue of whether we are going to continue to furnish arms and munitions of war to murder innocent people with whom we are at peace. That is the sole remaining issue.

"Throughout this debate no Member of this House has come on this floor and said that the selling of arms and munitions of war between 1914 and 1917 was not an important factor in our becoming involved in the World War.

"Yesterday I listened to my colleague the gentleman from New York [Mr. BARTON] describe what would happen in case of another war. He said that the war would be brought into the homes of every American that had a radio. I could almost hear the steeples of the cathedrals of Europe crashing. He described the screams of women and children, and said the American people would demand the lifting of any embargo. Perhaps they would, but let them decide that when the occasion arises. The thing that concerns me today is that as the American people listen to the screams of the women and children who are being bombed from the air, the radio may not announce that these bombs were made in America.

"It has been claimed, and undoubtedly rightly so, that we manufacture in the United States the most poisonous gas manufactured in the world. It would surely be considered a munition of war and without an arms embargo would be shipped from the United States. I had occasion to be in a hospital not far from the front during the first battle of the Argonne and I saw American men, some of them brothers, some of them now possibly Members of this House, coming in, their eyelids burned, their bodies burned from what was then the most torturous gas known, but that gas was as nothing compared to what we manufacture now. I cannot believe that the Members of Congress are more interested in protecting the profits of the manufacturers of poisonous gas than they are in protecting the prospective victims of gas in the next war, whether they be citizens of this country or some European nation."

Un-American Activities

EXTENSION OF REMARKS
OF
HON. CHARLES L. GERLACH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

RESOLUTION OF THE TRAVELERS PROTECTIVE ASSOCIATION OF AMERICA

Mr. GERLACH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted by the Travelers Protective Association of America at its annual meeting by the representatives of its 68,000 members, which are variously resident in 33 of the several States of these United States:

Be it resolved by the Travelers Protective Association of America in annual meeting assembled in the city of San Antonio, Tex., June 12–15, 1939, as follows:

1. That we do hereby solemnly reaffirm our unfaltering faith in the American democratic system of government and renew our pledge of allegiance to its wholesome ideals and principles to the end and that there shall never be any infringement upon its basic concepts of a government of the people, by the people, and for the people with equal rights to all and special privileges to none.

2. That we do strongly protest and condemn with all the vigor and strength of our 100-percent, red-blooded Americanism, any so-called un-American activities of certain insidious foreign-born elements in this country who masquerade under the euphemistic names of "communism," "nazi-ism," and "fascism," and the German bunds. These vicious prophets of evil are going up and down our country sowing the seeds of sedition and strife, eating like termites at the very vitals of our national existence.

3. That we believe that the only way back to complete and permanent recovery in business is through soundness and solvency in the administration of the fiscal affairs of our Government, that our National Budget should be balanced and definite steps be promptly taken in that direction.

4. That we declare it to be the sense of this convention that in the event of another European war that this country maintain strict neutrality, and to this end that (1) all American shipping be kept out of war zones; (2) that we sell to belligerent countries all the war munitions and supplies they want to buy on a strictly cash basis, to be carried away in their own ships; and (3) no war loans to any country for war purposes.

5. That we recommend that our immigration laws be made more rigid in order to stem the constantly rising tide of undesirable aliens who recruit the ranks of communism, fascism, and nazi-ism. America should be preserved for Americans. We should first take care of our own 10,000,000 unemployed before others are admitted from foreign shores to add to this already staggering burden; be it further

Resolved, That copies of this resolution be sent to the Members of both Houses of Congress and to the press.

Unanimously adopted at San Antonio, Tex., June 15, 1939.

Georgetown University Convocation

EXTENSION OF REMARKS
OF
HON. EDWARD J. HART
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

ADDRESS BY HON. WILLIAM B. BANKHEAD, SPEAKER OF THE HOUSE OF REPRESENTATIVES, JUNE 3, 1939

Mr. HART. Mr. Speaker, at its convocation of June 3 last Georgetown University honored the Speaker of the House of Representatives and itself by conferring upon the former the honorary degree of doctor of laws. The present

year marks the sesquicentennial of the founding of this great and useful university under the patronage of the able and beloved patriot Archbishop John Carroll. The intervening years had witnessed its steady growth, a continuous expansion of its facilities, and its constantly broadening influence in the life of the Nation.

The address delivered by the Speaker, while brief, is yet a fine example of the purity of diction, rhythmic style, and lofty thought which mark all his public utterances. It is intensely expressive of love for democratic principles and for Georgetown University, of which he is an eminent alumnus.

The speech is as follows:

We have been made conscious within the last year of three great sesquicentennials celebrated by the American people. They are of tremendous significance to the civic and political consciousness of our citizens. I refer to the ratification of the Constitution of the United States, the meeting of the First Congress of the United States under the new Constitution, and the inauguration of Gen. George Washington as first President of the United States.

It is a most happy circumstance that in connection with these immemorial national anniversaries we are privileged to celebrate the one hundred and fiftieth anniversary of the founding of this institution. And as one of its alumni I wish to join all those who love this university and its noble traditions in commemorating the significance of this anniversary.

No government for a great people can hope to survive purely upon political ideology, but there must be coupled with it cultural and spiritual and professional ideals and practices to stabilize the morale of the people—to govern their personal conduct by systems of sound moral ethics, and to teach them that materialistic values are but a portion of the patrimony of a sound and enduring civilization. To the stimulation and encouragement of the better and nobler things of life this great institution for 150 years has contributed efforts of immeasurable value, and I rejoice with you all in memorializing and keeping fresh and fragrant the memories of the great history of this institution and its contribution to the general welfare.

Speaking as a representative of the legislative branch of our Government, I invoke with unrestrained confidence your further cooperation in sustaining in full strength and substance the essence of our democratic institutions, which make men free, free to speak their honest convictions, free to worship their God in such fashion as conscience and conviction may choose without coercion or restraint from any temporal power, free to acquire and bequeath, free to set up their own altars and hearthstones without let or hindrance, free to order their own lives without punitive menace from any quarter, and free to cherish every noble memory that occasions like this inspire.

A New Proposal for American Action

EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ADDRESS BY HON. HERBERT HOOVER, JULY 6, 1939

Mr. SECCOMBE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address by Hon. Herbert Hoover before the International Convention of Christian Endeavor Societies at Cleveland, Ohio, July 6, 1939:

I

Last night I spoke on the American Magazine hour against sending our youth to war in foreign countries again. I stated, however, that America can be of service to peace and humanity. Among other things I suggested that we can build up the standards of decency in the world. We can take action which will lessen both the causes and the barbarities of war. We can do it without involving ourselves in foreign wars. I shall make a concrete proposal for such constructive action tonight.

You represent the youth of many nations. And you are profoundly interested in peace. You are profoundly interested in the growth of humane spirit in this world. And if war should come you are interested in all possible protection of humanity in that war.

Last night I referred to the suffering of women and children in the Great War. I know. For years it was my sole occupation to care for the homeless, the foodless, the frightened, and the helpless. I have witnessed their sufferings in 20 nations. And when one speaks to me of war, I do not see the glorious parade of troops marching to the tunes of gay music. I do not think of great statesmen planning and worrying in their chancelries. Nor do I think of those dazzling chambers where the peacemakers of the world meet to settle the affairs of mankind. I see the faces of hungry, despaired, and terrorized women and children. These are the real victims of modern war.

The violence of war is year by year falling more and more horribly upon the civilian populations. Starvation by blockade and killing from the air have become weapons of attack in modern war. At least they have become methods of reprisals. Put bluntly that means wholesale killing of women and children.

The food blockade

Industrial civilization has increased the numbers of people in many countries far beyond their domestic food supplies. They must import food from overseas.

In the last war both sides struggled to bring victory by starvation of the whole enemy people. The food blockade by the Allied Governments on one side and the ruthless submarine warfare by the Central Powers on the other had starvation as a purpose. In the last war both sides professed that it was not their purpose to starve women and children.

But it is only hypocrisy to say that the blockade is directed to starvation of soldiers, munition workers, or government officials. They levy a first call on all food. It is only the deluded who think that these ever starve. Armies and munition workers were not short of food in blockaded Germany in the last war. All over Europe it was the women and children who, weakened from scanty food supplies, died not in hundreds of thousands but in millions. It was the children who grew up stunted in mind and body. Who can say that the confusion in Europe today is not partly the result of the horrible lives of the children of those years?

Death from the air

And in equally dreadful sense I saw a newer method of war develop. The bombing of civilian populations from the air first appeared as a part of war strategy during the Great War. The bombing plans was then scarcely developed. It was a weakling when the Germans used it against British and French cities. But even then I have seen with my own eyes a score of air raids where terrorized women and children flocked to cellars uselessly and frantically to escape a rain of explosives.

No country then possessed great numbers of these planes built purposely for bombing. Today each nation numbers its fleet in thousands. And today each plane will carry 10 times the death-dealing explosives. In terror every European nation is equipping everybody, even the babies, with gas masks. Every country is preparing to evacuate women and children from the cities. One of the dreads of Europe today is that these great fleets of planes will be used to destroy whole cities.

Again it is hypocrisy to say that the sole purpose of bombing planes is to destroy soldiers, communications, and munitions works. That is not the full intention. The purpose is terror and weakening of the morale of the civil population. That means the killing of women, children. The experience in China and Spain in the last 2 years only confirms our worst fears.

II. THE STRATEGY OF MODERN WAR

The ancient chivalry for the protection of women and children has departed in the violence of the times. But why these pressures and terrors against women and children?

To break down the morale and resistance of the civil population at home has become a part of the methods of war. There was a time when wars were carried on exclusively by soldiers and sailors. The civil populations went about their routine daily tasks.

Today war is a battle of whole peoples. They must be mobilized to the last atom of their economic and emotional strength. All fit young men and boys are conscripted and thrust into the battlefields. The pressure on their women and children by the enemy is supposed to react upon the conscripts at the front. It is supposed to weaken their courage and the resolution of these huge armies. Or it is presumed to make the enemy people supplicate its own government for peace.

III. THE MENACE OF INCREASING ARMAMENT

Whether the intention is deliberate direct attack or only a threat of reprisals, this fear for their women and children is one of the driving forces of increased armament by every nation.

One impelling reason for increasing naval fleets given by every country in Europe and Asia is not only to blockade the enemy's food but to keep open the lanes of their own food supplies. Up to the last war the strength in the starvation battle rested with the country which possessed the battleships. But during that war the German submarines demonstrated a capacity to destroy the food supplies destined to England and France, even against their superior fleets. It brought British and French food supplies into extreme jeopardy. Since then the submarine has been greatly improved and its numbers vastly increased.

One of the impelling reasons for unceasing building of bombing planes is to prepare reprisals for blockade starving of women and children or reprisals for air attacks.

This killing of women and children haunts every council table and affects every move of power politics. It drives not alone to armaments. It drives to more and more military alliances that breed war.

Until this menace of killing women and children by food blockade and from the air is removed, there will be little relief from increasing navies and air fleets. There will be little decrease in the fear that is driving the world to its own destruction.

The standard of living, the comfort of all men is today being steadily lowered by this race of armaments. It is the backs of the men and women who toil that carry this load of war preparedness

during peace. It is nonsense to say this is paid for by the rich. The pay comes from the productivity of the people. It is breaking the backs of nations today.

And the United States builds correspondingly to meet the menace of these swelling navies and air fleets.

IV. OBJECTIONS TO LIMITATION OF WAR METHODS

Surely the time has come when men should renounce the starvation and massacre of women and children as methods of war.

I am well aware that any protest or any proposal to limit these horrors in future wars will be decried by the militarists as futile. They will say that the world has tried to do this sort of thing and failed. Civilian authorities in these desperate times may decry it as impractical. It will be said that war is itself immoral and to suggest moral restraint in conducting war is a hopeless contradiction.

Even if nations subscribe to it in peace it will be said there can be no dependable enforcement after war begins. Long reasons will be adduced to support its unenforceability. It will be said that in modern war national existence is at stake. National institutions will be destroyed by the inevitable revolutions that follow to the defeated country. Long years of indemnities and oppression are the penalty of defeat to the vanquished. Therefore, it will be said that despite any agreement to protect women and children, every nation when once engaged in war will justify every weapon as a part of its defense, no matter what their humanitarian agreements may be. I shall comment upon some teeth that could be put into enforcement in a moment.

The old fallacy will be produced that the prospect of war becoming more terrible frightens nations into keeping the peace. But the fact is nations go to war out of desperation at these very threats. The fear of frightfulness does not make for peace. It creates fear, hate, and desperation which drive nations to war. The prospect of killing of women and children makes war more likely.

Another old fallacy will be produced. That is, the more terrible war is, the quicker the sickened nations will make peace. But war has become more terrible every year since the invention of gunpowder. Every half century has seen more and more men sacrificed on the battlefield. It has seen more and more women and children sacrificed at home. Human courage rises far above any terror yet invented.

This same fallacy pretends that putting the screws on the civil population gets war over quicker. Such a policy is thus said to be more humane. The last war proved that starvation and bombing only sharpened hate and hardened resolution to continue.

Even supposing all these arguments are true, are we to accept defeat of international decency? Are we not to try every method, explore every channel that might allay these causes of war and armament and that might lead to protection of the lives and minds of innocent women and children? Must we accept such a collapse of western civilization? Must we accept the despair of return to barbarism?

V. A PROPOSAL

I am going to risk a proposal that might end the worst of it.

My proposal is that all nations who are willing to do so should enter an agreement:

1. That vessels laden solely with food supplies should be placed upon the same basis of immunity as hospital ships. They should go freely. Blockade should not apply to them. There should be no attack upon their passage by either warships or submarines.

2. That there shall be no bombing of civil populations and no bombing anywhere except in the field of actual fighting men on land or sea, and at works devoted strictly to munitions.

Nations who are not willing to enter such obligation will have at least declared their shameful devotion to barbarism. They will be proved outcasts from civilization.

There is humanity in the peoples of all combatant nationalities. Their own public opinion is shocked by barbarities. That is evidenced by the fact that all statesmen in the last war sought to justify such acts to their people as reprisals for the barbarities of the enemy. And through all discussion of preparedness today they find justification in their fears of this frightfulness against themselves.

VI. ENFORCEMENT

Now for the moral teeth that I propose for enforcement. That is the definite participation of neutrals of the world in protection against these barbarities. As a part of such agreement the neutral nations should become the referees announcing in authoritative way any fouls that take place.

To effect this, such agreement should provide further:

3. That the shipment of food supplies in war to any blockaded nation may be in full cargoes under the management and jurisdiction of a commission of the neutral nations.

4. That neutral observers should be continuously in session within every belligerent country to determine the facts of any killing of civilians from the air.

The whole of this enforcement by neutrals must be based upon moral forces and not on military force or entanglement in the controversy. Should any belligerent be convicted of deliberate violations, then neutrals should withdraw. Awful as it may be, no doubt the hells of reprisals from the injured side would then be turned loose.

The real teeth behind this enforcement is public opinion among neutrals. That is one of the most potent forces in modern war. If it be pointed up by definite conviction beyond all the whitewashing of propaganda it can be far-reaching in its consequences.

In the strategy of modern war one of the utmost anxieties of both sides is to hold the good will of neutrals. Or at least to prevent their indignation forcing them to aid or to join the enemy. The ill will of neutrals or their citizens at once induces informal boycotts of credit and supplies even do they go no further. To influence neutral public opinion in the last war every combatant spent millions in gigantic propaganda. And they are spending it again today.

Public opinion in neutral nations does not react much to the legalistic question of whether cotton is contraband or noncontraband. It does not react much to imperial ambitions of combatants. It does not react much to specious circumventions of such instruments as the Kellogg Pact. But it does react to the horror of killing women and children.

It is asserted that public opinion of neutrals had no effect in the last war. Contrary to that, when the final verdict of history is given, it will be found that the losers lost not by lack of valor or courage. They lost not by lack of efficiency or even from starvation. They lost by failure to heed the public opinion of what were originally neutral nations. Had the American sense of humanities not been outraged over years, there is little likelihood that we would have joined in that war. And with us half a dozen hitherto neutral nations joined also. The emotional reaction of the American people upon a conviction of wholesale killing of women and children in another great war would come nearer to driving our people to intervention than all the other arguments in the world.

If this moral standard of protection to women and children were once erected in the world the violators could confidently expect that the indignation of neutrals would bring them to disaster.

VII. SOME EXPERIENCE

Incidentally, on Armistice Day in 1929, I made the part of this proposal relating to the immunity of food ships. It was approved by the leaders in a score of nations. Those nations who did not regard it with favor thought it one-sided. But they now find themselves hideously menaced from the air. The double proposal should now commend itself to those who then thought it one-sided.

In 1932 I proposed to the World Conference on Land Disarmament a limitation on the use of bombing planes which was accepted by the representatives of many nations. I did not then propose enforcement through organized neutral action as I now do.

To those who doubt the practicability of the idea of ships moving through blockades, I may point out that the Belgian Relief Commission delivered more than 2,000 full cargoes of food through two rings of blockade. It was done by international agreement under neutral management operating continuously for more than 4 years. It proved that this could be done.

Moreover, the conventions as to the Red Cross were fairly well held to in the civilized countries during 1914 to 1919. The agreements as to protection of prisoners were also fairly well held. At least some agreements to mitigate barbarity have been kept in war. These growths away from barbarism lend hope for further progress toward protection to women and children.

If we wish to lower our vision from the transcendent questions of humanity involved, we can find an impelling interest to neutrals in these proposals.

In the last war the blockade initially reduced demand and every farmer in the world suffered. Then as the long lanes of food from the Southern Hemisphere could not be used because of diminished shipping and the submarine, the demand was concentrated on North America. And the farmers of the Southern Hemisphere went bankrupt during the war. Perhaps someone thinks our farmer benefited. He did not. He has for years and is today still suffering from the expansion of submarginal lands and the inflation of land values due to the high prices of the war.

VIII. CONCLUSION

Today's is perhaps a poor atmosphere to make any proposal to mitigate the barbarities of war. So many are desperate with fear, so many have learned to hate. So much hatred and fear are being stimulated by the artifices of propaganda.

It is true the processes which lessened the causes of war and made for peace have been greatly weakened. It is a tragic fact that in 6 years the treaties limiting the navies have been abandoned. The hopeful negotiations to limit land arms have died away. Encouraging international action by the world conference to restore the prosperity of the world was suppressed. Nations have lawlessly violated their pledges never to use war as an instrument of national policies. Every large nation is arming to the teeth. The standards of living all over the world are being lowered to pay for increasing arms. Fear is rampant. The only methods of peace today seem to be military alliances, threats of force, and delicate balances of armed power.

All this may seem discouraging. But there are times when to relift the banner of moral standards is essential. For unless it is raised there will be no morals. Because hate and violence have arisen in men is no excuse that we shall forsake reason and humanity.

For America to voice these ideas on behalf of women and children requires no use of force. It needs no military alliances, no leagues, no sanctions. It requires no power politics. But that voice when raised on behalf of humanity can be a most potent force in the world today.

We possess a great moral power, and we should use it to save mankind from the barbarities of war. Thereby we will promote peace. In this we will be right at all times.

Thoughts on Temporary National Economics Committee Legislation

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

EDITORIAL FROM THE NEW YORK TIMES

Mr. CRAWFORD. Mr. Speaker, in view of the extraordinary amount of money which is being spent by the Temporary National Economics Committee, together with the far-reaching consequences of the study which it is making and perhaps the revolutionary legislation which will be recommended by the committee after it has concluded its research, I desire to present for the information of the House the following editorial from the New York Times:

[From the New York Times]

THE O'MAHONEY BILL

When the Temporary National Economic Committee was formed it was widely advertised as a body that would examine the problem of monopoly with an open mind and give all interests an opportunity to be heard. For a time it seemed to be actually following that course, but in recent months its hearings have had too often the air of staged performances. It has listened to carefully prepared testimony of administration officials or of its own members, putting forward various economic schemes or making various charges against the conduct of this or that industry, and before the representatives of one industry have had an opportunity to muster their evidence or reply to the charges, the committee has been off on another tack, "exploring" some other phase of economic life.

Several recent developments increase the suspicion that the committee has made up its mind on some of its most important conclusions before listening to the evidence. A few days ago, for example, Chairman O'MAHONEY introduced a highly questionable bill to allow the United States Government itself to sue a corporation violating the antitrust laws for civil penalties. The corporation would be made liable to forfeit to the Government a sum equal to twice its total net income during every month in which the alleged violation occurred, and every officer and director of the corporation who had participated in the violation would be made personally liable to forfeit a sum equal to twice his compensation from the corporation for every month during which the violation occurred.

As the Government might win verdicts that certain "violations" had been going on for years, it is obvious that such excessive penalties could not merely personally ruin the officers of corporations but force great corporations themselves completely out of business. As the antitrust laws have always been very vague in their outlines, as such crucial phrases as "restraint of trade" are subject to the broadest sort of interpretation, such a law might place inordinate powers in the hands of officials of the Department of Justice, and intimidate business in a very serious way.

Yet though the public did not even hear of Senator O'MAHONEY's proposal until a few days ago, it is already made known that the T. N. E. C. will endorse that proposal in its preliminary report, which is expected within the next 10 days. Meanwhile there will be no adequate opportunity for the public to sift the merits of so important a measure. It is ironic to recall that it was to the T. N. E. C. that the President addressed his recent question of how to get idle men, idle machines, and idle money back to work. There is no more certain device for frightening money into continued idleness, and consequently for keeping both machines and men idle, than by imposing on business drastically excessive penalties for vaguely defined legal violations.

Mixed Neutrality

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. PLUMLEY. Mr. Speaker, if the position of this country should be endangered in the immediate future by any conflagration, any incipient war brewing among the European nations of such moment and so portentous as to necessitate the United States to engage indirectly therein by providing arms, munitions, implements, and sinews of war to one side or the other—and it is this denial of direct opportunity to take sides even under present conditions which seemingly has led so many to inveigh so heartily against the action of the Senate committee whereby it postponed Neutrality Act revision until the Congress meets again—action which, it should be borne in mind, affirms the action recently taken by the minority of the House membership when it voted on the same Neutrality Act—when, as, and if such a situation should obtain among the nations of Europe as would endanger us, it would seem not only responsive to reason but of paramount, transcendent importance that "the voice of the people"—the Congress of the United States—should be called into immediate session thus accurately to reflect the intimate reactions of the people to any danger which might conceivably threaten them from without.

The Congress, being in session as it should be under such circumstances, could then enact such legislation as the temper of the times and the then existing situation might demand. Moreover, it should not be overlooked that in these days the Congress can be called into immediate session with negligible delay. As the perspicacious correspondent of the New York Times, Arthur Krock, today takes occasion to say:

A special session of Congress can in these days be assembled rapidly and public opinion formed by such events as listed above presumably would force speedy action.

You should read this entire article by Mr. Krock. It gives a clear, keen, penetrating picture of the Washington temper as well as a concise summary of the problem which has been so widely discussed and so ably debated these past few weeks. So that you may do so, I incorporate the article in my remarks at this point.

He says:

The struggle in Congress over the administration's proposals to revise war-policy legislation has been so thoroughly dramatized by politics that "joy in Berlin and Rome" is a natural consequence of the Senate committee's action today in shelving revision for the remainder of this session. The dictators and governments on the axis are entitled to their hour of joy. But before they proceed to base any dynamic policy on what has happened here they would be well advised to obtain a sound analysis of the reasons.

Some of these reasons are:

(1) Distrust in Congress of the fourth New Deal's foreign section on two grounds: (a) The political fear that to sustain it would give the President additional powers on the threshold of a national election, and (b) the temperamental fear that Mr. Roosevelt might not wisely use the power to arm one set of belligerents against another.

(2) Conviction among a majority of the Members of Congress that the people of the United States favor a negative foreign policy as long as it can be maintained, and, in the preface of war, want no allies.

(3) Historic lack of concern over the European situation because of the repeated settlement of recent crises; the buoyancy of the British "appeasement" faction; the war-debt defaults; and the congenital American suspicion that European nations seek only to exploit the United States.

But most improbably did two other considerations enter into the action of the Senate Foreign Affairs Committee today. These are (1) the attempt of the inner circle new dealers to defeat for renomination Senators GEORGE and GILLETTE, who voted today with the committee majority after having been represented as undecided; and (2) any belief in Congress that if the axis powers start a war abroad, this country will be neutral in spirit, indifferent to the fate of France or Great Britain or actually sympathetic with Hitler and Mussolini.

ABOUT FACE COULD BE SPEEDY

If the authorities in Berlin or Rome are told either of these two things, particularly the second, and if they should believe such reports, they would do well to recheck their information. Any change in policy based on this presumption or belief faces the same consequences as those which followed the German procedure in 1914 when the Kaiser was assured Great Britain would not join the war. At a special session called on the outbreak of European war, or during a regular session punctuated by war and air attacks on nonaxis cities, many of the Members of Congress who have voted recently to keep down the President's powers in wartime would quickly reverse themselves.

A special session of Congress can in these days be assembled rapidly, and public opinion formed by such events as listed above presumably would force speedy action in an opposite direction. During a regular session Presidential discretionary war powers could be voted even more speedily.

Had Mr. Roosevelt, beginning with the Chicago "quarantine" speech in 1937, pursued a less aggressive verbal foreign policy, and had he refrained from certain alarmist statements implying the extreme probability of war, it is probable Congress would have acceded to his request and abolished the wartime arms embargo. Had he some time ago made it wholly clear he will not seek a third Presidential nomination instead of suffering the contrary suspicion to be planted and daily watered, that probability would have been even greater. These are the plain facts of the situation, rarely conceded in congressional speeches, but strongly influencing neutrality legislation. Yet this observer is far from solitary in the conclusion that the actuality of war in Europe would sweep even these aside.

SHARING THE RESPONSIBILITY

If the war prospect in Europe is as acute as the President and his chief foreign-policy advisers appear to believe it is, and if the "joy in Berlin and Rome" over the action of the Senate committee today induces the dictators to precipitate that war, the responsibility on this side of the ocean will not be wholly that of Congress by any means. Its majority is isolationist. This majority disbelieves in the estimate of a much better informed observer, the President. It also rejects his sound thesis that material notice to the dictators in advance that we will arm the French and the British will serve as a preventive of war. In these particulars the Congress majority must accept a share of the responsibility for any disastrous results of the Senate committee's postponement vote today.

But to the extent that the President's tactics have fed the isolationist sentiment, encouraged disbelief in the gravity and imminence of the war crisis, aroused the fear and suspicion of his political foes, and made it possible for demagogues to pull out all the stops on the organ of American aloofness, he must be assessed with what, if anything, flows from today's vote should Congress adjourn without upsetting its mandate. It is this sort of contest, with blood and treasure and civilization as its possible stakes, which fosters the wish that some legal means could be found to limit Presidential successions; some magic be devised to put foreign and domestic politics into separate compartments, and to touch with celestial spirit and vision all public persons who deal with the issues of war and peace.

Independence Day Ceremonies

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

ADDRESS BY REAR ADMIRAL CLARK H. WOODWARD, UNITED STATES NAVY

Mr. MARTIN J. KENNEDY. Mr. Speaker, each year this celebration is sponsored by the Society of Tammany and is the outstanding patriotic celebration of its kind in the United States. On the occasion of this celebration we find assembled outstanding figures in the religious, civic, military, and public life of the community paying tribute to the Society of Tammany, in addition to their brilliant speeches on the traditions of Independence Day and the patriotism of our people. This year, before a large and enthusiastic audience, the following address was delivered by one of our distinguished naval officers.

ADDRESS BY REAR ADMIRAL CLARK H. WOODWARD, UNITED STATES NAVY

Worthy Grand Sachem, distinguished guests, friends, I feel greatly honored at being invited to participate again this year in the Independence Day ceremonies of your patriotic and fraternal organization. Though our ceremonies tonight are a few days in advance of the Glorious Fourth, they lack none of the patriotic fervor to be exhibited on that day of days.

This is the season of patriotic celebrations, reminding us of the wonderful achievements of our forefathers and of the great heritage they left for us to enjoy.

Two weeks age we celebrated the one hundred and sixty-second anniversary of the official adoption by the Continental Congress of our national flag—that glorious banner of 13 stripes, straight and true, with a field of 13 stars representing the new constellation in the galaxy of nations. In the fabric of that flag is woven the saga of the greatest political experiment ever made by man.

Next Tuesday, throughout the length and breadth of the United States, and in all other places where Old Glory flies, our fellow citizens will celebrate the one hundred and sixty-third anniversary of our independence—when our forefathers cast off the foreign tyrannical yoke that had borne so heavily upon them; when they established this democratic union which has stood for six generations and endured through the acid test of its various wars from Valley Forge to Chateau Thierry, including a war between the States.

I shall not at this time review the patriotic actions of our forebears in the days of 1776, as glorious as they were, but shall speak more pertinently of our present-day obligations as loyal American citizens.

Harking back to Flag Day, it is unfortunate that we are not more definitely flag-conscious in this country. The American flag is not seen as often as it might be nor, when seen, honored as ceremoniously as it should be. We frequently pass beneath it without even an upward glance at its bright colors. We take it too much for granted without realizing for what it stands. With foreign flags and symbols all around us it is fitting and proper that our people should have a day each year to glorify our flag and be reminded of its protecting power throughout the world.

It is the emblem of this country's majesty and sovereignty and the living symbol of the will to be free as an indestructible union of indestructible self-governing States. It can never mean more than we make it mean. Through our Federal Constitution Old Glory proclaims the principles of freedom, justice, and equality of opportunity under the law, and symbolizes the enjoyment of a happy life with liberty and tolerance.

It belongs to no political party, class, or creed, and stands for no oppressive "ism." What it does stand for is true Americanism, a united country, and a protective democratic government of the people, for the people, and by the people. It is a battle flag of freedom which must be fought for and rededicated day by day in order to preserve our hard-fought-for liberty. There is no room beneath its folds for those who would overthrow our traditional self-government in which we still have abiding faith.

In all the wars in which our country has engaged in its 163 years of existence our soldiers and sailors have saluted death unafraid, exalted by an inexpressible feeling that they were fighting under that flag and in defense of our liberties in order that our country might become a free and independent nation, continue as an inseparable union, and remain deaf to the siren songs of Old World alliances.

The ranks of our veterans are growing thinner as the years pass, but those who remained after each conflict have been a constant reminder to succeeding generations of those qualities of honor, courage, and sacrifice which not only kept our country united but made this Nation great.

That the youth of yesterday emulated their example of loyalty, devotion to duty, and patriotism was shown in the Spanish-American War, Philippine Insurrection, Boxer campaign, and World War. And should we be plunged into another conflict, I am confident that the same spirit of self-abnegation induced by love of country would guide the youth of tomorrow—even though now subjected to all sorts of subversive propaganda, false philosophies, and imported un-American "isms."

As we all know, there are many organizations masquerading under the name of "peace" societies and other innocuous-sounding titles that are making vicious effort to weaken our common defense, demoralize our general welfare, and destroy our domestic tranquillity by spreading antipreparedness-propaganda seeds throughout our country, taking advantage of the fertile soil our country so innocently provides. There are other more dangerous, unmoral, and treasonable organizations, conducted for foreign interests, that are deliberately attempting to mislead on-the-fence patriots and mold public opinion in favor of their inherently selfish antidemocratic ideologies—whose deplorable excesses have brought serious adversity and even political chaos to other lands—with the unalterable intention of undermining our entire social structure and ultimately overthrowing our form of government, by force if necessary.

The Communists, as we have seen recently, are even making a brazen pretense at whitewashing their "red" aims by their newly adopted constitution. This phony blind constitutes a fresh menace to indifferent and misinformed patriots, for after all it is still a revolutionary party carrying on its work as before and using its new constitution as the gold brick "come on" to fool the public.

Their promise of greater liberty, justice, and freedom is only a catch phrase to which their own fundamental negation of liberty, justice, and freedom puts the lie. Their guarantee of private rights and civil liberties has been proved to be a colorful myth. The "red" dictatorship is nothing but the old tyranny aggrandized and those of the Fascists and Nazis—being built on similar foundations—follow closely in its wake with their oppression and usurpation of power and suppression of the individual in favor of the state while pretending to glorify collectivism.

It is these alien "isms" particularly and all other unfriendly influences in our midst which seek our ruin that all loyal Americans should unceasingly combat by building up the patriotic character of our rising generations. What are we, as citizens of this great country, doing to encourage the proper training of the young men of today to prepare themselves as replacements for the present national defenders? Are we to permit these alien subverters who threaten our most cherished fundamental ideals and proudest heritage from the past to work freely in our land?

Let us be neither fools nor cowards by sitting idly by and showing apathetic indifference to these publicized borings from within and secret attacks from abroad by more subtle forms of intrigue and political espionage on our free institutions and liberties. Facing the facts, as all true patriots should do, we must stand like

the Minutemen of 1776, ready to combat these doctrines of evil. The warning signal of great danger has been sounded.

Veterans of past wars, by their loyalty and devoted service, have demonstrated their conviction that American citizenship carries with it obligations as well as privileges. Upon the men of today rests the obligation of enlightening the youth of our country, by precept and example, in the duties and high character of American citizenship—remembering that it was American principles that made us a great and prosperous Nation. The freedom we have was hard fought for, but may easily be lost.

The overthrow of all democratic and free institutions in the past has taken place primarily because of the inertia of the people. By the same token it can happen here, despite our feeling of security.

It has been truly said, "Liberty is born of war and can be maintained only by war." Former President Coolidge summed up the thought in these words:

"We have come into our present high estate through trial and suffering and sacrifice. That which was required to produce the present standards of society will ever be required for their maintenance. Unless there is an eternal readiness to respond with the same faith, the same courage, and the same devotion in the defense of our institutions which were exhibited in their establishment, we shall be dispossessed and others of sterner fiber will seize on our inheritance."

What do we find today? Radical immigrants coming to America to avoid the tyranny and oppression of the countries of their birth; instead of following in the footsteps of those earlier immigrants who cast in their lot with the founders of this country in an effort to make it the haven of liberty, justice, and freedom it is today, on arrival here these later immigrants not only become critical of the land which gives them asylum and of its institutions, but even combine through Trojan horse tactics in a sinister attempt to destroy the very Government which gives them protection and convert it into the same type of despotic government from which they recently fled.

Americans should not stand for this much longer. These subversive elements are destroying the moral fiber of the country's old and young alike. We must gird for battle to save American youth.

What we need today is more of that good, old-fashioned, honest-to-goodness patriotism—the kind that gives a tug at the heartstrings and makes a person feel proud to be a citizen of these United States, the greatest country on earth; the kind that gives us an internal glow when we see our flag waving on high; the kind that inspires us when we hear the national anthem.

Unfortunately, however, in this day of so-called advanced thinking, this brand of patriotism has been somewhat outmoded in too many of our educational institutions by intellectual anarchists teaching the theories of internationalism or of alien ideologies, and fostering the subversive movement of nonparticipation in war. Such traducing of our schools and colleges by malicious agents of un-American "isms" must be stopped by the challenge of patriotic groups cooperating in a crusade to save America for Americans.

No nation can rise above the concept its citizens have of patriotism, and when a country reaches the point where its people have no faith or confidence in it, that country is surely on the toboggan slide to decadence. That has been the history of other nations in the past which have lost national spirit. And history has a sad way of repeating itself.

In view of all this, recent events here in New York City and in other communities throughout the country have been very heartening. On Sunday last a most impressive and historic ceremony was held under the auspices of various patriotic organizations. It was the observance of citizenship day in honor of American-born youth who became of age during the past year.

The ceremonies, which included the oath of good citizenship, were arranged to impress upon them the great significance of their new status and to emphasize the value of their heritage in our great democracy. It is upon these citizens and future generations that the continuance of democracy in this country depends.

Having thus attained the full stature of citizenship, they should now be ready and willing to fulfill their duty toward society in general and themselves in particular by exercising the precious rights of an American citizen. No gift can be conferred by this Nation on any person greater than that of citizenship. No declaration can mean or imply more than that simple phrase "I am an American."

Those who have attained this high estate, however, must realize that with the privilege of citizenship goes the solemn obligation to uphold American ideals of freedom and democracy and to protect and preserve the Nation from enemies both within and beyond our gates.

It is this latter obligation that I desire particularly to emphasize this evening. If we are to save this country from the dire fate of certain European nations, it is incumbent on all good citizens to pledge allegiance to the only true "ism"—Americanism—and help patriotically to preserve the principles of our democratic institutions and the ideals of our great system of government.

The solemn civic duty with which we are charged includes the teaching of the youth of today to support the American system of government, the American Constitution, American institutions and ideals, and guard vigilantly American principles against assaults of whatever character or from whatever source. The American system of government has given to its people the greatest prosperity, happiness, individual freedom, and social security known to the world, its one great weakness being the inability to stamp out quickly subversive doctrines and deal promptly and effectively with those who are seeking to overthrow the Government by force.

One of the favorite targets of attack by those who scoff at patriotism is the question of national defense on the wholly false premise that the existence of an army and navy is a potent cause of war. Yet our own history shows that no one of the six major conflicts in which we have engaged in our 163 years of national life was caused by the existence of our armed forces. Quite to the contrary, each war found us utterly unprepared both on the land and on sea.

It cannot be too often repeated that our Army and Navy do not exist for waging war but for the purpose of preserving peace. We who have experienced war, knowing too well its horrors and suffering, hate war. We do not have even a voice in the declaration of war. This is decided wholly by the civil authorities, and the armed forces are called in only after all efforts for peace are exhausted. It is then that the Nation's defenders carry out the mandate of the people.

Being the first to suffer and to die, we of the regular armed forces of the country enthusiastically join our civilian brothers in the hope for perpetual peace. However, we realize the impossibility of such an ideal condition in this war-torn world, particularly now when strong predatory nations, arming to the teeth, and regardless of treaties, are ruthlessly attacking and annexing territory of weaker neighbors in their lust for greater power—though making the hypocritical diplomatic claim of promoting mutual friendly cooperation, prosperity, and public welfare thereby. Furthermore, the systematic and purposeful propaganda of certain foreign nations in spreading their aggressive political activities in Central and South America is a growing challenge to the influence of the United States which undoubtedly, if continued or increased, will menace the preservation of peace as our Monroe Doctrine—in the support of which we have never wavered—views any attempt of foreign powers to colonize or extend their political system to this hemisphere as being dangerous to the peace and safety of the United States.

In consequence, prudence dictates a realistic preparedness against all eventualities, which for the United States means nothing less than a "Navy second to none" and a well-equipped efficient Army of sufficient size to defend our land. Our main reliance, however, will never be—as it always has been in the past—on that great body of patriotic citizens who enroll under our glorious flag when the country is in danger. After all, war—whether it be against crime, communism, or another nation—can never be more effective than the preparations made in advance to conduct it. All social order depends, eventually, on force.

Today 80 percent of the world—comparatively weak and disorganized—are terrorized by the other organized, strong, and predatory 20 percent.

Daniel Webster once said "God grants liberty only to those who love it, and are always ready to guard and defend it." Therefore, let us take as our slogan: "On guard America—Now."

By valor and virtue let us, as patriotic American citizens, forever stand firm and loyal to God, country, and flag.

The Wagner Health Bill

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 1939

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions adopted by the California Medical Association:

Whereas a proposed Federal law, submitted by United States Senator ROBERT F. WAGNER, of New York, and known as the Wagner health bill (S. 1620) is now being considered in Senate committee hearings at Washington, D. C.; and

Whereas S. 1620, if enacted into law, would introduce such radical changes in the public health set-up of the Federal and State governments, as well as in curative medical practice, that a real menace would be created to the public health interests of United States citizens, as well as to medical practice standards as now constituted, and also to the ancillary hospital and other services associated in preventive and curative medicine; and

Whereas the existing plan of medical practice, based as it is on a merit system of competitive practice, free from all political domination and paternalism, has been largely responsible for making it possible for the United States and its federated Commonwealths to show the lowest morbidity and mortality rates among civilized nations: Now, therefore, be it

Resolved by the California Medical Association, through its council, That the California Representatives in the United States Senate and House of Representatives, be requested to use their best endeavors to prevent the passage of S. 1620, and of proposed laws of analogous nature, such as the amendments to H. R. 6635 proposed by Senator WAGNER.

Samuel Davis McReynolds

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 12, 1939

Mr. PLUMLEY. Mr. Speaker, I realize full well that I can add nothing to the deserved tributes which have been so eloquently paid to my friend SAMUEL D. MCREYNOLDS.

My inclination at this time is to say nothing, for words fail me when I undertake to measure with them the grief I feel at his passing. I fear, however, he might not understand why his old friend did not say something, for our friendship was intimate and close, and of long standing. Those of you who did not know him must appreciate from what has been said, and truly, that it was both a privilege and an honor to have been permitted to enjoy the confidence and friendship of such a man.

With no fulsomeness, I can say that no man I ever knew was more justly entitled to or so sure of hearing the plaudit:

Well done, thou good and faithful servant; thou hast been faithful over a few things, I will make the ruler over many things: enter thou into the joy of thy Lord.

Hail and farewell, my friend, we shall not forget you. We shall lay your mortal remains at the foot of the mountains you loved, and from whence you came, and in the soil of which you were an integrant part; for you belong within those borders bounded by mountain-high horizons. You were typical of the mountains and the hills and the valleys of Tennessee, and you shall sleep among them; and "at home." And I know, my friend, that somewhere, sometime, we shall meet again—

When the blue hills grow tender, when they pull
The twilight close with gesture beautiful,
And shadows are their garments, and the air
Deepens, and the wild veery is at prayer
* * * I know
That somehow, sometime, I shall follow
to the still land beyond the evening star,
where everlasting hills and valleys are,
And silence may not hurt us any more,
And terror shall be past, and grief, and war!

William Ben Cravens

MEMORIAL ADDRESS
OF
HON. JOHN H. KERR
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, May 30, 1939

On the life, character, and public service of Hon. WILLIAM BEN CRAVENS, late a Representative from the State of Arkansas

Mr. KERR. Mr. Speaker, the assembled House of Representatives is in no sense the place to make social contacts or a place to form a just estimate of the character, real ability, and fidelity of its membership. We meet, discuss measures calendared for legislation, and hear debates often not germane to the subject matter under consideration. If this was the only opportunity the Members had to form a just estimate of our colleagues, I fear most of us would go home wondering why our constituents sent us to be their representatives in the greatest legislative body on earth.

Fortunately for us and our country we do get an opportunity to know each other when we come to consider all legislation before our several committees, and every Member of Congress, if he remains in Congress for several terms, will at some time have some intimate contact with his fellow Members which unfolds the character and viewpoint of each Member and it enables us to separate the gold from the dross. Seldom are we disappointed and those revelations lead me to assert that no more patriotic or diligent body of men could assemble on this earth to legislate for a Nation than those who from session to session compose the membership of the House of Representatives. It is possible, of course, to have a few unworthy men in such a body, but in this body these men are few and an exception to the rule, and it clearly evinces the fact that the people from every section of the Nation can be relied upon to choose a representative here and these representatives do and should reflect the ideals of their constitutency and pay tribute to their universal high moral conception of citizenship and love of country.

I wish to pay a last tribute to my fellow colleague and friend, Hon. BEN CRAVENS, of Arkansas, who died in the city of Washington recently and who represented the Fourth Congressional District of that State. Mr. CRAVENS had for many years been chosen to perform public duties in his native State. He was the prosecuting attorney of the Twelfth Judicial District of Arkansas for three terms and was elected Member of Congress in 1907, and served three terms. He was not a candidate then for reelection, but ran again in 1932 and was elected to the Seventy-third, Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses. The fact that Mr. CRAVENS could remain out of Congress for 10 years and then be reelected is a most unusual incident in the life of any public man and this fact, if we had no other measure to go by, clearly discloses the high esteem in which he was held by the people among whom he lived.

As a public official he served his people with the deepest loyalty and unselfish affection and if he was a partisan, it was because the history of his party convinced him of its correct theory of government, but he was never so partisan that he would sacrifice the love of his country upon the altar of partisanship. He was a wise man, an able and discreet lawyer, a brave and courageous representative of a great people. I learned to admire his fine qualities after an intimate association with him on an important committee and I shall cherish as long as I live the mutual friendship we enjoyed for a few years and I hope to renew this friendship when I, too, shall cross "the Unknown River to the Unseen Shores."

Mr. CRAVENS lived in an eventful period of the Nation's history. He was born in the section of the country which was humiliated by defeat and when poverty was universal in our Southland. He grew to manhood and with his growth overcame all obstacles and emerged a wise leader, and able official and a valuable citizen. Men of his generation and his type from his section of the country overcame obstacles which few men encounter in life and made anew the social, financial, and political prominence of the South.

In the 15 years of my membership in this body, no State in this Union has sent to both Houses of Congress a more able, diligent, and conscientious membership than Arkansas, and BEN CRAVENS, our deceased colleague, deserves to rank among the outstanding ones.